

Monthly Market Commentary

February saw some volatility in equity markets across the globe with all major market indices experiencing a correction. The U.S economy is starting to heat up as inflation expectations and rates are slowly climbing. Currently, we do not see the risk of run-away inflation; however, we prefer to be cautious. Volatility hit a multi-year high, which is measured by the VIX index. As such, we reduced exposure in February. Also, we are coming to the end of the Q4 2017 earnings season, which has been positive across all sectors. We remain constructive on earnings moving forward; however, expectations are elevated when compared to 2017. It will be interesting to see how tax reform impacts revenues and earnings at the sector and company levels. In summary, we remain optimistic on the economy and will be selective in our exposures to take advantage of cash raised during the recent month.