

Monthly Market Commentary

Happy August! We hope summer is treating you well and you are enjoying the sunshine! As fall approaches, make sure to get in a few more cookouts with family and friends before the cold weather gets here! Transitioning to the markets, asset prices are slowly grinding higher with the continued acceleration in growth alongside contained inflation, over the last six months. The first read on GDP for second quarter 2017 came in as expected, which was yet another YoY acceleration of 2.1%. Approximately 60% of the companies in the S&P 500 have reported earnings for 2Q17 so far, with aggregate sales growth of 6% YoY and earnings growth at 10.6% YoY. On the policy front, the FED remains gradual in their path to tighten interest rates, and rightly so, given lower inflation readings than what the FED targets. On the fiscal side, we do not see any meaningful stimulus coming out this year in terms of infrastructure spending or through tax reform, of which the latter may be executed in the first half of 2018.