



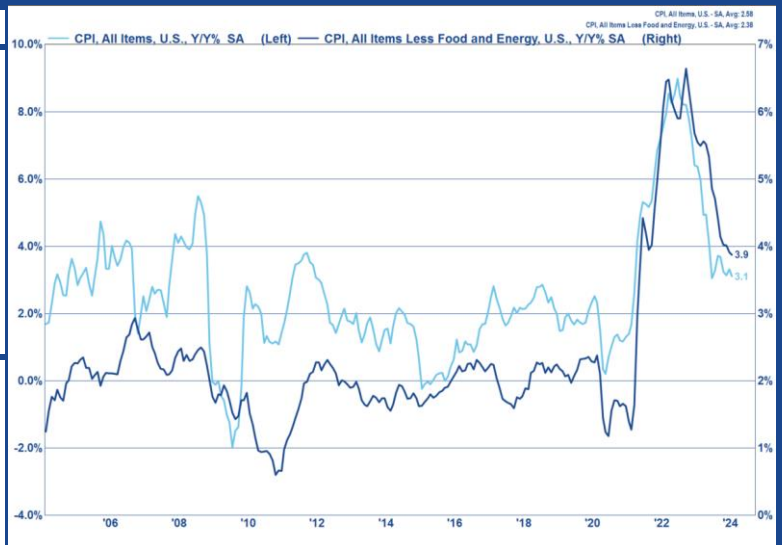
Economic & Market Commentary

Stocks finished mixed last week while bond prices moved modestly lower as yields pushed higher due to higher-than-expected inflation in January. Bond prices and yields are inversely related. The January Consumer Price Index (CPI) report showed headline inflation rose +0.3% last month. Over the past 12 months, headline inflation rose +3.1% which is lower than December's reading of +3.4% and the lowest since the March 2021 level of +2.6%. However, the +3.1% rate was higher than the consensus expectation of +2.9%. Moreover, core inflation, which excludes food and energy, rose +0.4% in January and +3.9% over the past 12 months. Both of these readings were higher than expected as well. Shelter was the main factor driving inflation higher coming in at +0.6%. Shelter has the highest weight in the CPI and makes up roughly 36%. Energy prices moved lower -0.9% but this was offset by higher food prices which rose +0.4%. Some other notable monthly price changes include: air fares +1.4%, car insurance +1.4%, hospital services +1.6%, used car prices -3.4%, fuel oil -4.5% and beverages +1.2%. A month of higher-than-expected inflation readings does not constitute a trend, but it did not sit well with investors as the stock market tanked and bond yields moved sharply higher last Tuesday. Investors are concerned that the January CPI print will push back or further delay the Fed's first rate cut, which it did. Fed fund futures now shows there is only a 33% chance the first rate cut comes in May, down from 52% one week ago. Stocks got a reprieve from stronger than expected data on Thursday when retail sales for January came in weaker than expected. Retail sales plunged -0.8% coming in much worse than the forecasted decline of -0.2%. Almost every category moved lower last month including internet sales -0.8%, cars -1.7%, building materials -4.1% and gasoline -1.7%. Again, one month does not make a trend but are consumers finally pulling back? Time will tell.

Index Total Returns - February 16, 2024

	1-Wk	YTD	1-Yr
NASDAQ	-1.31	5.18	34.15
S&P 500	-0.35	5.15	24.37
Dow Jones	0.02	2.76	17.12
S&P 400	0.75	1.82	7.73
MSCI-Developed	1.47	1.04	10.68
Russell 2000	1.17	0.40	6.33
MSCI-Emerging	2.11	-0.65	3.12
Barclay's U.S. Bond Index			
High Yield	-0.32	-0.15	10.59
5-year Muni	-0.07	-0.49	3.09
Municipal	-0.10	-0.71	4.36
Int. Gov. Credit	-0.38	-0.99	3.85
Aggregate	-0.55	-2.01	2.53

Consumer Price Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.97	4.86	5.02
U.S. 2-Yr	4.67	4.48	4.63
U.S. 3-Yr	4.44	4.26	4.34
U.S. 5-Yr	4.29	4.13	4.05
U.S. 10-Yr	4.29	4.17	3.84
U.S. 30-Yr	4.45	4.37	3.91

S&P 500 Sector Total Returns - February 16, 2024

Sector	1-Wk	YTD	1-Yr
Communication Services	-1.61	10.24	50.76
Info Tech	-2.41	7.59	49.19
Health Care	1.12	6.87	13.30
Financials	1.46	5.41	11.21
Industrials	0.94	3.63	17.48
Energy	2.71	2.20	0.82
Consumer Staples	0.20	2.15	5.04
Consumer Discretionary	-0.73	1.56	24.20
Materials	2.39	-0.52	5.95
Utilities	1.60	-3.32	-6.53
Real Estate	-0.31	-4.23	-0.24

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.24	3.22	3.17
U.S. AA	3.27	3.24	3.28
U.S. A	3.75	3.73	3.82
U.S. Baa	4.38	4.36	4.42
U.S. Municipal	3.44	3.41	3.46
Michigan	3.60	3.57	3.58

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	20.35	17.97	1.37
S&P 400 - Mid Cap	15.04	15.53	1.47
S&P 600 - Small Cap	14.15	15.18	1.75