



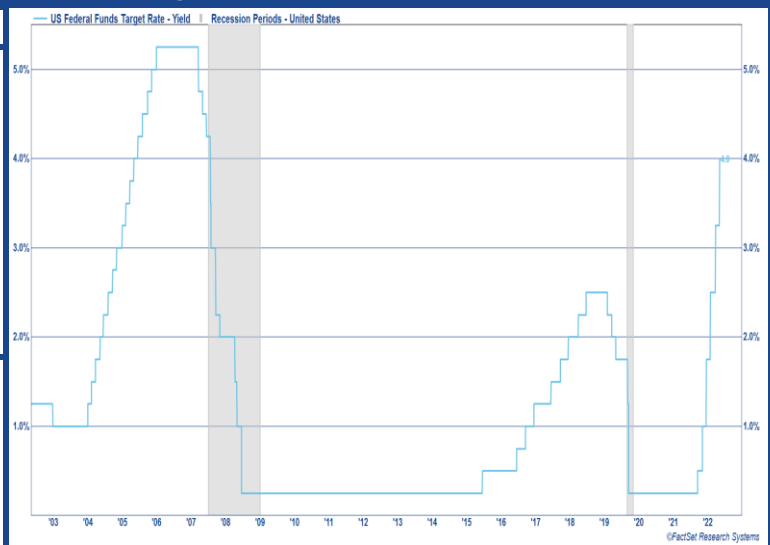
Economic & Market Commentary

As expected, the Federal Reserve raised the target rate by +0.75% to 4.0% last Wednesday. The market was really focused on commentary from Fed Chair Jerome Powell and hoped he would indicate member consensus was close to pivoting to a more accommodative stance. Unfortunately, that was not the case as when asked about the pace of future rates Powell stated that "ongoing rate increases will be appropriate, and incoming data between the meetings, both a strong labor market report but particularly the CPI report, do suggest to me that we may ultimately move to higher levels than we thought at the time of the September meeting. To be clear, let me say again, the question of when to moderate the pace of increases is now much less important than the question of how high to raise rates and how long to keep monetary policy restricted, which really will be our principal focus." In answering other questions surrounding rate policy, Chair Powell made it abundantly clear monetary policy was going to remain restrictive until inflation is under control. Stock markets sold off sharply that day in response to his press conference and closed moderately lower for the week. Bond yields moved +0.15% to +0.20% across the entire yield curve last week. The next FOMC meeting is on December 14th and investors will be zeroed in on their Summary of Economic Projections which provides near-term estimates on GDP, unemployment, and most importantly inflation and rate policy. The CME FedWatch Tool shows a roughly 50% chance of either a +0.50% or +0.75% at the December 14th meeting. Looking out further in 2023, the chance of short-term rates moving up to 5.50% has risen significantly over the last week moving from a 5-10% probability to a 25-30% in the first half of next year.

Index Total Returns - November 4, 2022

	1-Wk	YTD	1-Yr
Dow Jones	-1.38	-9.33	-8.46
S&P 400	-1.17	-14.22	-15.14
Russell 2000	-2.53	-18.95	-24.08
S&P 500	-3.31	-19.83	-18.16
MSCI-Developed	1.24	-22.27	-23.32
MSCI-Emerging	4.68	-26.34	-28.24
NASDAQ	-5.62	-32.60	-33.77
Barclay's U.S. Bond Index			
5-year Muni	0.22	-8.12	-7.88
Int. Gov. Credit	-0.56	-10.33	-10.62
Municipal	0.42	-12.58	-11.94
High Yield	-1.23	-13.24	-12.69
Aggregate	-0.78	-16.02	-16.18

Fed Funds Target Rate



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.79	4.60	0.15
U.S. 2-Yr	4.68	4.42	0.41
U.S. 3-Yr	4.57	4.41	0.67
U.S. 5-Yr	4.33	4.20	1.11
U.S. 10-Yr	4.16	4.02	1.52
U.S. 30-Yr	4.24	4.13	1.96

S&P 500 Sector Total Returns - November 4, 2022

Sector	1-Wk	YTD	1-Yr
Energy	2.41	71.61	68.01
Utilities	-0.49	-4.18	3.74
Consumer Staples	-1.82	-5.02	1.68
Health Care	-1.54	-6.04	-1.07
Industrials	0.45	-8.97	-8.24
Financials	-0.76	-11.84	-13.50
Materials	0.86	-15.41	-11.52
Real Estate	-1.73	-28.50	-22.32
Info Tech	-6.83	-30.20	-26.83
Consumer Discretionary	-5.77	-33.33	-34.93
Communication Services	-7.43	-42.53	-44.50

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.82	3.87	1.02
U.S. AA	3.99	4.04	1.08
U.S. A	4.58	4.61	1.33
U.S. Baa	5.13	5.14	1.61
U.S. Municipal	4.18	4.22	1.18
Michigan	4.31	4.33	1.29

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.44	17.30	1.68
S&P 400 - Mid Cap	12.58	15.56	1.50
S&P 600 - Small Cap	11.91	16.23	1.50