



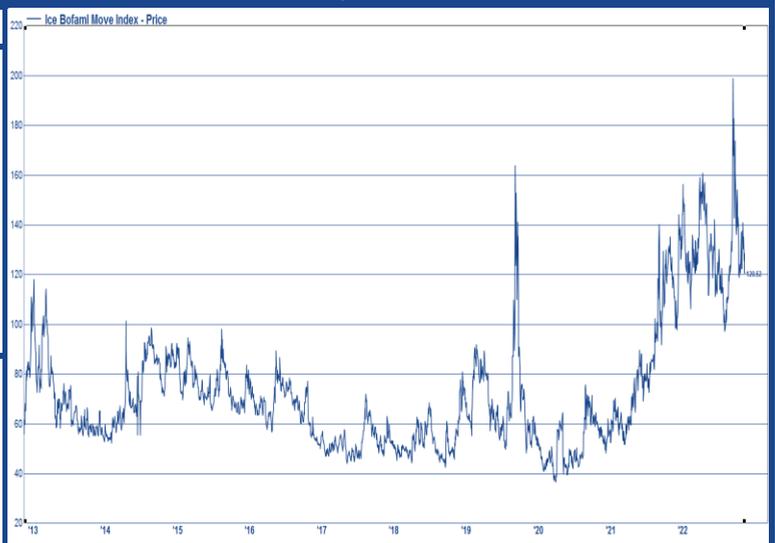
Economic & Market Commentary

US equities were mostly lower this week, though strength in Big Tech generated a gain for the Nasdaq and provided a notable cushion for the S&P 500. There was also a lot of commentary on the extremely narrow market leadership offered by Big Tech, which comprises roughly 80% of the S&P 500 return so far this year. Treasuries ended weaker with a bit of curve flattening after an up-and-down week. While there were numerous headlines for the week, there was little in the way of incremental developments and nothing to jolt the market out of the fairly narrow range it has occupied since late March. The week's economic data reflected a continued easing of inflationary pressures, though there were also some worries about how weaker data fed into recession fears. The ongoing federal debt-ceiling crisis consumed a lot of bandwidth this week without any concrete signs of progress; however, discussions are ongoing and there remain thoughts a deal will ultimately be found. The much-anticipated Senior Loan Officer Opinion Survey (SLOOS) from the Fed did not show signs of stress beyond what had been expected. It was a meaningful week of economic data focused on April CPI, which was largely in line with consensus on both the headline and core readings. While used-car prices jumped (as forecast), there was attention on the slowdown of core services prices ex shelter. Headline April PPI came in softer than consensus, with core PPI hitting consensus and posting the lowest y/y increase since March 2021. May U-Mich consumer sentiment tumbled in its preliminary read and respondents' long-term inflation expectations hit a 12-year high. The other big report last week was initial jobless claims, which hit their highest level in 19 months and fed into bubbling fears of a possible recession ahead. Despite the somewhat downbeat tone in the market this week, there was also a bull case to be made. Small-business optimism dropped, but the latest report revealed no signs of new credit strains. And the Q1 earnings season has come in better than expected at -2.5% vs. -6.7%. There were mixed takeaways from the economic data, but the overall picture is still largely consistent with the Fed pausing in June.

Index Total Returns - May 12, 2023

	1-Wk	YTD	1-Yr
NASDAQ	0.44	17.74	9.01
MSCI-Developed	-0.67	10.95	14.57
S&P 500	-0.24	8.07	6.76
MSCI-Emerging	-0.86	2.42	1.45
Dow Jones	-1.04	1.19	7.22
S&P 400	-1.11	0.67	4.46
Russell 2000	-1.04	-0.65	1.64
Barclay's U.S. Bond Index			
High Yield	-0.05	4.15	3.35
Aggregate	-0.23	3.30	-0.87
Int. Gov. Credit	-0.09	3.05	0.68
Municipal	0.05	2.96	4.52
5-year Muni	-0.03	1.68	3.65

MOVE Index - Bond Volatility



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.74	4.78	1.97
U.S. 2-Yr	3.91	4.06	2.72
U.S. 3-Yr	3.64	3.78	2.91
U.S. 5-Yr	3.41	3.54	3.02
U.S. 10-Yr	3.44	3.45	3.06
U.S. 30-Yr	3.76	3.67	3.16

S&P 500 Sector Total Returns - May 12, 2023

Sector	1-Wk	YTD	1-Yr
Communication Services	4.34	27.49	4.76
Info Tech	-0.27	22.79	16.93
Consumer Discretionary	0.63	15.36	2.35
Consumer Staples	0.01	4.07	4.36
Real Estate	-0.94	1.23	-8.36
Materials	-1.95	0.99	-1.57
Industrials	-1.05	0.70	9.13
Utilities	-0.02	-1.35	0.82
Health Care	-1.09	-2.35	5.63
Financials	-1.29	-6.32	-1.40
Energy	-2.14	-9.23	5.88

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.02	3.06	3.01
U.S. AA	3.16	3.22	3.17
U.S. A	3.71	3.75	3.50
U.S. Baa	4.44	4.48	3.86
U.S. Municipal	3.34	3.39	3.28
Michigan	3.52	3.56	3.38

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	18.09	17.56	1.60
S&P 400 - Mid Cap	12.91	15.46	1.63
S&P 600 - Small Cap	12.74	16.11	1.81