



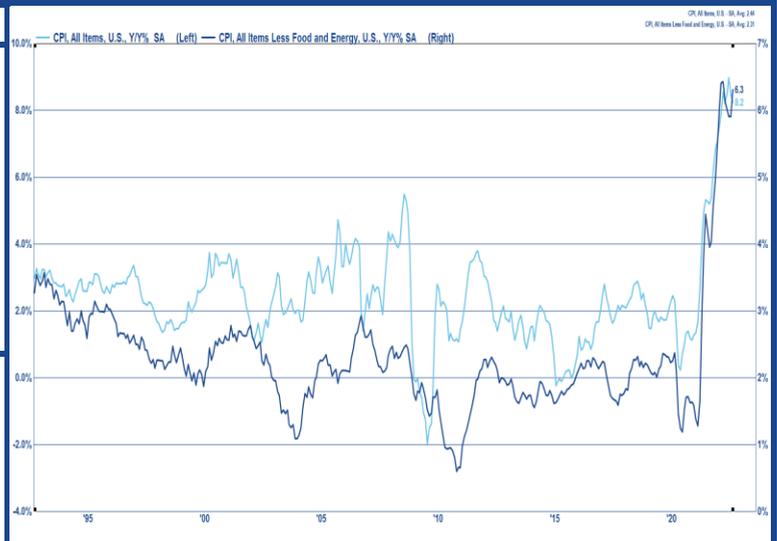
Economic & Market Commentary

August headline and core Consumer Price Index (CPI) came in higher than expected and stock and bond markets did not react well to the news selling off sharply. CPI measures what consumers pay for goods and services. Although headline CPI, which includes food and energy prices, rose more slowly in August from a year earlier, core CPI, which excludes food and energy prices, increased sharply from last month and a year earlier showing that inflation pressures remained strong and stubborn. The Labor Department on Tuesday reported headline CPI rose 8.3% in August from the same month a year ago, down from 8.5% in July and from 9.1% in June, which was the highest inflation rate in four decades. Core CPI, increased 6.3% in August from a year earlier, up markedly from the 5.9% rate in both June and July—a signal that broad price pressures strengthened. This is a primary Fed concern, that the expectation of future inflation is embedded. On a monthly basis, the core CPI rose 0.6% in August—double July’s pace. Investors and policy makers follow core inflation closely as a reflection of broad, underlying inflation and as a predictor of future inflation. Prior to Tuesday’s CPI release, the question was whether the Federal Reserve was going to raise interest rates 0.50% or 0.75% at their September 21st FOMC meeting. After the release, the question was whether they would move rates 0.75% or 1.00%. As of this morning, CBOE FedWatch Tool shows an 80% probability of a 0.75% hike and a 20% chance of a 1.0% hike. Let’s go to the tape and see the highest and lowest twelve-month ending August inflation category % prints. The high-end included: Fuel Oil +68.8, Eggs +39.8, Margarine +38.3, Air Fare +33.4, Gasoline +25.6, Health Insurance +24.3, Flour +23.3, Hot Pockets +18.1, Coffee +17.6, and Milk +17.0. The low-end included: Jewelry -1.2, Beef Steaks -3.0, Video Equipment -4.3, Car Rentals -6.2, Sporting Events -6.7, Public Ship Fares -7.4, Education Technology -8.8, Telephone Hardware -13.8, TV’s -19.1 and Smartphones -20.4.

Index Total Returns - September 16, 2022

	1-Wk	YTD	1-Yr
Dow Jones	-4.11	-13.85	-9.50
S&P 400	-4.65	-15.29	-10.40
S&P 500	-4.73	-17.80	-12.09
Russell 2000	-4.46	-19.16	-18.44
MSCI-Emerging	-2.64	-21.54	-23.90
MSCI-Developed	-2.72	-21.71	-22.35
NASDAQ	-5.46	-26.40	-24.03
Barclay's U.S. Bond Index			
5-year Muni	-0.42	-6.12	-6.51
Int. Gov. Credit	-0.70	-8.15	-9.11
Municipal	-0.69	-10.07	-10.09
High Yield	-2.02	-12.03	-11.81
Aggregate	-0.93	-12.38	-13.19

Consumer Price Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.80	3.49	0.07
U.S. 2-Yr	3.85	3.57	0.22
U.S. 3-Yr	3.81	3.62	0.46
U.S. 5-Yr	3.63	3.45	0.83
U.S. 10-Yr	3.45	3.32	1.33
U.S. 30-Yr	3.52	3.46	1.88

S&P 500 Sector Total Returns - September 16, 2022

Sector	1-Wk	YTD	1-Yr
Energy	-2.54	45.43	67.10
Utilities	-3.78	5.66	13.83
Consumer Staples	-3.48	-6.30	2.38
Health Care	-2.32	-8.82	-2.55
Financials	-3.77	-14.56	-10.79
Industrials	-6.37	-14.97	-10.65
Materials	-6.63	-18.67	-10.35
Real Estate	-6.23	-21.00	-12.19
Consumer Discretionary	-4.15	-22.77	-15.55
Info Tech	-6.11	-25.80	-17.96
Communication Services	-6.42	-33.76	-37.36

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.25	3.11	0.82
U.S. AA	3.41	3.28	0.88
U.S. A	3.90	3.75	1.09
U.S. Baa	4.40	4.21	1.39
U.S. Municipal	3.57	3.44	0.97
Michigan	3.63	3.50	1.06

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	16.47	17.27	1.60
S&P 400 - Mid Cap	11.91	15.71	1.47
S&P 600 - Small Cap	11.27	16.41	1.47