



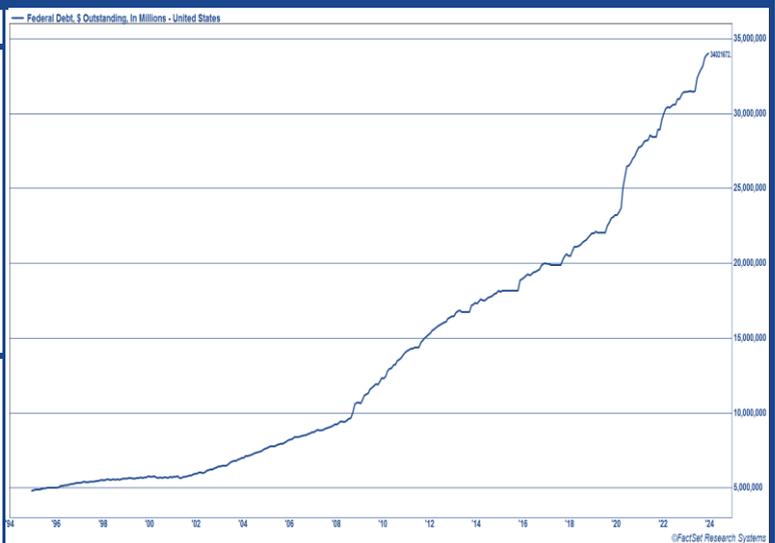
**Economic & Market Commentary**

Stocks finished higher last week with international and small caps leading the way. Bonds were basically flat as yields were little changed. There were some macro reports released last week that continue to support the soft-landing narrative. First, the first estimate of fourth-quarter GDP showed the economy grew at an annualized pace of +3.3%. While this is lower than the third-quarter's strong pace of +4.9%, this reading handily bested the consensus expectation of +1.8%. Once again, consumer spending, which accounts for about two thirds of U.S. GDP, led the way rising at an annualized pace of +2.8%. Other contributors were exports, state and federal government spending, and exports. Every economic sub-component grew last quarter including durable and non-durable goods, services, and residential and non-residential investment. Sidebar, it makes sense federal government spending increased last quarter as our nation's debt breached the \$34 trillion mark rising \$834 billion in the first quarter of the U.S. Gov't's fiscal year which is from October 1st to September 30th. There were a few articles over the weekend highlighting the torrid and unsustainable pace of federal gov't spending. Expect deficit spending to get more scrutiny as the year unfolds. Back to the macro theme. The other big macro report was the December Personal Consumption and Expenditures (PCE) report. This PCE report came in mostly in line with headline of +0.2% vs. +0.2% consensus. Annualized PCE was the lowest since Feb-2021 at +2.6%. Some economists reiterated expectations for the first rate cut in March given the PCE report's latest support for the soft-landing narrative. As of this morning, there is a 50% chance of a rate cut in March. The big macro theme for the upcoming week will be reports on home prices, level of job openings, consumer confidence, employer costs (ECI), and manufacturing. More importantly, the Fed holds its first FOMC meeting for the year.

**Index Total Returns - January 26, 2024**

	1-Wk	YTD	1-Yr
NASDAQ	0.94	2.98	35.37
S&P 500	1.07	2.62	22.43
Dow Jones	0.65	1.20	14.69
S&P 400	0.84	-0.59	7.72
MSCI-Developed	2.01	-0.57	8.58
Russell 2000	1.75	-2.37	5.61
MSCI-Emerging	1.47	-3.74	-3.96
<b>Barclay's U.S. Bond Index</b>			
Int. Gov. Credit	0.14	-0.44	2.96
High Yield	0.61	-0.07	9.08
5-year Muni	0.05	-0.77	1.49
Municipal	-0.09	-1.10	2.30
Aggregate	0.10	-1.30	1.09

**U.S. Debt**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.77	4.86	4.72
U.S. 2-Yr	4.35	4.39	4.18
U.S. 3-Yr	4.15	4.16	3.88
U.S. 5-Yr	4.04	4.06	3.59
U.S. 10-Yr	4.15	4.14	3.49
U.S. 30-Yr	4.38	4.34	3.63

**S&P 500 Sector Total Returns - January 26, 2024**

Sector	1-Wk	YTD	1-Yr
Info Tech	0.93	5.95	52.86
Communication Services	4.51	9.13	49.10
Health Care	-0.18	2.17	5.90
Financials	1.89	2.74	8.78
Consumer Staples	0.84	1.13	3.49
Industrials	0.87	-0.42	14.65
Consumer Discretionary	-1.38	-2.83	23.62
Real Estate	-0.69	-3.79	-0.17
Utilities	0.43	-3.36	-8.13
Materials	0.29	-3.61	0.71
Energy	5.15	0.63	-6.63

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.26	3.23	2.76
U.S. AA	3.30	3.28	2.90
U.S. A	3.80	3.79	3.48
U.S. Baa	4.44	4.43	4.11
U.S. Municipal	3.47	3.45	3.09
Michigan	3.63	3.60	3.25

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.10	17.93	1.39
S&P 400 - Mid Cap	14.59	15.53	1.51
S&P 600 - Small Cap	13.82	15.19	1.78