



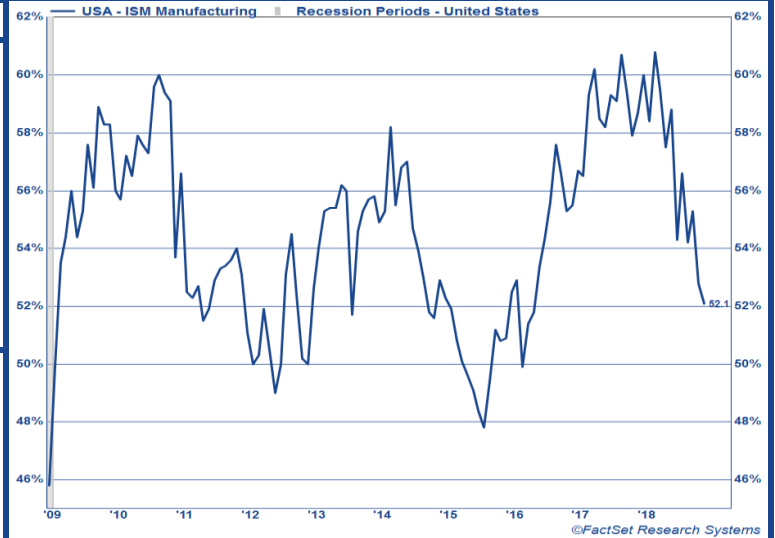
Economic & Market Commentary

Remember the Saturday Night Live Cow Bell skit where Christopher Walken has a fever and the only prescription is more cow bell baby! Well, last month the stock market had a fever and the only prescription was Fed easing or the likelihood thereof baby! The prescription was filled early last week when Fed Chair Powell gave opening remarks at a conference in Chicago in which he stated: "We do not know how or when these issues (trade negotiations) will be resolved. We are closely monitoring the implications of these developments for the U.S. economic outlook and, as always, will act as appropriate to sustain the expansion, with a strong labor market and inflation near our symmetric 2 percent objective." This opening statement set the stage for very strong stock returns last week. This statement, along with softer economic data, significantly increased the likelihood of rate cuts this year. Fed fund futures currently show a 67% chance of a 1/4 point rate cut in July and a 48% chance of an additional 1/4 point rate cut in September. One month ago, there was a 17% chance of a 1/4 point rate cut in July and a 4% chance of the additional 1/4 point rate cut in September. As aforementioned, there were a couple of macroeconomic areas that posted softening data points. ISM U.S. manufacturing activity for May posted a reading of 52.1%, which is its slowest reading since October 2016. Additionally, several sub-component readings were weak including inventory levels, order backlogs and deliveries. Uncertainty and higher costs surrounding on going trade tariffs was a consistent feedback theme from survey respondents. The other area of softer data was the labor market. Job gains in May came in much weaker than anticipated at 75,000 vs. 180,000 expected while the unemployment rate remained unchanged at 3.6%. Treasury yields moved lower on the data.

Total Returns - June 7, 2019

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	3.91	17.26	2.51
S&P 500	4.46	15.68	5.83
S&P 400	4.54	14.57	-3.38
Russell 2000	3.36	12.94	-7.92
Dow Jones	4.77	12.67	5.39
MSCI-Developed	3.23	11.12	-4.43
MSCI-Emerging	1.03	5.16	-10.15
Barclay's U.S. Bond Index			
High Yield	0.91	8.47	5.91
Aggregate	0.36	5.17	7.37
Municipal	0.20	4.92	6.74
Int. Gov. Credit	0.37	4.24	6.49
5-year Muni	0.23	3.47	5.04

ISM Manufacturing



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.01	2.22	2.31
U.S. 2-Yr	1.85	1.95	2.50
U.S. 3-Yr	1.82	1.90	2.62
U.S. 5-Yr	1.85	1.93	2.77
U.S. 10-Yr	2.08	2.14	2.93
U.S. 30-Yr	2.57	2.58	3.08

S&P 500 - Sector Total Returns - June 7, 2019

Sector	1-Wk	YTD	1-Yr
Info Tech	5.99	23.46	7.79
Real Estate	2.65	21.48	21.69
Industrials	5.14	18.33	1.71
Consumer Discretionary	4.10	17.68	6.31
Consumer Staples	5.26	16.23	20.36
Communication Services	0.93	15.28	8.77
Materials	9.16	14.58	-2.98
Financials	4.26	14.52	-1.20
Utilities	3.05	14.40	27.76
Energy	4.24	7.92	-17.88
Health Care	4.34	5.74	9.56

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	1.82	1.85	2.43
U.S. AA	1.90	1.93	2.52
U.S. A	2.21	2.25	2.88
U.S. Baa	2.82	2.84	3.51
U.S. Municipal	2.04	2.07	2.68
Michigan	2.12	2.15	2.75

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.45	14.84	1.90
S&P 400 - Mid Cap	15.53	15.60	1.58
S&P 600 - Small Cap	16.02	15.55	1.57