

**HEADLINE NEWS**
**Starting 2017 Hopeful for Continued Economic Growth**

- Global economic growth continued to show signs of improvement last week, as a number of indicators pointed to continued expansion through December. The Markit Eurozone Manufacturing PMI came in at 54.9, its highest reading since April, 2011. China's Caixin Manufacturing PMI rose to 51.9, its highest level since January 2013. In the U.S., the Markit PMI rose to 54.3, and the Manufacturing ISM increased to 54.7, both bolstered by stronger new orders. What remains to be seen is if this positive survey data makes its way into upcoming hard economic data.
- This Friday, we will get our first retail sales report of the New Year, and consensus is looking for a slight increase, month over month. Some investors are cautious on retail given the recent weakness seen with Macy's, Kohl's, and JC Penny. We tend to come down in the "death by Amazon" camp, and would point to positive data from Amazon.com, Visa, Mastercard, PayPal, and other electronic payment sources indicating that consumers are spending at the same levels, just not at brick-and-mortars.

**Financials in Focus**

- Fourth quarter earnings season gets underway later this week when Bank of America, JP Morgan, Wells Fargo, and PNC report. The Financials ripped higher with yields following the election, but have traded sideways since mid-December. We will continue to monitor the reports for management guidance on the impact of potential deregulation, and what they foresee for rates and the yield curve.

**Key Macroeconomic Data Due this Week**

Date	Time	Event	Period	Consensus	Prior
1/11	10:30 AM	EIA Crude Oil Stocks	01/06		-7.1M
1/12	8:30 AM	Initial Claims SA	01/07	260.0K	235.0K
1/13	8:30 AM	PPI ex-Food & Energy SA M/M	DEC	0.10%	0.40%
1/13	8:30 AM	PPI SA M/M	DEC	0.30%	0.40%
1/13	8:30 AM	Retail Sales ex-Auto SA M/M	DEC	0.50%	0.20%
1/13	8:30 AM	Retail Sales SA M/M	DEC	0.70%	0.10%

Source: FactSet and API

**S&P 500**


Source: FactSet Prices

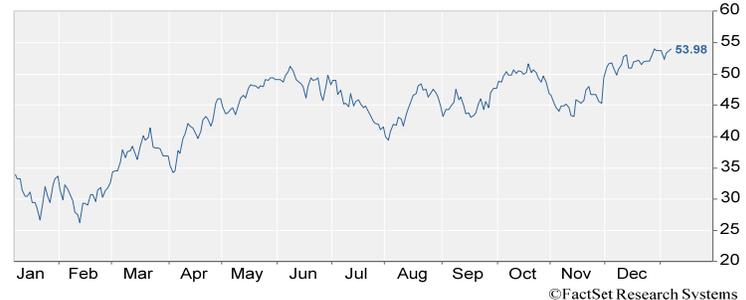
**Notable Earnings Due this Week**

DATE	TIME	TICKER	COMPANY NAME
1/12	Unspecified	DAL-US	Delta Air Lines, Inc.
1/13	Before Market	BLK-US	BlackRock, Inc.
1/13	06:45 AM	BAC-US	Bank of America Corp.
1/13	06:45 AM	PNC-US	The PNC Financial Services Group, Inc.
1/13	08:00 AM	JPM-US	JPMorgan Chase & Co.
1/13	08:00 AM	WFC-US	Wells Fargo & Co.

Source: FactSet &amp; API

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

Max: 54.01 (28-DEC-16), Min: 26.19 (11-FEB-16), Last: 53.98 (06-JAN-17)



©FactSet Research Systems

**FIXED INCOME UPDATE**
**Illinois Begins 2017 Without a Spending Plan**

- Illinois lawmakers are due back in the capital of Springfield on January 9<sup>th</sup> and will be faced with a familiar predicament: lack of an agreed upon budget. After going through the entire fiscal 2016 year without a spending program, the General Assembly passed a stop-gap plan that provided formal appropriations through December 31 of last year. At the time of the partial budget passage, officials were hoping to make it through the elections when a compromise could hopefully be reached. Unfortunately, that deadline has come and gone, and a resolution looks to be nowhere in sight. Continuing appropriations for pension, general obligation bonds payments, and sales tax revenue bonds will continue, as will payments for K-12 education. However, funds for higher education and some social services remain uncertain.

**INDEX RETURNS (AS OF 1/6/17)**

	MTD	YTD
S&P 500	1.76	1.76
Dow Jones Ind. Avg.	1.07	1.07
Barclays MM Short 1-5 Yr.	0.26	0.26
Barclays MM 1-10 Yr.	0.50	0.50
ML US Gov/Corp 1-10 Yr.	0.04	0.04

Source: Interactive Data

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

*This commentary reflects the opinions of Appleton Partners based on information that we believe to be reliable. It is intended for informational purposes only, and not to suggest any specific performance or results, nor should it be considered investment, financial, tax or other professional advice. It is not an offer or solicitation. Views regarding the economy, securities markets or other specialized areas, like all predictors of future events, cannot be guaranteed to be accurate and may result in economic loss to the investor. While the Adviser believes the outside data sources cited to be credible, it has not independently verified the correctness of any of their inputs or calculations and, therefore, does not warrant the accuracy of any third-party sources or information. Specific securities identified and described may or may not be held in portfolios managed by the Adviser and do not represent all of the securities purchased, sold, or recommended for advisory clients. The reader should not assume that investments in the securities identified and discussed were or will be profitable. Any securities identified were selected for illustrative purposes only, as a vehicle for demonstrating investment analysis and decision making.*