



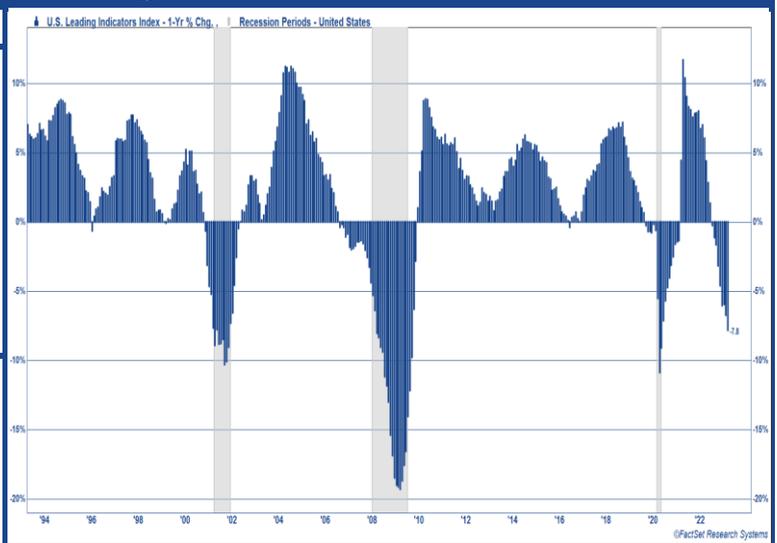
Economic & Market Commentary

Stocks finished mixed last week as the tug-of-war between the bearish and bullish narratives continues. The Fed overhang remains the key downside risk, with officials this week continuing to message tighter-for-longer policy given persistent inflation, little ongoing impact from last month's bank turmoil, and data including Friday's flash PMI that showed resilient labor market trends and a reacceleration of prices. The hawkish Fed dynamic also puts increased scrutiny on the divergence between the market and Fed on pivot expectations, while other pieces to the bearish narrative include bond market recession signaling, the leading economic indicators index declining for the 12th consecutive month, elevated bond market volatility, downside earnings risk, a looming liquidity headwind, and a pickup in debt ceiling concerns. Market bulls point to the trend of consistent declines in inflation and average hourly wage rates, that we are in the late stages of hawkish Fed policy, that volatility measures have declined of late including the VIX (stock volatility index) and MOVE (bond volatility index), that corporate bond credit spreads have tightened, and signs of an economic soft landing are supported not only by improved risk measures but also by a still-strong labor market and consumer resilience. This tug of war between bears and bulls is going to play out over the summer months. It is going to be a busy week for economic and earnings reports this coming week. Tuesday includes April consumer confidence, February home prices and March new home sales; Wednesday is March durable goods; Thursday includes first estimate of U.S. Q1 GDP, pending home sales, and weekly job claims; and Friday includes the important PCE report which the Fed closely watches along with U of M Consumer Sentiment. Roughly 15% of S&P 500 companies will be reporting and the focus will be on the Big Tech names Alphabet, Microsoft, META, and Amazon. Earnings are on pace to decline -6.2% this quarter. The first since the 2Q20 decline of -31.6%.

Index Total Returns - April 21, 2023

	1-Wk	YTD	1-Yr
NASDAQ	-0.42	15.64	-7.53
MSCI-Developed	0.05	11.41	3.71
S&P 500	-0.09	8.21	-4.28
S&P 400	0.38	3.31	-4.21
MSCI-Emerging	-1.95	3.06	-7.15
Dow Jones	-0.19	2.65	-0.70
Russell 2000	0.59	2.16	-8.66
Barclay's U.S. Bond Index			
High Yield	-0.33	4.10	-0.61
Aggregate	-0.23	2.73	-1.45
Municipal	-1.36	2.43	2.37
Int. Gov. Credit	-0.16	2.32	0.28
5-year Muni	-1.02	1.54	2.94

U.S. Leading Economic Indicators Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.76	4.87	1.96
U.S. 2-Yr	4.17	4.11	2.69
U.S. 3-Yr	3.90	3.85	2.89
U.S. 5-Yr	3.67	3.61	2.98
U.S. 10-Yr	3.57	3.52	2.92
U.S. 30-Yr	3.77	3.74	2.94

S&P 500 Sector Total Returns - April 21, 2023

Sector	1-Wk	YTD	1-Yr
Communication Services	-3.05	20.52	-9.60
Info Tech	-0.46	19.47	1.27
Consumer Discretionary	0.53	14.79	-17.87
Materials	-0.31	4.34	-7.23
Consumer Staples	1.79	3.34	-2.50
Industrials	0.78	2.88	1.57
Real Estate	1.59	1.56	-23.12
Utilities	1.09	-0.50	-4.97
Health Care	-0.22	-0.78	-1.54
Energy	-2.53	-1.87	14.48
Financials	0.99	-2.44	-8.97

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.03	2.77	2.87
U.S. AA	3.20	2.90	2.99
U.S. A	3.75	3.46	3.31
U.S. Baa	4.48	4.24	3.64
U.S. Municipal	3.37	3.09	3.10
Michigan	3.53	3.25	3.14

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	18.30	17.53	1.60
S&P 400 - Mid Cap	13.59	15.49	1.57
S&P 600 - Small Cap	12.89	16.14	1.75