

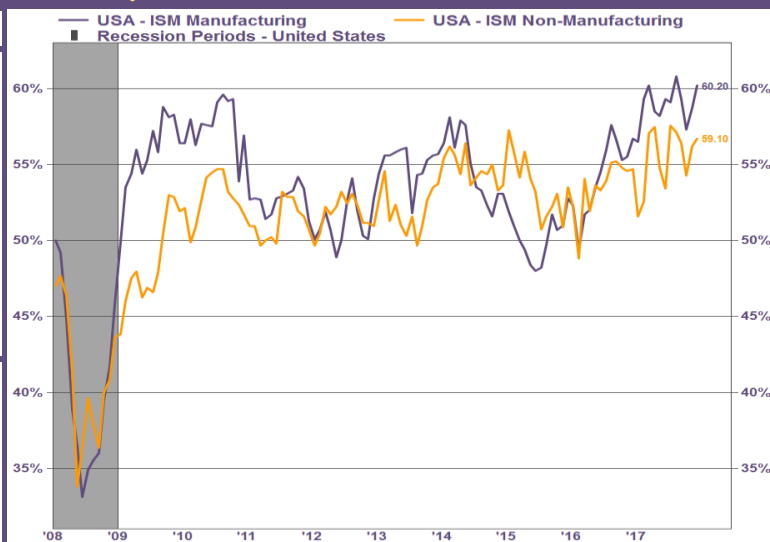
Economic & Market Commentary

It appears the economy in June continued to strengthen as macroeconomic data released last week was strong. ISM's June Manufacturing survey posted a reading of 60.2%, rising 1.5 percentage points from May, and beating consensus expectations of 58.2%. Manufacturing activity was broad-based with many industries reporting strong domestic and international demand. Comments from survey respondents continue to report labor shortages, material shortages and supply chain/shipping difficulties. Timothy R. Fiore, an ISM Survey Committee official, cited, "Respondents are overwhelmingly concerned about how tariff related activity is and will continue to affect their business." ISM's June Service Survey posted a reading of 59.1%, rising 0.5% from May. This is the 101st consecutive month of an expansionary reading. ISM readings above 50 are considered expansionary, or generally expanding, while ISM readings below 50 are considered contractionary. As with the manufacturing survey, activity was broad-based with all 17 industries surveyed reporting growth and similar issues of labor shortages, supply constraints and freight difficulties. Interestingly, higher prices was a consistent theme among ISM Service respondents. Both ISM surveys point to a positive near-term outlook for the economy. The Dept. of Labor reported the labor market remained strong in June as employment increased by 213,000 jobs and the unemployment rate rose by 0.2% to 4.0%. Industries leading job growth were professional & business +50,000, manufacturing +36,000, health care +25,000 & construction +13,000. Despite a very tight labor market, annual wage growth remained unchanged at 2.7%. Job revisions were to the upside as April was revised to +175,000 from +159,000 and May was revised to +244,000 from +223,000. These solid economic reports sent U.S. stocks higher for the week and participation was broad-based as most S&P 500 sectors rose for the week.

Total Returns - July 6, 2018

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	2.40	11.99	27.59
Russell 2000	3.12	11.02	22.47
S&P 400	1.95	5.50	16.76
S&P 500	1.56	4.25	16.74
Dow Jones	0.82	0.09	17.33
MSCI-Developed	0.57	-2.20	7.47
MSCI-Emerging	-0.71	-7.32	7.72
Barclay's U.S. Bond Index			
5-year Muni	0.06	0.36	0.37
High Yield	0.01	0.17	2.67
Municipal	0.14	-0.11	1.83
Int. Gov. Credit	0.11	-0.87	-0.30
Aggregate	0.24	-1.38	0.11

ISM Survey



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.32	2.32	1.24
U.S. 2-Yr	2.53	2.52	1.41
U.S. 3-Yr	2.62	2.62	1.58
U.S. 5-Yr	2.72	2.73	1.91
U.S. 10-Yr	2.82	2.85	2.32
U.S. 30-Yr	2.93	2.99	2.85

S&P 500 - Sector Total Returns - July 6, 2018

Sector	1-Wk	YTD	1-Yr
Info Tech	2.34	13.46	35.24
Consumer Discretionary	0.97	12.59	26.51
Energy	-0.33	6.45	21.99
Health Care	3.14	5.03	11.10
Utilities	2.44	2.76	7.04
Real Estate	1.77	2.60	9.20
Materials	0.65	-2.45	10.49
Financials	0.40	-3.70	9.02
Industrials	0.73	-4.00	6.19
Telecom Services	2.17	-6.36	4.21
Consumer Staples	1.44	-7.23	-1.85

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.39	2.39	1.98
U.S. AA	2.51	2.52	2.11
U.S. A	2.87	2.88	2.61
U.S. Baa	3.50	3.50	3.53
U.S. Municipal	2.66	2.67	2.32
Michigan	2.78	2.79	2.44

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