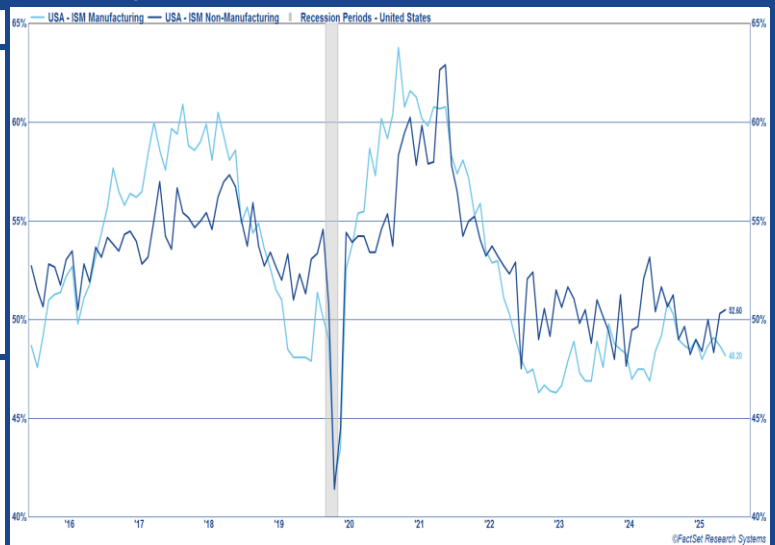


**Economic & Market Commentary**

Even though economic signals were mixed, stock markets posted modest gains last week in anticipation of a Fed rate cut this coming Wednesday (10th) at the Federal Open Market Committee (FOMC) meeting. With an 88.4% probability of a 0.25% rate cut this Wednesday, it is basically a foregone conclusion. The interesting aspects will center around member voting, updated economic projections, and economic reports that are to be released after the vote. The October FOMC meeting saw two dissenting votes, which has not happened in a very long time, and the vote Wednesday is likely to have dissenters as well. The lack of economic reports due to the government shutdown has clouded the economic outlook and many voting members have publicly stated that they are reluctant to further cut rates until there is better clarity on the direction of the economy, inflation, and employment. Some very important economic reports will be released over the next couple of weeks including November non-farm payrolls (16th), November retail sales (17th), November Consumer Price Index (18th), the first estimate of third-quarter U.S. GDP (23rd), and December consumer confidence (23rd). Since the government reopened, a couple of delayed economic reports were released in late November, both of which came in weaker than expected. The September jobs report saw unemployment bump up to 4.4% from 4.3% along with downward revisions to August and July employment numbers. The other report released was September retail sales. Consensus was looking for monthly growth of +0.40% but +0.20% was posted. Each of these weaker-than-expected reports increased the likelihood of a Fed rate cut in December. Since the release of these two delayed reports, other indicators suggest strength as holiday retail sales are better than expected and weekly jobless claims have fallen for two straight weeks. The Fed has consistently stated that policy will be data dependent and the next couple of weeks should provide better clarity on policy direction.

Index Total Returns - December 5, 2025

	1-Wk	YTD	1-Yr
MSCI-Emerging	1.42	31.53	28.53
MSCI-Developed	0.77	28.38	23.18
NASDAQ	0.93	22.84	20.48
S&P 500	0.35	18.22	14.57
Dow Jones	0.62	14.58	8.97
Russell 2000	0.88	14.47	6.68
S&P 400	0.39	7.84	1.26
Barclay's U.S. Bond Index			
High Yield	0.12	8.14	7.34
Aggregate	-0.48	6.94	4.94
Int. Gov. Credit	-0.29	6.57	5.77
5-year Muni	0.04	4.78	3.76
Municipal	-0.12	4.03	2.20

ISM Surveys**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.60	3.59	4.22
U.S. 2-Yr	3.56	3.49	4.14
U.S. 3-Yr	3.59	3.49	4.10
U.S. 5-Yr	3.72	3.60	4.07
U.S. 10-Yr	4.14	4.01	4.18
U.S. 30-Yr	4.79	4.66	4.34

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.43	3.42	3.25
U.S. AA	3.47	3.45	3.26
U.S. A	3.85	3.83	3.65
U.S. Baa	4.47	4.47	4.12
U.S. Municipal	3.60	3.58	3.39
Michigan	3.73	3.73	3.57

S&P 500 Sector Total Returns - December 5, 2025

Sector	1-Wk	YTD	1-Yr
Comm. Services	0.81	35.96	40.84
Info Tech	1.38	26.08	27.53
Industrials	0.60	18.63	9.20
Utilities	-4.48	16.81	7.54
Health Care	-2.72	13.02	6.00
Financials	0.70	12.37	6.27
Energy	1.44	10.02	-0.40
Materials	-1.37	6.65	-4.78
Con. Discretion	0.88	6.14	8.68
Consumer Staples	-1.25	4.25	-0.93
Real Estate	-1.48	3.88	-5.04

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	22.62	19.07	1.09
S&P 400 - Mid Cap	16.21	16.30	1.32
S&P 600 - Small Cap	15.30	15.92	1.56