



Economic & Market Commentary

Last week, stocks posted solid gains with the S&P 500 and Nasdaq surging to new record highs driven primarily by growing expectations of Federal Reserve interest rate cuts and easing geopolitical tensions. The US military strikes over the prior weekend against Iranian nuclear development sites were met with an underwhelming response by Iran when it targeted US assets in the region. Iran and Israel agreed to a ceasefire, putting Iran tensions on the backburner. Oil weakness was a further tailwind as WTI gave back all of gains made since Israel's strikes three weeks ago and ended the week back at early-June levels. Oil prices dropped roughly 6% last week. The S&P 500 rose 3.5%, the Nasdaq Composite climbed 4.3%, and the Dow Jones Industrial Average gained 3.8%. Bond market investors are now pricing in three interest rate cuts by year end, which would bring the target rate down to 3.75%. Treasury yields pushed lower across the curve, pushing bond prices higher for the week. Bond yields and prices are inversely related. Several items were noted for driving yields lower including President Trump hinting he may be getting ready to name a Fed Chair nominee as soon as this summer, weaker economic reports on housing, retail, and consumer confidence, and progress on the trade talks with China and other nations. Commerce Secretary Lutnick clarified that the China progress was a codification of the terms laid out in the Geneva talks last month, but also said that deals are imminent with 10 other trading partners. Additionally, there appears to be an emerging split between FOMC members who want to cut rates sooner rather than later and those who wish to wait. Fed Chair Powell reiterated in his prepared remarks to Congress last week that policy remains well positioned to wait and watch before adjusting rates. From the April 8th low, the S&P 500 is up +23.9%. Stock markets in June are poised to post solid gains for the month as well as the quarter.

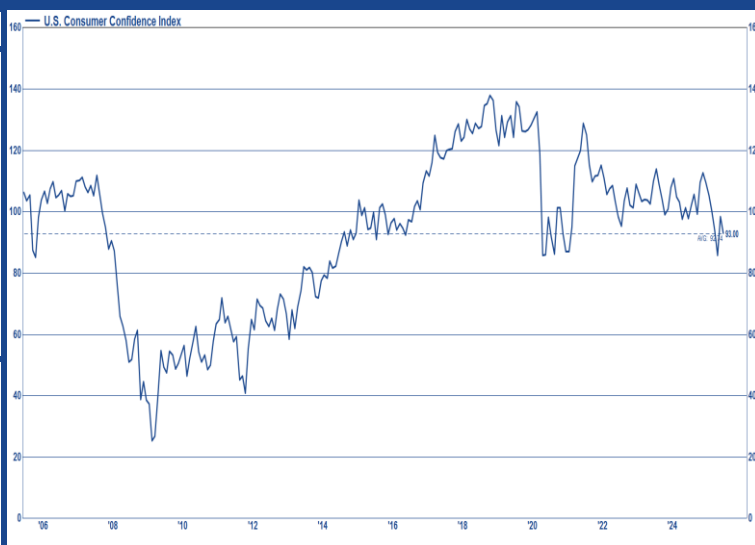
Index Total Returns - June 27, 2025

	1-Wk	YTD	1-Yr
MSCI-Developed	3.10	19.39	17.71
MSCI-Emerging	3.35	15.77	16.27
S&P 500	3.45	5.65	14.11
NASDAQ	4.25	5.34	14.32
Dow Jones	3.83	3.89	13.87
S&P 400	2.58	0.15	7.80
Russell 2000	3.01	-1.95	8.05

Barclay's U.S. Bond Index

	1-Wk	YTD	1-Yr
High Yield	0.81	4.30	10.08
Int. Gov. Credit	0.56	3.91	6.38
Aggregate	0.68	3.65	5.22
5-year Muni	0.23	2.18	4.22
Municipal	0.20	-0.45	1.03

U.S. Consumer Confidence



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.97	4.07	5.10
U.S. 2-Yr	3.74	3.91	4.72
U.S. 3-Yr	3.72	3.86	4.50
U.S. 5-Yr	3.83	3.96	4.30
U.S. 10-Yr	4.28	4.38	4.29
U.S. 30-Yr	4.84	4.89	4.43

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.78	3.80	3.57
U.S. AA	3.84	3.88	3.60
U.S. A	4.24	4.27	3.95
U.S. Baa	4.74	4.77	4.38
U.S. Municipal	3.97	4.00	3.72
Michigan	4.11	4.15	3.83

S&P 500 Sector Total Returns - June 27, 2025

Sector	1-Wk	YTD	1-Yr
Industrials	3.38	12.14	22.37
Comm. Services	6.22	10.76	20.61
Utilities	1.38	8.98	21.58
Financials	3.44	8.28	28.84
Info Tech	4.66	7.00	13.50
Consumer Staples	0.38	5.90	11.15
Materials	2.30	5.90	1.75
Real Estate	-0.76	2.73	11.63
Energy	-3.45	1.45	-2.91
Health Care	1.49	-1.73	-6.54
Con. Discretion	4.37	-3.03	17.81

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.11	18.75	1.20
S&P 400 - Mid Cap	15.93	16.12	1.42
S&P 600 - Small Cap	15.25	15.37	1.62