

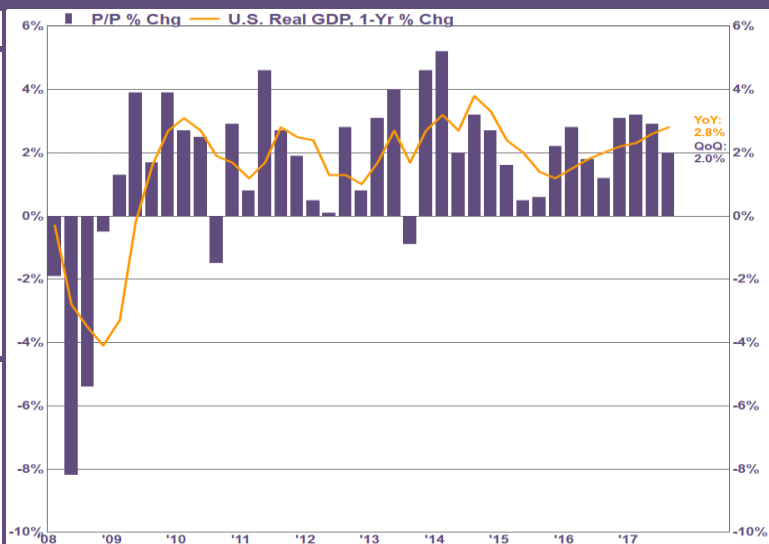
Economic & Market Commentary

Stocks finished lower for the second straight week and limped into the end of the second quarter. Despite a strengthening economy and strong earnings growth, market returns during the quarter diverged as some were tempered by trade tensions and others by central bank monetary policy. Equity markets entered the second quarter with trade tensions being the primary concern, but these tensions waned on the hope of trade talks and the widely held perception of tariffs as a bargaining tactic of this administration. As the quarter progressed, trade concerns were soon overshadowed by very strong first-quarter earnings as 1Q18 S&P 500 earnings grew 24.7% from 1Q17. As the quarter closed, trade tensions were back in full focus as trade talks broke down, countries began to dig in their protectionist heels, and the ramifications of tariffs became reality negatively affecting companies within targeted industries. Small-cap stocks were the clear winner (+7.8%) in the quarter advancing not only from recent tax-reform but also from being perceived as less exposed to global trade tensions. According to FactSet, S&P Small Cap 600 companies generate 20.3% of their revenue from overseas while S&P Mid-Cap 400 companies 24.6% and S&P 500 companies 38.4%. The clear laggard last quarter were emerging markets declining -8.0% as dollar strength is pressuring emerging market debt and currency. Balancing the investment scale, more weight is given to the underlying strength in the economy as economic growth likely strengthened in the second quarter bolstered by increased consumer and business spending, sustained high confidence levels, low unemployment and continued strong earnings growth but the risks associated with trade tensions, Fed monetary policy, and curve flattening appear to be gradually gaining weight.

Total Returns - June 29, 2018

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	-2.36	9.37	23.60
Russell 2000	-2.46	7.66	17.57
S&P 400	-1.85	3.49	13.50
S&P 500	-1.31	2.65	14.37
Dow Jones	-1.26	-0.73	16.31
MSCI-Developed	-1.04	-2.75	6.84
MSCI-Emerging	-1.46	-6.66	8.20
Barclay's U.S. Bond Index			
5-year Muni	0.08	0.30	0.27
High Yield	-0.53	0.16	2.62
Municipal	0.13	-0.25	1.56
Int. Gov. Credit	0.22	-0.97	-0.58
Aggregate	0.34	-1.62	-0.40

U.S. GDP



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.32	2.34	1.22
U.S. 2-Yr	2.52	2.55	1.36
U.S. 3-Yr	2.62	2.65	1.51
U.S. 5-Yr	2.73	2.78	1.82
U.S. 10-Yr	2.85	2.90	2.23
U.S. 30-Yr	2.99	3.04	2.78

S&P 500 - Sector Total Returns - June 29, 2018

Sector	1-Wk	YTD	1-Yr
Consumer Discretionary	-1.87	11.52	23.55
Info Tech	-2.19	10.87	31.30
Energy	1.03	6.81	20.99
Health Care	-1.77	1.83	7.11
Real Estate	1.23	0.81	5.02
Utilities	2.32	0.32	3.41
Materials	-0.74	-3.08	9.90
Financials	-1.91	-4.09	9.65
Industrials	-1.32	-4.69	5.34
Telecom Services	1.18	-8.35	1.39
Consumer Staples	-0.23	-8.55	-3.93

Select Reference Source Websites

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.39	2.40	1.93
U.S. AA	2.52	2.53	2.06
U.S. A	2.88	2.89	2.56
U.S. Baa	3.50	3.52	3.52
U.S. Municipal	2.67	2.68	2.27
Michigan	2.79	2.81	2.39