



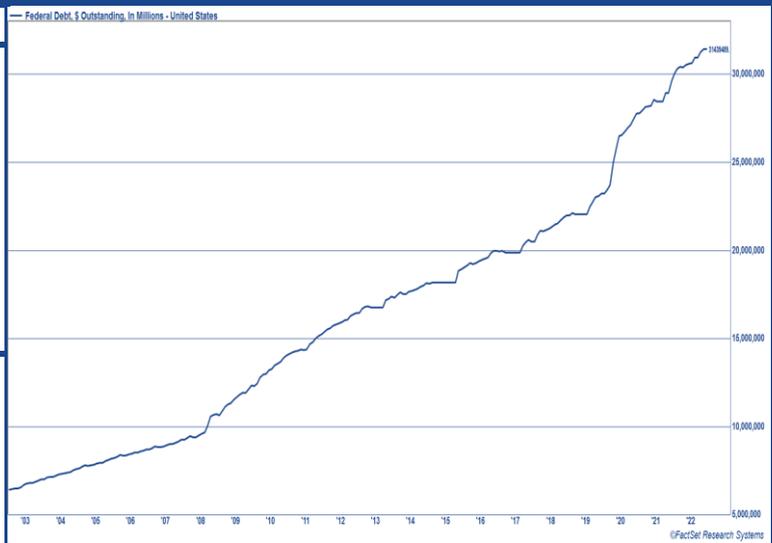
Economic & Market Commentary

Quick question: Would you loan to a company that in its most recent fiscal year had revenue of \$4.9 trillion, expenses of \$6.3 trillion, a loss of \$1.4 trillion, has had sustained losses for 20 consecutive years, and has a total of \$31.4 trillion dollars in debt? I didn't think so. The U.S. Government is once again bumping up against its debt ceiling limit and the "fight" is on again to raise it. Wouldn't it be nice every year or two to just vote and raise your own debt ceiling limit with no responsibility or accountability? According to U.S. Treasury Fiscal Data, in the last 50 fiscal years the federal government has run a surplus only five times with the most recent being consecutively from 1998 to 2001 during the Clinton administration. Pundits often use the Deficit-to-U.S GDP ratio to justify this unsustainable fiscal insanity. From 1929 until 1967, annual billion \$ deficits or surpluses were minimal (single digits) and averaged +-2% to 4% of U.S. GDP, with the WWII years being an outlier when the ratios were +12.4% to +26.9% of GDP. During the inflationary 1970s, annual deficits moved up to double digits, but the ratio stayed range bound as the U.S. economy continued to expand. The first year the deficit hit triple digits was in 1982 at \$128 billion. I vividly remember this was a huge deal at that time and President Reagan took a lot of heat for the irresponsible spending. From 1982 to 2007, annual deficits ranged from \$100 billion to \$250 billion, with a few outliers and the aforementioned surpluses, and the ratio remained in the +2% to 4% range. Since the 2008 Financial Crisis, annual deficit spending has skyrocketed to nauseating levels and the ratio crept up to 12.1% in 2021. Fun fact, each year the federal government runs a deficit it adds to the national debt which currently is \$31.4 trillion or \$34,100,000,000,000. The interest paid on the national debt in fiscal year 2022 was \$352 billion and will increase significantly as interest rates move higher. Unfortunately, Congress lacks the collective willingness and courage to stem reckless deficit spending. Eventually, the market will force Congress' hand, and it will unwind fast and be rather unpleasant for all.

Index Total Returns - January 20, 2023

	1-Wk	YTD	1-Yr
MSCI-Emerging	0.63	8.39	-15.05
MSCI-Developed	0.01	7.05	-7.76
NASDAQ	0.55	6.47	-20.62
Russell 2000	-1.04	6.06	-6.41
S&P 400	-0.86	5.33	-1.44
S&P 500	-0.65	3.55	-9.90
Dow Jones	-2.66	0.78	-1.83
Barclay's U.S. Bond Index			
High Yield	-0.31	3.52	-6.91
Aggregate	0.15	2.89	-8.60
Municipal	0.51	2.83	-4.67
Int. Gov. Credit	0.23	1.78	-5.31
5-year Muni	0.43	1.94	-2.25

U.S. National Debt



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.73	4.74	0.54
U.S. 2-Yr	4.20	4.22	1.05
U.S. 3-Yr	3.84	3.89	1.34
U.S. 5-Yr	3.56	3.61	1.62
U.S. 10-Yr	3.48	3.51	1.83
U.S. 30-Yr	3.65	3.62	2.14

S&P 500 Sector Total Returns - January 20, 2023

Sector	1-Wk	YTD	1-Yr
Communication Services	2.97	11.39	-29.35
Consumer Discretionary	-0.51	7.60	-25.26
Materials	-1.21	6.60	-1.63
Real Estate	-0.75	6.22	-13.37
Info Tech	0.68	5.59	-16.14
Energy	0.75	3.45	48.97
Financials	-2.08	3.35	-7.39
Industrials	-3.33	0.82	-1.32
Health Care	-1.10	-1.38	4.07
Utilities	-2.93	-1.81	3.43
Consumer Staples	-2.75	-2.45	-1.62

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.75	2.84	1.26
U.S. AA	2.89	2.98	1.32
U.S. A	3.47	3.57	1.56
U.S. Baa	4.12	4.22	1.87
U.S. Municipal	3.09	3.18	1.41
Michigan	3.24	3.32	1.51

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	17.46	17.39	1.61
S&P 400 - Mid Cap	13.62	15.57	1.51
S&P 600 - Small Cap	13.16	16.37	1.49