



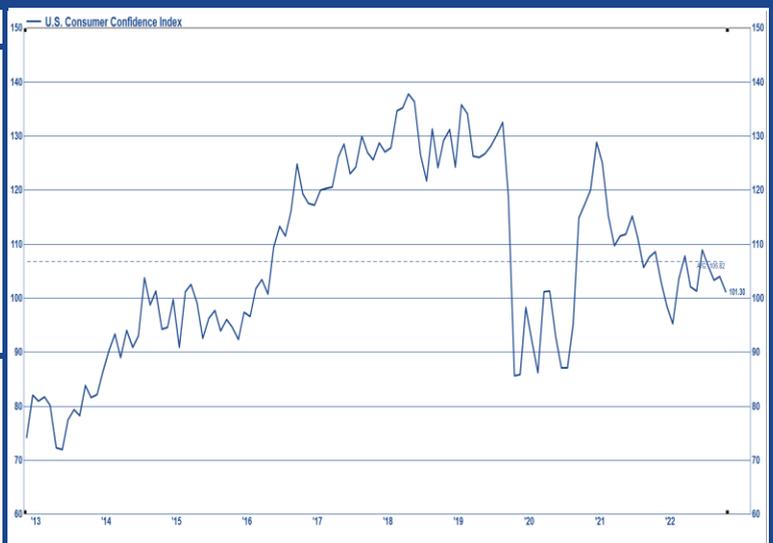
**Economic & Market Commentary**

Bond yields have risen sharply over the past couple of weeks on the debt ceiling saga but also on concerns that the Fed may not be done raising rates, as economic data last week continued to point toward resilient underlying economic strength. Retail sales in April came in stronger than anticipated catching analysts and investors off guard as consensus expected that the Fed's 10 rate hikes would be slowing consumer demand for goods and services. At the retail segment level, results were mixed with strength in autos, building supplies, personal care products, general merchandise, food & beverage, and internet sales, offset by weakness in home furnishings, electronics, gasoline, clothing, and sporting goods. Additionally, initial weekly jobless claims came in stronger than expected at 242,000 vs. 255,000 and down from the prior week's reading of 264,000. Typically, during times of a weakening economy, weekly jobless claims are consistently on the rise with readings well north of 300,000. While this measure has been trending higher from a 50-year low, it continues to reflect an overall tight, albeit slowly weakening labor market. Other data that surprised to the upside were durable goods orders and the Philly Fed Manufacturing Index (still contractionary reading overall). Rate hikes have reduced demand for interest-rate sensitive areas of the economy like housing, manufacturing, and business investment, but broader expansion of economic weakness is proving to be more difficult. Earlier this month during the FOMC press conference, Fed Chair Powell indicated that the Fed was at or near a sufficiently restrictive policy stance and that any further policy decisions would be data dependent. As of this morning, the chance of a Fed rate hike in June stands at only 20%. Inflation has moderated but the pace of decline has slowed, and it remains high. Getting inflation under control will take time and will not be a smooth process.

**Index Total Returns - May 19, 2023**

	1-Wk	YTD	1-Yr
NASDAQ	3.08	21.37	12.15
MSCI-Developed	0.36	11.35	11.93
S&P 500	1.71	9.91	9.34
MSCI-Emerging	0.51	2.94	-0.79
Dow Jones	0.50	1.69	9.27
S&P 400	1.02	1.69	4.49
Russell 2000	1.93	1.27	1.40
<b>Barclay's U.S. Bond Index</b>			
High Yield	-0.42	3.71	3.62
Int. Gov. Credit	-0.98	2.04	-0.25
Aggregate	-1.37	1.88	-2.10
Municipal	-1.18	1.75	3.92
5-year Muni	-0.98	0.68	2.63

**U.S. Consumer Confidence**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	5.00	4.78	2.05
U.S. 2-Yr	4.27	3.98	2.61
U.S. 3-Yr	3.95	3.66	2.79
U.S. 5-Yr	3.75	3.45	2.85
U.S. 10-Yr	3.69	3.46	2.85
U.S. 30-Yr	3.95	3.77	3.07

**S&P 500 Sector Total Returns - May 19, 2023**

Sector	1-Wk	YTD	1-Yr
Communication Services	3.06	31.39	8.35
Info Tech	4.25	28.02	22.56
Consumer Discretionary	2.64	18.40	7.33
Consumer Staples	-1.63	2.38	11.04
Industrials	1.30	2.01	12.03
Materials	0.67	1.67	-2.52
Real Estate	-2.59	-1.40	-10.39
Health Care	-0.65	-2.98	4.18
Financials	2.19	-4.27	1.05
Utilities	-4.27	-5.57	-4.75
Energy	1.44	-7.92	2.97

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.28	3.04	3.17
U.S. AA	3.42	3.18	3.35
U.S. A	3.95	3.71	3.72
U.S. Baa	4.63	4.43	4.15
U.S. Municipal	3.59	3.35	3.47
Michigan	3.75	3.51	3.59

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	18.34	17.56	1.58
S&P 400 - Mid Cap	13.04	15.46	1.64
S&P 600 - Small Cap	13.03	16.10	1.80