

Earnings Season is here, What to expect



MIDWAY MANAGEMENT

New York, Jan 21, 2019 (Issuewire.com) - Markets around the globe have shown positive gains for the second week in a row. The S&P 500 and the Dow Jones index both closing up over 2% and the US's NASDAQ rose over 3% to finish the week.

Moving into earnings season, Investors can expect a very good week of big bank earnings. Starting off with Citibank (C) before the bell Today, Netflix the media giant will also be posting earnings Thursday after the bell. According to Analysts at Factset, we should expect the S&P 500 earnings to have risen around 10.6% year over year during the period. "If 10.6% is the actual growth rate for the quarter, it will mark the fifth straight quarter of double-digit earnings growth for the index," John Butters (Factset) said on Friday.

On the other hand, Credit Suisse analysts have expressed a lack of interest looking backward at the last quarter of 2018 "Given the market's recent pullback, trade concerns, and weaker expected 2019 growth, investors will likely be far more focused on guidance than 4Q results," Jonathan Golub said last Monday. "Excluding the impact of oil's decline and Apple's recent announcement, revisions are in-line with historical trends."

Keith Parker equity strategist for UBS' expects set themes emerging this earnings season. One of the likely themes to be seen, will, of course, be trade war impacts. Parker in a memo to clients said: "We estimate -1.3% earnings growth assuming 25% tariffs on all US-China trade in further escalation."

2019 Earnings calendar

Monday 14th January: Citigroup before the bell

Tuesday 15th January: JP Morgan Chase, Delta Air Lines, Wells Fargo, United Health Group, before market open; United Continental

Wednesday 16th January: Bank of America, Black Rock, Goldman Sachs, PNC Financial, U.S. Bancorp before market open; Alcoa, CSX after market close

Thursday 17th January: Morgan Stanley before market open; American Express, Netflix after market close

Friday 18th January: Kansas City Southern, Schlumberger, State Street before market open

Due to the partial government shutdown, Retail sales data although scheduled to be released on Wednesday it is expected to see some delay. Market watchers, and investors alike, can expect to see PPI data on Tuesday the 15th. Capital Economics predicts “Plunging energy prices are likely to have dragged headline PPI inflation lower in December, while we also expect further evidence that underlying price pressures are easing,”

2019 economic calendar-

Mon 14th January- N/A

Tues 15th January: Empire Manufacturing, January (11.8, 10.9 prior);

PPI Final Demand month-on-month, December (-0.1% expected, +0.1% prior);

PPI excluding Food & Energy month-on-month, December (+0.2% expected, +0.3% prior);

PPI Final Demand year-on-year, December (+2.5% expected, +2.5% prior);

PPI excluding Food & Energy year-on-year, December (+3.0% expected, +2.7% prior)

Wed 16th January: MBA Mortgage Applications, week of January 11 (23.5% prior);

Retail Sales Advance month-on-month, December (+0.1% expected, +0.2% prior);

Retail Sales excluding Auto month-on-month, December (+0.0% expected, +0.2% prior);

Retail Sales excluding Auto & Gas, December (+0.4% expected, +0.5% prior);

Import Price Index month-on-month, December (-1.3% expected, -1.6% prior);

NAHB Housing Market Index, January (56 expected, 56 prior);

Total Net TIC Flows, November (\$42 billion prior); Net Long-term TIC Flows, November (\$31.3 billion prior)

Thur 17th January: Housing Starts month-on-month, December (+0.2% expected, +3.2% prior);

Building Permits, December (1.288 million expected, 1.328 million prior);

Housing Starts, December (1.258 million expected, 1.256 million prior);

Philadelphia Fed Business Outlook, January (10.0 expected, 9.1 prior revised);

Initial Jobless Claims, week ending January 12 (220,000 expected, 216,000 prior);

Continuing Claims, week ending January 5, (1.722 million prior);

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