

HEADLINE NEWS
Macro Data, Central Bank Decisions, and Tax Reform

- It will be a very busy week in terms of macroeconomic data with a number of events worth watching. For data, we get November readings for PPI, CPI, industrial production, and retail sales, along with December readings for the Flash PMI's, both manufacturing and service. While none of the readings should singlehandedly change the narrative for stocks, they will be worth monitoring for the continued trend of improving economic metrics. The team at Appleton will also be watching for news from multiple central banks this week. The ECB, BOE, and SNB all have monetary policy decisions due out Thursday, but the Fed announcement on Wednesday afternoon will be the headliner. A 25 basis point rate hike is fully expected, but we will be more interested in the forward guidance looking into 2018. Raising short term rates, along with the Fed's plan to unwind the balance sheet, could put upward pressure on the short end of the yield curve, flattening it further.
- Investors will be watching for any progress on the tax reform bill as it moves through the reconciliation process. There have been no major breakthroughs reported since late last week, and a number of items remain contentious. The corporate AMT, SALT deductions, how to treat pass-through entities, and where to set the corporate tax rate all remain key items that need to be resolved before the Republican leadership can get a final bill on the President's desk. The GOP is trying to get the tax bill to a vote prior to the new Senator of Alabama being officially seated, which could come two to three weeks after the election on December 12th.

NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
12/14	After Market	ORCL-US	Oracle Corp.
12/14	04:05 PM	ADBE-US	Adobe Systems, Inc.
12/14	04:15 PM	COST-US	Costco Wholesale Corp.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
12/12	08:30 AM	PPI ex-Food & Energy SA M/M	NOV	0.20%	0.40%
12/12	08:30 AM	PPI SA M/M	NOV	0.30%	0.40%
12/13	08:30 AM	CPI ex-Food & Energy SA M/M	NOV	0.20%	0.20%
12/13	08:30 AM	CPI SA M/M	NOV	0.40%	0.10%
12/13	10:30 AM	EIA Crude Oil Stocks	12/08		-5.6M
12/13	02:00 PM	FOMC Meeting			
12/14	08:30 AM	Initial Claims SA	12/09	240.0K	236.0K
12/14	08:30 AM	Retail Sales ex-Auto SA M/M	NOV	0.60%	0.10%
12/14	08:30 AM	Retail Sales SA M/M	NOV	0.30%	0.20%
12/14	09:45 AM	Markit PMI Manufacturing SA (Prelim)	DEC	54.0	53.9
12/14	09:45 AM	Markit PMI Services SA (Prelim)	DEC	54.9	54.5
12/15	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	12/15		751.0

Source: FactSet and API

S&P 500

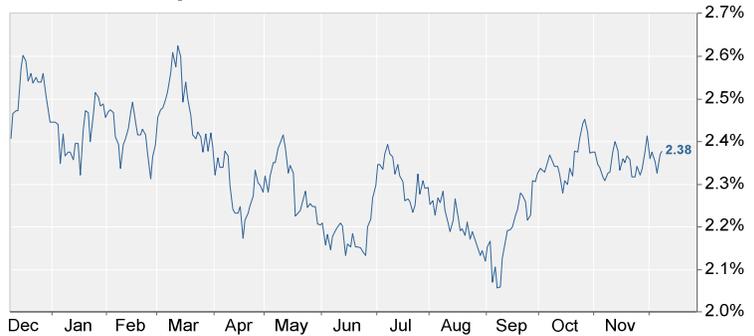

Source: FactSet Prices

WTI Crude Oil Spot Price (\$/barrel)

Max: 58.94 (24-NOV-17), Min: 42.48 (21-JUN-17), Last: 57.32 (08-DEC-17)



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US 10Y Treasury Yield


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INDEX RETURNS (AS OF 12/8/2017)

	MTD	YTD
S&P 500	0.19	20.72
Dow Jones Ind. Avg.	0.30	26.06
Barclays MM Short 1-5 Yr.	0.36	1.67
Barclays MM 1-10 Yr.	0.87	3.58
ML US Gov/Corp 1-10 Yr.	0.08	1.62

Source: Interactive Data

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