

HEADLINE NEWS
Massive Equity Inflows, Other Tailwinds, Drive Stocks Higher

- Positive momentum in the stock market continued into this week, as all of the major U.S. indices hit all-time highs simultaneously for the first time since 1999. Investors are still waiting for details on President-elect Trump's plans, but the hope for corporate tax reform, infrastructure spending, and regulatory reform has been enough to push the markets higher. The team at Appleton believes that the lack of major headline news, positive seasonal trends, and performance-chasing are acting as tailwinds for equities, as well. Oil's rebound has also lifted stocks over the past week, but we are dubious of a production deal getting done at the Nov. 30 OPEC meeting and would look for a pullback to the low \$40/barrel range.
- According to data from Lipper, global equity funds saw inflows of \$27.5 billion for the week ending 11/16. That marks the largest inflow in nearly two years. Global bond funds lost \$18.1 billion over the same period, leading to the largest weekly difference between stocks and bonds ever. Over one-third of the bond outflows occurred in the emerging market arena, as the stronger U.S. dollar put pressure on dollar-denominated EM debt.

Notable Earnings Due this Week

DATE	TIME	TICKER	COMPANY NAME
11/22	6:45 AM	JEC-US	Jacobs Engineering Group, Inc.
11/22	7:31 AM	DLTR-US	Dollar Tree, Inc.
11/23	Before Market	DE-US	Deere & Co.
11/29	6:40 AM	TIF-US	Tiffany & Co.

Source: FactSet & API

Key Macroeconomic Data Due this Week

Date	Time	Event	Period	Consensus	Prior
11/23	2:00 AM	FOMC Minutes			
11/23	8:30 AM	Durable Orders SA M/M (Prelim)	OCT	1.2%	-0.3%
11/23	8:30 AM	Initial Claims SA	11/19	253K	235K
11/23	10:30 AM	EIA Crude Oil Stocks	11/18		5.3M
11/24	9:45 AM	Markit PMI Manufacturing SA (Prelim)	NOV	53.5	53.4

Source: FactSet and API

S&P 500


Source: FactSet Prices

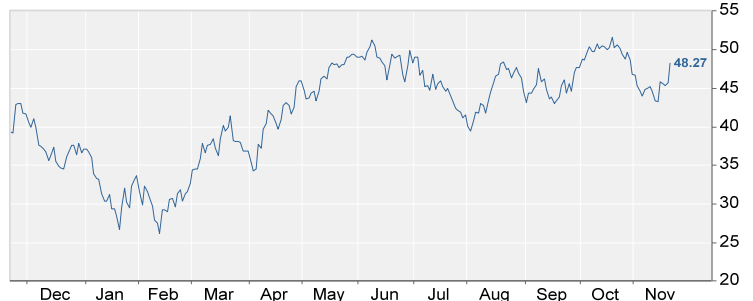
INDEX RETURNS (AS OF 11/18/16)

	MTD	YTD
S&P 500	2.83	8.87
Dow Jones Ind. Avg.	4.34	10.98
Barclays MM Short 1-5 Yr.	-0.97	0.10
Barclays MM 1-10 Yr.	-2.13	-0.18
ML US Gov/Corp 1-10 Yr.	-1.52	1.60

Source: Interactive Data

WTI Crude Oil Spot Price (\$/barrel)

Max: 51.59 (19-OCT-16), Min: 26.19 (11-FEB-16), Last: 48.27 (21-NOV-16)



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FIXED INCOME UPDATE
Infrastructure Investment May Drive 2017 Muni Issuance

- Infrastructure spending and the accompanying boost to economic activity were items of focus within President-elect Donald Trump's campaign and have received heightened attention post-election.
- The Trump administration envisions a \$1.0 trillion infrastructure plan implemented over 10 years to be financed with tax credits offset by projected increases in personal income tax and corporate tax receipts. The plan relies primarily on private investment, which would reduce state and local issuance, if the policy is effected as envisioned. An "infrastructure bank" has also been introduced by members of the administration, which could supplement the traditional public finance market or reintroduce tax-subsidy programs, such as the Build America Bonds.

- Given the myriad of ideas floated and the fact that the administration has yet to take office, the ultimate impact on the municipal market is far from certain.
- What we do know is that approximately \$55 billion of the \$70 billion in general obligation bond authorizations were approved in the November election. In addition, a number of large transportation infrastructure projects to be funded by sales taxes and or property taxes were also approved. This implies that new money issuance in 2017 will be relatively strong. With very early projections by the Street pointing to new money issuance of approximately \$200 billion, up 18% from 2016.

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