



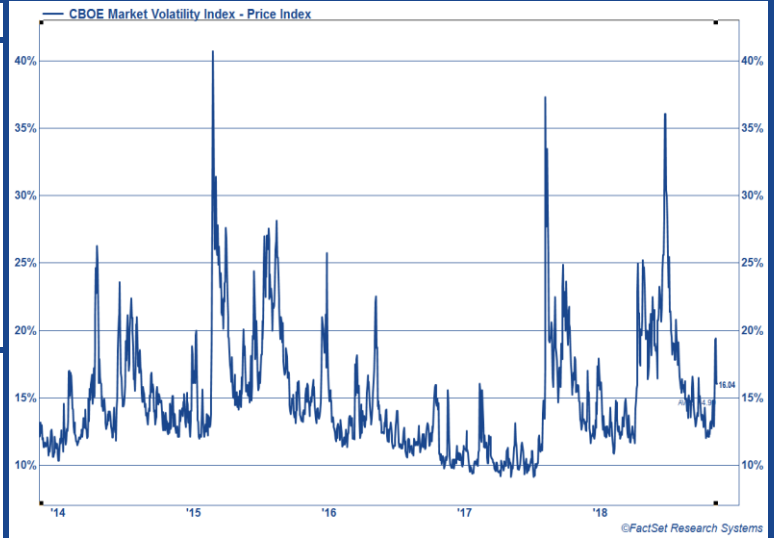
Economic & Market Commentary

Stocks were sharply lower last week as trade negotiations with China deteriorated and geo-political risks escalated. On a relaxing May 5th Sunday afternoon, with the flip of a presidential tweet, markets were notified of a breakdown in China trade talks. Heading into trade talks last week, China apparently redlined many terms previously agreed upon which was met with contempt by the Trump administration. In response, the Trump administration raised the tariff on \$200 billion worth of Chinese goods from 10% to 25% effective last Friday. Additionally, the Trump administration has threatened to impose a 25% tariff on another \$325 billion worth of Chinese goods. The setback in trade talks sent risk measures higher and investors flocked to the safe haven of treasury bonds sending treasury yields lower across the entire yield curve and bond returns higher. While trade talks continue, they clearly have taken a step back from the constructive and productive tone of the past few months, and this has resulted in elevated uncertainty and higher market volatility. On top of this good news, geo-political risks heated up as North Korea has resumed testing short-range missiles and the U.S. seized a North Korean cargo vessel for violating international sanctions. Also, Middle East tensions and rhetoric have escalated as Iran has been accused of threatening American troops and interests in the region. In response to these threats, the U.S. has beefed up its military presence and sent an aircraft carrier strike force into the Persian Gulf, employed Patriot missile defense systems, and has stationed B52 bombers throughout the region. Early this morning, Saudi Arabia reported that two of their oil tankers were attacked in the Persian Gulf. Risk levels are currently on the rise so expect heightened market volatility near-term.

Total Returns - May 10, 2019

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	-2.96	19.77	8.12
Russell 2000	-2.52	17.17	-0.56
S&P 400	-2.36	16.88	1.43
S&P 500	-2.10	15.77	7.99
Dow Jones	-1.96	12.17	7.36
MSCI-Developed	-2.63	10.02	-6.06
MSCI-Emerging	-4.52	7.54	-8.44
Barclay's U.S. Bond Index			
High Yield	-0.51	8.25	6.06
Municipal	0.49	3.92	6.13
Aggregate	0.31	3.22	5.71
Int. Gov. Credit	0.30	2.66	5.24
5-year Muni	0.29	2.52	4.70

Market Volatility



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.37	2.41	2.27
U.S. 2-Yr	2.24	2.32	2.53
U.S. 3-Yr	2.21	2.31	2.69
U.S. 5-Yr	2.25	2.33	2.83
U.S. 10-Yr	2.45	2.53	2.97
U.S. 30-Yr	2.87	2.93	3.12

S&P 500 - Sector Total Returns - May 10, 2019

Sector	1-Wk	YTD	1-Yr
Info Tech	-3.45	23.35	10.18
Consumer Discretionary	-2.50	19.54	13.15
Communication Services	-1.86	19.13	17.39
Industrials	-2.74	19.12	4.52
Real Estate	-0.70	17.20	18.33
Financials	-2.17	15.95	-0.82
Consumer Staples	-0.31	13.86	19.45
Energy	-0.27	12.67	-13.72
Utilities	-0.62	10.41	19.38
Materials	-2.80	9.61	-4.45
Health Care	-1.47	3.22	10.43

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	1.97	2.05	2.48
U.S. AA	2.06	2.14	2.57
U.S. A	2.37	2.47	2.91
U.S. Baa	3.01	3.11	3.58
U.S. Municipal	2.20	2.29	2.73
Michigan	2.27	2.35	2.79

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.60	14.83	1.89
S&P 400 - Mid Cap	15.81	15.61	1.54
S&P 600 - Small Cap	16.87	15.53	1.47