



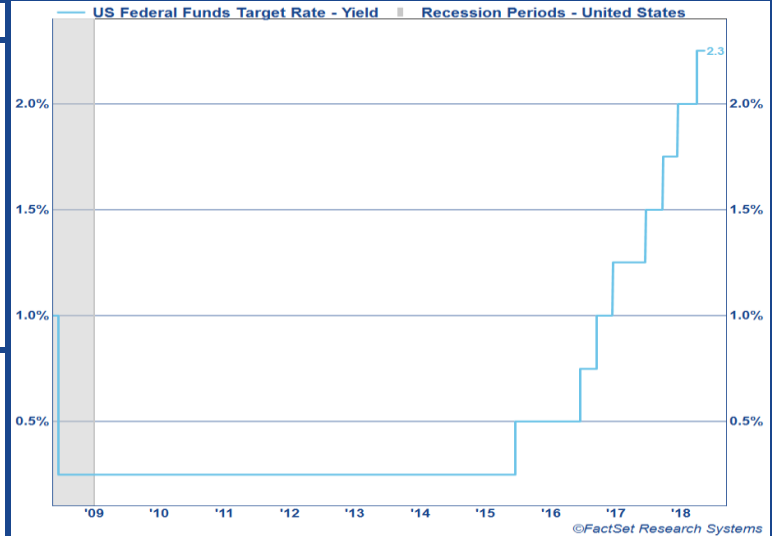
Economic & Market Commentary

The market giveth and the market taketh. That pretty much sums up last week. While most stock markets finished higher for week, the large price swings within the week provide a good illustration of how quickly market sentiment changes. Last year, S&P 500 volatility was very low by historical measures and indicative of investor complacency that emanated from a high degree of certainty as to expected economic and earnings growth. This year, not so much. Markets like certainty and a good example of this was the day after the mid-term elections. People voted, Congress is split, and it is highly likely nothing will get done or, more importantly, undone by Congress for the next two years. By undone, I'm referring of course to pro-growth tax reform and significant reduction of burdensome regulations. The outcome of the election was welcome news for investor's and stock markets rallied sharply on Wednesday. Markets don't like uncertainty. A good example of this came Thursday when the Fed released the November FOMC meeting statement which kept the target rate unchanged and stated "The Committee expects that further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion of economic activity." Since the Fed didn't alter their policy stance on raising rates, investors showed their displeasure by selling stocks. Investors are uncertain as to what impact rising short-term rates may have on consumer spending, margins, and economic growth. Bond market participants are signaling their concern with Fed policy via a lack of term premium between short-term and long-term rates. The Fed's mandate is price stability and maximum employment, and the FOMC feels their current policy is appropriate while the capital markets disagree. This is what makes the world of economics and portfolio management so fascinating, and why it so important for investor's to have a proper asset allocation to endure such volatility.

Total Returns - November 9, 2018

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	0.74	8.26	10.93
Dow Jones	3.00	7.17	13.33
S&P 500	2.21	5.74	9.73
Russell 2000	0.12	1.95	6.40
S&P 400	1.13	0.34	4.73
MSCI-Developed	0.23	-7.96	-5.55
MSCI-Emerging	-2.04	-13.91	-11.81
Barclay's U.S. Bond Index			
High Yield	0.11	1.23	2.05
5-year Muni	0.12	-0.11	-0.76
Int. Gov. Credit	0.08	-0.97	-1.17
Municipal	0.19	-1.09	-1.16
Aggregate	0.25	-2.41	-2.19

Fed Funds Rate



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.74	2.69	1.53
U.S. 2-Yr	2.93	2.91	1.65
U.S. 3-Yr	3.00	2.98	1.77
U.S. 5-Yr	3.04	3.03	2.01
U.S. 10-Yr	3.19	3.21	2.32
U.S. 30-Yr	3.39	3.46	2.79

S&P 500 - Sector Total Returns - November 9, 2018

Sector	1-Wk	YTD	1-Yr
Health Care	4.08	14.00	15.68
Consumer Discretionary	1.99	12.07	20.48
Info Tech	1.54	11.92	11.89
Utilities	3.21	6.97	1.94
Real Estate	3.71	3.23	1.62
Consumer Staples	2.92	1.99	8.83
Financials	2.71	-1.56	5.61
Energy	1.21	-2.76	0.79
Industrials	2.14	-3.10	3.35
Communication Services	-0.19	-5.86	8.87
Materials	1.90	-7.85	-3.82

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.80	2.82	1.93
U.S. AA	2.90	2.93	2.02
U.S. A	3.25	3.26	2.45
U.S. Baa	3.84	3.86	3.11
U.S. Municipal	3.05	3.07	2.20
Michigan	3.11	3.14	2.33

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	15.98	14.60	1.84
S&P 400 - Mid Cap	15.26	15.28	1.53
S&P 600 - Small Cap	16.08	15.35	1.41