



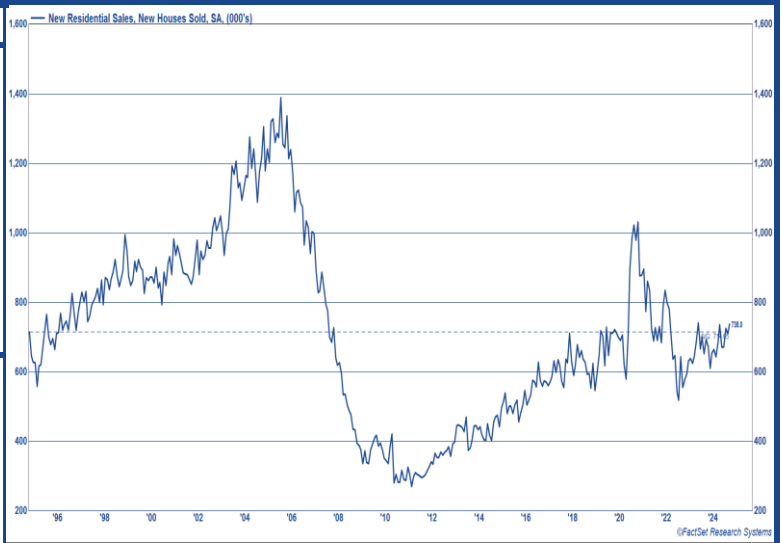
Economic & Market Commentary

The S&P 500 broke its six-week winning streak as most major indices finished lower last week pressured by another backup in treasury yields. Treasury yields are the highest they have been since last July. As of this morning, the 10-year treasury is pushing 4.28%. The latest Treasury weakness was attributable to several factors, including rising Trump/GOP sweep odds and associated potential deficit and tariff impacts, rising scrutiny over debt/deficit, and the growing soft-landing optimism for the economy. Soft-landing optimism remains a key piece of the bullish narrative. Economic data last week added support to the resilient economy narrative, including US Market flash Manufacturing and Services PMIs coming in ahead of estimates, and initial claims the lowest in a month. The University of Michigan Surveys 1-Year inflation expectations marked down to match YTD lows, while the latest Federal Reserve Beige Book offered some more soft landing takeaways. Additionally, new home sales beat expectations and hit the highest level in 16 months, though existing homes sales fell to the slowest pace in 14 years. The fairly consistently stronger-than-expected economic data along with the steep backup in yields is getting a lot of attention and has quelled rate cut expectations significantly over the past few weeks. While Fed officials continue to argue that they see further rate cuts ahead, the bond market has adjusted to a much slower pace than previously expected just one month ago. One month ago, CBOE fed fund futures showed a 53.3% chance of another 50 basis point rate cut in November. This morning, that probability stands at 0.0% and futures show a 98.2% chance of a 25 basis point cut. The Fed meets next on November 7th. It will be a busy week on the economic calendar with October non-farm payrolls, September JOLT report, consumer confidence, first estimate of 3Q GDP, September Core PCE, and October ISM manufacturing.

Index Total Returns - October 25, 2024

	1-Wk	YTD	1-Yr
NASDAQ	0.16	24.06	41.18
S&P 500	-0.96	23.14	37.53
Dow Jones	-2.66	13.45	28.30
MSCI-Emerging	-1.75	13.31	22.22
S&P 400	-2.83	13.07	26.27
Russell 2000	-2.99	10.11	25.56
MSCI-Developed	-1.98	8.13	19.40
Barclay's U.S. Bond Index			
High Yield	-0.37	7.46	15.16
Int. Gov. Credit	-0.56	3.21	7.92
Aggregate	-0.92	2.03	8.99
5-year Muni	-0.71	1.24	6.52
Municipal	-1.09	0.84	8.80

New Home Sales



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.28	4.18	5.45
U.S. 2-Yr	4.10	3.95	5.11
U.S. 3-Yr	4.04	3.86	4.96
U.S. 5-Yr	4.06	3.88	4.91
U.S. 10-Yr	4.24	4.08	4.94
U.S. 30-Yr	4.50	4.39	5.07

S&P 500 Sector Total Returns - October 25, 2024

Sector	1-Wk	YTD	1-Yr
Info Tech	0.18	34.22	57.26
Utilities	-1.91	30.01	41.14
Comm. Services	-0.14	29.25	43.40
Financials	-2.07	25.51	43.12
Industrials	-2.74	20.13	35.80
Consumer Staples	-0.99	16.87	23.34
Con. Discretion	0.94	14.29	28.49
Real Estate	-1.46	12.82	34.06
Materials	-4.01	11.30	22.08
Energy	-0.62	10.72	3.04
Health Care	-2.96	10.34	17.42

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.50	3.29	4.27
U.S. AA	3.51	3.30	4.33
U.S. A	3.86	3.66	4.84
U.S. Baa	4.35	4.13	5.35
U.S. Municipal	3.64	3.43	4.49
Michigan	3.79	3.60	4.63

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.80	18.36	1.22
S&P 400 - Mid Cap	15.93	15.96	1.36
S&P 600 - Small Cap	15.33	15.48	1.61