

**HEADLINE NEWS**
**Slow Macro Week; Tech Bounces; Amazon Goes Shopping**

This week should be relatively slow in terms of scheduled releases. Flash PMI readings later in the week appear to be the macroeconomic highlight. For earnings, we will be watching a handful of reports, especially Adobe, FedEx, and Carnival. The Technology sector is continuing to rebound as of Monday afternoon, as the recent volatility is not being categorized as an issue of company fundamentals. Investors are still digesting Amazon's acquisition of Whole Foods from Friday. The move is clearly a shot across the bow of grocers and other food retailers, like Wal-Mart and Target, as Amazon looks to expand Amazon Fresh in the U.S.

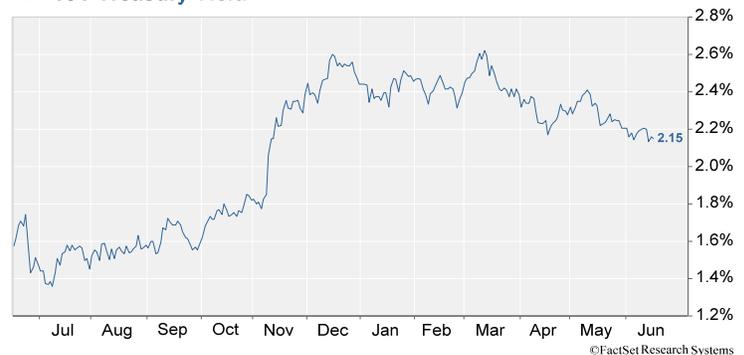
**Tax Revenues Continue to Soften**

The Rockefeller Institute confirmed that state and local tax revenue growth ended 2016 on a softer note, with 2.3% growth in the fourth quarter. Dragged down by state tax revenues that increased by only 1.4%, local government tax revenues grew at a healthier 3.5%, but also show signs of deceleration. Preliminary data for the first quarter of 2017 indicates improvement, but anecdotally, a number of states announced very weak collections of personal income taxes in April. Highlighting the trend of weaker tax collections, the National Association of State Budget Officers released its spring survey which indicated that current fiscal year growth is expected to be only 2.4%. Notably, 33 states have experienced below-budget collections, the highest tally since 2010 when states were still struggling with recessionary pressures. As many states approach the beginning of their fiscal year on July 1<sup>st</sup>, we expect budget conditions to remain tight as rising costs for healthcare and retirement benefits contend with modest revenue growth and uncertainty over federal funding.

**S&P 500**

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

Max: 54.48 (23-FEB-17), Min: 39.50 (02-AUG-16), Last: 44.74 (16-JUN-17)


**US 10Y Treasury Yield**

**NOTABLE EARNINGS DUE THIS WEEK**

DATE	TIME	TICKER	COMPANY NAME
6/20	Before Market	LEN-US	Lennar Corp.
6/20	04:05 PM	ADBE-US	Adobe Systems, Inc.
6/20	04:15 PM	FDX-US	FedEx Corp.
6/21	07:00 AM	KMX-US	CarMax, Inc.
6/21	After Market	ORCL-US	Oracle Corp.
6/22	Unspecified	CCL-US	Carnival Corp.

Source: FactSet and API

**KEY MACROECONOMIC DATA DUE THIS WEEK**

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
6/21	10:30 AM	EIA Crude Oil Stocks	06/16		-1.7M
6/22	08:30 AM	Initial Claims SA	06/17	240K	237.0K
6/23	09:45 AM	Markit PMI Manufacturing SA (Prelim)	JUN	53.0	52.7
6/23	09:45 AM	Markit PMI Services SA (Prelim)	JUN	53.7	53.6
6/23	10:00 AM	New Home Sales SAAR	MAY	598.0K	569K
6/23	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	06/23		747

Source: FactSet and API

**INDEX RETURNS (AS OF 6/16/2017)**

	MTD	YTD
S&P 500	0.99	9.74
Dow Jones Ind. Avg.	1.91	9.52
Barclays MM Short 1-5 Yr.	-0.08	2.27
Barclays MM 1-10 Yr.	0.03	3.82
ML US Gov/Corp 1-10 Yr.	0.11	1.72

Source: Interactive Data

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