



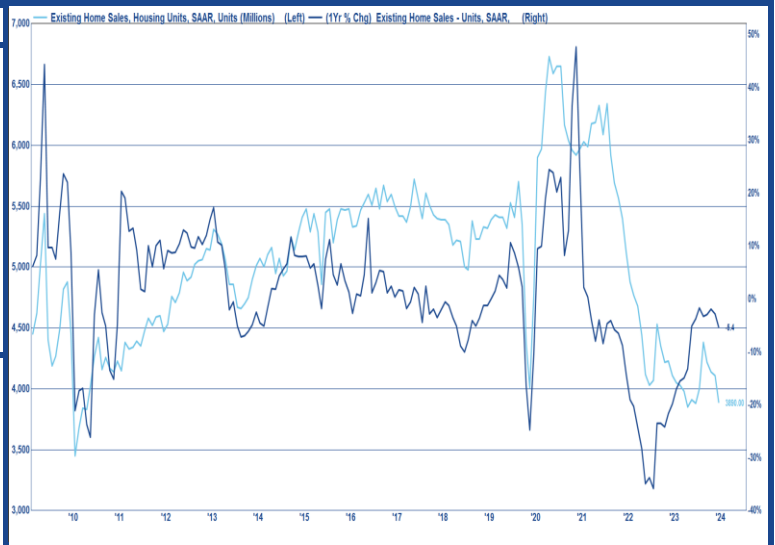
**Economic & Market Commentary**

There were a lot of moving parts that disseminated last week, including concerns over the Federal Reserve's policy and rising Middle East tensions. The market's tone turned decidedly negative, and stocks finished sharply lower while bonds rallied as investors sought shelter in traditional safe havens. The Fed's indication that the first rate cut was likely coming in September wasn't enough to allay growth and recession concerns. There were many disappointing earnings and/or guidance reports from big tech names as well as from many companies and industries noting that demand is weakening as consumers are pulling back as disposable income is being pressured from the costs related to higher inflation. Economic reports also showed a weakening economy as the ISM Manufacturing Survey came in much lower than expected at 46.8% vs 48.9% as the report highlighted softening demand, output declines, and falling new orders. Next up was housing that showed home prices were flat in May. The Federal Housing Finance Agency reported that home prices in May were unchanged but still rose 5.7% from a year ago. This latest report is consistent with the string of recent housing reports that show the tide is turning in the housing market and is slowly shifting from a seller's market to a buyer's market. From its peak of annualized sales of 6.7 million in October 2020, existing home sales have plummeted 42.1% to a 3.89 million annualized pace in June 2024. Other housing market measures point to a more balanced home market as both home inventories and days on the market are consistently increasing. The labor market was the other key focus for the week. July nonfarm payrolls grew by 114,000 m/m vs consensus 175,000 and June's numbers were revised down to 179,000 from 206,000. The unemployment rate ticked higher to 4.3% vs consensus 4.1%. All of this weak data pushed bond yields down sharply and significantly increased the likelihood of a 50 bps rate cut in September.

**Index Total Returns - August 2, 2024**

	1-Wk	YTD	1-Yr
S&P 500	-2.05	12.99	18.27
NASDAQ	-3.34	12.20	17.84
S&P 400	-4.11	6.89	9.82
Dow Jones	-2.10	6.56	14.05
MSCI-Emerging	-1.00	5.48	3.98
Russell 2000	-6.66	4.86	6.90
MSCI-Developed	-1.96	4.35	7.02
<b>Barclay's U.S. Bond Index</b>			
High Yield	-0.05	4.26	10.71
Int. Gov. Credit	1.67	3.48	7.02
Aggregate	2.43	3.21	6.76
Municipal	1.03	1.46	4.73
5-year Muni	0.68	0.86	3.65

**Existing Home Sales**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.36	4.80	5.37
U.S. 2-Yr	3.88	4.39	4.89
U.S. 3-Yr	3.71	4.20	4.55
U.S. 5-Yr	3.62	4.08	4.25
U.S. 10-Yr	3.80	4.20	4.07
U.S. 30-Yr	4.10	4.45	4.16

**S&P 500 Sector Total Returns - August 2, 2024**

Sector	1-Wk	YTD	1-Yr
Comm. Services	1.26	20.33	28.67
Utilities	4.36	19.24	14.65
Info Tech	-4.02	18.93	28.05
Consumer Staples	1.17	13.27	10.06
Financials	-2.99	12.87	21.36
Health Care	0.65	11.60	14.44
Industrials	-2.77	8.54	13.08
Energy	-3.64	7.94	4.96
Real Estate	2.80	6.36	13.72
Materials	-1.38	6.19	7.27
Con. Discretion	-4.28	0.15	4.63

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.28	3.44	3.37
U.S. AA	3.30	3.46	3.48
U.S. A	3.64	3.82	3.95
U.S. Baa	4.12	4.28	4.55
U.S. Municipal	3.42	3.59	3.63
Michigan	3.54	3.71	3.80

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.46	18.22	1.30
S&P 400 - Mid Cap	15.23	15.95	1.42
S&P 600 - Small Cap	14.65	15.30	1.73