

Economic & Market Commentary

-Last week, stock returns finished mixed while bond returns were positive. The week began under pressure with political turmoil in Italy. The rejection of a populist cabinet minister nominee by Italy's president created fears of Italy potentially leaving the EU and resulted in a spike of volatility and a sharp decline in stock returns and bond yields. As the week progressed, these fears subsided as the political parties in Italy reached a deal and markets responded accordingly.

-Consumer confidence rose in May to a level of 128.0, up from April's revised reading of 125.6. According to the Conference Board, "Consumer's assessment of current conditions increased to a 17-year high; Overall, confidence levels remain at historically strong levels and should continue to support solid consumer spending in the near-term."

-The Bureau of Economic Analysis released the 2nd estimate of 1Q18 U.S. GDP which was revised slightly lower to 2.2% from the initial estimate of 2.3%. The lower revision was driven by downward revisions to inventory investment, housing and exports. FactSet consensus U.S. GDP estimates for second-quarter 2018 and full-year 2018 stand at 3.0% and 2.7%, respectively.

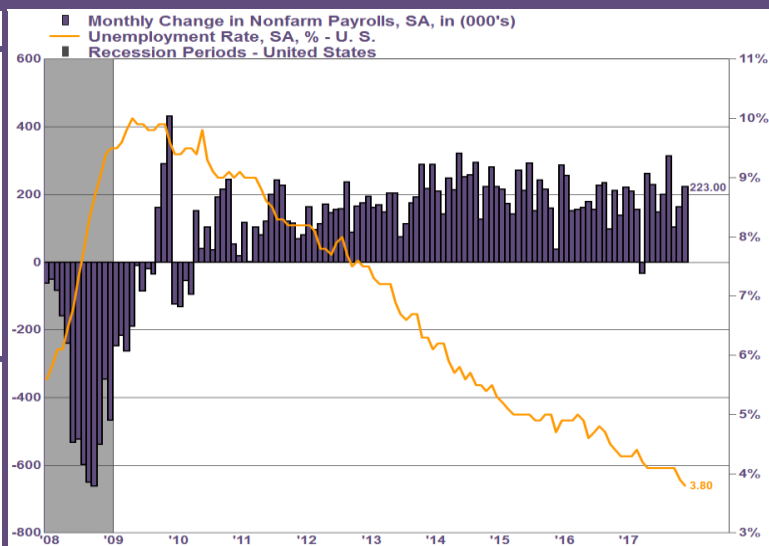
-The U.S. Dept. of Labor reported the labor market in May remained strong as the unemployment rate hit an 18-year low of 3.8% and 223,000 new jobs were created. The last two times the unemployment rate was <= 3.8% was April 2000 and December 1969.

-Manufacturing activity in May remained robust as the ISM Survey registered a reading of 58.7%. Activity was broad-based across industries both domestically and globally. Respondents to the survey cited, "an expected continuation of strong sales, supply constraints, costs rising, lack of skilled and unskilled labor, and concerns about proposed tariffs."

Total Returns - June 1, 2018

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	1.65	9.95	22.22
Russell 2000	1.32	7.84	19.57
S&P 400	0.63	3.68	13.82
S&P 500	0.54	3.14	14.75
Dow Jones	-0.38	0.69	19.21
MSCI-Developed	-1.00	-1.23	8.02
MSCI-Emerging	-0.51	-1.77	14.63
Barclay's U.S. Bond Index			
5-year Muni	0.29	0.04	-0.42
High Yield	0.07	-0.15	2.33
Municipal	0.38	-0.41	1.10
Int. Gov. Credit	0.09	-1.16	-0.89
Aggregate	0.16	-1.85	-0.64

U.S. Labor Market



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.28	2.27	1.16
U.S. 2-Yr	2.48	2.48	1.30
U.S. 3-Yr	2.60	2.61	1.44
U.S. 5-Yr	2.74	2.76	1.76
U.S. 10-Yr	2.89	2.93	2.21
U.S. 30-Yr	3.04	3.09	2.86

S&P 500 - Sector Total Returns - June 1, 2018

Sector	1-Wk	YTD	1-Yr
Info Tech	2.08	13.45	30.35
Consumer Discretionary	0.34	8.42	17.62
Energy	2.49	6.63	19.78
Health Care	0.44	1.39	10.26
Industrials	-0.65	-0.29	10.97
Financials	-1.23	-1.12	18.86
Materials	0.09	-1.93	11.99
Utilities	-0.55	-3.89	-4.29
Real Estate	1.68	-3.09	2.51
Telecom Services	-0.74	-10.14	-4.12
Consumer Staples	-0.40	-12.51	-10.80

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.44	2.49	1.80
U.S. AA	2.52	2.58	1.95
U.S. A	2.88	2.92	2.43
U.S. Baa	3.51	3.59	3.44
U.S. Municipal	2.68	2.74	2.16
Michigan	2.77	2.82	2.30

Select Reference Source Websites