



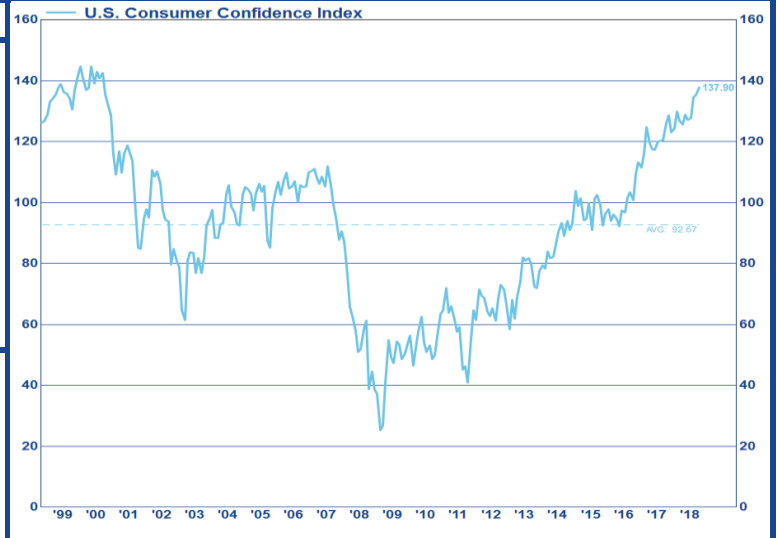
**Economic & Market Commentary**

After a brutal month of October that saw steep declines, stocks gained backed some ground last week rising sharply on solid corporate earnings growth and economic data that points to continued expansion with firming inflation. On Monday, the Bureau of Economic Analysis released the September Personal Income and Outlays report that showed disposable personal income rose 2.9% y/y and that personal consumption expenditures prices, which is the Fed's preferred inflation measure, rose 2.0% y/y. The 2.0% y/y inflation rate is right in-line with Fed's long-term target inflation rate of 2.0%. On Tuesday, The Conference Board reported that consumer confidence in October remained high rising to a level of 137.9, which is the highest reading since September 2000. On Wednesday, the Bureau of Labor Statistics released the quarterly Employment Cost Index report. This index measures employer wage (70%) and health care (30%) compensation costs, which are on the rise. In the third-quarter, total compensation costs rose 0.8% as wages grew 0.9% and benefits rose 0.4%. When compared to the same year-ago period, total compensation rose 2.8%, wages rose 2.9% and benefits rose 2.6%. On Thursday, the Institute for Supply Management released their October Manufacturing Report on Business which registered a level of 57.7%. This reading is down from September's reading of 59.8%. The report showed activity moderated during the month as 13 of 18 industries reported growth while 4 industries reported declines. The same problems continue to plague manufacturers, namely, supply chain issues leading to longer lead times, shortage of labor, higher transportation and freight costs, tariffs, and higher raw material costs. The labor market in October remained strong with monthly job gains of 250,000, the unemployment rate held steady at 3.7% and wages grew at the fastest annual pace since 2009 at 3.1%. Bond yields moderately rose on fears wage gains may lead to higher inflation.

**Total Returns - November 2, 2018**

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	2.66	7.46	10.71
Dow Jones	2.36	4.05	9.89
S&P 500	2.45	3.45	7.60
Russell 2000	4.35	1.82	4.76
S&P 400	3.78	-0.78	3.30
MSCI-Developed	3.36	-8.17	-6.26
MSCI-Emerging	6.09	-12.12	-9.45
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.22	1.11	1.17
5-year Muni	-0.25	-0.24	-0.83
Int. Gov. Credit	-0.43	-1.06	-1.29
Municipal	-0.47	-1.28	-0.80
Aggregate	-0.73	-2.65	-2.46

**U.S. Consumer Confidence**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.69	2.63	1.45
U.S. 2-Yr	2.91	2.81	1.62
U.S. 3-Yr	2.98	2.86	1.74
U.S. 5-Yr	3.03	2.91	2.02
U.S. 10-Yr	3.21	3.07	2.37
U.S. 30-Yr	3.46	3.31	2.86

**S&P 500 - Sector Total Returns - November 2, 2018**

Sector	1-Wk	YTD	1-Yr
Info Tech	0.99	10.22	11.30
Consumer Discretionary	4.00	9.88	19.05
Health Care	2.13	9.53	12.24
Utilities	-0.51	3.65	0.10
Real Estate	1.42	-0.46	1.14
Consumer Staples	2.39	-0.90	6.95
Energy	1.77	-3.92	1.76
Financials	4.50	-4.16	-0.01
Industrials	2.60	-5.13	-0.09
Communication Services	2.26	-5.68	7.35
Materials	6.14	-9.57	-6.75

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.82	2.73	1.98
U.S. AA	2.93	2.82	2.08
U.S. A	3.26	3.17	2.52
U.S. Baa	3.86	3.77	3.18
U.S. Municipal	3.07	2.97	2.26
Michigan	3.14	3.03	2.41

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	15.66	14.58	1.88
S&P 400 - Mid Cap	15.04	15.28	1.56
S&P 600 - Small Cap	15.92	15.34	1.41