



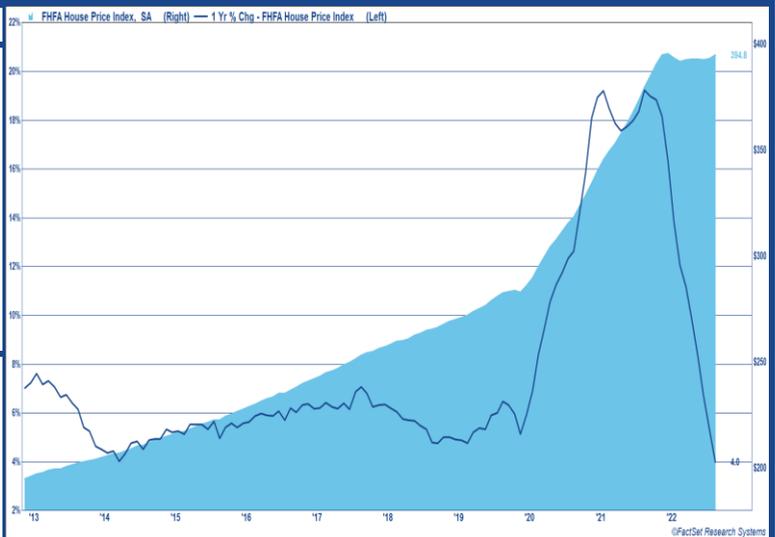
Economic & Market Commentary

Stocks finished the week and month mixed as conflicting economic signals hamper a clear market direction. Last week Big Tech companies drove the S&P 500 to a modest gain as earnings from Microsoft, Alphabet, and META all came in better than expected. The S&P 500 is up +9.2% so far this year and a handful of Big Tech names account for 77.3% of the S&P 500's total return. The Sector Total Returns exhibit below shows that Communication Services, Info Tech, and Consumer Discretionary sectors are by far the best performing sectors so far this year. It also shows the lack of depth and breadth of market participation in S&P 500 performance as the remaining eight sectors have posted only modest gains or losses. Some 180 of S&P 500 Index constituents reported earnings last week and as it stands right now, 1Q23 earnings are down -3.7% which is better than the consensus expectation of -6.7%. A few observations coming out of the earnings reports are that companies have pricing power, that consumers have so far tolerated high prices as volumes have held steady, and most importantly, that inflation has moderated and stabilized albeit at elevated levels. Across all industries, earnings report I reviewed noted moderating and stabilizing inflation costs. The key words there are moderating and stabilizing as the Fed's FOMC meeting concludes this coming Wednesday and the consensus expects the Fed to raise rates to +5.25%. As of this morning, the CBOE Fedwatch Tool shows a 90% chance of a +0.25% rate hike. While inflation has been trending lower, the most recent PCE report shows 3-month and 6-month annualized inflation rates stand at +4.9% and +4.2% respectively. One major conflicting signal right now is the disconnect between the Fed and the bond market. The Fed has been consistently indicating they will not be cutting rates this year and the bond market expects 3 to 4 rate cuts by year-end. What the Fed communicates this Wednesday will be closely scrutinized.

Index Total Returns - April 28, 2023

	1-Wk	YTD	1-Yr
NASDAQ	1.28	17.12	0.02
MSCI-Developed	0.10	11.53	8.42
S&P 500	0.89	9.17	2.66
Dow Jones	0.86	3.53	5.64
S&P 400	-0.31	2.99	1.33
MSCI-Emerging	-0.27	2.78	-6.51
Russell 2000	-1.24	0.89	-3.65
Barclay's U.S. Bond Index			
High Yield	0.49	4.60	1.22
Aggregate	0.83	3.59	-0.43
Int. Gov. Credit	0.63	2.96	0.96
Municipal	0.11	2.54	2.87
5-year Muni	-0.07	1.47	2.99

FHFA Home Price Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.78	4.76	1.94
U.S. 2-Yr	4.06	4.17	2.64
U.S. 3-Yr	3.78	3.90	2.80
U.S. 5-Yr	3.54	3.67	2.88
U.S. 10-Yr	3.45	3.57	2.86
U.S. 30-Yr	3.67	3.77	2.93

S&P 500 Sector Total Returns - April 28, 2023

Sector	1-Wk	YTD	1-Yr
Communication Services	3.76	25.05	1.14
Info Tech	2.43	22.37	8.08
Consumer Discretionary	0.21	15.03	-8.48
Consumer Staples	1.08	4.45	2.24
Materials	-0.19	4.14	-3.03
Real Estate	1.38	2.97	-15.90
Industrials	-0.62	2.24	7.04
Health Care	-0.59	-1.37	4.17
Utilities	-0.95	-1.44	-0.21
Energy	0.36	-1.52	19.22
Financials	-0.12	-2.56	-1.82

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.06	3.03	2.90
U.S. AA	3.22	3.20	3.05
U.S. A	3.75	3.75	3.38
U.S. Baa	4.48	4.48	3.72
U.S. Municipal	3.39	3.37	3.16
Michigan	3.56	3.53	3.22

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	18.33	17.54	1.58
S&P 400 - Mid Cap	13.38	15.49	1.58
S&P 600 - Small Cap	12.93	16.14	1.77