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Week ahead: Earnings continue and Iran sanctions return

Jessica Dye in New York AUGUST 3, 2018

Corporate earnings have been on a hot streak, and next week will see another host of major companies try to keep that alive. Plus, US sanctions on Iran are set to resume, central banks will see some action and a dash of economic data will keep investors busy as the dog days of summer get under way in earnest.

Here are some things to watch in the week ahead.

Earnings

Second-quarter earnings season has been generally a good one for the more than three-quarters of S&P 500 companies that have reported so far. The reports keep on coming next week, with companies including Snap, CVS, Viacom, Marriott and Tyson Foods due to release their earnings.

Some of the most closely watched companies will be Walt Disney and 21st Century Fox, which have been in the middle of a dizzying swirl of media dealmaking in the first part of the year.

US sanctions on Iran

Barring an eleventh hour diplomatic breakthrough, US sanctions are set to descend again on Iran starting Monday. Several European countries have pleaded with US President Donald Trump to reverse his hardline approach to the country, to no avail. And the president's angry Twitter jabs at Iran's president last month do not offer much hope to those looking for a last-minute breakthrough.

The move threatens a 2015 nuclear agreement that lifted many international sanctions on Iran in exchange for limits on its nuclear programme.

Central banks

The past week saw major updates from central banks in Japan, the US and UK. Next week see the action move down under, with monetary policy updates due Tuesday from the Reserve Bank of Australia — which is predicted to leave rates on hold at 1.5 per cent — and the Reserve Bank of New Zealand, which is also tipped on Thursday to hold steady at 1.75 per cent.

Over in South America, Argentina's central bank is expected to hold rates steady at 40 per cent when it issues its first decision since switching to monthly policy meetings as it attempts to steer the country's economy back on track after seeking a lifeline from the IMF.

Key data

There aren't many marquee events on the data front next week, but there will still be a few points into which investors can sink their teeth. Friday will see and update on US consumer prices for July, and Canada will also release its employment figures.

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