

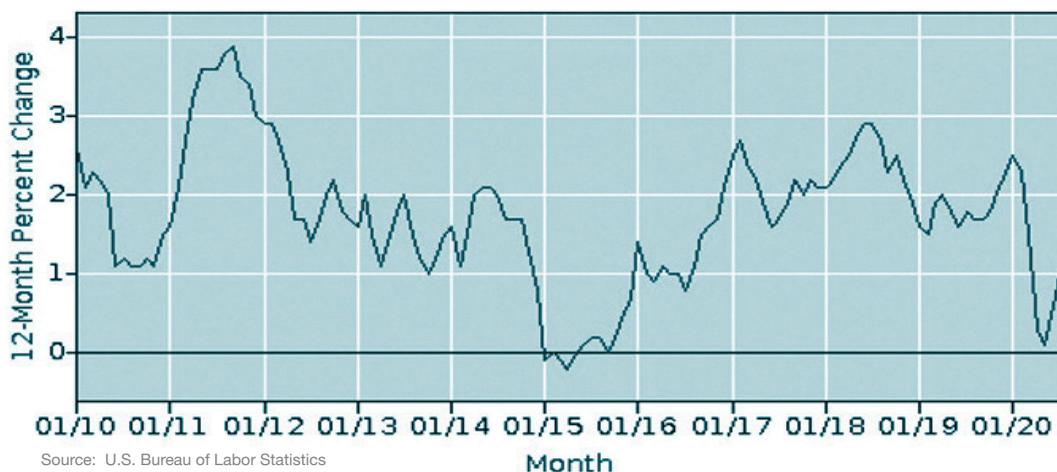
Last week's indicative CPI reading of 1.3% for the last 12-months, and in-line initial jobless claims of 884,000 in the week, failed to support equity markets with the S&P 500 index declining 2.5% for the week. The market's decline was likely an indicative trend of Morningstar reporting record outflows for U.S. stock funds totaling \$52.0 billion as investors poured \$76.6 billion into taxable-bond funds in August.

This week is packed with leading economic data expected to guide market movements: University of Michigan's consumer sentiment, industrial production, retail sales including the FOMC's roadmap for rates.

As was mentioned last week, our tactical model remains positive (100% long equities) with a cautious sentiment as we continue to monitor the relative strength of the environment.

MONDAY SEPTEMBER 14, 2020
Lennar Corp. earnings
TUESDAY SEPTEMBER 15, 2020
Industrial Production
Adobe earnings
Fedex earnings
WEDNESDAY SEPTEMBER 16, 2020
Retail Sales
Business Inventories
FOMC Rate Decision
Herman Miller earnings
THURSDAY SEPTEMBER 17, 2020
Initial Jobless Claims
Continuing Jobless Claims
Housing Starts
FRIDAY SEPTEMBER 18, 2020
University of Michigan Consumer Sentiment
Leading Indicators

GAUGE OF THE GRADE



Source: U.S. Bureau of Labor Statistics

The monthly consumer price index rose sharply in August by 0.4% but well below the historic Federal Reserve's 2% annual inflation target for maximum employment and price stability.

SECTOR RETURNS					
	5 DAYS	1 MONTH	3 MONTHS	6 MONTHS	12 MONTHS
Basic Materials	0.59	3.18	19.96	36.04	10.75
Communication Services	(2.82)	0.76	11.10	26.69	6.93
Consumer Cyclical	(2.09)	4.20	22.13	45.87	28.91
Consumer Defensive	(1.10)	1.95	12.27	15.64	7.93
Energy	(6.69)	(15.51)	(15.55)	(0.61)	(44.79)
Financial Services	(2.58)	(2.54)	7.26	11.35	(7.17)
Healthcare	(1.15)	(1.31)	7.74	16.05	16.23
Industrials	(0.64)	(0.58)	13.38	17.68	(2.18)
Real Estate	(2.06)	(1.42)	4.05	(2.13)	(12.66)
Technology	(4.34)	1.07	15.29	37.66	38.74
Utilities	(1.16)	(3.24)	(0.58)	(3.98)	(9.05)



SOWELL'S WEEK AHEAD

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