



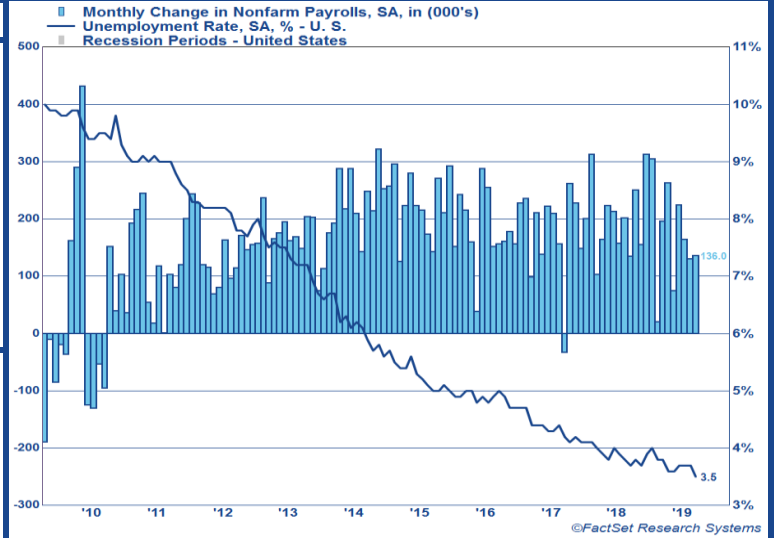
Economic & Market Commentary

Recession fears rose last week as manufacturing and service activity readings came in much lower than expected. Friday's labor market report softened an otherwise dismal week for stocks. Bond yields plummeted across the curve on the weak reports and the clouded economic outlook. According to the Institute for Supply Management (ISM) survey manufacturing activity in September contracted for the second month in a row coming in at a level of 47.8%. This marks the sixth monthly decline in a row and its lowest reading since June 2009. Readings below 50 are considered contractionary and readings above 50 expansionary. Respondents to the ISM manufacturing survey cited that trade continues to be a major issue resulting in slowing new business orders, rising inventories, supply constraints, staff reductions, and a more cautious business outlook. The ISM manufacturing report was followed later in the week by their service survey which registered a level of 52.6%, missing the consensus estimate of 55.0%. Respondents to the service survey echoed the manufacturing survey findings that tariffs are creating uncertainty, slowing demand, affecting pricing, and impacting supply chains. These weaker than expected manufacturing and service readings sent stock markets sharply lower but that changed on Friday with a solid September labor market report. The U.S. unemployment rate came in at 3.5% which is the lowest level since December 1969! Job gains for the month were +136,000, the number of unemployed persons decreased by -275,000 to 5.8 million, wages grew 2.9% over the past year, and revisions for the previous two months were to the upside as July went from +159,000 to +166,000 and August went from +130,000 to +168,000. Stocks rallied sharply on the labor report.

Total Returns - October 4, 2019

	1-Wk	YTD	1-Yr
NASDAQ	0.57	21.32	2.44
S&P 500	-0.30	19.59	3.83
Dow Jones	-0.88	16.06	2.23
S&P 400	-0.96	15.96	-2.27
Russell 2000	-1.28	12.49	-7.54
MSCI-Developed	-2.16	10.74	-1.57
MSCI-Emerging	-0.46	5.45	1.19
Barclay's U.S. Bond Index			
High Yield	-0.49	10.87	6.11
Aggregate	0.81	9.35	12.00
Municipal	0.58	7.35	9.65
Int. Gov. Credit	0.78	7.21	9.40
5-year Muni	0.52	4.87	6.79

U.S. Labor Market



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	1.60	1.76	2.63
U.S. 2-Yr	1.39	1.61	2.86
U.S. 3-Yr	1.35	1.55	2.96
U.S. 5-Yr	1.33	1.54	3.05
U.S. 10-Yr	1.51	1.68	3.20
U.S. 30-Yr	2.02	2.12	3.36

S&P 500 - Sector Total Returns - October 4, 2019

Sector	1-Wk	YTD	1-Yr
Info Tech	1.15	31.51	9.76
Real Estate	0.43	30.00	28.48
Utilities	0.23	25.62	26.96
Consumer Staples	0.58	23.40	17.82
Communication Services	0.23	21.58	6.80
Consumer Discretionary	-0.23	21.16	5.08
Industrials	-2.38	19.41	-2.47
Financials	-2.11	17.19	-0.19
Materials	-2.48	13.34	-0.90
Health Care	0.93	5.67	-2.84
Energy	-3.79	2.76	-23.15

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	1.55	1.67	2.71
U.S. AA	1.61	1.73	2.81
U.S. A	1.90	2.01	3.14
U.S. Baa	2.47	2.57	3.72
U.S. Municipal	1.75	1.86	2.95
Michigan	1.85	1.95	3.02

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.73	14.92	1.89
S&P 400 - Mid Cap	15.88	15.61	1.65
S&P 600 - Small Cap	16.78	15.66	1.60