



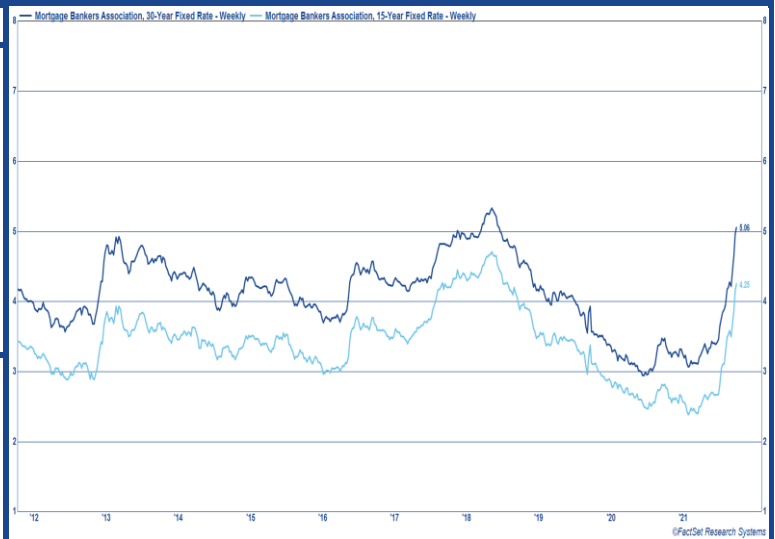
**Economic & Market Commentary**

Bond yields continued to march higher last week especially on the intermediate and long parts of the yield curve. Hawkish comments and speeches from several Federal Reserve governors along with the minutes from the March FOMC meeting sent bond yields higher and stock markets lower last week. The yield curve has been getting much attention of late, not only due to the back-up in yields but also because the yield curve inverted between the 2-year treasury and the 10-year treasury. Inversion occurs when short-term bond yields exceed long-term bond yields. Historically, yield curve inversion has been a reliable predictor of economic recession and since 1960 has preceded every recession except twice -- once in 1960s and once in the 1970s. The primary focus of the FOMC meeting minutes release was the pace at which the Fed would start to unwind their balance sheet. All members agreed that elevated inflation and tight labor conditions warranted balance sheet runoff at a faster pace of decline than during 2017-2019, which was the last time they reduced their balance sheet. Members agreed on the monthly reduction pace of \$95 billion with roughly \$60 billion coming from Treasury securities and about \$35 billion from Mortgage-Backed Securities (MBS). This pace of balance sheet reduction was in-line with Street expectations. One concern several FOMC participants noted was the uncertainty surrounding the future level of reserves that would still provide ample market liquidity. The 2017-2019 balance sheet reduction program resulted in unintended disruptions within the reverse-repos and money markets. Members agreed that it was important for the Committee to closely monitor money market conditions and indicators, and for the Committee to be prepared to make appropriate adjustments. The minutes also showed the likelihood of fifty basis point increases at the next few meetings is high.

**Index Total Returns - April 8, 2022**

	1-Wk	YTD	1-Yr
Dow Jones	-0.23	-3.94	5.58
S&P 500	-1.24	-5.46	11.08
S&P 400	-3.41	-7.56	-0.23
MSCI-Developed	-1.38	-7.65	-3.14
MSCI-Emerging	-1.53	-8.07	-14.19
Russell 2000	-4.60	-10.88	-10.11
NASDAQ	-3.85	-12.19	-0.20
<b>Barclay's U.S. Bond Index</b>			
5-year Muni	-0.53	-5.62	-5.21
Int. Gov. Credit	-0.81	-5.65	-5.60
High Yield	-1.34	-6.25	-2.86
Municipal	-0.83	-7.01	-5.69
Aggregate	-1.82	-7.89	-6.71

**U.S. Mortgage Rates**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	1.72	1.64	0.06
U.S. 2-Yr	2.52	2.43	0.14
U.S. 3-Yr	2.72	2.60	0.32
U.S. 5-Yr	2.76	2.55	0.84
U.S. 10-Yr	2.71	2.38	1.64
U.S. 30-Yr	2.75	2.42	2.32

**S&P 500 Sector Total Returns - April 8, 2022**

Sector	1-Wk	YTD	1-Yr
Energy	3.21	44.71	72.75
Utilities	1.91	8.33	22.31
Consumer Staples	2.75	2.99	19.27
Health Care	3.44	1.69	24.36
Materials	-0.78	-2.03	13.45
Financials	-0.89	-2.56	10.76
Real Estate	0.77	-3.59	26.73
Industrials	-2.60	-5.56	1.47
Consumer Discretionary	-3.27	-11.81	2.27
Info Tech	-4.00	-12.17	9.47
Communication Services	-2.61	-13.46	-7.58

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.56	2.40	0.89
U.S. AA	2.66	2.49	0.97
U.S. A	2.99	2.80	1.26
U.S. Baa	3.30	3.13	1.75
U.S. Municipal	2.78	2.60	1.10
Michigan	2.81	2.63	1.15

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	19.35	17.05	1.31
S&P 400 - Mid Cap	13.63	15.66	1.25
S&P 600 - Small Cap	13.05	16.14	1.22