



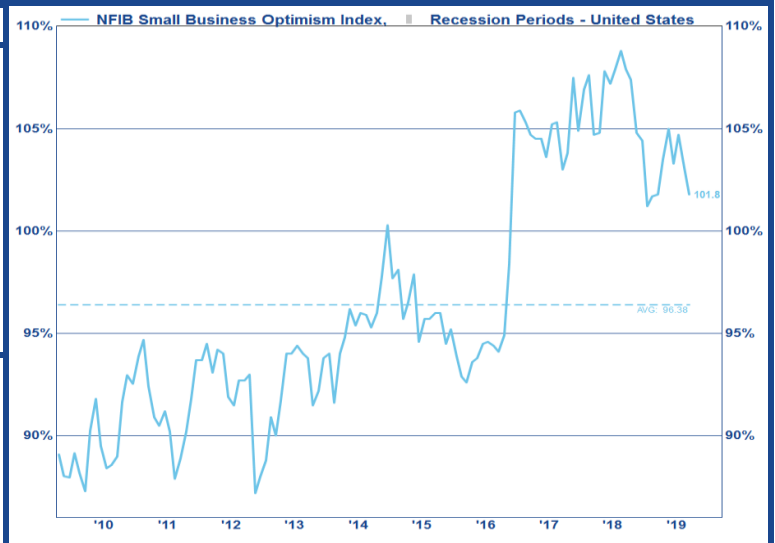
Economic & Market Commentary

We expected the stock market to be volatile last week due to the trade talks and that is exactly what happened. At the beginning of the week stocks tanked on negative speculation of how the trade talks may go and then rallied sharply on positive trade developments in the latter part of last week. Stocks finished the week modestly higher and bond yields rose sharply across the yield curve. The risk trade was on as S&P 500 cyclical and growth sectors outperformed defensive sectors. President Trump announced the U.S. and China had agreed on a general framework of a phase-one trade deal with details to be negotiated over the next several weeks. At one point on Friday, the Dow rallied 500 points on the positive news but fell on the intraday high when it became apparent many details still needed to be ironed out. In exchange for China's purchase of U.S. agricultural products in the range of \$40-\$50 billion, the Trump administration announced they were not going to raise tariffs from 25% to 30% on \$250 billion worth of China goods on October 15th. What was not ironed out were the tough issues of China intellectual property theft, broader U.S. access to Chinese markets, the forced transfer of proprietary technology to gain market access, and elimination of additional U.S. tariffs on Chinese imports to take effect in December. It is clear major structural hurdles still need to be hammered out between the U.S. and China, and given the unpredictable and erratic actions taken by both governments in the recent past, there still is much uncertainty surrounding these trade negotiations, and markets will sway on developments. U.S. tariffs on China and other nations is quickly approaching the two year mark, it is hoped a comprehensive trade deal(s) can be struck and ratified with China and other trading partners by this time next year.

Total Returns - October 11, 2019

	1-Wk	YTD	1-Yr
NASDAQ	0.94	22.45	11.16
S&P 500	0.66	20.38	11.12
Dow Jones	0.93	17.14	9.65
S&P 400	0.70	16.77	4.48
Russell 2000	0.77	13.35	-0.72
MSCI-Developed	2.31	13.30	5.59
MSCI-Emerging	1.53	7.07	8.70
Barclay's U.S. Bond Index			
High Yield	0.31	11.21	7.29
Aggregate	-1.03	8.23	10.50
Municipal	-0.30	7.03	9.70
Int. Gov. Credit	-0.81	6.34	8.26
5-year Muni	-0.06	4.81	6.81

NFIB - U.S. Small Business Optimism



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	1.65	1.60	2.67
U.S. 2-Yr	1.61	1.39	2.84
U.S. 3-Yr	1.58	1.35	2.92
U.S. 5-Yr	1.57	1.33	2.98
U.S. 10-Yr	1.75	1.51	3.13
U.S. 30-Yr	2.21	2.02	3.31

S&P 500 - Sector Total Returns - October 11, 2019

Sector	1-Wk	YTD	1-Yr
Info Tech	1.27	33.18	20.73
Real Estate	-0.57	29.26	31.49
Utilities	-1.41	23.84	24.89
Communication Services	1.02	22.82	14.54
Consumer Discretionary	1.00	22.37	13.24
Consumer Staples	-0.85	22.36	19.94
Industrials	1.57	21.28	6.93
Financials	0.81	18.14	7.10
Materials	1.86	15.46	9.40
Health Care	-0.22	5.44	2.03
Energy	1.01	3.79	-17.66

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	1.61	1.55	2.77
U.S. AA	1.67	1.61	2.87
U.S. A	1.96	1.90	3.20
U.S. Baa	2.53	2.47	3.81
U.S. Municipal	1.81	1.75	3.01
Michigan	1.93	1.85	3.06

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	16.83	14.93	1.87
S&P 400 - Mid Cap	16.01	15.61	1.64
S&P 600 - Small Cap	16.75	15.55	1.60