



CAPITAL GROUP

THE WEEK AHEAD

January 23rd-27th, 2023

Weekly insights from Strategic Partner Jeff Kilburg -

Earnings season swings into full motion as investors prepare for over 75 various S&P 500 companies to report: sectors such as Industrials, Transports, Tech, Pharma and Financials. However, the countdown is on as markets anxiously await the February 1st Federal Reserve's interest rate decision.

After the MLK holiday, stocks opened mixed as the 10-year note continued to spend time tethered to 3,50%. In earnings season, Giant Tech cut additional jobs; somewhat as expected. Consumer spending fell in December, but jobless claims came in low. The result was that stocks were again on a bit of a roller coaster, then rose off of the much-needed Friday rally in tech. On the week, the Dow Jones Industrial Average dropped 2.7% to 33,375; the S&P 500 was barely lower by 0.66% to 3972; and the Nasdaq Composite climbed 0.55% to 11,140.

Year of the Rabbit: Luck, wealth, and good fortune...those are the feelings at the heart of every greeting given during Lunar New Year celebrations, the multi-day festival that marks the start of spring and the new year. Chinese New Year is one of the most important holidays in Chinese culture, markets are closed this week for the Lunar New Year celebration.

Earnings: Earnings season ramps up this week, as investors seek more clarity on how companies are weathering this historic inflation and higher interest rate environment. More than 80 S&P 500 names are slated to report, including Tesla, Microsoft and Boeing. Roughly 55 companies have posted calendar fourth-quarter earnings thus far, with 69% of them beating expectations.

Treasuries: I forecasted that the 10-year yield would fall back under 3.5% in 2023 and last week it closed at 3.48%. This relief in yields might help the beleaguered home builders as mortgage rates have recently fallen. The 30-year fixed-rate mortgage averaged 6.15% in the week ending January 19, down from 6.33% the week before, according to Freddie Mac. A year ago, the 30-year fixed rate was 3.56%.

Calendar

Monday

Earnings: Synchrony Financial, Baker Hughes,
• Zion Bancorp, FNB
• 10:00 a.m. Leading index

Tuesday

Earnings: Microsoft, Travelers, 3M, J&J, Verizon, GE, Lockheed Martin, Texas Instruments, Union Pacific, D.R. Horton, Raytheon, Capital One, Halliburton, Danaher
• 9:45 a.m. S&P Global Manufacturing PMI
• 9:45 a.m. S&P Global Services

Wednesday

Earnings: Tesla, Boeing, IBM, AT&T, CSX, U.S. Bancorp, Whirlpool, Nasdaq, Abbott Labs, Norfolk Southern, General Dynamics, Textron, Ethan Allen, Steel Dynamics, United Rentals, Ameriprise, Hess, Kimberly-Clark, LendingClub, Lam Research, Raymond James, Las Vegas Sands, Xerox

Thursday

Earnings: Intel, Visa, Comcast, SAP, Dow, Southwest Air, Blackstone, Mastercard, KLA Corp, Federated Hermes, LG Display, Archer Daniels Midland, Marsh & McLennan, Nucor, Tractor Supply, Diageo, Nokia, Weyerhaeuser, T. Rowe Price, Rockwell Automation, Valero Energy, McCormick, Xcel Energy, Murphy Oil
• 8:30 a.m. Initial jobless claims, Durable goods, GDP, Advance economic indicators
• 10:00 a.m. New home sales

Friday

Earnings: American Express, Chevron, Colgate-Palmolive, Boozie Allen Hamilton, Charter Communications, HCA Holdings
• 8:30 a.m. Personal income/spending
• 10:00 a.m. Pending home sales & Consumer sentiment

There are no speeches from Fed officials on the calendar as the central bank will meet the following week, on Jan. 31 and Feb. 1. However, investors will be forced to contend with a fresh batch of economic data, including the Fed's preferred inflation measure, the personal consumption expenditure price index, due out Friday. Volatility should persist as earnings season has been surprising in both beats and misses. Stay nimble.

CAPITAL



GROUP

Capital CS Group, An SEC Registered Investment Advisory Firm.

This commentary is for informational purposes only and should not be considered investment advice or a recommendation to buy or sell any securities. Capital CS Group has obtained certain information from third party sources believed to be reliable but does not warrant or guarantee the accuracy or completeness of the information herein. All investments in securities are subject to risk, including loss of principal.

Form ADV contains important information and may be viewed at adviserinfo.sec.gov

Capital CS Group

15375 Barranca Pkwy, Ste G-110 Irvine, CA 92618

844-390-2797

info@capitalcsgroup.com

capitalcsgroup.com