



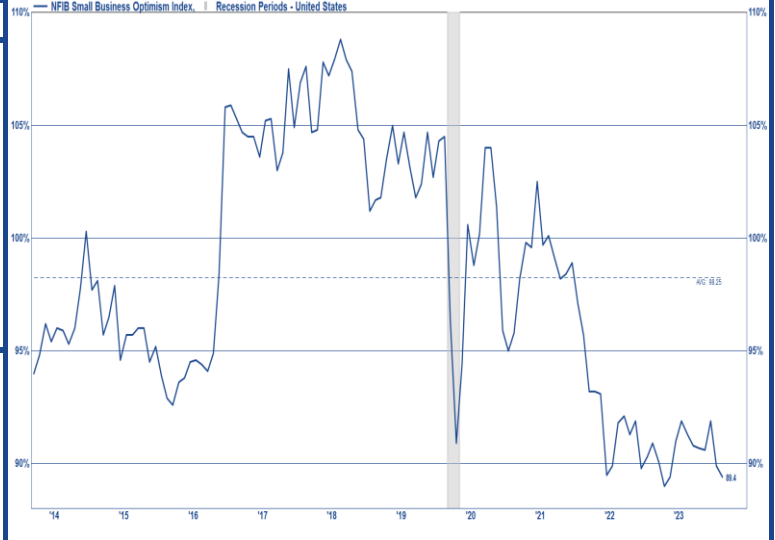
**Economic & Market Commentary**

Inflation dominated the headlines last week as both consumer and wholesale inflation came in higher than expected which did not bode well for stocks or bonds. February's Consumer Price Index (CPI) print was in line with consensus for a 0.4% monthly rise, but faster than January and up +3.2% y/y. Core CPI, which excludes food and energy, came in a bit hotter than expected, rising +0.4% m/m vs forecasts for +0.3%. Shelter, airline fares, used cars, auto insurance, and apparel components all higher. Core CPI up +3.8% y/y from +3.9%. Follows hotter-than-expected January print that put more traction behind concerns about sticky services inflation and drove a nearly 1.5% selloff in S&P 500 (worst CPI-day since September 2022). With the second consecutive hotter print, bond yields moved moderately higher across the entire yield curve. The 10-year treasury bond yield rose from 4.08% to 4.31% during the week and is up from its most recent low of 3.85% on February 1st. The likelihood of the Federal Reserve's first rate cut has been pushed back again to June and would not be surprised if the first rate cut gets pushed back to the second half of this year especially if the economy, labor market, and inflation continue to surprise to the upside. The likelihood the Fed is going to cut rates 75 basis points or 0.75% this year is quickly diminishing. With inflation staying stubbornly higher than expected and the economy continuing to chug along, how can the Fed justify cutting rates? Even if they decide to cut rates, the frequency and pace is going to be terribly slow as the Fed will err on the side of caution to ensure inflation does not re-accelerate. Fed Chairman Powell has stated numerous times they do not want to repeat the mistakes made in the 1970s which ended in stagflation. This is why we contend rates have a good chance of staying higher for longer. Not only on the short end of the yield curve but also the long end of the yield curve.

**Index Total Returns - March 15, 2024**

	1-Wk	YTD	1-Yr
S&P 500	-0.09	7.63	33.59
NASDAQ	-0.68	6.58	40.82
S&P 400	-0.89	5.45	24.07
MSCI-Developed	-1.32	4.38	21.31
Dow Jones	0.01	3.22	24.07
MSCI-Emerging	-0.12	1.38	12.23
Russell 2000	-2.02	0.89	18.65
<b>Barclay's U.S. Bond Index</b>			
High Yield	-0.24	0.77	13.00
Municipal	-0.07	-0.04	4.24
5-year Muni	-0.15	-0.12	2.90
Int. Gov. Credit	-0.80	-0.80	2.42
Aggregate	-1.23	-1.72	1.15

**NFIB Small Optimism Index**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	5.06	4.93	4.21
U.S. 2-Yr	4.73	4.48	3.97
U.S. 3-Yr	4.51	4.25	3.84
U.S. 5-Yr	4.33	4.05	3.58
U.S. 10-Yr	4.31	4.08	3.49
U.S. 30-Yr	4.44	4.26	3.69

**S&P 500 Sector Total Returns - March 15, 2024**

Sector	1-Wk	YTD	1-Yr
Communication Services	0.46	11.38	54.54
Info Tech	-0.36	10.87	55.72
Energy	3.77	9.31	22.18
Financials	0.47	8.52	32.66
Industrials	-0.17	7.18	28.18
Health Care	-0.70	6.69	17.19
Materials	1.60	6.08	22.34
Consumer Staples	0.56	5.42	8.85
Consumer Discretionary	-1.18	1.41	32.69
Utilities	-0.46	0.17	-2.28
Real Estate	-3.35	-3.01	8.52

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.22	3.18	3.06
U.S. AA	3.24	3.19	3.18
U.S. A	3.67	3.64	3.73
U.S. Baa	4.26	4.27	4.43
U.S. Municipal	3.39	3.35	3.37
Michigan	3.54	3.50	3.51

Index Characteristics	P/E	P/E NTM	Dividend Yield
	NTM	10yr-Avg.	
S&P 500 - Large Cap	20.56	18.01	1.34
S&P 400 - Mid Cap	15.59	15.54	1.42
S&P 600 - Small Cap	14.20	15.18	1.78