



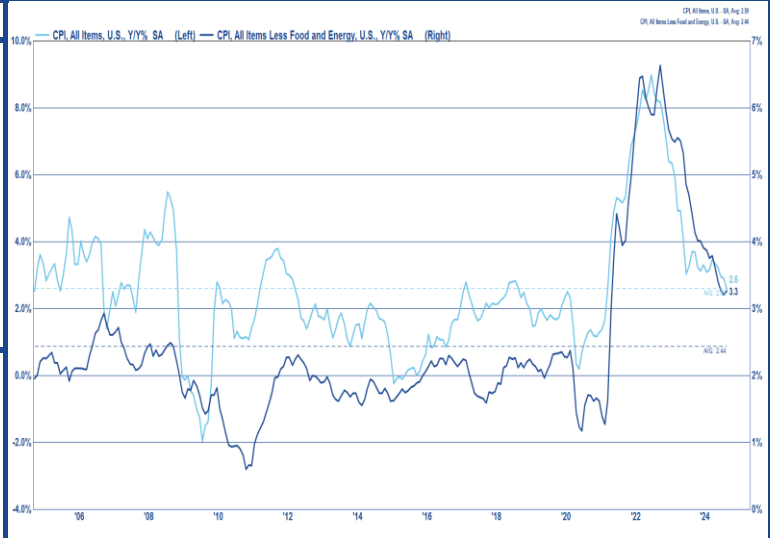
Economic & Market Commentary

Stocks posted strong gains last week with big tech leading the way as the recent euphoria surrounding AI gained back some steam and August inflation came in largely as expected. August headline CPI was largely in line while monthly core was hotter with shelter prices the significant component of the core rise and airline fares were higher after five months of declines. Used vehicle prices were lower, but less than previous months. The August PPI report had similar findings with an in-line headline reading, though core PPI came in slightly hotter than expected. Economist takeaways played down hotter core prints as the broader disinflationary trend remains intact. Also in play was the continuation in the debate around whether the Fed will cut 25 or 50 bps this week. While slightly hotter inflation data (and in-line jobless claims) last week seemed to underpin the case for 25 bp, fed fund futures this morning is showing a 63% probability of a 50 bps rate. This is up sharply from one week ago when it stood at 30%. It's interesting that the Fed would cut rates 0.50% while the economy is still doing rather well from a data standpoint. The labor market isn't tanking nor are retail sales, hotel/travel/air bookings remain strong, railroad shippings remain solid, and S&P 500 margins and earnings are holding up well. The Fed has been very cautious and patient in its fight to control inflation and is expected to continue to do so once they start cutting rates. Moving too aggressively at the front of the rate-cut cycle, especially with the economy still growing modestly, could lead to renewed inflation at the back end, which is the exact situation the Fed is trying to avoid. The August retail sales report due out tomorrow is expected to get outsized attention due to its proximity with the FOMC decision this Wednesday and the Fed's recent enhanced focus around signs of perceived sputtering economic growth. Street is currently looking for headline retail sales to increase 0.2% m/m in August following a 1.0% gain July.

Index Total Returns - September 13, 2024

	1-Wk	YTD	1-Yr
S&P 500	4.06	19.13	26.71
NASDAQ	5.98	18.43	26.99
Dow Jones	2.62	11.35	21.63
S&P 400	3.29	10.26	16.65
MSCI-Developed	1.21	10.11	17.43
Russell 2000	4.39	8.71	16.67
MSCI-Emerging	0.79	7.94	13.38

Consumer Price Index



Barclay's U.S. Bond Index

	1-Wk	YTD	1-Yr
High Yield	0.40	6.97	13.28
Aggregate	0.51	4.93	9.24
Int. Gov. Credit	0.34	4.84	8.43
Municipal	0.17	1.99	6.81
5-year Muni	0.16	1.94	5.46

U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.01	4.10	5.42
U.S. 2-Yr	3.58	3.66	4.99
U.S. 3-Yr	3.44	3.54	4.66
U.S. 5-Yr	3.43	3.50	4.39
U.S. 10-Yr	3.66	3.72	4.26
U.S. 30-Yr	3.98	4.02	4.34

S&P 500 Sector Total Returns - September 13, 2024

Sector	1-Wk	YTD	1-Yr
Info Tech	7.34	26.84	38.40
Utilities	3.46	26.15	29.25
Comm. Services	4.33	21.96	30.90
Consumer Staples	1.17	19.82	20.74
Financials	0.52	19.34	31.81
Health Care	1.47	15.52	19.28
Industrials	3.74	15.42	22.70
Real Estate	3.62	14.86	26.60
Con. Discretion	6.15	9.74	15.99
Materials	3.17	9.34	14.19
Energy	-0.68	4.40	-0.29

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.20	3.23	3.65
U.S. AA	3.21	3.24	3.68
U.S. A	3.59	3.60	4.18
U.S. Baa	4.09	4.10	4.76
U.S. Municipal	3.35	3.37	3.85
Michigan	3.49	3.51	4.00

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.19	18.29	1.25
S&P 400 - Mid Cap	15.55	15.94	1.39
S&P 600 - Small Cap	14.88	15.26	1.67