



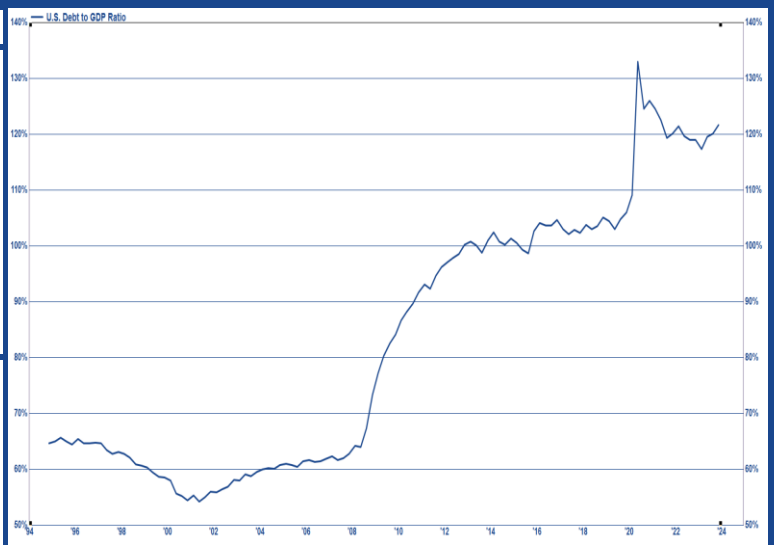
**Economic & Market Commentary**

My earliest recollection of speech jargon was during the latter years of the Vietnam war with the phrase "collateral damage." This was the defense department's softer way of saying civilian casualties. Corporate America has their version of anodyne phrases as well. One phrase companies have used quite often during the recent inflation surge is "price realization" which really means "price hikes." To keep up with rising labor, transportation, and raw material costs, companies raised prices to help maintain margins and profitability. They also focused on changing product composition or processing to reduce costs and maintain margins. Price realization is coming to an end as consumers have been and continue to substitute higher-cost name brand items with private label products, but also due to growing pushback from businesses and government agencies. In early January, the large European grocer Carrefour, which has over 12,000 stores worldwide, pulled PepsiCo products from their shelves over "unacceptable" price hikes. This company went so far as to add warning labels to their shelves citing, "This product has seen its volume or weight fall and the effective price by the supplier rise." Going forward, we expect most publicly traded companies will now likely switch gears and begin job layoffs phrasing them as "cost optimization," "scale realignment," or "organizational simplification." If you have ever worked for a publicly traded company you know exactly what this means. Skimming bone off an already bare bone. Those employees missing the layoff cuts will now have more responsibility and stressed capacity limits. Many companies have already started "cultural realignment" including DocuSign, Estee Lauder, Zoom, Alphabet, Cisco, Meta, Amazon, Citigroup, BlackRock, UPS, Macy's, and Salesforce to name a few. The tide is about to turn on the jobs front and expect the labor market to gradually weaken as the year progresses.

**Index Total Returns - February 9, 2024**

	1-Wk	YTD	1-Yr
NASDAQ	2.34	6.58	36.77
S&P 500	1.40	5.52	25.18
Dow Jones	0.09	2.74	17.24
S&P 400	1.51	1.07	8.51
MSCI-Developed	0.11	-0.43	8.27
Russell 2000	2.44	-0.76	6.61
MSCI-Emerging	0.75	-2.70	-0.30
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.13	0.17	9.38
5-year Muni	-0.28	-0.42	2.01
Municipal	-0.45	-0.61	3.06
Int. Gov. Credit	-0.44	-0.61	3.53
Aggregate	-0.82	-1.47	1.95

**U.S. Debt as % of GDP**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.86	4.80	4.93
U.S. 2-Yr	4.48	4.37	4.52
U.S. 3-Yr	4.26	4.15	4.18
U.S. 5-Yr	4.13	3.99	3.89
U.S. 10-Yr	4.17	4.03	3.68
U.S. 30-Yr	4.37	4.22	3.74

**S&P 500 Sector Total Returns - February 9, 2024**

Sector	1-Wk	YTD	1-Yr
Communication Services	1.02	12.05	52.95
Info Tech	3.25	10.25	53.41
Health Care	1.43	5.69	11.67
Financials	0.23	3.90	9.67
Industrials	1.18	2.66	17.45
Consumer Discretionary	1.47	2.32	25.71
Consumer Staples	-1.31	1.95	5.44
Energy	-0.22	-0.50	-1.00
Materials	0.03	-2.84	3.89
Real Estate	0.25	-3.93	-0.49
Utilities	-1.94	-4.85	-6.09

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.22	3.12	2.89
U.S. AA	3.24	3.14	2.99
U.S. A	3.73	3.64	3.55
U.S. Baa	4.36	4.28	4.16
U.S. Municipal	3.41	3.32	3.18
Michigan	3.57	3.48	3.34

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	20.50	17.96	1.35
S&P 400 - Mid Cap	14.90	15.53	1.48
S&P 600 - Small Cap	13.90	15.18	1.78