

EQUITY MARKETS

U.S. stocks again managed to record gains and continued their post-election rally. Growth stocks continued to outpace Value stocks and Large cap stocks outperformed Small cap stocks. International stocks, both developed and emerging, outpaced U.S. stocks for the month.

FIXED INCOME MARKETS

Rates decreased across the yield curve, particularly for maturities 5 years and longer. The yield on the 10-year Treasury decreased 18 basis points in August to 2.12%. The Barclays Aggregate Bond Index increased for the month as both Treasuries and Corporate bonds posted gains. High Yield bonds recorded a modest loss, while Municipal bonds increased in value for the month.

ECONOMIC DATA

July economic data was decidedly mixed. On the positive side of the ledger, employment metrics looked solid. Over 200,000 new jobs were created, unemployment matched a 16-year low, and job openings hit an all-time high of 6.16 million. Wages, as measured by the Atlanta Fed's Median Wage Tracker, grew at 3.3% in July, handily outpacing inflation and increasing the purchasing power of the consumer. Second quarter GDP was revised to +3%, the best growth since Q1 2015. On the negative side, both the ISM Manufacturing and Non-Manufacturing Surveys declined last month but still indicated an expanding economy. Inflation remains benign. Housing slowed across the board as starts, permits, and new and existing home sales all moderated from last month. The Jackson Hole Economic Symposium provided little in the way of new information, but rather suggested that current accommodative monetary policies will remain in force. The Fed's next meeting is scheduled for September 19-20 and no change in rates is expected. Importantly, the U.S. is expected to reach its statutory debt ceiling at the end of September unless Congress agrees to increase the limit.

Event	Period	Estimate	Actual	Prior	Revised
Nonfarm Payroll	July	180,000	209,000	222,000	231,000
Unemployment	July	4.3%	4.3%	4.4%	
ISM Manufacturing	July	56.5	56.3	57.8	
ISM Non-Manufacturing	July	56.9	53.9	57.4	
Retail Sales ex Auto & Gas	July	0.4%	0.5%	-0.1%	0.3%
PPI MoM	July	0.1%	-0.1%	0.1%	
PPI MoM ex Food & Energy	July	0.2%	-0.1%	0.1%	
PPI YoY	July	2.2%	1.9%	2.0%	
PPI YoY ex Food & Energy	July	2.1%	1.8%	1.9%	
CPI MoM	July	0.2%	0.1%	0.0%	
CPI MoM ex Food & Energy	July	0.2%	0.1%	0.1%	
CPI YoY	July	1.8%	1.7%	1.6%	
CPI YoY ex Food & Energy	July	1.7%	1.7%	1.7%	
Industrial Production	July	0.3%	0.2%	0.4%	
Housing Starts	July	1,220,000	1,155,000	1,215,000	1,213,000
Building Permits	July	1,250,000	1,223,000	1,254,000	1,275,000
New Home Sales	July	610,000	571,000	610,000	630,000
Existing Home Sales	July	5,550,000	5,440,000	5,520,000	5,510,000
Leading Index	July	0.3%	0.3%	0.6%	
Durable Goods Orders	July (P)	-6.0%	-6.8%	6.4%	
S&P CoreLogic CS 20-City YoY	June	5.60%	5.65%	5.69%	5.74%
Personal Income	July	0.3%	0.4%	0.0%	
Personal Spending	July	0.4%	0.3%	0.1%	0.2%
GDP Annualized QoQ	2Q (S)	2.7%	3.0%	2.6%	
Univ. of Mich. Sentiment	Aug (F)	97.5	96.8	97.6	

P = Partial, A = Advance, F = Final

Source: Bloomberg



Monthly Recap August 2017

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