

Monthly Market Commentary

As summer is coming to an end, we hope that you can find time to attend a few more summer parties or simply enjoy time with family and friends while the weather is warm! Markets performed well and we did not experience much volatility in July, which is typical of summer months. Economic data in the U.S continues to be strong while data in other developed and emerging markets has been relatively weaker. We reiterate our view that global divergences should continue to manifest as we progress through the year. The first read on second quarter U.S GDP came in strong at 4.1% Quarter-over-Quarter and 2.85% Year-over-Year, which marks its eighth consecutive quarter of accelerating growth. We are halfway through the earnings season for the second quarter of 2018, with 277 of the 500 companies in the S&P 500 reporting aggregate sales & earnings growth of 10% & 24%, respectively. Domestic economic data continues to remain strong and we expect to see continued growth for the second half of the year; however, this growth will be a bit slower than the second quarter of 2018. Accordingly, this slowdown in growth may warrant different exposure so, we are holding some cash for repositioning.