

**HEADLINE NEWS**
**Earnings Update: Negative Guidance on the Rise**

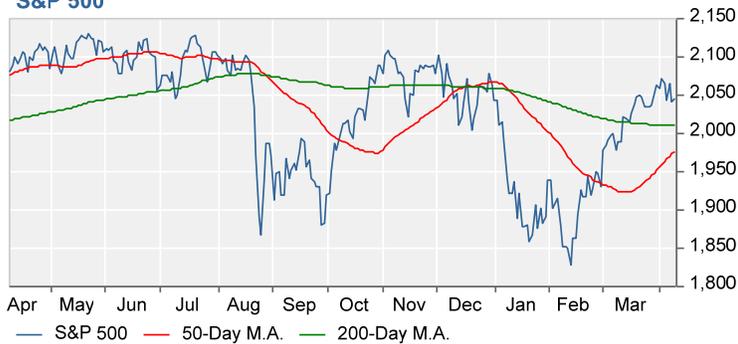
- First quarter earnings season unofficially begins this week with 18 S&P 500 companies reporting results. Consensus earnings expectations continue to drop, with analysts calling for a decline of -9.1%. Part of the decline is due to companies lowering the bar themselves. According to data from Fact Research, 94 out of the 121 companies that have given guidance for Q1 have issued negative guidance. The percentage (78%) is only slightly above the 5-year average of 73%, but the absolute number, 94, is the second highest since FactSet began tracking the data in 2006. As we've written before, lower expectations often lead to upside surprises.

**S&P 500 Earnings Due this Week**

DATE	TIME	TICKER	COMPANY NAME
4/11	After Market	AA-US	Alcoa, Inc.
4/12	7:00 AM	FAST-US	Fastenal Co.
4/12	After Market	CSX-US	CSX Corp.
4/13	6:45 AM	JPM-US	JPMorgan Chase & Co.
4/14	Unspecified	PNC-US	The PNC Financial Services Group, Inc.
4/14	Before Market	DAL-US	Delta Air Lines, Inc.
4/14	6:45 AM	BAC-US	Bank of America Corp.
4/14	8:00 AM	WFC-US	Wells Fargo & Co.
4/15	Unspecified	SCHW-US	The Charles Schwab Corp.
4/15	8:00 AM	C-US	Citigroup, Inc.

**S&P 500**

Source: API



Source: FactSet Prices

**Oil Stabilizes Ahead of Sunday's OPEC Summit in Qatar**

- WTI crude oil is back above \$40/barrel to start the week amid optimism surrounding the upcoming OPEC summit this coming Sunday. A number of energy officials will meet in Doha, Qatar to discuss the possibility of "freezing" the output level of oil. We will be watching to see if the high correlation between the price of oil and stocks continues to hold, and how much of any positive news that may come from the meeting is already priced in.

**Inflation and Retail Sales Highlight the Macro This Week**

- The team at Appleton Partners will be watching both PPI and CPI releases this week for any signs of inflation. We will also be looking for retail sales to increase after 3 straight months of decreases.

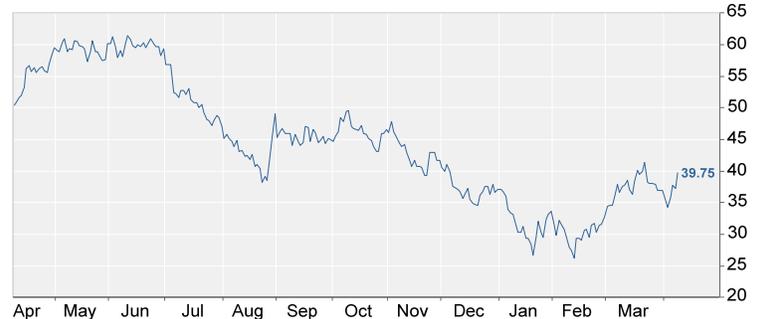
**Key Macroeconomic Data Due this Week**

Date	Time	Event	Period	Consensus	Prior
4/13	8:30 AM	PPI ex-Food & Energy SA M/M	MAR	0.1%	0%
4/13	8:30 AM	PPI SA M/M	MAR	0.3%	-0.2%
4/13	8:30 AM	Retail Sales SA M/M	MAR	0.1%	-0.1%
4/14	8:30 AM	CPI ex-Food & Energy SA M/M	MAR	0.2%	0.3%
4/14	8:30 AM	CPI SA M/M	MAR	0.3%	-0.2%
4/14	8:30 AM	Initial Claims SA	04/09	270K	267K
4/15	9:15 AM	Industrial Production SA M/M	MAR	0%	-0.5% R

Source: API

**WTI Crude Oil Spot Price (\$/barrel)**

Max: 61.37 (10-JUN-15), Min: 26.19 (11-FEB-16), Last: 39.75 (08-APR-16)



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**FIXED INCOME UPDATE**
**Credit Spreads Tighten into Quarter-End**

- Credit spreads round-tripped during the quarter, widening substantially in January and February before a strong snapback in March. In our estimation, spreads were not moving on specific credit fundamentals, but rather on macro concerns including a hard landing in China, a continued slide in oil prices and a persistently strong dollar. By the end of March, fears over China's imminent collapse had subsided, oil prices had rebounded off lows and the dollar stabilized at a weaker level- all developments that lowered both volatility and spreads in the investment grade credit market.

**INDEX RETURNS (AS OF 4/8/16)**

	MTD	YTD
S&P 500	-0.53	0.81
Dow Jones Ind. Avg.	-0.55	1.64
Barclays MM Short 1-5 Yr.	0.24	1.00
Barclays MM 1-10 Yr.	0.51	1.85
ML US Gov/Corp 1-10 Yr.	0.25	2.57

Source: Interactive Data

**APPLETON PARTNERS, INC ONE POST OFFICE SQ. BOSTON, MA 02109 TEL. 617.338.0700 WWW.APPLETONPARTNERS.COM**

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