



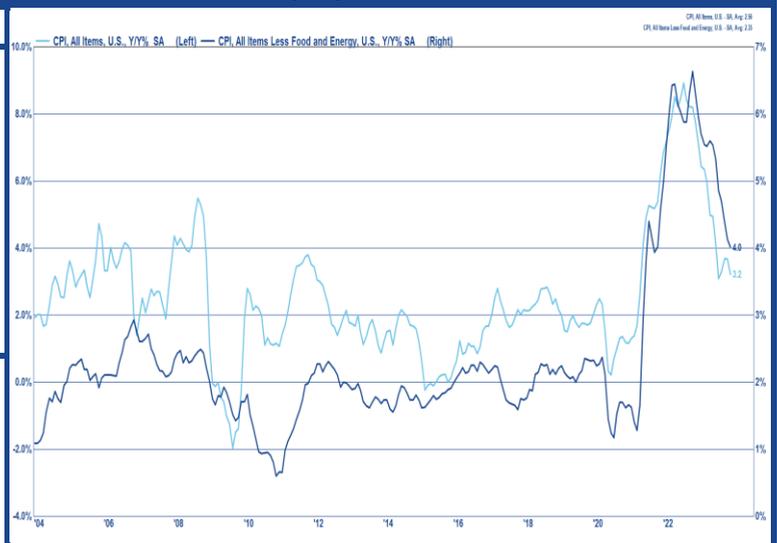
Economic & Market Commentary

Growth of the stock market boils down to two primary components, the level of inflation and earnings growth. Last Tuesday, October inflation, both headline and core, came in better than expected sending stock markets higher for the day and the week. For the month, headline and core inflation registered 0.0% and +0.2% respectively versus the expected +0.1% and +0.3%. For the last twelve months, the figures were +3.2% and +4.0% versus the expected +3.3% and 4.1%. Energy prices saw broad-based declines, food prices rose +0.3% and core prices, which exclude more volatile food and energy, rose +0.2%. Some outliers for the month going from higher to lower include photo equipment +6.3%, gift wrap +5.8%, hot dogs +4.4%, sporting events +3.6%, air fare +3.8%, car insurance +2.3%, butter +2.2%, potatoes -4.1%, linens -4.4%, women's outerwear -5.1%, gasoline -5.6%, hotel lodging -6.1% and apples -10.5%. The better-than-expected inflation numbers along with some weaker than expected economic data significantly reduced the likelihood of additional Fed rate increases. The market believes the Fed is done raising rates. Historically, stock markets do not perform well during inflationary periods as rising costs negatively impact demand, margins, and earnings. S&P 500 earnings have declined for three consecutive quarters, but it appears the trend reversed in Q32023 as earnings have so far grown +4.3% when compared to Q32022. In addition to inflation, the other key focus going forward will be 2024 earnings guidance. Earnings and market performance are highly correlated, and although one may lead and the other lag in short time frames, they ultimately converge. Last September, estimates for Q42023 and FY2024 were +8.0% and +12.2% respectively. They currently stand at +2.9% and +11.6%. Earnings growth is essential to support market multiples and estimates will be closely watched at the start of 4Q2023 earnings season early next year.

Index Total Returns - November 17, 2023

	1-Wk	YTD	1-Yr
NASDAQ	2.42	35.98	27.83
S&P 500	2.31	19.29	16.30
MSCI-Developed	4.50	10.95	13.57
Dow Jones	2.06	7.46	6.43
S&P 400	4.04	5.92	3.46
MSCI-Emerging	2.99	4.47	6.41
Russell 2000	5.49	3.46	-0.68
Barclay's U.S. Bond Index			
High Yield	0.88	7.81	8.40
Int. Gov. Credit	0.91	2.04	2.56
Municipal	1.33	1.71	3.03
5-year Muni	0.83	1.30	2.72
Aggregate	1.37	0.54	1.19

Consumer Price Index - (CPI)



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	5.24	5.36	4.73
U.S. 2-Yr	4.90	5.05	4.45
U.S. 3-Yr	4.64	4.82	4.22
U.S. 5-Yr	4.45	4.66	3.94
U.S. 10-Yr	4.44	4.61	3.78
U.S. 30-Yr	4.60	4.73	3.89

S&P 500 Sector Total Returns - November 17, 2023

Sector	1-Wk	YTD	1-Yr
Info Tech	1.75	50.82	42.25
Communication Services	2.30	50.20	43.45
Consumer Discretionary	3.39	32.78	22.20
Industrials	2.97	8.86	8.87
Materials	3.72	4.83	3.17
Financials	3.27	3.83	1.90
Real Estate	4.53	-0.38	-0.90
Energy	1.47	-1.01	-5.38
Consumer Staples	0.64	-3.83	-2.39
Health Care	1.57	-4.44	-1.87
Utilities	3.32	-9.52	-4.58

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.68	3.89	3.37
U.S. AA	3.74	3.95	3.53
U.S. A	4.28	4.48	4.12
U.S. Baa	4.84	5.01	4.69
U.S. Municipal	3.92	4.12	3.72
Michigan	4.07	4.27	3.83

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	18.75	17.82	1.50
S&P 400 - Mid Cap	13.32	15.59	1.60
S&P 600 - Small Cap	12.70	15.17	1.98