

After two weeks of major economic data and corporate earnings releases, this week will be relatively quiet on those two fronts. According to FactSet, to date 77% of S&P 500 companies have reported earnings for Q2 2019. In terms of earnings, 76% of companies have beat (lowered) EPS forecasts, while 59% have beat sales forecasts. The energy and healthcare sectors led the positive earnings surprises.

This week 64 S&P 500 companies will report earnings, including:

**Monday:** Marriott (MAR), Tyson Foods (TSN), Loews (L), Steris (STE), Kemper (KMPR)

**Tuesday:** Walt Disney (DIS), Duke Energy (DUK), Zoetis (ZTS), Discovery (DISCA), Mosaic (MOS)

**Wednesday:** Booking Holdings (BKNG), American International Group (AIG), Skyworks (SWKS)

**Thursday:** Uber (UBER), Activision Blizzard (ATVI), Cheniere Energy (CQP), Viacom (VIAB)

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

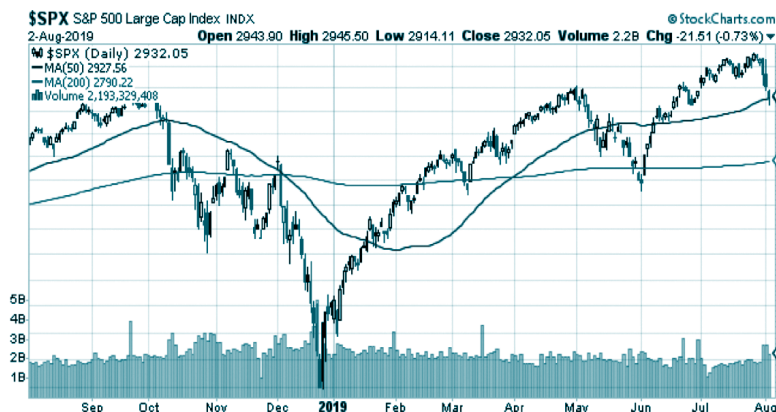
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|---|
| <b>MONDAY AUGUST 5, 2019</b>            |
| Markit Services PMI                     |
| Markit Composite PMI                    |
| ISM Non-Manufacturing PMI               |
| ISM Non-Manufacturing Employment        |
| ISM Non-Manufacturing Business Activity |
| ISM Non-Manufacturing Prices            |
| ISM Non-Manufacturing New Orders        |
| Total Vehicle Sales                     |
| <b>TUESDAY AUGUST 6, 2019</b>           |
| Redbook                                 |
| IBD/TIPP Economic Optimism              |
| JOLTs Job Openings                      |
| <b>WEDNESDAY AUGUST 7, 2019</b>         |
| MBA Mortgage Applications               |
| Consumer Credit Change                  |
| <b>THURSDAY AUGUST 8, 2019</b>          |
| Initial Jobless Claims                  |
| Wholesale Inventories                   |
| <b>FRIDAY AUGUST 9, 2019</b>            |
| Producer Price Index                    |

**GAUGE OF THE GRADE**

BEARISH

NEUTRAL

BULLISH



With little fundamental data to trade on this week, investors will be focusing on a few technical levels. The S&P 500 closed right on its 50-day moving average (MA) on Friday. Traders will watch to see whether this level holds on Monday as an opportunity to buy into last week's sell-off. If the market fails to hold the 50-day MA, we see initial support levels at 2,900, then the 2,800 area (approximately 5% lower than current levels).

**SECTOR RETURNS**

|                        | 5 DAYS | 1 MONTH | 3 MONTHS | 6 MONTHS | 12 MONTHS |
|------------------------|--------|---------|----------|----------|-----------|
| Basic Materials        | -3.7   | -3.1    | 1.1      | 5.3      | -4.5      |
| Communication Services | -3.5   | 0.2     | 1.0      | 8.4      | 5.1       |
| Consumer Cyclical      | -4.6   | -2.2    | -1.1     | 8.9      | 3.6       |
| Consumer Defensive     | -1.8   | 0.7     | 3.7      | 11.3     | 11.6      |
| Energy                 | -3.6   | -4.7    | -6.3     | -7.5     | -21.4     |
| Financial Services     | -3.8   | -0.7    | -0.3     | 6.9      | -0.2      |
| Healthcare             | -1.1   | -2.4    | 2.5      | 1.7      | 2.7       |
| Industrials            | -3.5   | -2.0    | -1.2     | 7.3      | 1.5       |
| Real Estate            | 1.2    | 0.5     | 3.7      | 9.6      | 13.4      |
| Technology             | -4.5   | -0.7    | 1.1      | 18.2     | 13.1      |
| Utilities              | 0.3    | -0.2    | 4.5      | 11.6     | 17.4      |



## SOWELL'S WEEK AHEAD

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