



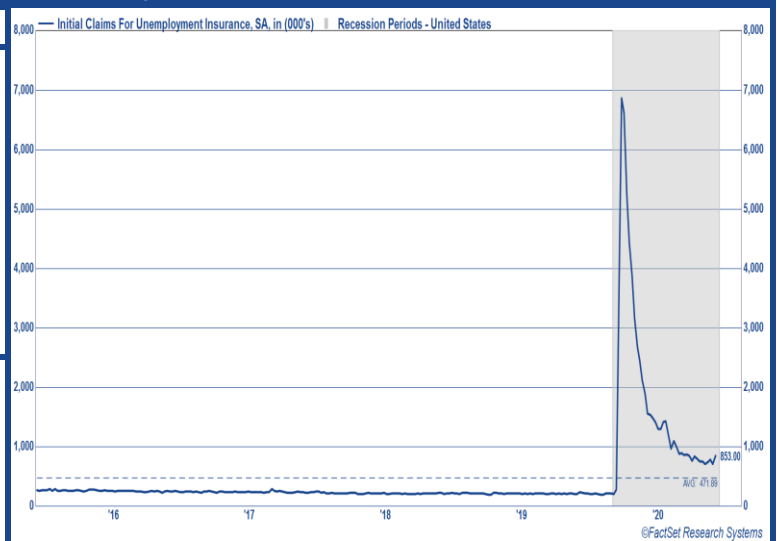
Economic & Market Commentary

Stocks finished mostly lower last week as stimulus package negotiations hit an impasse, Covid-19 cases continue to rise, and the labor market continues to show signs of weakness. Liability protections and financial aid to state and city governments seem to be the main hurdles blocking an agreement among Senators. The stock market has been rallying on the hopes of new economic relief package but the chances seem to be dimming that a deal will get done by year end. The labor market continues to be a conundrum as the weekly initial jobless claims rose to their highest level since mid-September coming in at a level of 853,000 versus the consensus expectation of 712,000. Conversely, the October Job Openings and Labor Turnover (JOLT) report showed roughly 6.6 million jobs available and the National Federations of Independent Business (NFIB) November Small Business Optimism Index showed the availability of qualified/skilled labor as the number one issue facing small businesses. The NFIB report cited, "finding qualified employees remains a problem for small business owners with 89% of those hiring or trying to hire reporting few or no "qualified" applicants for the positions they were trying to fill. Twenty-seven percent of owners reported few qualified applicants for their open positions and 20% reported none." In a bid to attract and/or retain employees, some industries/companies are increasing hourly wages, offering sign-on incentives, and boosting annual bonus pay-outs. There are still roughly 10 million people out of work due to Covid-19 and another 2.6 million that are involuntarily working part-time. The reasons for this labor dichotomy are many and will be one topic of focus this week when the Federal Reserve meets for their FOMC meeting. A focus for investors will be whether or not the Fed will signal its intent to take additional measures to keep yields down on the long part of the yield curve. Long-term yields have been trending higher.

Total Returns - December 11, 2020

	1-Wk	YTD	1-Yr
NASDAQ	-0.69	39.14	44.33
Russell 2000	1.03	16.02	18.79
S&P 500	-0.95	15.39	18.78
MSCI-Emerging	0.54	15.03	21.46
S&P 400	-0.20	10.27	13.00
Dow Jones	-0.54	7.70	10.16
MSCI-Developed	-0.51	4.87	7.76
Barclay's U.S. Bond Index			
Aggregate	0.35	7.21	7.01
Int. Gov. Credit	0.19	6.21	6.27
High Yield	0.18	6.15	7.54
Municipal	0.31	4.96	4.92
5-year Muni	0.14	4.15	4.20

U.S. Weekly Jobless Claims



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.09	0.12	1.55
U.S. 2-Yr	0.11	0.14	1.61
U.S. 3-Yr	0.17	0.21	1.61
U.S. 5-Yr	0.36	0.42	1.63
U.S. 10-Yr	0.89	0.97	1.78
U.S. 30-Yr	1.63	1.73	2.22

S&P 500 - Sector Total Returns - December 11, 2020

Sector	1-Wk	YTD	1-Yr
Info Tech	-1.42	37.01	43.38
Consumer Discretionary	-1.17	28.91	33.23
Communication Services	0.10	23.21	25.21
Materials	-1.18	17.55	21.01
Health Care	-0.79	11.12	14.45
Industrials	-0.51	10.78	11.74
Consumer Staples	-0.28	9.64	11.12
Utilities	-0.29	-1.19	2.00
Real Estate	-2.87	-4.30	-1.54
Financials	-1.74	-5.56	-3.32
Energy	1.21	-29.00	-25.77

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.77	0.80	1.55
U.S. AA	0.90	0.95	1.62
U.S. A	1.39	1.46	1.93
U.S. Baa	2.17	2.29	2.49
U.S. Municipal	1.11	1.17	1.76
Michigan	1.18	1.23	1.89

Index Characteristics	P/E	P/E NTM	Dividend Yield
S&P 500 - Large Cap	22.07	15.78	1.58
S&P 400 - Mid Cap	19.49	15.81	1.48
S&P 600 - Small Cap	19.33	15.64	1.59