

**HEADLINE NEWS**
**Macro Data Continues to Come in Better Than Feared**

- Last week was a good week for headline macro data as the GDP, Markit PMI, manufacturing ISM, auto sales, and labor report all beat expectations. The streak continued Monday morning with the non-manufacturing ISM coming in at 57.2, easily beating the consensus estimate of 55.5. We, along with the seeming majority, believe that the Fed will raise rates at next week's meeting, and this latest round of economic data certainly strengthens that case.

**ECB to Taper a la Bernanke?**

- The most noteworthy scheduled event of the week will likely be this Thursday's European Central Bank meeting and policy decision. The current asset purchase program stands at €80 billion per month and is set to end in March of 2017. Mario Draghi likely does not want to abruptly halt the current program, so he is expected to announce an extension and/or tapering of asset purchases. Some believe that the announcement will outline a €10 billion per month taper, similar to Bernanke's 2013 plan in the U.S., which would extend the program by eight months. Investors in the U.S. are likely to focus on the impact to the dollar, as any unexpected extension to the program is likely to weaken the euro thereby strengthening the dollar. Recent economic data out of the Eurozone has been better than anticipated; however, inflation remains stubbornly low. The team at Appleton believes that the ECB will be measured in slowing down the pace of their purchases, but the impact to the dollar will be muted given the advance over the past two months.

**Notable Earnings Due this Week**

DATE	TIME	TICKER	COMPANY NAME
12/6	Before Market	AZO-US	AutoZone, Inc.
12/7	8:00 AM	BF.B-US	Brown-Forman Corp.
12/7	4:15 PM	COST-US	Costco Wholesale Corp.

Source: FactSet &amp; API

**S&P 500**


Source: FactSet Prices

**Key Macroeconomic Data Due this Week**

Date	Time	Event	Period	Consensus	Prior
12/5	9:45 AM	Markit PMI Services SA (Final)	NOV	54.8	54.7
12/5	10:00 AM	ISM Non Manufacturing SA	NOV	55.5	54.8
12/6	8:30 AM	Productivity SAAR Q/Q (Final)	Q3	3.2%	3.1%
12/6	10:00 AM	Durable Orders SA M/M (Final)	OCT	4.8%	4.8%
12/7	10:30 AM	EIA Crude Oil Stocks	12/02		-0.88M
12/8	8:30 AM	Initial Claims SA	12/03	260.0K	268.0K
12/9	10:00 AM	Michigan Sentiment NSA (Preliminary)	DEC	94.3	93.8

Source: FactSet and API

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

Max: 51.67 (02-DEC-16), Min: 26.19 (11-FEB-16), Last: 51.67 (02-DEC-16)



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**FIXED INCOME UPDATE**
**National Housing Recovery Continues**

- According to September data from the S&P/Case-Shiller U.S. National Home Price Index, U.S. housing prices have officially recovered from their descent during the financial crisis. September's reading of 184.80 increased 5.5% from the prior year and was 0.1% above the pre-recession peak set in July 2006. The recovery took more than four years, as the low point for the index occurred in early 2012. While positive news for homeowners, the recovery has not been uniform. Western markets such as Seattle, Portland and Denver have experienced strong growth, while Miami, Phoenix, and Las Vegas home prices have increased, but remain well below their pre-crisis highs. Adjusting for inflation, the current median home price still remains approximately 16% below its peak.

**INDEX RETURNS (AS OF 12/2/16)**

	MTD	YTD
S&P 500	-0.31	9.45
Dow Jones Ind. Avg.	0.25	12.90
Barclays MM Short 1-5 Yr.	-0.14	-0.72
Barclays MM 1-10 Yr.	-0.23	-1.61
ML US Gov/Corp 1-10 Yr.	0.00	1.50

Source: Interactive Data

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