

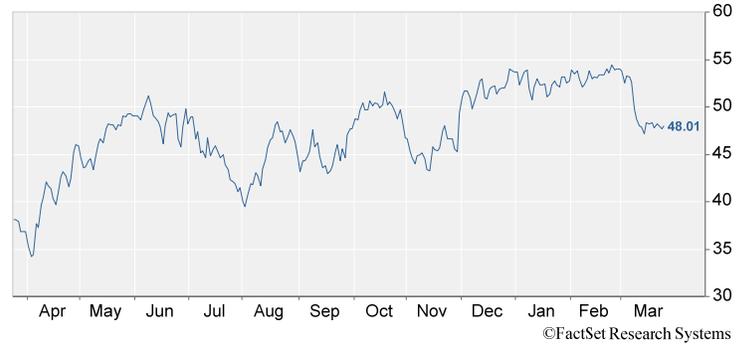
HEADLINE NEWS
Focus Shifts to Tax Reform

- Despite a seven year effort to repeal the Affordable Care Act, Republican leaders in the House of Representatives failed to lobby enough support within their own party and chose to withdraw the proposed American Health Care Act legislation just minutes before a full House vote on Friday. Even if the bill had passed the House it most likely would have faced an uncertain future within the Senate in current form.
- Broad-based tax reform appears to be the next policy target for the Trump administration and Congress. Although tax reform was expected to be taken up in the fall, and more easily assumed if healthcare reform was passed, Republicans see tax reform as more stimulative for the economy and potentially more inclusive of bipartisan support. Earlier tax reform talk has focused on both corporate and personal income changes, although it appears that bipartisan support is heavily weighted toward achieving more competitive tax rates for corporations. In the aftermath of the healthcare reform, markets are taking a less optimistic view of the administration's ability to implement policy initiatives. The only tax plan currently on the table features a controversial border adjustment tax (BAT), which could prove to be an impasse for some GOP members.
- With little on the calendar in the way of macroeconomic news, the team at Appleton will be focusing on Capitol Hill this week hopeful that the administration can turn its attention towards two key tailwinds for the market: tax reform and deregulation.

US 10Y Treasury Yield

WTI Crude Oil Spot Price (\$/barrel)

Max: 54.48 (23-FEB-17), Min: 34.30 (04-APR-16), Last: 48.01 (24-MAR-17)


S&P 500


Source: FactSet Prices

NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
3/27	Unspecified	RHT-US	Red Hat, Inc.
3/28	Unspecified	CCL-US	Carnival Corp.
3/28	Unspecified	MKC-US	McCormick & Co., Inc.
3/28	Before Market	DRI-US	Darden Restaurants, Inc.
3/29	Before Market	PAYX-US	Paychex, Inc.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
3/28	10:00 AM	Consumer Confidence	MAR	114.0	114.8
3/29	10:30 AM	EIA Crude Oil Stocks	03/24		5.0M
3/30	08:30 AM	GDP SAAR Q/Q (Final)	Q4	2.0%	1.9%
3/30	08:30 AM	Initial Claims SA	03/25	246K	261.0K
3/31	08:30 AM	PCE SA M/M	FEB	0.20%	0.20%
3/31	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	03/31		652.0

Source: FactSet and API

INDEX RETURNS (AS OF 3/24/17)

	MTD	YTD
S&P 500	-0.70	5.20
Dow Jones Ind. Avg.	-0.91	4.85
Barclays MM Short 1-5 Yr.	-0.11	1.27
Barclays MM 1-10 Yr.	-0.07	1.50
ML US Gov/Corp 1-10 Yr.	-0.02	0.57

Source: Interactive Data

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