



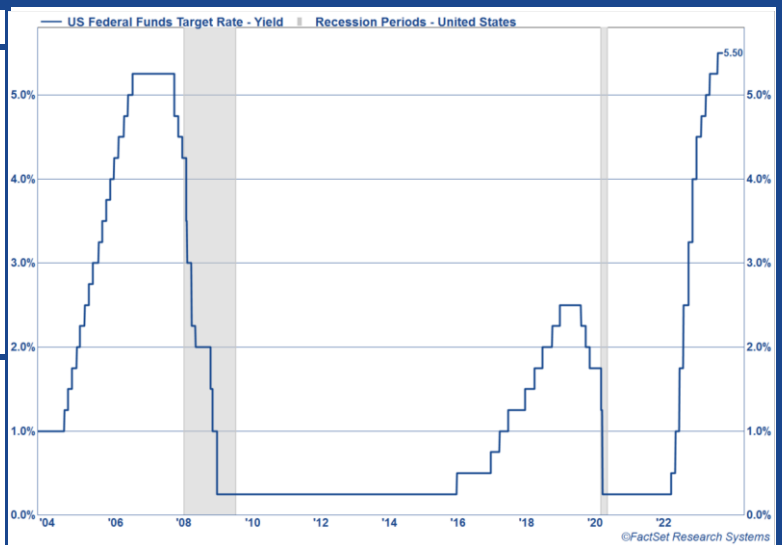
Economic & Market Commentary

All eyes will be on the Federal Reserve this week as they hold their Federal Open Market Committee (FOMC) meeting which concludes this Wednesday. The last time they met in July rates were raised a quarter-point marking the 11th time since their campaign began to corral inflation back in March 2022. Since March 2022, the Fed has raised rates from +0.25% to its current level of +5.50%. Fed fund futures indicate a 98.0% chance the Fed will not raise rates this week and show the highest probability that the Fed will remain on hold well into 2024. Of course, this is all data dependent as the Fed has indicated in making their rate decisions since moving away from providing "guidance" earlier this year. The collective data that the Fed analyzes has been moving in the right direction, but the pace and consistency of such data trends has proved to be uncertain/volatile and core inflation remains elevated. A good example of this inconsistency are the last two CPI readings. July CPI readings were in-line or better-than-expected (lower) while August CPI readings were in-line or worse-than-expected (higher). Another example is the overall resilience of the U.S. economy and the labor market. Second-quarter GDP surprised to the upside and third-quarter GDP estimates are coming in quite strong as well. The Atlanta Fed's GDPNow estimated third-quarter GDP of 5.8%! It is clear the economy and inflation are not cooling as quickly as the Fed anticipated and this cycle is greatly complicated by the unique COVID environment. In a speech Last August, Fed Chair Powell summed it up well: "These uncertainties, both old and new, complicate our task of balancing the risk of tightening monetary policy too much against the risk of tightening too little. Doing too little could allow above-target inflation to become entrenched and ultimately require monetary policy to wring more persistent inflation from the economy at a high cost to employment. Doing too much could also do unnecessary harm to the economy."

Index Total Returns - September 15, 2023

	1-Wk	YTD	1-Yr
NASDAQ	-0.37	31.78	19.72
S&P 500	-0.12	17.30	16.02
MSCI-Developed	1.67	10.90	20.01
S&P 400	-0.21	6.91	8.25
Dow Jones	0.14	6.14	14.24
Russell 2000	-0.20	6.01	2.80
MSCI-Emerging	1.24	5.19	5.53
Barclay's U.S. Bond Index			
High Yield	0.19	7.01	7.46
Municipal	-0.10	1.23	2.83
Int. Gov. Credit	-0.14	1.13	1.10
5-year Muni	-0.05	0.70	1.48
Aggregate	-0.33	0.26	-0.53

Fed Fund Rate



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	5.43	5.40	3.83
U.S. 2-Yr	5.03	4.97	3.86
U.S. 3-Yr	4.71	4.69	3.86
U.S. 5-Yr	4.46	4.40	3.67
U.S. 10-Yr	4.33	4.26	3.46
U.S. 30-Yr	4.42	4.33	3.48

S&P 500 Sector Total Returns - September 15, 2023

Sector	1-Wk	YTD	1-Yr
Communication Services	0.55	45.12	30.93
Info Tech	-2.23	38.44	33.34
Consumer Discretionary	1.72	35.61	9.65
Industrials	-0.59	7.85	17.42
Energy	0.15	7.15	19.47
Materials	-0.11	6.22	12.79
Financials	1.48	2.78	6.58
Real Estate	0.88	1.38	-5.18
Consumer Staples	0.51	-1.08	5.18
Health Care	0.11	-1.89	5.21
Utilities	2.74	-6.46	-10.40

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.67	3.64	3.22
U.S. AA	3.71	3.67	3.38
U.S. A	4.20	4.17	3.87
U.S. Baa	4.77	4.75	4.37
U.S. Municipal	3.88	3.84	3.54
Michigan	4.03	4.00	3.61

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	18.67	17.73	1.51
S&P 400 - Mid Cap	13.44	15.48	1.57
S&P 600 - Small Cap	13.10	15.89	1.77