

HEADLINE NEWS
All Eyes on the BoJ and FOMC This Wednesday

- Investors will be focused on two key monetary policy decisions later this week. The Bank of Japan (BoJ) and the U.S. Federal Open Market Committee (FOMC) will each issue policy statements and hold press conferences this Wednesday. Market participants have been digesting all of the rhetoric coming from a litany of Fed speakers over the past few weeks. Traders believe that the FOMC will hold rates steady at this week's meeting, with the probability of a September rate hike currently at 12% according to the CME Group (<http://www.cmegroup.com/trading/interest-rates/countdown-to-fomc.html>). The probability of a move in December has held steady at 55% despite the recent swings we have witnessed in the financial markets. At Appleton, we align with **S&P 500**


Notable Earnings Due this Week

DATE	TIME	TICKER	COMPANY NAME
9/20	4:05 PM	ADBE-US	Adobe Systems, Inc.
9/20	4:15 PM	FDX-US	FedEx Corp.
9/21	Unspecified	BBBY-US	Bed Bath & Beyond, Inc.
9/21	7:00 AM	GIS-US	General Mills, Inc.
9/21	4:15 PM	RHT-US	Red Hat, Inc.
9/22	Before Market	AZO-US	AutoZone, Inc.

Source: FactSet & API

the consensus view that the FOMC will not hike rates on Wednesday. We will be monitoring Chairwoman Yellen's press conference following the policy announcement for any clarity around the forward path of rates. Despite the amount of attention garnered by the FOMC, the team at Appleton believes that the BoJ decision has more potential to move markets in the short term. The BoJ was one of the first central banks to adopt negative interest rates, and investors are unsure if they will continue to focus on rates or focus on asset purchases in an attempt to influence the shape of their yield curve. With some foreign yields hovering near zero, it could give the FOMC more latitude to raise rates here at home.

Key Macroeconomic Data Due this Week

Date	Time	Event	Period	Consensus	Prior
9/20	8:30 AM	Housing Starts SAAR	AUG	1,190K	1,211K
9/20	8:30 AM	Housing Starts M/M	AUG	-0.9%	2.1%
9/21	10:30 AM	EIA Crude Oil Stocks	09/16		-0.6M
9/21	2:00 PM	FOMC Statement - United States			
9/21	2:00 PM	Fed Funds Target Upper Bound		0.5%	0.5%
9/21	2:30 PM	FOMC Press Conference - United States			
9/22	8:30 AM	Initial Claims SA	09/17	261K	260K
9/22	10:00 AM	Existing Home Sales SAAR	AUG	5,450K	5,390K
9/23	9:45 AM	Markit PMI Manufacturing SA (Prelim)	SEP	52	52

Source: FactSet and API

WTI Crude Oil Spot Price (\$/barrel)

Max: 51.23 (08-JUN-16), Min: 26.19 (11-FEB-16), Last: 43.04 (16-SEP-16)


FIXED INCOME UPDATE
SEC Legal Win Heightens the Importance of Proper Disclosure

- In the first federal jury trial of a municipality and its employee, a jury in south Florida found that the City of Miami and its former budget director were guilty of securities fraud. The jury found that the City inappropriately moved funds among different accounts to mask its deteriorating financial position in 2009 and then misled investors in bond documents associated with the sale of \$153 million in bonds. The City and its former budget director are planning appeals, but the court win may mean that the SEC will be more vigilant in litigating these alleged inappropriate acts. Disclosure has been an increasingly popular topic within the municipal market over the last few years, and although this ruling does not directly benefit bondholders financially, greater incentives for issuers to properly disclose accurate information in a timely manner is a positive for the entire municipal market.

INDEX RETURNS (AS OF 9/16/16)

	MTD	YTD
S&P 500	-1.37	6.34
Dow Jones Ind. Avg.	-1.41	6.13
Barclays MM Short 1-5 Yr.	-0.42	1.28
Barclays MM 1-10 Yr.	-0.58	2.43
ML US Gov/Corp 1-10 Yr.	-0.17	3.32

Source: Interactive Data

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