



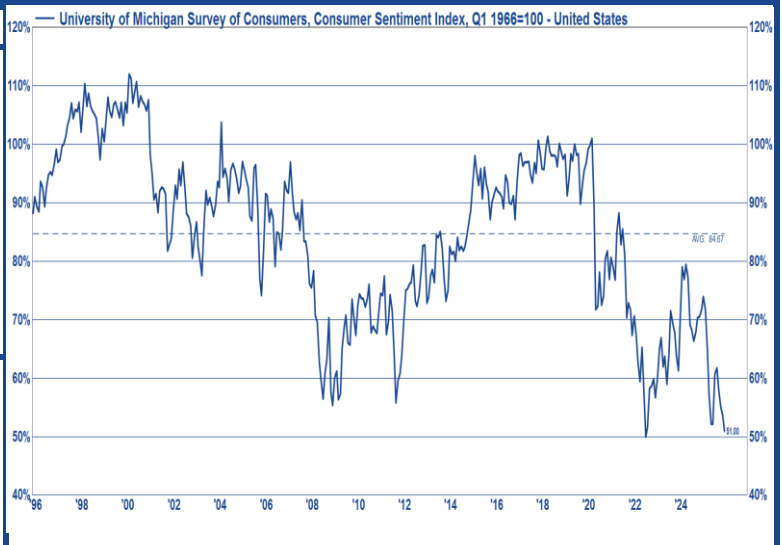
Economic & Market Commentary

Stocks posted strong gains last week on the increasing likelihood of a 0.25% rate cut by Federal Reserve at their December 10th Federal Open Market Committee (FOMC) meeting. The strong finish propelled the S&P 500 to its 7th consecutive monthly advance. The probability of a December rate cut has been bouncing around like popcorn a kernel in hot oil the past few weeks. Heading into the October FOMC meeting, there was a 99% chance of a rate cut. After that meeting, the chance of a rate cut started to fall as many Fed officials, including Chair Powell, indicated that a December rate cut was not a foregone conclusion due to the lack of economic data from the government shutdown. In mid-November the probability of a December rate cut fell to 27% and this, along with AI concerns, pressured stock markets. Since the re-opening of the government, the chance of a rate cut has rebounded and this morning it stands at 88%. A weaker-than-expected labor market and retail reports, together with eroding consumer and business confidence, propelled the rebound. November consumer sentiment reading of 51 remained near historic lows in the University of Michigan survey. This represents a 2.6-point decrease from October's final reading of 53.6. Declines were widespread across age groups, income levels, and political affiliations, underscoring broad-based concerns. Sentiment peaked at around 72 in early 2025 but has trended downward since May, with sharper drops in September-October amid rising inflation and policy gridlock. November's 51.0 is the second-lowest reading ever, just above the record low of 50.0 in June 2022 (during peak post-pandemic uncertainty). The November Conference Board Consumer Confidence survey recorded a sharp decline to 88.7 on heightened concerns over the labor market, the government shutdown and pessimism about future business conditions. Like the UofM survey, declines were broad-based demographically.

Index Total Returns - November 28, 2025

	1-Wk	YTD	1-Yr
MSCI-Emerging	2.49	29.69	29.51
MSCI-Developed	3.25	27.40	24.50
NASDAQ	4.91	21.71	22.38
S&P 500	3.74	17.81	15.00
Dow Jones	3.20	13.88	8.03
Russell 2000	5.55	13.47	4.09
S&P 400	3.96	7.42	-0.23
Barclay's U.S. Bond Index			
High Yield	0.80	8.01	7.55
Aggregate	0.38	7.46	5.70
Int. Gov. Credit	0.23	6.87	6.21
5-year Muni	0.12	4.73	3.96
Municipal	0.15	4.15	2.64

U of M Consumer Sentiment Index



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.59	3.62	4.33
U.S. 2-Yr	3.49	3.51	4.22
U.S. 3-Yr	3.49	3.50	4.16
U.S. 5-Yr	3.60	3.62	4.12
U.S. 10-Yr	4.01	4.06	4.25
U.S. 30-Yr	4.66	4.71	4.43

S&P 500 Sector Total Returns - November 28, 2025

Sector	1-Wk	YTD	1-Yr
Comm. Services	5.89	34.88	39.71
Info Tech	4.31	24.36	25.79
Utilities	2.86	22.30	12.59
Industrials	2.72	17.93	8.56
Health Care	1.94	16.18	8.96
Financials	3.19	11.59	5.53
Energy	0.99	8.46	-1.81
Materials	3.35	8.13	-3.46
Consumer Staples	1.70	5.57	0.32
Real Estate	1.86	5.45	-3.61
Con. Discretion	5.32	5.22	7.73

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.42	3.43	3.31
U.S. AA	3.45	3.46	3.33
U.S. A	3.83	3.84	3.70
U.S. Baa	4.47	4.48	4.16
U.S. Municipal	3.58	3.60	3.46
Michigan	3.73	3.73	3.63

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.61	19.10	1.09
S&P 400 - Mid Cap	16.21	16.31	1.33
S&P 600 - Small Cap	15.19	15.90	1.56