



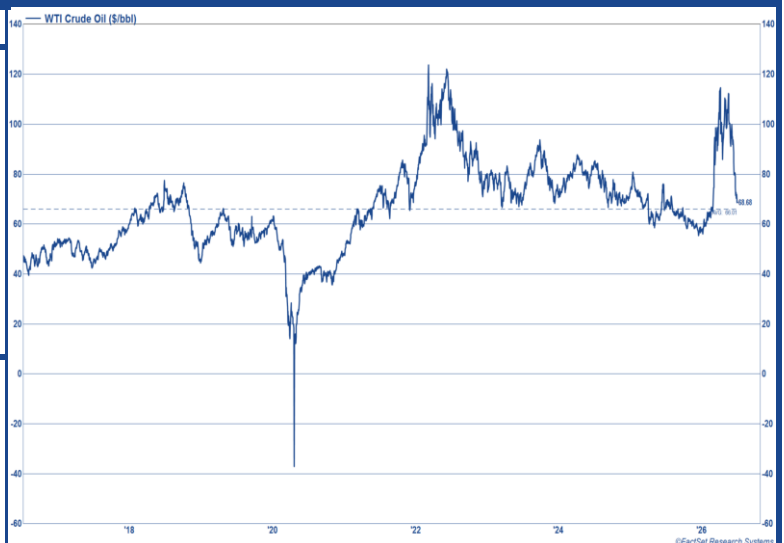
Economic & Market Commentary

Markets finished the week mixed as investors weighed mounting inflation concerns against an otherwise stable economic backdrop. Developments surrounding technology pricing, artificial intelligence infrastructure, and energy markets raised important questions about the path of inflation and its implications for monetary policy. A notable focus during the week was the announcement of significant price increases by both Apple (+15-25%) and Microsoft (+10-30%) across portions of their respective product and service offerings. These increases highlight a broader trend of corporations seeking to pass higher costs through to consumers. This comes at a time when inflation remains a primary concern for both investors and policymakers. Strong demand for AI-related technologies continues to place pressure on supply chains, particularly in areas such as DRAM memory and advanced semiconductors, resulting in rising component costs. At the same time, the rapid expansion of data center capacity is increasing demand for electricity and other energy inputs, adding another layer of potential cost pressure across the economy. These developments arrive against a backdrop of already elevated energy prices and a Federal Reserve that has maintained a cautious stance toward inflation. Policymakers remain focused on the risk that new sources of price pressure could slow or reverse improvements in the inflation trend. Corporate earnings expectations remain supportive; however, investors are becoming increasingly attentive to the potential impact that higher input costs, supply constraints, and pricing decisions may have on future margins and consumer demand. As a result, inflation is once again emerging as a central variable influencing market behavior. The broader takeaway from the week is that while artificial intelligence continues to drive productivity gains and economic investment, its growing influence on supply chains, energy demand, and pricing dynamics may also contribute to inflationary pressures. For markets, the key question is whether these forces remain manageable or become a more material consideration for monetary policy in the months ahead.

Index Total Returns - July 2, 2026

	1-Wk	YTD	1-Yr
Russell 2000	-0.42	21.43	36.25
MSCI-Emerging	-1.18	21.16	39.46
S&P 400	-0.29	15.84	21.60
NASDAQ	2.12	11.49	27.45
Dow Jones	1.99	10.99	20.93
MSCI-Developed	1.95	10.43	21.26
S&P 500	1.78	9.98	21.62
Barclay's U.S. Bond Index			
Municipal	0.08	2.23	6.81
High Yield	0.29	2.05	5.85
Aggregate	-0.50	0.48	3.83
5-year Muni	0.08	1.06	3.62
Int. Gov. Credit	-0.23	0.38	3.30

Oil Prices



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	3.93	3.92	3.99
U.S. 2-Yr	4.17	4.08	3.78
U.S. 3-Yr	4.19	4.09	3.76
U.S. 5-Yr	4.25	4.13	3.87
U.S. 10-Yr	4.49	4.37	4.28
U.S. 30-Yr	4.98	4.86	4.81

S&P 500 Sector Total Returns - July 2, 2026

Sector	1-Wk	YTD	1-Yr
Energy	-0.95	20.01	26.25
Industrials	1.44	19.27	25.85
Info Tech	0.88	15.85	32.78
Materials	1.12	14.72	15.35
Real Estate	-1.33	13.18	11.92
Consumer Staples	0.14	10.28	6.88
Utilities	-1.04	8.69	15.90
Health Care	2.09	6.84	23.29
Comm. Services	4.97	2.60	24.66
Financials	3.74	2.53	7.49
Con. Discretion	2.76	-0.77	8.45

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.44	3.45	3.75
U.S. AA	3.48	3.48	3.81
U.S. A	3.83	3.83	4.21
U.S. Baa	4.38	4.37	4.73
U.S. Municipal	3.60	3.60	3.94
Michigan	3.72	3.71	4.09

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	20.51	19.43	1.03
S&P 400 - Mid Cap	16.44	16.57	1.18
S&P 600 - Small Cap	15.70	16.46	1.43