



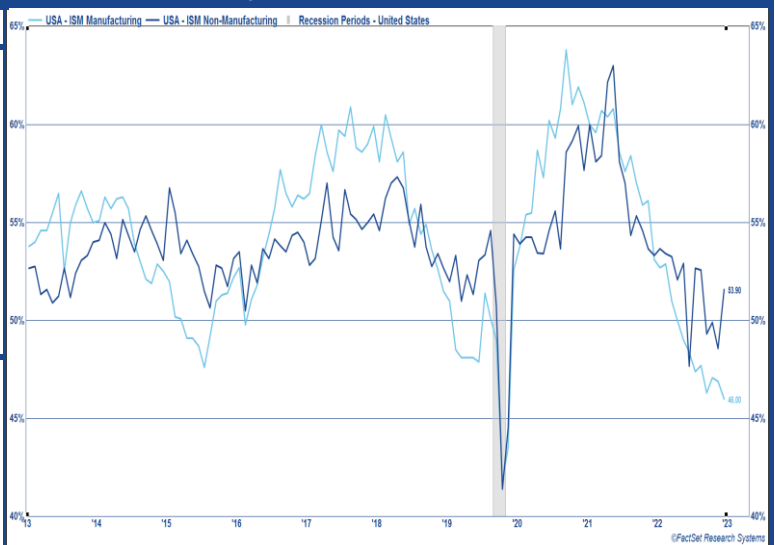
Economic & Market Commentary

Stocks and bonds were under pressure last week as hotter than expected economic numbers along with hawkish Fed minutes drove markets lower. The June ISM Services report showed that activity came in stronger than expected, rising 3.6 percentage points to 53.9% and besting the consensus expectation of 51.0%. The reading was also the sixth straight month in expansion territory after falling into contraction in December, and highest print since last February. Business Activity index went up 7.7 points to 59.2, while New Orders index went up 2.6 points to 55.5. Supplier Deliveries index improved again, down 0.1 points to 47.6, while the six-month average reflects the fastest delivery performance since 2009. Improved delivery performance is important because it is indicative of a much-improved supply chain, which in turn, should help to bring down inflation. May Durable Goods Orders also came in slightly stronger than expected, growing 1.8% for the month vs. consensus of +1.7%. Payroll numbers also played a role in pressuring the market as well. Thursday's APD payroll numbers were much stronger than expected at 497,000 vs. consensus of just 245,000. This payroll print, along with the Fed's June FOMC minutes, sent bond yields sharply higher across the yield curve and pressured stock markets lower. There was some solace in the June monthly jobs report, which was in line with expectations, but it wasn't enough to overcome the theme that the Fed is going to be raising rates higher for longer. Yields on the short end of the curve hit their highest levels in quite some time. Last Wednesday, the 2-Year Treasury breached the 5.0% mark and closed at its highest level since June 2007, closing at 5.01%. The same goes for the 6-month T-bill which closed at 5.49% last Friday, also the highest level since June 2007. The focus this week will be the June CPI core inflation report. Consensus calls for a monthly increase of +0.30% and 12-month rise of +5.0%.

Index Total Returns - July 7, 2023

	1-Wk	YTD	1-Yr
NASDAQ	-0.91	31.12	18.60
S&P 500	-1.11	15.59	14.67
MSCI-Developed	-2.04	9.39	16.65
S&P 400	-0.71	8.07	13.79
Russell 2000	-1.26	6.73	7.02
MSCI-Emerging	-0.63	4.22	1.49
Dow Jones	-1.91	2.94	9.83
Barclay's U.S. Bond Index			
High Yield	-0.60	4.74	7.05
Municipal	-0.32	2.34	1.68
5-year Muni	-0.18	1.01	0.56
Int. Gov. Credit	-0.70	0.79	-0.87
Aggregate	-1.30	0.77	-2.30

ISM Business Activity



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	5.42	5.42	2.74
U.S. 2-Yr	4.94	4.87	3.03
U.S. 3-Yr	4.66	4.49	3.06
U.S. 5-Yr	4.34	4.13	3.05
U.S. 10-Yr	4.05	3.81	3.01
U.S. 30-Yr	4.04	3.85	3.19

S&P 500 Sector Total Returns - July 7, 2023

Sector	1-Wk	YTD	1-Yr
Info Tech	-1.44	40.72	32.25
Communication Services	-0.13	36.06	10.50
Consumer Discretionary	-0.32	32.63	16.59
Industrials	-1.03	9.05	22.45
Materials	-2.00	5.58	12.61
Real Estate	0.30	3.81	-5.47
Consumer Staples	-1.06	0.20	4.25
Financials	-0.38	-0.90	6.68
Health Care	-2.85	-4.29	0.61
Utilities	-0.13	-5.81	-3.73
Energy	-0.67	-6.15	19.12

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.27	3.21	2.71
U.S. AA	3.43	3.37	2.86
U.S. A	3.93	3.87	3.35
U.S. Baa	4.54	4.48	3.87
U.S. Municipal	3.58	3.52	3.03
Michigan	3.75	3.68	3.16

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	19.03	17.63	1.51
S&P 400 - Mid Cap	13.67	15.49	1.51
S&P 600 - Small Cap	13.52	15.89	1.77