

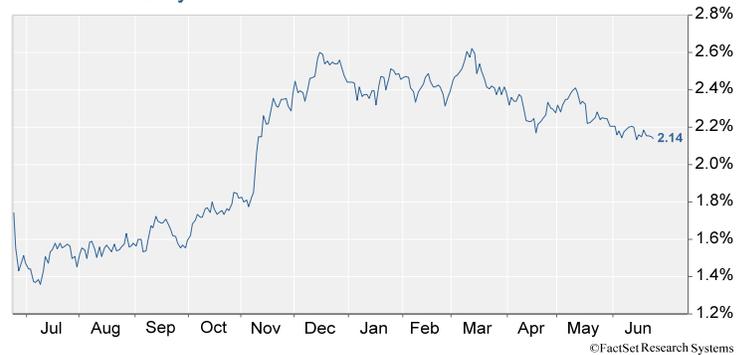
HEADLINE NEWS
Senate Debates Healthcare Bill; Banks Await CCAR Results

- Senate Republican leaders released the Better Care Reconciliation Act (BCRA) last week, their version of a health care proposal that would undo major portions of the Affordable Care Act. The BCRA would reverse expansion of Medicaid, eliminate the individual mandate, and provide less-robust tax credits to help offset the cost of insurance. The Senate's bill would also repeal taxes on businesses and high-income households and would gradually change federal funding of Medicaid, giving states the option between block grants or a per-capita payment. The Congressional Budget Office is expected to release a formal estimate of the BCRA's effects at the beginning of this week. Although projected to result in fewer people without insurance than the House's plan, the CBO's figures could make it difficult for some Republicans to back the measure. GOP leaders have voiced a desire to hold a vote on the measure this week, with the idea that a bill can be approved by Congress prior to the August recess and allow for tax reform to be considered in the fall. With a slim margin of control in the Senate, Republicans cannot have more than two members of their party vote against the bill, assuming no Democrat support.
- It is likely that the best case scenario for stocks is that the Republicans do not get enough votes and the bill fails. With investors clamoring for tax reform and deregulation, we believe the sooner Congress can pivot away from health care the better.
- Financials have been relatively flat for the past six months after spiking following the election. Last week, each of the domestic large banks passed the Dodd-Frank stress tests, as expected. This week, the Fed releases the results from their Comprehensive Capital Analysis and Review (CCAR). The review paves the way for the banks to potentially increase the amount of capital they are allowed to return to shareholders. We will be watching the CCAR results as a potential catalyst for the Financials.

S&P 500

WTI Crude Oil Spot Price (\$/barrel)

Max: 54.48 (23-FEB-17), Min: 39.50 (02-AUG-16), Last: 43.01 (23-JUN-17)


US 10Y Treasury Yield

NOTABLE EARNINGS DUE THIS WEEK

DATE	TIME	TICKER	COMPANY NAME
6/28	Before Market	PAYX-US	Paychex, Inc.
6/29	Before Market	STZ-US	Constellation Brands, Inc.
6/29	07:00 AM	WBA-US	Walgreens Boots Alliance, Inc.
6/29	After Market	MU-US	Micron Technology, Inc.
6/29	04:15 PM	NKE-US	NIKE, Inc.

Source: FactSet and API

KEY MACROECONOMIC DATA DUE THIS WEEK

DATE	TIME	EVENT	PERIOD	CONSENSUS	PRIOR
6/28	10:30 AM	EIA Crude Oil Stocks	06/23		-2.5M
6/29	08:30 AM	GDP SAAR Q/Q (Final)	Q1	1.2%	1.2%
6/29	08:30 AM	Initial Claims SA	06/24	240.0K	241.0K
6/30	08:30 AM	PCE SA M/M	MAY	0.10%	0.40%
6/30	01:00 PM	Baker Hughes U.S. Rotary Oil Rigs	06/30		758.0

Source: FactSet and API

INDEX RETURNS (AS OF 6/23/2017)

	MTD	YTD
S&P 500	1.21	9.98
Dow Jones Ind. Avg.	1.96	9.58
Barclays MM Short 1-5 Yr.	-0.08	2.27
Barclays MM 1-10 Yr.	0.06	3.85
ML US Gov/Corp 1-10 Yr.	0.14	1.76

Source: Interactive Data

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