

This will be an incredibly busy week for investors. On the domestic front, there is a slew of important economic data and Q4 corporate earnings due. Globally, on Jan 31 the U.K. is set to officially leave the European Union at 11 p.m. London time, while the global investment community will be closely watching ongoing developments surrounding the Coronavirus (see chart below). Important economic data releases include consumer confidence, GDP and the FOMC rate decision (no change expected). The following companies are due to report quarterly results this week:

Monday: DR Horton (DHI), Arconic (ARNC), Whirlpool (WHR), Juniper Networks (JNPR)

Tuesday: Apple (AAPL), Pfizer (PFE), United Tech (UTX), Lockheed Martin (LMT), Starbucks (SBUX), 3M (MMM), Advanced Micro Devices (AMD), eBay (EBAY), Xilinx (XLNX), PulteGroup (PHM)

Wednesday: Microsoft (MSFT), Facebook (FB), Alibaba (BABA), Mastercard (MA), AT&T (T), Boeing (BA), McDonald's (MCD), PayPal (PYPL), Tesla (TSLA), General Electric (GE), Anthem (ANTM)

Thursday: Amazon (AMZN), Visa (V), Verizon (VZ), Coca-Cola (KO), Amgen (AMGN), Thermo Fisher (TMO), Danaher (DHR), United Parcel Service (UPS), Altria (MO), Raytheon (RTN)

Friday: Exxon Mobil (XOM), Chevron (CVX), Honeywell (HON), Charter Comms (CHTR), Caterpillar (CAT), Colgate-Palmolive (CL), Aon (AON), Phillips 66 (PSX), LyondellBasell (LYB), IDEXX Labs (IDXX)

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

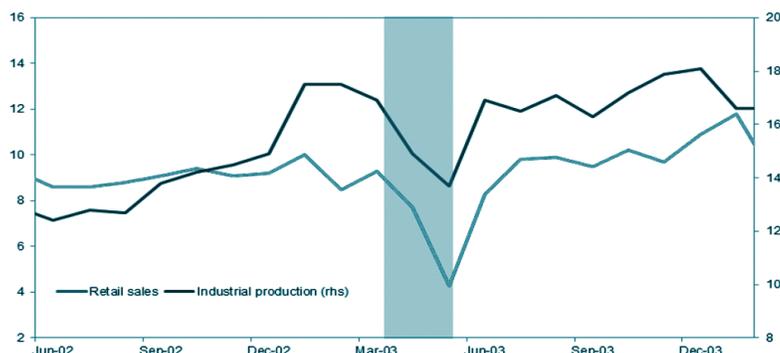
MONDAY JANUARY 27, 2020	
	Dallas Fed Manufacturing Index
TUESDAY JANUARY 28, 2020	
	Durable Goods Orders
	Redbook
	S&P/Case-Shiller Home Price Index
	CB Consumer Confidence
	Richmond Fed Manufacturing Index
WEDNESDAY JANUARY 29, 2020	
	Fed Interest Rate Decision
	USMCA Trade Deal Signature
THURSDAY JANUARY 30, 2020	
	GDP Growth Rate
	Initial Jobless Claims
FRIDAY JANUARY 31, 2020	
	Personal Income
	Personal Spending
	PCE Price Index
	Employment Cost Index
	Chicago PMI JAN
	Michigan Consumer Sentiment

GAUGE OF THE GRADE



2003 SARS outbreak weighed on China activity, but impact was short-lived

China retail sales (lhs); China industrial production (rhs), percent change yoy



Shaded area represents SARS outbreak in April-May 2003.

Source: NBS, CEIC, Goldman Sachs Global Investment Research.

In light of the Coronavirus outbreak, the adjacent chart, courtesy Goldman Sachs, shows the impact of the SARS virus in 2003 on Chinese retail sales and industrial production for historical reference. Recall, the Chinese economy is the second largest in the world. If the SARS outbreak is any indication of the impact of these outbreaks on the economy, the chart illustrates that the impact is fairly short-lived, with a trough in activity typically occurring 1-3 months after the initial outbreak. We are watching developments regarding the spreading / containment of the Coronavirus very closely to assess the potential economic impact of this latest outbreak.

SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	-2.5	-2.9	3.8	0.7	14.6
Communication Services	-1.5	3.7	11.2	9.9	24.6
Consumer Cyclical	-1.1	1.8	5.8	3.7	20.4
Consumer Defensive	-0.6	0.7	4.5	7.7	23.7
Energy	-4.8	-6.9	-0.8	-8.0	-6.3
Financial Services	-2.0	-0.7	7.0	7.0	19.8
Healthcare	-2.1	-0.2	13.2	12.1	18.2
Industrials	-1.1	1.9	7.3	6.7	23.8
Real Estate	0.8	4.5	1.6	10.0	24.4
Technology	0.2	6.7	19.1	17.3	49.7
Utilities	2.2	6.3	5.5	14.7	28.3



SOWELL'S WEEK AHEAD

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