

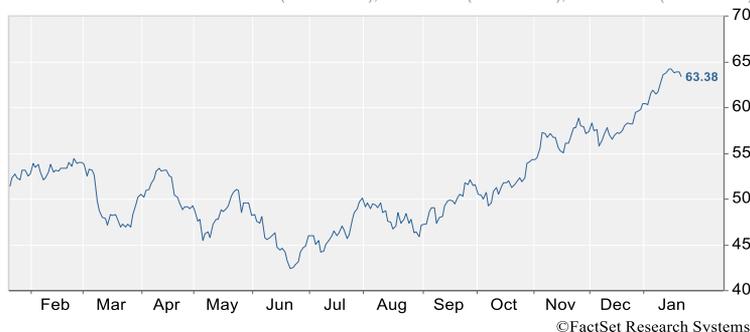
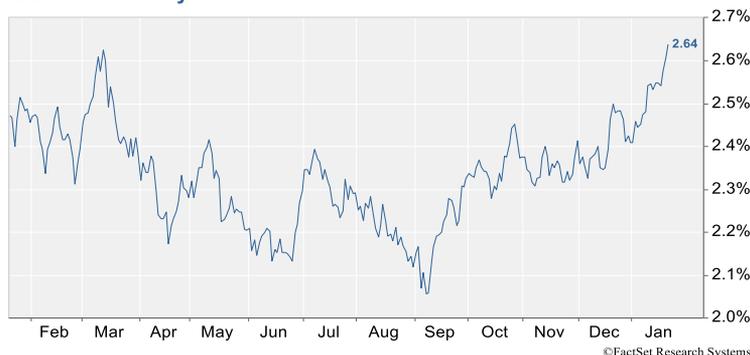
HEADLINE NEWS
Fourth Quarter Earnings Pick Up

- The stock market finished positive for the third week in a row to start the year. With no major drivers one way or the other and little to change the narrative, stocks continued to rise as investors largely shrugged off the looming government shutdown and rising bond yields. Despite the strength in the market, the VIX, a volatility index often referred to as Wall Street's "fear gauge," briefly spiked over 12 last week, a level not seen since the middle of November. Though the VIX remains at historically low levels, the team at Appleton will be watching for any signs of increased volatility to see if it can shake investors' confidence in the market.
- The macroeconomic calendar is light this week, but there are a few items worth watching. On Wednesday, Markit Economics releases their manufacturing and service PMIs, and Friday brings the first look at fourth quarter GDP. We will be watching all three releases to see if the positive momentum in the US economy continues.
- Fourth quarter earnings season picks up this week with 79 S&P 500 companies due to report. Results are sure to be noisy given the amount of one-time charges likely to be taken due to the tax reform bill. We have already seen some large hits, particularly in the Financials sector. Last week, Citigroup took a one-time, non-cash charge of \$22 billion, reducing their reported EPS to -\$7.15/share. More important than the charges, though, will be forward guidance management gives in relation to tax reform.

S&P 500

WTI Crude Oil Spot Price (\$/barrel)

Max: 64.22 (12-JAN-18), Min: 42.48 (21-JUN-17), Last: 63.38 (19-JAN-18)


US 10Y Treasury Yield

NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
1/22	04:05 PM	NFLX-US	Netflix, Inc.
1/23	06:45 AM	JNJ-US	Johnson & Johnson
1/23	07:00 AM	PG-US	Procter & Gamble Co.
1/23	07:00 AM	VZ-US	Verizon Communications, Inc.
1/23	04:00 PM	TXN-US	Texas Instruments Incorporated
1/24	Before Market	GE-US	General Electric Co.
1/25	Before Market	NOC-US	Northrop Grumman Corp.
1/25	Before Market	SHW-US	The Sherwin-Williams Co.
1/25	07:30 AM	MMM-US	3M Co.
1/26	Before Market	ABBV-US	AbbVie, Inc.
1/26	Before Market	HON-US	Honeywell International, Inc.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
1/24	09:45 AM	Markit PMI Manufacturing SA (Prelim)	JAN	55.0	55.1
1/24	09:45 AM	Markit PMI Services SA (Prelim)	JAN	54.1	53.7
1/25	08:30 AM	Initial Claims SA	01/20	236.0K	220.0K
1/26	08:30 AM	Durable Orders SA M/M (Prelim)	DEC	0.90%	1.3%
1/26	08:30 AM	GDP SAAR Q/Q (First Preliminary)	Q4	2.8%	3.2%
1/26	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	01/26		747.0

Source: FactSet and API

INDEX RETURNS (AS OF 1/19/2018)

	MTD	YTD
S&P 500	5.20	5.20
Dow Jones Ind. Avg.	5.56	5.56
Barclays MM Short 1-5 Yr.	0.15	0.15
Barclays MM 1-10 Yr.	-0.10	-0.10
ML US Gov/Corp 1-10 Yr.	-0.63	-0.63

Source: Interactive Data

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