



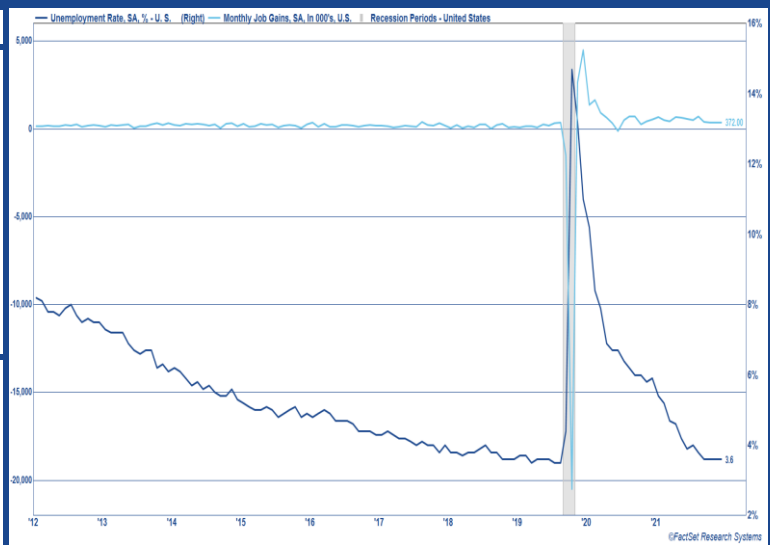
Economic & Market Commentary

Stock markets rose for the second week in a row driven higher by a pullback in commodity prices and Federal Reserve minutes which indicated they are committed to bringing inflation under control. Given upside surprises to ISM Services survey and June non-farm payrolls, the Fed's level of commitment is going to be tested in the coming months. The bond market did not react kindly to the upside surprises as bond yields rose across the entire yield curve, which inverted again between two-year and ten-year treasuries. Inversion is when short-end bond yields are higher than longer-end bond yields. Historically, an inverted yield curve has been a reliable indicator of a pending recession. The U.S. Treasury Yields section below highlights the inversion as of the close Friday. The Fed is raising short-term rates to combat inflation with the goal being to reduce overall demand. The intended by-product of the Fed's campaign will be slower economic growth and higher unemployment. June's non-farm payroll of 372,000 came in higher than expected and shows their efforts have not taken hold yet. The consensus forecast for June non-farm payrolls was 275,000. The unemployment was unchanged at 3.6% for the fourth month in a row. An important highlight to note in the U.S. Bureau of Labor Statistics report revealed the number of people not in the labor force rose to 99.8 million in June from 99.3 million in May and remains well above the level of 95 million in February 2020. As we commented on in our 2Q22 Quarterly Investment Commentary, most of these "lost workers" are not coming back and it is one of the main reasons the labor market remains very tight. As of this morning, CBOE Fedwatch Tool shows an 80% probability short-term rates will be between 3.25% and 3.75% one year from now.

Index Total Returns - July 8, 2022

	1-Wk	YTD	1-Yr
Dow Jones	0.82	-12.84	-7.18
MSCI-Emerging	0.94	-17.50	-21.98
S&P 500	1.98	-17.52	-8.42
S&P 400	1.09	-17.69	-11.12
MSCI-Developed	0.97	-19.40	-17.35
Russell 2000	2.43	-20.66	-19.76
NASDAQ	4.58	-25.33	-19.52
Barclay's U.S. Bond Index			
5-year Muni	0.56	-4.79	-4.91
Int. Gov. Credit	-0.68	-6.93	-7.92
Municipal	0.79	-7.93	-8.12
Aggregate	-0.87	-10.59	-11.24
High Yield	1.33	-12.89	-11.80

U.S. Non-Farm Payrolls



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.83	2.64	0.07
U.S. 2-Yr	3.12	2.83	0.19
U.S. 3-Yr	3.15	2.85	0.36
U.S. 5-Yr	3.14	2.88	0.73
U.S. 10-Yr	3.10	2.89	1.29
U.S. 30-Yr	3.27	3.12	1.92

S&P 500 Sector Total Returns - July 8, 2022

Sector	1-Wk	YTD	1-Yr
Energy	-2.39	30.55	44.21
Utilities	-2.83	-0.95	11.53
Consumer Staples	-0.44	-4.65	7.82
Health Care	0.80	-6.48	3.52
Industrials	-0.21	-16.22	-12.32
Financials	0.61	-17.05	-8.34
Materials	-1.48	-18.56	-8.41
Real Estate	-0.95	-19.31	-6.38
Info Tech	4.35	-23.54	-10.87
Communication Services	5.12	-26.09	-25.46
Consumer Discretionary	4.56	-28.38	-20.90

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.71	2.85	0.76
U.S. AA	2.86	3.00	0.82
U.S. A	3.35	3.47	1.02
U.S. Baa	3.86	4.00	1.37
U.S. Municipal	3.03	3.17	0.90
Michigan	3.16	3.28	0.99

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.41	17.17	1.55
S&P 400 - Mid Cap	11.63	15.74	1.47
S&P 600 - Small Cap	11.45	16.40	1.41