



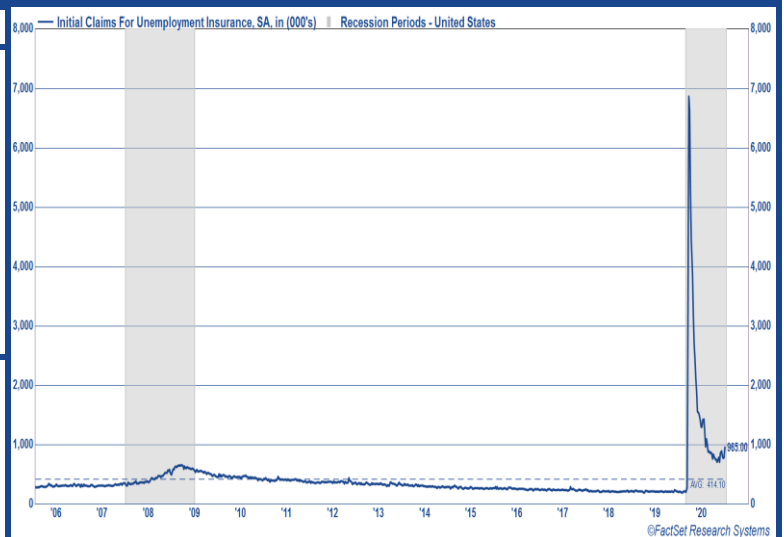
Economic & Market Commentary

For the week, stock markets finished mixed while bonds were basically flat. Even with the announcement last Thursday evening by the incoming administration of another economic relief stimulus package totaling \$1.9 trillion, stock markets moved lower on Friday. Perhaps investors are coming to the realization that the economy still has significant underlying obstacles to overcome due to the Covid-19 lockdowns. Why else would an additional hefty relief package be needed? For evidence look no further than last week's retail sales, initial jobless claims, and business confidence reports. Retail sales in December moved lower by -0.70% marking the third consecutive monthly decline. Excluding auto sales, sales were down -2.1% for the month. Surprisingly, the worst performing retail segment was Internet Sales which declined -5.8% and was closely followed by Food Service and Drinking Places -4.5%. November sales were revised lower by -0.3% to -1.4%. Weekly initial jobless claims came in much higher than forecasted at 965,000 versus the consensus expectation of 800,000. Weekly claims as well as the 4-week moving average remain extremely elevated. Continued weakness in weekly jobless claims implies monthly job gains are likely to remain soft over the near-term. Monthly job gains have moved lower for six months in a row and in December had its first negative reading since last April. The National Federation of Independent Business Small Business Optimism Index fell 5.5 points in December to 95.9 which is below the 47-year historical average of 98. Cited in the report, "This month's drop in small business optimism is historically very large and most of the decline was due to the outlook of sales and business conditions in 2021." Consumer confidence has waned of late as well.

Total Returns - January 15, 2021

	1-Wk	YTD	1-Yr
Russell 2000	1.51	7.53	27.89
MSCI-Emerging	0.33	5.18	21.86
S&P 400	0.34	5.13	18.69
MSCI-Developed	-1.36	1.76	9.19
NASDAQ	-1.54	0.87	41.63
Dow Jones	-0.91	0.73	8.59
S&P 500	-1.46	0.39	16.66
Barclay's U.S. Bond Index			
High Yield	0.12	0.35	6.80
5-year Muni	0.02	0.03	3.51
Municipal	0.10	0.02	4.20
Int. Gov. Credit	0.10	-0.36	5.65
Aggregate	0.19	-0.76	6.00

Weekly Jobless Claims



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.11	0.11	1.55
U.S. 2-Yr	0.13	0.14	1.55
U.S. 3-Yr	0.20	0.22	1.56
U.S. 5-Yr	0.45	0.48	1.60
U.S. 10-Yr	1.10	1.11	1.79
U.S. 30-Yr	1.85	1.87	2.24

S&P 500 - Sector Total Returns - January 15, 2021

Sector	1-Wk	YTD	1-Yr
Energy	3.16	12.76	-24.34
Financials	0.04	4.88	3.42
Materials	-1.57	4.02	27.53
Health Care	-0.32	3.04	14.62
Consumer Discretionary	-1.88	1.89	34.76
Utilities	1.06	0.40	-0.97
Industrials	-0.87	0.22	8.58
Real Estate	1.87	-0.72	-4.14
Info Tech	-2.61	-2.16	35.73
Consumer Staples	-1.99	-2.92	6.50
Communication Services	-3.56	-3.61	14.73

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.80	0.80	1.40
U.S. AA	0.90	0.91	1.46
U.S. A	1.31	1.34	1.78
U.S. Baa	1.91	1.96	2.30
U.S. Municipal	1.07	1.09	1.60
Michigan	1.17	1.19	1.73

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.48	15.90	1.50
S&P 400 - Mid Cap	19.95	15.78	1.34
S&P 600 - Small Cap	20.38	15.70	1.39