



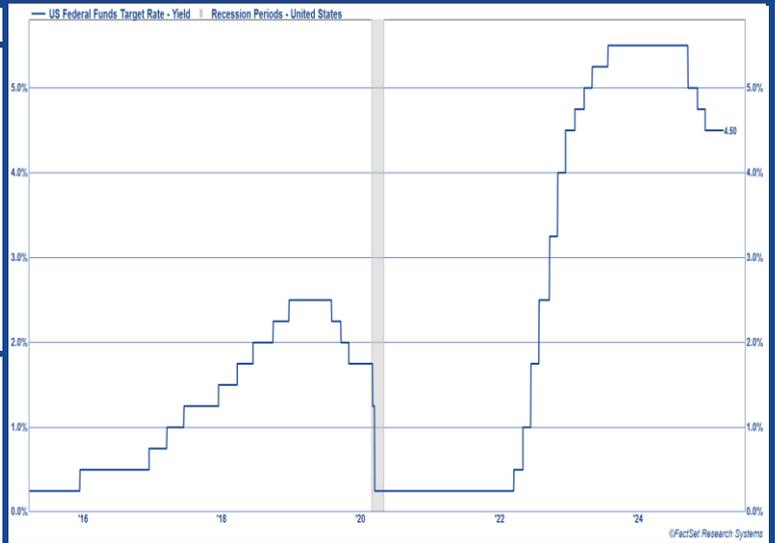
**Economic & Market Commentary**

Stocks posted positive gains last week breaking a four-week losing streak. Wednesday was the best day performance wise as the Federal Reserve concluded its March FOMC monetary policy meeting and as expected held rates steady at 4.50%. They also provided their latest Summary of Economic Projections which lowered their 2025 economic growth outlook to 1.7% from 2.1% and increased their inflation estimate to 2.8% from 2.5%. Despite the increased inflation forecast and lowered GDP growth expectations, markets rallied on the Fed's perceived dovish stance, especially due to the fact they decided to lower the amount of monthly Treasury security reductions. Starting in April, the monthly redemption cap for Treasury securities will be reduced from \$25 billion to \$5 billion. This adjustment aims to ensure sufficient liquidity in Treasury markets while gradually unwinding the Fed's balance sheet. While slower growth could suggest for a faster pace of rate cuts, higher inflation suggests the Fed should wait longer to cut rates. The Fed basically determined that these changes offset and made no change to their rate cut expectations which stand at a forecast of two more rate cuts in 2025. As of this Monday morning, fed fund futures show a 66.2% probability of June being the first rate cut of 0.25%. During Chair Powell's press conference he noted that the economy is strong overall, that labor market conditions are solid, and inflation has moved closer to the Fed's goal of 2% long-term inflation rate. However, he also cited, "the Trump Administration is in the process of implementing significant policy changes in four distinct areas: trade, immigration, fiscal policy, and regulation. It is the net effect of these policy changes that will matter for the economy and for the path of monetary policy. While there have been recent developments in some of these areas, especially trade policy, uncertainty around the changes and their effects on the economic outlook is high." For now, the Fed plans to wait on the sidelines and watch how the Administrations policies and initiatives play out, and the Fed will adjust accordingly to incoming data.

**Index Total Returns - March 21, 2025**

	1-Wk	YTD	1-Yr
MSCI-Developed	0.78	10.26	8.17
MSCI-Emerging	1.15	5.65	10.51
Dow Jones	1.21	-0.91	7.43
S&P 500	0.53	-3.34	9.60
S&P 400	0.67	-5.31	-0.74
Russell 2000	0.65	-7.51	-0.65
NASDAQ	0.18	-7.76	9.20
<b>Barclay's U.S. Bond Index</b>			
Aggregate	0.49	2.59	5.27
Int. Gov. Credit	0.42	2.17	5.70
High Yield	0.43	1.52	8.41
5-year Muni	0.09	1.14	2.54
Municipal	0.28	0.35	1.64

**Fed Funds Target Rate**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.05	4.07	5.00
U.S. 2-Yr	3.95	4.02	4.64
U.S. 3-Yr	3.93	4.01	4.42
U.S. 5-Yr	4.00	4.09	4.26
U.S. 10-Yr	4.25	4.32	4.27
U.S. 30-Yr	4.59	4.62	4.44

**S&P 500 Sector Total Returns - March 21, 2025**

Sector	1-Wk	YTD	1-Yr
Energy	3.20	8.21	2.64
Health Care	1.12	6.62	1.95
Utilities	-0.15	4.05	26.51
Financials	1.90	2.39	19.47
Real Estate	0.09	2.07	9.24
Materials	-0.22	2.05	-5.35
Consumer Staples	-0.15	1.77	9.23
Industrials	0.85	0.42	6.60
Comm. Services	-0.09	-3.31	17.18
Info Tech	-0.05	-9.37	8.97
Con. Discretion	-0.03	-13.69	7.07

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.59	3.62	3.27
U.S. AA	3.63	3.65	3.29
U.S. A	3.98	4.01	3.71
U.S. Baa	4.47	4.50	4.28
U.S. Municipal	3.75	3.77	3.44
Michigan	3.84	3.87	3.59

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	20.47	18.59	1.29
S&P 400 - Mid Cap	14.75	15.92	1.49
S&P 600 - Small Cap	14.69	15.68	1.69