



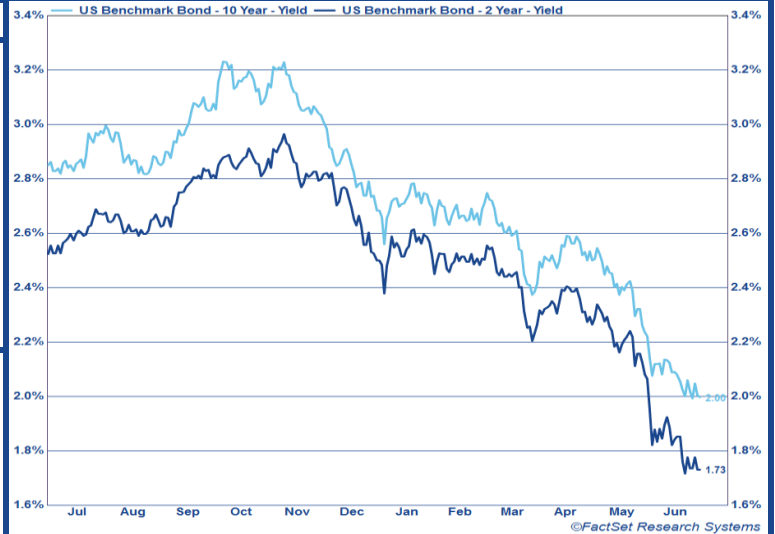
Economic & Market Commentary

For the second quarter, stock markets were tempered by trade talks and garnered slightly to moderately higher total returns ranging from +0.61% to +4.30%. The quarter began with stock markets moving higher in April on better than expected 1Q19 GDP readings (+3.1% vs 2.0%), continued strong employment and wage growth data, and slightly better than expected 1Q19 corporate earnings, albeit lower. Then, on Sunday May 5th, President Trump sent a tweet disclosing that trade talks with China had basically collapsed and the Administration would be raising the tariff rate on \$200 billion worth of Chinese goods from 10% to 25% and would be giving serious consideration to imposing tariffs on an additional \$325 billion of Chinese products. As expected, China retaliated by imposing tariffs on \$60 billion worth of U.S. goods. These trade developments rocked investor sentiment resulting in greatly heightened investor uncertainty, increased volatility and sharp stock market declines for the month of May ranging from -4.80% to -7.97%. The fear associated with the escalating trade tension sent bonds yields to multi-year lows as investors flocked to the safety of treasury bonds and further inverted the yield curve. For the month of June, stocks saw strong returns propelled chiefly by the expectation that the Fed will soon be lowering the short-term target rate. According to an article from CNBC, the Dow had its best June return (+7.31%) since 1938. U.S. stock market total returns ranged from +7.07% to 7.64% while international returns lagged slightly in the 5.9% to 6.3% range. Bonds posted strong returns during the quarter as yields fell sharply on the negative trade talk developments, Fed policy pivot, concerns on U.S. and global growth, and weaker than expected U.S. inflation data.

Total Returns - June 28, 2019

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	-0.30	21.33	7.78
S&P 500	-0.27	18.54	10.42
S&P 400	0.96	17.97	1.36
Russell 2000	1.16	16.98	-3.31
Dow Jones	-0.45	15.40	12.20
MSCI-Developed	0.65	14.03	1.08
MSCI-Emerging	0.39	10.58	1.21
Barclay's U.S. Bond Index			
High Yield	-0.02	9.94	7.48
Aggregate	0.43	6.11	7.87
Municipal	0.08	5.09	6.71
Int. Gov. Credit	0.29	4.97	6.93
5-year Muni	0.06	3.80	5.24

U.S. Treasury Yields



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	1.94	1.95	2.33
U.S. 2-Yr	1.73	1.78	2.52
U.S. 3-Yr	1.69	1.73	2.61
U.S. 5-Yr	1.75	1.80	2.73
U.S. 10-Yr	2.00	2.06	2.85
U.S. 30-Yr	2.53	2.59	2.98

S&P 500 - Sector Total Returns - June 28, 2019

Sector	1-Wk	YTD	1-Yr
Info Tech	-0.19	27.13	14.35
Consumer Discretionary	-0.34	21.84	10.35
Industrials	0.33	21.38	10.66
Real Estate	-2.55	20.42	17.05
Communication Services	-0.81	19.09	12.94
Materials	1.54	17.26	3.48
Financials	1.50	17.24	6.18
Consumer Staples	-1.00	16.18	16.22
Utilities	-2.12	14.70	19.14
Energy	0.15	13.13	-12.69
Health Care	-1.15	8.07	13.16

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	1.80	1.81	2.39
U.S. AA	1.88	1.89	2.52
U.S. A	2.20	2.20	2.88
U.S. Baa	2.79	2.80	3.50
U.S. Municipal	2.02	2.03	2.67
Michigan	2.15	2.15	2.80

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.79	14.86	1.87
S&P 400 - Mid Cap	15.93	15.61	1.54
S&P 600 - Small Cap	16.49	15.56	1.51