

HEADLINE NEWS
This Week: Trump Addresses Congress and Slew of Macro Data

- The team at Appleton will be watching a number of macroeconomic data points scheduled for release this week. Highlights include Tuesday's second look at fourth quarter GDP and Wednesday's PCE inflation reading and manufacturing ISM report. The most notable event of the week is likely to be President Trump's address to Congress Tuesday night at 9 PM. The stock market has largely been bid up in anticipation of the new administration's pro-growth policies. However, firm details of those potential policy initiatives have been lacking. Investors are hopeful that the president lays out some specifics in his address, particularly as it pertains to corporate tax reform. Based on comments made by Treasury Sec. Mnuchin last week, we believe that tax reform is likely to be pushed to the second half of 2017 at the earliest.
- Aside from President Trump, two other scheduled speakers will be worth monitoring this week. Fed Chair Janet Yellen and Vice-Chair Stanley Fischer give separate talks on the economy and monetary policy this Friday afternoon. Through the latest FOMC minutes and a number of speakers, the Fed has been touting the need for additional rate hikes this year. Bond investors have been skeptical with the 10-year Treasury yield dropping by 11 basis points last week. This move in yields boosted the performance of the bond proxy sectors of the market, e.g. Utilities, Real Estate, Telecoms, and Staples, but hurt the Financials, which are still up over 20% since the election.

US 10Y Treasury Yield

WTI Crude Oil Spot Price (\$/barrel)

Max: 54.47 (23-FEB-17), Min: 30.35 (24-FEB-16), Last: 53.97 (24-FEB-17)


NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
2/27	07:00 AM	AMT-US	American Tower Corp.
2/27	After Market	EOG-US	EOG Resources, Inc.
2/27	04:00 PM	PCLN-US	The Priceline Group, Inc.
2/28	06:30 AM	TGT-US	Target Corp.
2/28	After Market	PANW-US	Palo Alto Networks, Inc.
2/28	05:00 PM	CRM-US	salesforce.com, inc.
3/1	Unspecified	DLTR-US	Dollar Tree, Inc.
3/2	04:15 PM	COST-US	Costco Wholesale Corp.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
2/28	08:30 AM	GDP SAAR Q/Q (Second Prelim)	Q4	1.9%	1.9%
3/1	-	Total Light Vehicle Sales	FEB	17.7M	17.5M
3/1	08:30 AM	PCE SA M/M	JAN	0.30%	0.50%
3/1	10:00 AM	Construction Spending SA M/M	JAN	0.60%	-0.20%
3/1	10:00 AM	ISM Manufacturing SA	FEB	56.3	56.0
3/1	10:30 AM	EIA Crude Oil Stocks	02/24		0.56M
3/2	08:30 AM	Initial Claims SA	02/25	244K	244.0K
3/3	10:00 AM	ISM Non Manufacturing SA	FEB	56.4	56.5
3/3	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	03/03		602.0
3/3	01:00 PM	FED Chair Yellen gives speech			
3/3	01:00 PM	FED Vice Chair Fischer gives speech			

Source: FactSet and API

S&P 500


Source: FactSet Prices

INDEX RETURNS (AS OF 2/24/17)

	MTD	YTD
S&P 500	4.12	6.09
Dow Jones Ind. Avg.	5.16	5.81
Barclays MM Short 1-5 Yr.	0.49	1.30
Barclays MM 1-10 Yr.	0.62	1.50
ML US Gov/Corp 1-10 Yr.	0.57	0.79

Source: Interactive Data

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

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