

HEADLINE NEWS
Continued Earnings Strength; Watching Fed & Jobs

- First quarter earnings season is past the midway point with nearly 60% of S&P 500 companies reporting. According to data from FactSet Research, 77% of the reporting companies have beaten earnings expectations and 68% have beaten sales estimates. Both of those beat rates are well above their 5-year averages. Reporting companies have posted EPS growth of +14.8%, lifting the blended growth rate to +12.5% for the quarter. More importantly, top line growth has proven to be robust as well with the blended revenue growth standing at +7.5% for the quarter. While the Energy sector has been the largest contributor to the earnings growth strength, the +8.3% EPS growth ex-Energy is not insignificant and has proven to be a tailwind for stocks over the past two weeks.
- The macroeconomic calendar is full this week with a host of April month-end data due out throughout the week. The highlight is likely to be Friday's jobs report (consensus +185k adds), but the team at Appleton will also be focusing on April's auto sales (consensus +17.1M) given last month's weakness. We will also be focusing on the Fed as they hold a two day meeting ending with a policy statement Wednesday afternoon. We do not anticipate a rate move, but will be watching the language for any hints on a potential shrinking of the balance sheet.

NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
5/2	06:45 AM	MRK-US	Merck & Co., Inc.
5/2	06:45 AM	PFE-US	Pfizer Inc.
5/2	06:55 AM	XYL-US	Xylem, Inc.
5/2	04:00 PM	GILD-US	Gilead Sciences, Inc.
5/2	04:30 PM	AAPL-US	Apple, Inc.
5/3	07:30 AM	ICE-US	Intercontinental Exchange, Inc.
5/3	After Market	KHC-US	The Kraft Heinz Co.
5/3	04:00 PM	FB-US	Facebook, Inc.
5/4	07:00 AM	ZTS-US	Zoetis, Inc.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
5/3 -		Total Light Vehicle Sales	APR	17.1M	16.5M
5/3	09:45 AM	Markit PMI Services SA (Final)	APR	52.5	52.5
5/3	10:00 AM	ISM Non Manufacturing SA	APR	55.7	55.2
5/3	10:30 AM	EIA Crude Oil Stocks	04/28		-3.6M
5/3	02:00 PM	FOMC Meeting			
5/4	08:30 AM	Initial Claims SA	04/29	246.5K	257.0K
5/5	08:30 AM	Nonfarm Payrolls SA	APR	185K	98.0K
5/5	08:30 AM	Unemployment Rate	APR	4.6%	4.5%
5/5	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	05/05		697.0

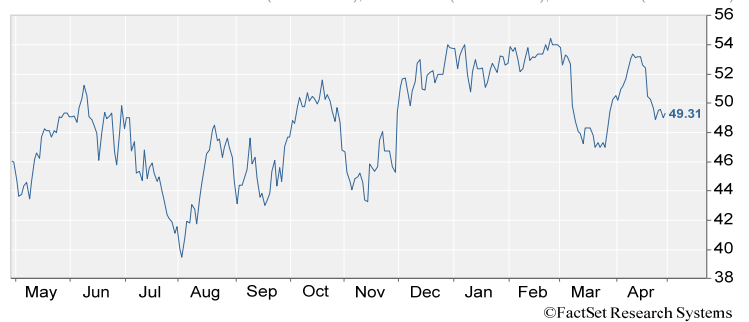
Source: FactSet and API

S&P 500


Source: FactSet Prices

WTI Crude Oil Spot Price (\$/barrel)

Max: 54.48 (23-FEB-17), Min: 39.50 (02-AUG-16), Last: 49.31 (28-APR-17)



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US 10Y Treasury Yield


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INDEX RETURNS (AS OF 4/28/17)

	MTD	YTD
S&P 500	1.03	7.16
Dow Jones Ind. Avg.	1.45	6.71
Barclays MM Short 1-5 Yr.	0.39	1.75
Barclays MM 1-10 Yr.	0.79	2.49
ML US Gov/Corp 1-10 Yr.	0.53	1.17

Source: Interactive Data

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