


[TRADING NATION](#) | [VIDEOS](#) | [TRADER BIOS](#) | [COMMENTARY](#)

# Stocks could surge by 17 percent — if tax reform passes

Stephanie Landsman | [@stephlandsman](#)

Published 8:31 AM ET Thu, 30 Nov 2017



He entered the year as Wall Street's biggest bull.

And now, Canaccord Genuity's Tony Dwyer could claim that distinction again in 2018.

It all hinges on the tax reform package.

If Washington can pass it, the firm's chief market strategist predicts the S&P 500 could surge 17 percent from current levels.

"You're looking at over 3100 on the S&P 500," Dwyer said Wednesday on CNBC's ["Trading Nation."](#)

His potential year-end target is based on a study conducted for his firm by Thomson Reuters.

Dwyer said a lowered corporate tax rate to 20 percent from 35 percent would add 10.5 percent to his current S&P 500 earnings per share estimate. In turn, it would drive stocks further into record territory.

He acknowledges his current S&P 2018 price target of 2,800, which reflects strong fundamentals and a synchronized growing global economy, is conservative right now. That figure would be about a 6 percent gain from Wednesday's close.

"It's not whether you have another leg higher. Corporate taxes may give you an extra boost to that leg," Dwyer said.

Yet he's not discounting the risk of a stock market pullback along the way.

"We're in for that kind of correction where it's just small, but because of the lack of volatility, it feels really big," he said. "The market is kind of ripe for one of those 3 percenters that feels like 30 percent."

Dwyer said it's vital for investors not to get spooked by a sell-off — reiterating that stocks are far from a peak in the cycle.

## TRADING NATION



[S&P 500 posts first 3-day losing streak since August](#)

U.S. equities closed lower on Tuesday as a rebound in tech stocks failed to lift the broader market higher.



[Banks just passed a key level and it could signal more gains to come](#)

Bank stocks have been breaking out, and one chart-minded analyst sees more room to run.



[North Korea could threaten China's market rally, warns Stephen Roach](#)

China's market rally becomes more vulnerable as North Korea advances its nuclear program, according to Yale University's Stephen Roach.



[A big week for US data may clash with bullish market sentiment](#)

The non-manufacturing report is set to come out days ahead of the closely watched US employment situation report.

## MORE FROM TRADING NATION

[Energy and financials are on the verge of crossing key levels. Here's what it means](#)

[Dow rises to record but rest of market rolls over on tech woes](#)

[Amazon's amazing run is headed for trouble, technical strategist says](#)

[With tax reform done, Wall Street bull Jeremy Siegel thinks Dow 25K is just around the corner](#)

[The dollar took a dive on Friday, but it could catch a bid next week](#)

[Stocks close lower after Michael Flynn report sends Wall Street on wild ride](#)

[Brief dip aside, history suggests that big gains are in store for the market in December](#)

[Transport stocks are on fire this week, and may be set for more gains](#)

[Dow stock Caterpillar and two others could propel the index to 25,000](#)

[Apple is in for a 10% year-end rally, charts suggest](#)

## VIDEOS >



[Emerging markets are still a solid choice for investors, despite sell-off in China](#)

Emerging markets are a solid choice for investors. And it's more than just a story about China.

"Ultimately, it is to be bought. I want to be crystal clear on this," Dwyer said.

Could the S&P 500 exceed 3000 next year?

- Yes
- No
- Maybe
- Undecided

VOTE [Vote to see results](#)



## The bull market's fate hinges on one thing, says Canaccord's Tony Dwyer

5:36 PM ET Wed, 29 Nov 2017 | 04:47

### Disclaimer



Stephanie Landsman  
Producer, C



### RELATED SECURITIES



| Symbol  | Price     | Change | %Change |
|---------|-----------|--------|---------|
| VIX     | 11.62 ▲   | 0.29   | 2.56%   |
| S&P 500 | 2629.57 ▼ | -9.87  | -0.37%  |



### What historically low sector correlation means for the market

Mandy Xu of Credit Suisse discusses sector correlations and the broader market with Brian Sullivan.



### S&P sector correlations near all-time lows

Mandy Xu of Credit Suisse discusses sector correlations and volatility in the equity market with Brian Sullivan.

### TRADER BIOS >

Stacey Gilbert

#### Stacey Gilbert

Stacey Gilbert is the head of derivative strategy at Susquehanna.



#### Lawrence McDonald

Managing Director, ACG Analytics

Rich Ross

#### Rich Ross

Managing Director, Head of Technical Analysis, Evercore ISI