

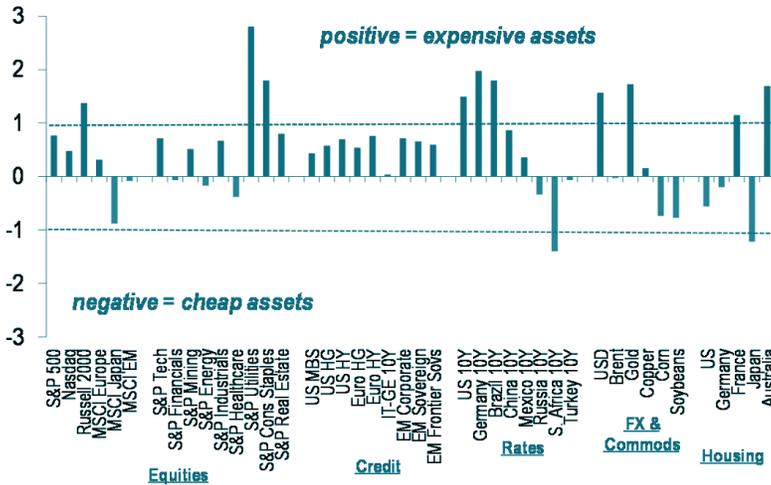
With a growing number of new coronavirus cases reported outside of China, the focus remains around the impact of the virus on global growth. Of particular importance will be the release of Chinese manufacturing PMI data on Friday evening (Friday morning US time). On the domestic economic front, several regional manufacturing index updates are released, as well as durable goods data, consumer confidence data and GDP. Several Federal Reserve members also speak again throughout this week.

Corporate results from Autodesk (ADSK), American Tower (AMT), Booking (BKNG), Salesforce (CRM), HP Inc. (HPQ), Intuit (INTU), Marriott (MAR), Best Buy (BBY), L Brands (LB), Macy's (M), TJX Companies (TJX), Home Depot (HD), Lowes (LOW).

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

MONDAY FEBRUARY 24, 2020
Chicago Fed National Activity Index
Dallas Fed Manufacturing Index
TUESDAY FEBRUARY 25, 2020
Redbook
S&P/Case-Shiller Home Price
CB Consumer Confidence
Richmond Fed Manufacturing Index
WEDNESDAY FEBRUARY 26, 2020
MBA Mortgage Applications
THURSDAY FEBRUARY 27, 2020
Redbook
S&P/Case-Shiller Home Price
CB Consumer Confidence
Richmond Fed Manufacturing Index
Initial Jobless Claims
FRIDAY FEBRUARY 28, 2020
Personal Income
Personal Spending
Chicago PMI
Michigan Consumer Sentiment

GAUGE OF THE GRADE



The adjacent chart, courtesy J.P. Morgan, shows the deviation from long-term averages for forward P/Es, credit spreads, real bond yields, real commodity prices and real effective FX rates. The chart illustrates that most asset classes are expensive versus their historical averages. It can be argued that with interest rates at historical lows, asset prices should trade at higher multiples, however, with inflation running above the Federal Reserve's 2% target, we question how much lower rates can move. Additionally, in the short-term, Goldman Sachs' proprietary Sentiment Indicator (not shown) is trading at the very elevated level of 1.7 (anything above 1 indicates stretched bullish positioning). As such, we continue to advise caution in the short to medium term.

SECTOR RETURNS					
	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	-0.4	-0.8	1.7	7.7	7.2
Communication Services	-0.8	-0.2	8.6	14.2	21.4
Consumer Cyclical	-0.4	3.8	12.1	13.6	21.4
Consumer Defensive	-0.2	0.7	5.9	8.3	19.0
Energy	-0.9	-7.5	-6.6	-4.0	-15.5
Financial Services	-1.3	0.1	4.4	16.1	17.1
Healthcare	-0.4	-0.5	7.5	15.1	16.0
Industrials	-0.9	0.2	4.0	12.9	13.6
Real Estate	0.0	4.1	9.5	10.8	21.9
Technology	-2.4	2.1	14.3	23.8	40.9
Utilities	-0.1	4.3	11.9	13.9	26.1



SOWELL'S WEEK AHEAD

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