

August 2016

EQUITY MARKETS

August continued to see stocks move higher from the record levels set the prior month. Most of the major equity indices hit new highs in the middle of the month before pulling back in the second half of the month. Despite the late-month selloff, most major U.S. equity indices ended in positive territory. Value outpaced growth and small cap beat large cap again. International stocks were positive, with emerging markets continuing to lead developed markets.

FIXED INCOME MARKETS

Rates along the yield curve increased in August. Bonds were mixed, with Treasuries posting losses and corporates rallying as spreads tightened. High yield once again outperformed investment grade corporates.

ECONOMIC DATA

For the second month in a row, more than 200,000 new workers were added to payrolls in the month of July (data was released in August). Labor markets are beginning to show signs of tightening, increasing the odds of additional Fed rate increases before the end of the year. New home sales increased sharply, hitting levels last seen in October 2007. Inflation remains subdued. All eyes will be on the FOMC meeting on September 21st when a decision on whether to raise rates will be announced. The summer rally we have enjoyed is consistent with pre-election market behavior experienced in prior cycles.

Event	Period	Estimate	Actual	Prior	Revised
Nonfarm Payroll	Jul	180,000	255,000	287,000	292,000
Unemployment	Jul	4.8%	4.9%	4.9%	
ISM Manufacturing	Jul	53.0	52.6	53.2	
Univ. of Mich. Sentiment	Aug (F)	90.8	89.8	90.4	
ISM Non-Manufacturing	Jul	55.9	55.5	56.5	
Retail Sales ex Auto & Gas	Jul	0.3%	-0.1%	0.7%	0.8%
PPI MOM	Jul	0.1%	-0.4%	0.5%	
PPI MOM ex Food & Energy	Jul	0.2%	-0.3%	0.4%	
PPI YOY	Jul	0.2%	-0.2%	0.3%	
PPI YOY ex Food & Energy	Jul	1.2%	0.7%	1.3%	
CPI MOM	Jul	0.0%	0.0%	0.2%	
CPI MOM ex Food & Energy	Jul	0.2%	0.1%	0.2%	
CPI YOY	Jul	0.9%	0.8%	1.0%	
CPI YOY ex Food & Energy	Jul	2.3%	2.2%	2.3%	
Industrial Production	Jul	0.3%	0.7%	0.6%	0.4%
Housing Starts	Jul	1,180,000	1,211,000	1,189,000	1,186,000
Building Permits	Jul	1,160,000	1,152,000	1,153,000	
New Home Sales	Jul	580,000	654,000	592,000	582,000
Existing Home Sales	Jul	5,510,000	5,390,000	5,570,000	
Leading Index	Jul	0.3%	0.4%	0.3%	
Durable Goods Orders	Jul (P)	3.4%	4.4%	-3.9%	-4.2%
S&P CoreLogic CS 20-City YOY	Jun	5.10%	5.13%	5.24%	5.25%
Personal Income	Jul	0.4%	0.4%	0.2%	0.3%
Personal Spending	Jul	0.3%	0.3%	0.4%	0.5%
GDP Annualized QOQ	2Q (S)	1.1%	1.1%	1.2%	

F = Final, P = Preliminary, S = Second

Source: Bloomberg



Monthly Recap

Clark Capital Management Group, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about Clark Capital's advisory services can be found in its Form ADV which is available upon request. Material presented has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed. Nothing herein should be construed as a solicitation to buy, sell or hold any securities, other investments or to adopt any particular investment strategy or strategies. For educational use only.

CCM-993