

Monthly Market Commentary

Equity markets have recovered from the lows seen earlier in the year; however, they continue to remain choppy with divergences developing between markets around the world and volatility is still elevated. On the global economic front, we continue to see better data roll out in the US relative to other developed markets. First quarter GDP in the US was reported at 2.9% YoY which is the seventh consecutive quarter of increase. We are halfway through the earnings season and majority of companies have reported positive revenue and earnings growth. However, the future guidance from companies in certain sectors are starting to show some signs of caution with respect to their growth trajectory going forward. As a result, we are not seeing positive momentum in equities even with stronger earnings this quarter. Despite tailwinds from tax reform, deregulation, repatriation and stock buybacks that should be positive for equities, we believe, staying nimble and picking spots for selective exposure is the right approach at this time.