



**Economic & Market Commentary**

Treasury bond yields continued their march higher last week as the Fed continued to press the mantra to remain vigilant and steadfast in the quest to bring inflation under control. Despite the hawkish Fed rhetoric and higher yields, U.S. stock markets broke a three week losing streak and finished sharply higher. Perhaps stock market participants are getting comfortable with the Fed's long-term approach and are starting to see the dim light at the end of the extended rate hike tunnel. The gains were driven by factors including oversold conditions, some more traction in the peak-inflation narrative, and firmer labor market data. Some of the upside was also tabbed to a lower bar for the Q3 earnings season after estimates came down by the most since the depths of the pandemic during the first two months of the quarter. Softer China inflation data was also cited as a tailwind as analysts said it could signal further global disinflationary trends. This is in stark contrast to Europe, which is seeing the price of energy futures skyrocket on energy supply concerns surrounding Russia. Also, there is some skepticism around this week's gains with more calls that upside is just a bear-market bounce. Fed speak remained hawkish this week, as the Fed's raise-and-hold commitment continues to dent the peak-Fed narrative. Expectations for a 75 bp hike in September continued to ramp up this week as a number of sell-side economists shifted their expectations for September from 50 bp to 75 bp this week, including Goldman Sachs, Bank of America, and Barclays. Markets will get a much better read on inflation and September Fed rate hike expectations this week as the August Consumer Price Index (CPI) will be released Tuesday. Headline inflation calls for a decrease of -0.10% and a core (excludes food & energy) increase of +0.40%. 12-month increases are +8.1% and +6.1% respectively.

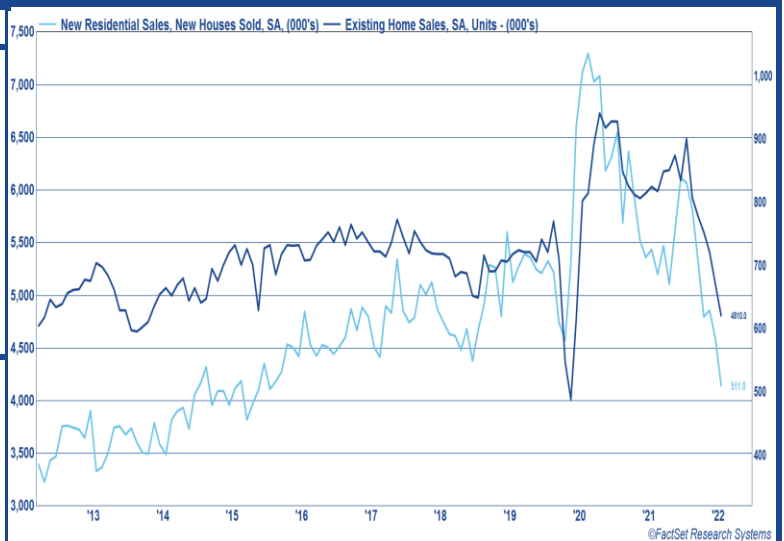
**Index Total Returns - September 9, 2022**

	1-Wk	YTD	1-Yr
Dow Jones	2.72	-10.16	-5.92
S&P 400	4.42	-11.16	-6.49
S&P 500	3.68	-13.72	-8.10
Russell 2000	4.07	-15.39	-15.23
MSCI-Emerging	-0.13	-19.42	-23.17
MSCI-Developed	0.89	-19.52	-20.46
NASDAQ	4.15	-22.15	-19.98

**Barclay's U.S. Bond Index**

5-year Muni	-0.13	-5.72	-6.08
Int. Gov. Credit	-0.40	-7.50	-8.58
Municipal	-0.37	-9.45	-9.42
High Yield	1.31	-10.21	-9.81
Aggregate	-0.70	-11.56	-12.44

**New and Existing Home Sales**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.49	3.32	0.08
U.S. 2-Yr	3.57	3.40	0.21
U.S. 3-Yr	3.62	3.43	0.44
U.S. 5-Yr	3.45	3.29	0.79
U.S. 10-Yr	3.32	3.20	1.30
U.S. 30-Yr	3.46	3.34	1.90

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.11	3.07	0.83
U.S. AA	3.28	3.23	0.89
U.S. A	3.75	3.68	1.09
U.S. Baa	4.21	4.13	1.39
U.S. Municipal	3.44	3.38	0.97
Michigan	3.50	3.43	1.05

**S&P 500 Sector Total Returns - September 9, 2022**

Sector	1-Wk	YTD	1-Yr
Energy	0.73	49.22	78.48
Utilities	3.74	9.81	14.92
Consumer Staples	1.94	-2.92	5.47
Health Care	4.41	-6.65	-1.39
Industrials	3.40	-9.18	-5.50
Financials	4.42	-11.21	-7.50
Materials	5.03	-12.89	-5.13
Real Estate	4.21	-15.75	-6.66
Consumer Discretionary	5.63	-19.43	-11.59
Info Tech	3.25	-20.97	-12.75
Communication Services	2.86	-29.22	-33.64

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	17.30	17.26	1.52
S&P 400 - Mid Cap	12.50	15.71	1.39
S&P 600 - Small Cap	11.80	16.41	1.41