



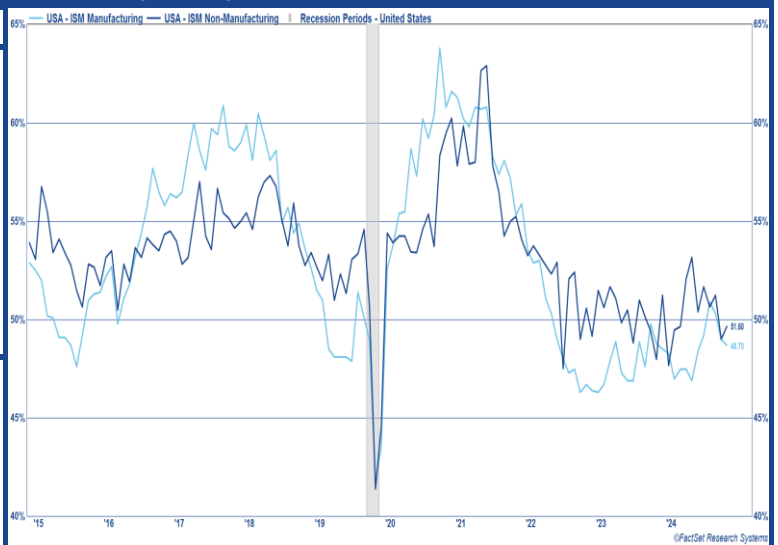
Economic & Market Commentary

After a nine-day streak of gains for the S&P 500, stocks finished mixed last week as investors took the Federal Reserve's FOMC meeting in stride and more importantly await tariff talks between China and the United States over the weekend. Heading into the weekend there were some positive trade developments with a focus on de-escalation. Additionally, President Trump announced a framework agreement with the UK which includes lowering tariffs to 10% on UK-made autos and tariffs on beef, steel and aluminum will be cut close to zero, though a 10% universal tariff on UK will otherwise remain. The May FOMC announcement was the other big event last week. As expected, the Federal Reserve held rates steady at a target range of 4.25-4.50%. Policy statement added that risks of higher unemployment and higher inflation have risen. During the press conference, Chair Powell offered little on a possible rate cut in June. He said they have not seen tariff impacts in the data yet, though shock is still yet to come. Powell noted there are cases in which rate cuts would be appropriate this year though he cannot confidently know the appropriate rate path. The bond market continues to dial back rate easing expectations as the Federal Reserve is stressing patience and caution consistently noting that incoming data will ultimately decide the rate path forward. Indeed, the chance of a quarter-point rate cut in June now stands at 11.3%. One month ago, it stood at 64.4%. On the bulls and bears front, bulls note trade de-escalation, better-than-feared Q1 earnings, ISM services new orders hitting a four-month high in April, oil-driven disinflation narrative further supported by more OPEC production, and resilient retail activity. Bears are supported by continued tariff overhang, consumer spending worries with surveys showing sagging sentiment and plans to dial back spending, ISM services prices paid highest since early 2023, Fed continuing to rule out preemptive easing, and Treasury bond sale disappoints which can lead to higher yields.

Index Total Returns - May 9, 2025

	1-Wk	YTD	1-Yr
MSCI-Developed	-0.08	13.28	11.34
MSCI-Emerging	0.49	6.74	9.66
Dow Jones	-0.14	-2.52	6.60
S&P 500	-0.45	-3.34	10.02
S&P 400	0.51	-5.14	-0.16
NASDAQ	-0.26	-6.96	10.46
Russell 2000	0.14	-8.89	-1.10
Barclay's U.S. Bond Index			
Int. Gov. Credit	-0.11	2.60	6.20
Aggregate	-0.17	2.20	5.32
High Yield	0.15	1.53	8.22
5-year Muni	0.16	0.70	2.45
Municipal	0.11	-0.77	0.81

ISM Activity Surveys



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	4.05	4.00	5.13
U.S. 2-Yr	3.88	3.83	4.81
U.S. 3-Yr	3.87	3.81	4.62
U.S. 5-Yr	3.99	3.92	4.47
U.S. 10-Yr	4.38	4.31	4.46
U.S. 30-Yr	4.84	4.79	4.61

S&P 500 Sector Total Returns - May 9, 2025

Sector	1-Wk	YTD	1-Yr
Utilities	0.61	6.79	15.98
Consumer Staples	-1.01	5.27	11.01
Industrials	1.07	3.64	10.10
Financials	0.14	3.62	21.64
Real Estate	-0.76	3.01	13.61
Materials	-0.38	1.36	-5.80
Energy	0.49	-2.69	-9.52
Health Care	-4.21	-3.12	-5.82
Comm. Services	-2.42	-4.20	12.47
Info Tech	0.27	-7.96	13.05
Con. Discretion	0.81	-11.47	11.27

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.83	3.84	3.45
U.S. AA	3.90	3.93	3.47
U.S. A	4.29	4.29	3.86
U.S. Baa	4.77	4.79	4.38
U.S. Municipal	4.03	4.04	3.61
Michigan	4.15	4.17	3.78

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.55	18.65	1.30
S&P 400 - Mid Cap	15.33	16.07	1.48
S&P 600 - Small Cap	14.64	15.40	1.75