

HEADLINE NEWS

Everyone at Appleton Partners would like to wish you a joyful holiday season and Happy New Year!

Stocks Extend Gains on Tax Reform

- Stocks continued to get a boost from the tax reform bill to start the week following Friday night's news that the bill had enough votes to pass through the reconciliation process. The S&P 500, NASDAQ, and Dow all hit all-time highs Monday, with all three averages gaining over 20% year-to-date. The ultimate winners and losers of tax reform will be debated for some time to come, but it is not the sole driver of the rally. As we head into the New Year, the team at Appleton believes that synchronized global economic growth, global corporate profit growth, and historically accommodative central bankers can continue to support stock prices. We will be watchful for any changes to the narrative and are mindful that we could see some rotation out of the winners of 2017 in the new tax year.
- With the tax bill going to a procedural vote on Tuesday, the fixed income team at Appleton is focused on some provisions that could change supply and demand balances in the near-term and potentially have credit-related impacts over a longer period. Key provisions for the municipal market include:
 - Advance refundings are prohibited as of January 1, 2018
 - Private activity bonds are maintained, including stadium financings;
 - Corporate tax rate cut to 21% from 35%;
 - State and local deduction capped at \$10,000 for property, income and sales;
 - AMT is maintained for individuals, but with higher threshold; and
 - Mortgage interest deduction capped at \$750,000.

NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
12/19	09:15 AM	CCL-US	Carnival Corp.
12/19	After Market	MU-US	Micron Technology, Inc.
12/19	04:15 PM	FDX-US	FedEx Corp.
12/21	Before Market	PAYX-US	Paychex, Inc.
12/21	04:15 PM	NKE-US	NIKE, Inc.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

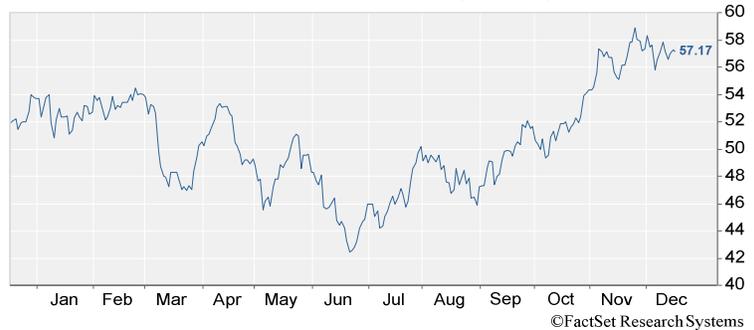
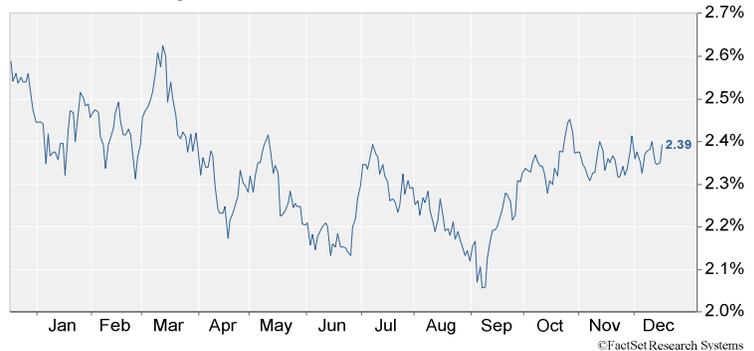
DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
12/20	10:30 AM	EIA Crude Oil Stocks	12/15		-5.1M
12/21	08:30 AM	GDP SAAR Q/Q (Final)	Q3	3.3%	3.3%
12/21	08:30 AM	Initial Claims SA	12/16	235K	225.0K
12/22	08:30 AM	Durable Orders ex-Trans SA M/M	NOV	0.50%	0.94%
12/22	08:30 AM	Durable Orders SA M/M	NOV	2.0%	-0.81%
12/22	08:30 AM	PCE SA M/M	NOV	0.40%	0.30%
12/22	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	12/22		747.0

Source: FactSet and API

S&P 500

WTI Crude Oil Spot Price (\$/barrel)

Max: 58.94 (24-NOV-17), Min: 42.48 (21-JUN-17), Last: 57.17 (18-DEC-17)


US 10Y Treasury Yield

INDEX RETURNS (AS OF 12/15/2017)

	MTD	YTD
S&P 500	1.14	21.86
Dow Jones Ind. Avg.	1.64	27.75
Barclays MM Short 1-5 Yr.	0.43	1.74
Barclays MM 1-10 Yr.	0.82	3.53
ML US Gov/Corp 1-10 Yr.	0.12	1.66

Source: Interactive Data

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