



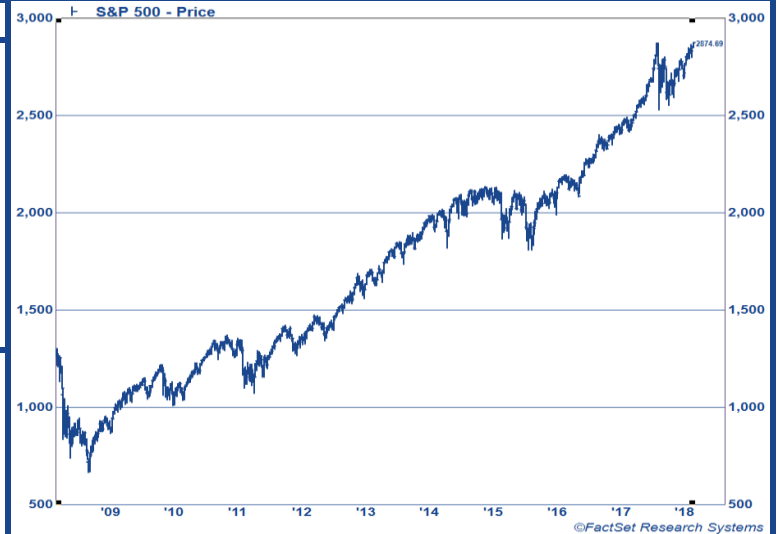
**Economic & Market Commentary**

When the market closed last Wednesday, it marked the longest bull market run in the U.S. history lasting 3,453 days. What ends a bull market? A decline of 20% or more a.k.a. a "bear market." There have been numerous "corrections" of => 10%, the latest being last February, but not a bear market. This market run began in the midst of the Great Recession in March 2009 with the level of the S&P 500 Index at 676.53. Doing research for this piece brought back the carnage, devastation and widespread hardship sustained during the Great Recession. Here are a few lowlights: S&P 500 declined -37.0% in 2008; between January 2008 & December 2009 8.6 million jobs were lost; the U.S. unemployment rate peaked at 10.0% in October 2009 and Michigan's at 15.4% in July 2009; consumer confidence dropped to an all-time low of 25.3% in February 2009; and car sales were basically cut in half prompting the "Cash for Clunkers" program in June 2009. While S&P 500 earnings grew strongly in the early stages of this bull market, valuation (multiple) lagged as there wasn't much conviction in the underlying strength of the economy or the stock market at that time as the psyche of market participants were still recovering from the trauma of the financial crisis and were just waiting for the next shoe to drop. It took a few years, but conviction in the economy and the market shifted in 2013 and the multiple on the S&P 500 expanded from 12.2x to 15.0x. During this bull run there were many shoes that dropped including: the Eurozone sovereign debt crisis in 2010; in 2011, the tsunami in Japan & S&P downgrade of U.S. debt to AA+; the U.S. Gov't shut down in October 2013; oil prices began their sharp decline and Russia invaded Crimea in 2014; in 2015, China unexpectedly devalued the Yuan, Greece bailout talks stalled and oil prices plunged; in 2016, the S&P 500 had its worst start to a new year in history, the United Kingdom voted to exit the European Union, and the U.S. had one of its most contentious political campaigns ever. Despite these headline events, what ultimately drove the market was the direction of economic and earnings growth. How befitting is it that the week in which the longest bull market is marked, the S&P 500 ends at an all-time high.

**Total Returns - August 24, 2018**

Stock Index	1-Wk	YTD	1-Yr
NASDAQ	1.67	15.91	28.02
Russell 2000	1.94	13.24	27.21
S&P 500	0.88	8.87	20.16
S&P 400	1.26	8.12	21.50
Dow Jones	0.51	5.90	21.09
MSCI-Developed	1.56	-2.55	4.73
MSCI-Emerging	2.70	-7.73	-0.71
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.36	1.92	3.76
5-year Muni	0.05	0.75	-0.58
Municipal	0.10	0.29	0.69
Int. Gov. Credit	0.16	-0.34	-0.73
Aggregate	0.26	-0.84	-0.58

**S&P 500 Index - Price**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.44	2.45	1.23
U.S. 2-Yr	2.61	2.61	1.31
U.S. 3-Yr	2.68	2.68	1.45
U.S. 5-Yr	2.72	2.74	1.74
U.S. 10-Yr	2.82	2.87	2.17
U.S. 30-Yr	2.97	3.03	2.75

**S&P 500 - Sector Total Returns - August 24, 2018**

Sector	1-Wk	YTD	1-Yr
Info Tech	1.70	18.61	32.93
Consumer Discretionary	2.06	17.22	31.75
Health Care	0.76	12.13	18.38
Energy	2.68	4.90	22.87
Utilities	-1.42	3.84	1.24
Real Estate	-1.05	3.54	6.35
Industrials	0.57	2.08	14.69
Financials	0.26	2.00	16.26
Materials	1.17	-1.14	11.09
Telecom Services	-0.73	-1.82	4.71
Consumer Staples	-1.79	-3.94	1.84

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.40	2.40	1.78
U.S. AA	2.51	2.52	1.89
U.S. A	2.85	2.86	2.38
U.S. Baa	3.42	3.41	3.20
U.S. Municipal	2.65	2.66	2.09
Michigan	2.77	2.78	2.21

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	16.80	14.47	1.75
S&P 400 - Mid Cap	16.78	15.21	1.40
S&P 600 - Small Cap	18.29	15.12	1.23