

HEADLINE NEWS
Busiest Week of Q3 Earnings

- Third quarter earnings are likely to be the main focus of equity investors this week as 178 S&P 500 companies are scheduled to report over the coming days. So far, this earnings season is being viewed as a positive for the stock market, as results have been better than anticipated. According to data from FactSet Research, 78% of S&P 500 companies that have reported have beaten analysts' earnings estimates, and 65% have beaten revenue expectations. Both of those "beat rates" are above recent averages. The blended earnings decline for the S&P has improved to -0.3% from -2.0% as of 9/30. This is largely due to companies beating earnings estimates by a wider margin, with the earnings surprise percentage currently at +7.0%, well above the recent average of +4.4%. The upcoming election and Fed policy meeting in December are sure to remain macro level concerns for investors. However, if the S&P 500 can return to positive earnings growth this quarter, underlying fundamentals can prove to be a tailwind for stocks as we move into the end of the year.

Notable Earnings Due this Week

DATE	TIME	TICKER	COMPANY NAME
10/24	4:05 PM	V-US	Visa, Inc.
10/25	7:00 AM	LMT-US	Lockheed Martin Corp.
10/25	7:00 AM	PG-US	Procter & Gamble Co.
10/25	7:30 AM	CAT-US	Caterpillar, Inc.
10/25	4:30 PM	AAPL-US	Apple, Inc.
10/27	Before Market	TMO-US	Thermo Fisher Scientific, Inc.
10/27	7:00 AM	AMT-US	American Tower Corp.
10/27	7:45 AM	UPS-US	United Parcel Service, Inc.
10/27	After Market	GOOGL-US	Alphabet, Inc.
10/27	4:00 PM	AMGN-US	Amgen, Inc.
10/27	4:01 PM	AMZN-US	Amazon.com, Inc.
10/28	8:00 AM	XOM-US	Exxon Mobil Corp.

Source: FactSet & API

S&P 500


Source: FactSet Prices

Key Macroeconomic Data Due this Week

Date	Time	Event	Period	Consensus	Prior
10/24	9:45 AM	Markit PMI Manufacturing SA (Prelim)	OCT	51.5	51.5
10/25	10:00 AM	Consumer Confidence	OCT	101	104.1
10/26	9:45 AM	Markit PMI Services SA (Preliminary)	OCT	52.3	52.3
10/27	8:30 AM	Durable Orders SA M/M (Preliminary)	SEP	0.1%	0.1%
10/27	8:30 AM	Initial Claims SA	10/22	259K	260K
10/28	8:30 AM	GDP SAAR Q/Q (First Preliminary)	Q3	2.5%	1.4%

Source: FactSet and API

WTI Crude Oil Spot Price (\$/barrel)

Max: 51.59 (19-OCT-16), Min: 26.19 (11-FEB-16), Last: 50.85 (21-OCT-16)



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FIXED INCOME UPDATE
First Gas Tax Increase for New Jersey Since 1988

- After a months-long impasse, top state lawmakers approved a 23 cent increase to New Jersey's gas tax, raising it to 37.5 cents per gallon. The estimated \$2 billion in annual revenues will be dedicated to funding transportation infrastructure, restoring work to hundreds of projects that were stalled earlier this year when the Transportation Trust Fund ran out of money. NJ previously had the second lowest gas levy in the country and will now be in-line with regional peers – CT (38 cents), NY (43 cents), and PA (51 cents). To make the tax increase more palatable for some politicians, New Jersey will also see phased-in reductions in the sales tax rate, the elimination of the estate tax and other revenue declines. This will lead to lower resources for the State's general operations at a time when pension, healthcare and debt costs continue to rise.

INDEX RETURNS (AS OF 10/21/16)

	MTD	YTD
S&P 500	-1.15	6.60
Dow Jones Ind. Avg.	-0.77	6.38
Barclays MM Short 1-5 Yr.	-0.19	1.07
Barclays MM 1-10 Yr.	-0.62	2.06
ML US Gov/Corp 1-10 Yr.	-0.26	3.37

Source: Interactive Data

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