



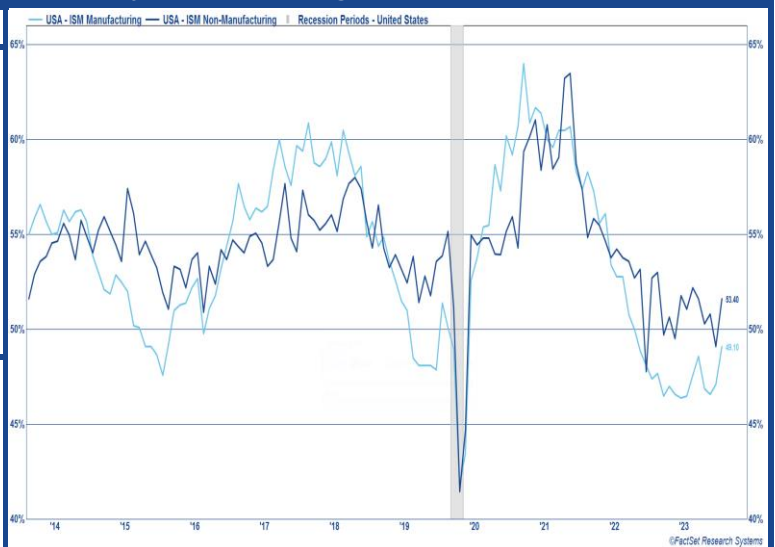
Economic & Market Commentary

Stocks mostly finished higher last week with moderate gains. There were a number of moving pieces last week, though the key bullish storyline was AI optimism after Nvidia earnings, which some strategists said pushes back on the idea that the AI tailwind is flaming out. The company posted revenues well ahead of estimates and guidance came in well ahead of estimates. Management noted demand is surging across companies, industries, and nations, and said that accelerated computing and generative AI have hit a tipping point. However, some have also cautioned that AI has moved into its irrational exuberance phase, flagging a growing disconnect between valuations and fundamentals. Walmart was another key earnings report last week with pricing commentary the biggest focus. Management said like-for-like sales inflation was around 1% in Q423, down 1.60% from Q323 levels, while general merchandise prices are slightly lower than a year ago, and even two years ago in some categories. Economic data released last week continued to point to a strong economy and labor market supporting the soft-landing narrative. Initial jobless claims fell back near post-Covid lows while preliminary Markit February Manufacturing PMI saw the sharpest monthly increase since Sep-22. The Markit PMI report also showed factory output at the fastest pace in 10 months while input cost growth was the lowest since October 2020. Because the economy and labor market remain resilient, Federal Reserve officials continue to advocate the higher-for-longer rate message. Indeed, the probability of the Fed's first cut has been pushed back to June from March. Fed officials continue to signal they prefer to be patient and data dependent to ensure inflation is under control rather than having to potentially backtrack on easing if inflation reemerges. Economic data on tap this week includes new home sales, consumer confidence, PCE, 4Q23 GDP, and ISM manufacturing.

Index Total Returns - February 23, 2024

	1-Wk	YTD	1-Yr
NASDAQ	1.41	6.67	39.14
S&P 500	1.68	6.91	28.88
Dow Jones	1.30	4.10	20.54
S&P 400	1.08	2.92	11.11
MSCI-Developed	1.44	2.49	14.08
Russell 2000	-0.77	-0.37	7.38
MSCI-Emerging	1.23	0.57	6.85
Barclay's U.S. Bond Index			
High Yield	0.42	0.27	11.28
5-year Muni	0.14	-0.35	3.86
Municipal	0.15	-0.56	5.23
Int. Gov. Credit	0.13	-0.86	4.12
Aggregate	0.25	-1.77	2.92

ISM Surveys - Manufacturing and Service



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.98	4.97	5.08
U.S. 2-Yr	4.68	4.67	4.69
U.S. 3-Yr	4.45	4.44	4.42
U.S. 5-Yr	4.29	4.29	4.11
U.S. 10-Yr	4.26	4.29	3.88
U.S. 30-Yr	4.37	4.45	3.87

S&P 500 Sector Total Returns - February 23, 2024

Sector	1-Wk	YTD	1-Yr
Communication Services	1.51	11.91	58.50
Info Tech	1.97	9.71	55.44
Health Care	1.52	8.49	15.57
Financials	1.61	7.11	15.30
Industrials	1.83	5.53	21.36
Energy	0.45	2.66	4.88
Consumer Staples	2.13	4.32	6.78
Consumer Discretionary	1.55	3.14	29.88
Materials	1.93	1.41	9.89
Utilities	1.17	-2.19	-3.78
Real Estate	0.93	-3.34	3.22

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.23	3.24	3.31
U.S. AA	3.25	3.27	3.43
U.S. A	3.73	3.75	3.96
U.S. Baa	4.38	4.38	4.56
U.S. Municipal	3.42	3.44	3.61
Michigan	3.59	3.60	3.73

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.63	17.98	1.35
S&P 400 - Mid Cap	15.20	15.52	1.46
S&P 600 - Small Cap	14.18	15.18	1.78