



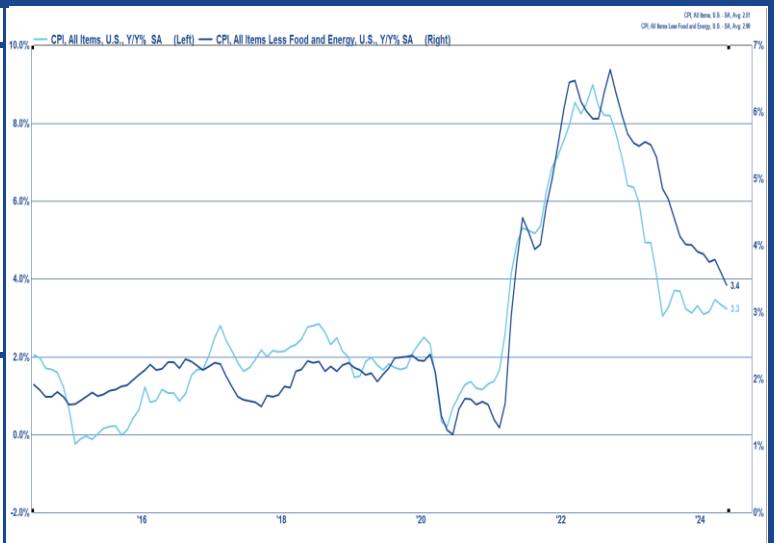
**Economic & Market Commentary**

The Federal Reserve held rates steady last week, but their Statement of Projections showed rate cut expectations for this year dropped from three last March to one now. They also modestly raised inflation expectations for 2024 at the headline and core levels from 2.4% to 2.6% and 2.6% to 2.8%, respectively. Core inflation excludes more volatile food and energy prices. The perplexing part is how the Fed Chairman Powell states current policy is restrictive enough to lower inflation to target and weaken the U.S. economy, but the lack of changes in economic projections for GDP and unemployment suggest otherwise. Indeed, during Fed Powell's FOMC press conference a reporter observed and asked, "The base case of the Committee seems to be that there is going to be one rate cut this year, but your forecast doesn't see any slowdown in the rest of the year nor does the unemployment forecast see any significant weakening. So, if at the end of the year there is no change from conditions now, what would be the point in cutting rates?" Essentially, the reporter is asking if the policy is considered restrictive, why aren't there lower projections for the economy, labor market, and inflation? Chair Powell answered, "Well, we think policy is restrictive. And we think, ultimately, that if you just set policy at a restrictive level, eventually you will see real weakening in the economy. So, that's always been the thought is that since we raised rates this far, we've always been pointing to cuts at a certain point. Not to eliminate the possibility of hikes, but no one has that as their base case." Clear as mud? For an organization so enamored with transparency, the mixed messaging has many scratching their heads. Meanwhile, inflation in May came in lower than expected with modest broad-based declines in many categories for the month including meats, milk, butter, appliances, apparel, computers, software, car rentals, subscriptions, and beverages.

**Index Total Returns - June 14, 2024**

	1-Wk	YTD	1-Yr
NASDAQ	3.27	18.25	30.82
S&P 500	1.62	14.63	26.12
MSCI-Emerging	0.50	6.38	8.98
MSCI-Developed	-2.63	4.89	9.81
S&P 400	-0.80	4.83	14.69
Dow Jones	-0.51	3.32	15.89
Russell 2000	-0.95	-0.40	8.69
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.26	2.33	10.44
Int. Gov. Credit	0.86	0.74	4.48
Aggregate	1.31	0.09	3.70
Municipal	0.70	-0.17	3.88
5-year Muni	0.48	-0.70	2.65

**Consumer Price Index - CPI**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	5.06	5.17	5.28
U.S. 2-Yr	4.69	4.88	4.70
U.S. 3-Yr	4.43	4.66	4.32
U.S. 5-Yr	4.23	4.46	4.00
U.S. 10-Yr	4.21	4.43	3.79
U.S. 30-Yr	4.34	4.55	3.88

**S&P 500 Sector Total Returns - June 14, 2024**

Sector	1-Wk	YTD	1-Yr
Info Tech	6.43	29.64	45.18
Comm. Services	0.96	24.15	42.16
Utilities	0.00	11.40	9.39
Consumer Staples	-1.07	8.62	9.17
Financials	-1.97	8.53	24.74
Health Care	-0.36	7.46	14.03
Industrials	-0.98	6.71	18.51
Energy	-2.29	6.06	13.14
Materials	-0.89	4.36	12.31
Con. Discretion	0.27	2.61	13.07
Real Estate	1.48	-3.08	6.37

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.50	3.61	3.25
U.S. AA	3.53	3.64	3.40
U.S. A	3.89	4.00	3.91
U.S. Baa	4.34	4.44	4.56
U.S. Municipal	3.65	3.76	3.56
Michigan	3.78	3.90	3.71

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.06	18.15	1.29
S&P 400 - Mid Cap	14.92	15.59	1.49
S&P 600 - Small Cap	13.83	15.31	1.82