

In last week's Quarter 1 Review/Quarter 2 Preview, we noted there could be some liquidity concerns in the fixed income market due to a large amount of investment grade corporate credit that could be downgraded to the high yield space. On Thursday, the Fed announced they would be expanding their facilities to include purchasing some high yield credit from recent "fallen angels" such as Ford, Continental Resources, and Macy's, as well direct purchases of corporate bond ETFs.

The upcoming week will be heavy on economic data on Wednesday and Thursday. Along with a weekly update on initial and continuing jobless claims, we will get a look at the Retail Sales numbers for March. This should give investors a better look into the impact of the coronavirus over a full calendar month, since consumer spending makes up about 70% of U.S. GDP. Q1 Earnings season also kicks off this week and we will be getting reports from the following companies:

Delta Air Lines (DAL), United Airlines (UAL), J.B. Hunt (JBHT), JPMorgan Chase (JPM), Wells Fargo (WFC), Johnson & Johnson (JNJ), Bank of America (BAC), Bed Bath & Beyond (BBBY), Citigroup (C), United Health (UNH), Goldman Sachs (GS), Morgan Stanley (MS), Abbott Laboratories (ABT), Danaher (DHR), Honeywell (HON), State Street (STT), Kansas City Southern (KSU), Murphy USA (MUSA).

Our tactical model remains bearish (100% cash or cash-like instrument).

MONDAY APRIL 13, 2020	
	3-Month Bill Auction
	6-Month Bill Auction
TUESDAY APRIL 14, 2020	
	Redbook
	Import Prices
	Export Prices
WEDNESDAY APRIL 15, 2020	
	Retail Sales (MAR)
	NY Empire State Manufacturing Index
	Industrial Production
	Manufacturing Production
	Business Inventories
	Fed Beige Book
THURSDAY APRIL 16, 2020	
	Initial Jobless Claims
	Continuing Jobless Claims
	Housing Starts
	Building Permits
	Philadelphia Fed Manufacturing Index
FRIDAY APRIL 17, 2020	
	Baker Hughes Oil Rig Count

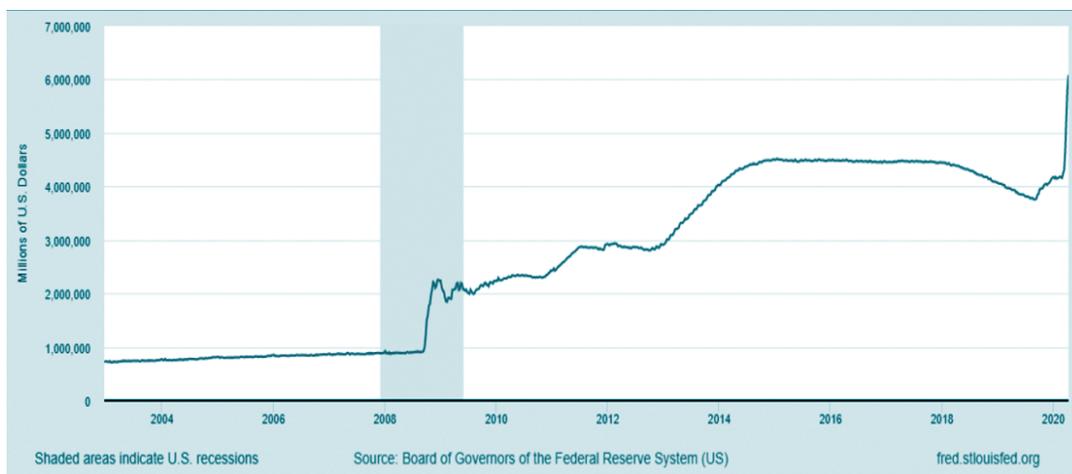
GAUGE OF THE GRADE



BEARISH

NEUTRAL

BULLISH



There has been a great deal of focus recently (and rightly so) on the interventions of the Federal Reserve to keep the economy afloat. The adjacent chart shows the total assets on the Fed's balance sheet, which just topped \$6 trillion for the first time, with most of the increase coming from aggressive purchases of US Treasuries.

SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	18.1	5.9	-16.3	-9.6	-12.0
Communication Services	9.0	-1.0	-17.2	-10.9	-7.6
Consumer Cyclical	15.0	-1.0	-16.5	-7.6	-9.2
Consumer Defensive	6.2	-1.0	-8.3	-5.0	2.9
Energy	13.0	1.5	-44.5	-38.8	-49.7
Financial Services	15.6	2.3	-22.5	-12.0	-9.3
Healthcare	8.4	3.2	-7.9	7.9	3.8
Industrials	11.4	-3.9	-24.0	-15.3	-15.4
Real Estate	20.9	-6.8	-14.7	-15.7	-10.6
Technology	8.9	4.4	-10.4	6.3	9.4
Utilities	13.2	-3.0	-5.7	-6.2	3.9



SOWELL'S WEEK AHEAD

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