

This will be a very busy week for investors. In addition to several Federal Reserve members speaking, (including Jerome Powell) throughout the week, several important economic data points will be published. Additionally, Q2 corporate earnings reporting season is in full swing, including earnings reports from the following well-known names:

Monday: Citigroup (C)

Tuesday: JP Morgan (JPM), Johnson & Johnson (JNJ), Wells Fargo (WFC), Goldman Sachs (GS), Charles Schwab (SCHW), United Airlines (UAL)

Wednesday: Bank of America (BAC), Novartis (NVS), Netflix (NFLX), Abbott Labs (ABT), IBM (IBM), Progressive (PGR), US Bancorp (USB), Kinder Morgan (KMI), Alcoa (AA)

Thursday: Microsoft (MSFT), United Health (UNH), Philip Morris (PM), Honeywell (HON), Union Pacific (UNP), Danaher (DHR), Morgan Stanley (MS), Intuitive Surgical (ISRG), Capital One (COF)

Friday: American Express (AXP), BlackRock (BLK), Schlumberger (SLB), State Street (STT)

Our tactical model remains bullish (100% equity invested).

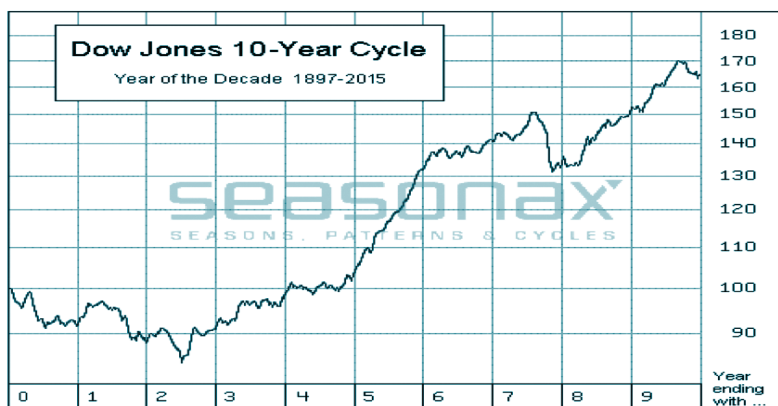
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|--------------------------------------|
| MONDAY JULY 15, 2019 |
| NY Empire State Manufacturing Index |
| TUESDAY JULY 16, 2019 |
| Retail Sales |
| Redbook |
| Industrial Production |
| NAHB Housing Market Index |
| Business Inventories |
| Capacity Utilization |
| Fed Chair Powell Speech |
| WEDNESDAY JULY 17, 2019 |
| MBA Mortgage Applications |
| Housing Starts |
| Building Permits |
| Fed Beige Book |
| THURSDAY JULY 18, 2019 |
| Philadelphia Fed Manufacturing Index |
| Initial Jobless Claims |
| CB Leading Index |
| FRIDAY JULY 19, 2019 |
| Michigan Consumer Sentiment |

GAUGE OF THE GRADE

BEARISH

NEUTRAL

BULLISH



As a point of interest, the adjacent charts are seasonal charts depicting the Dow Jones 10-year cycle (left) and typical Dow Jones performance in pre-election years (right). The 10-year cycle suggests that markets top out mid-year in years ending in 9 (2019) and continue to underperform until finding a bottom mid-year in years ending 2 (2022). Furthermore, the Pre-Election chart suggests that the market will top out toward the end of July for this year.

SECTOR RETURNS

| | 5 DAYS | 1 MONTH | 3 MONTHS | 6 MONTHS | 12 MONTHS |
|------------------------|--------|---------|----------|----------|-----------|
| Basic Materials | -1.1 | 2.0 | -0.2 | 11.3 | -2.3 |
| Communication Services | 1.4 | 7.3 | 3.4 | 14.5 | 3.6 |
| Consumer Cyclical | 1.8 | 5.9 | 4.3 | 17.0 | 8.5 |
| Consumer Defensive | 0.6 | 2.2 | 6.0 | 15.8 | 14.9 |
| Energy | 1.9 | 7.1 | -5.4 | 3.8 | -15.7 |
| Financial Services | 0.5 | 4.8 | 4.5 | 16.4 | 5.3 |
| Healthcare | -1.3 | 1.9 | 3.2 | 6.7 | 6.2 |
| Industrials | 0.9 | 4.5 | 2.2 | 16.8 | 7.8 |
| Real Estate | -0.2 | 1.2 | 2.6 | 17.0 | 13.1 |
| Technology | 1.5 | 6.4 | 5.5 | 28.3 | 16.8 |
| Utilities | -0.2 | 1.7 | 4.8 | 15.4 | 18.6 |



SOWELL'S WEEK AHEAD

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