



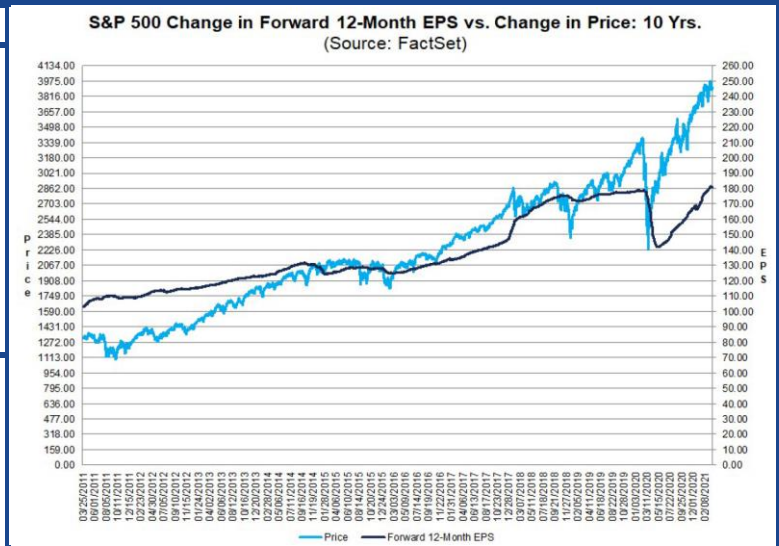
**Economic & Market Commentary**

Stock finished mixed last week while bonds finished higher getting a much-needed reprieve from rising rates. As shown in the Index Total Returns section below, returns over the past one-year have been historically very strong. One of the drivers for such stellar returns is the expected rebound in corporate earnings. First-quarter 2021 (1Q21) earnings season for the S&P 500 Index is slated to kick-off in earnest the week of April 18th. According to the FactSet Earnings Insight report, 1Q21 earnings guidance has been more optimistic than normal due to increasing demand and higher revenue estimates. The report cited, "expected earnings for the S&P 500 for the first quarter are higher today compared to the start of the quarter." On December 31, 2020, 1Q21 earnings were projected to grow y/y 15.8% vs. 23.3% as of March 26, 2021. The same holds true for full-year 2021 S&P 500 Index earnings forecasts of 22.6% vs. 25.4% respectively. The correlation between S&P 500 earnings growth and price appreciation is high. However, there are times when one component may lead the other and vice versa. The S&P 500 Valuation Analysis chart below provides a good example. The Great Recession caused considerable and widespread financial hardship and it took years for investor confidence and belief in the economy to rebound. As shown in the graph below, despite strong earnings growth in 2010 and 2011, the price earnings multiple of the S&P 500 Index lagged earnings growth and didn't really begin to expand until 2013. Today, the opposite holds true as the price of S&P 500 Index has surged in anticipation of the corporate earnings rebound. So much so that the forward multiple is trading six percentage points higher than the 10-year historical average (22.2x vs. 16.1x). Does the phrase "mean reversion" ring a bell?

**Index Total Returns - March 26, 2021**

	1-Wk	YTD	1-Yr
S&P 400	0.48	14.18	81.20
Russell 2000	-2.88	12.71	90.49
Dow Jones	1.36	8.58	49.85
S&P 500	1.58	6.20	53.72
MSCI-Developed	-0.55	3.72	45.16
NASDAQ	-0.57	2.11	69.85
MSCI-Emerging	-2.16	1.55	56.84
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.63	0.58	27.22
5-year Muni	0.28	-0.31	5.64
Municipal	0.41	-0.35	5.70
Int. Gov. Credit	0.18	-1.71	2.96
Aggregate	0.35	-3.28	1.72

**S&P 500 Valuation Analysis**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.07	0.06	0.13
U.S. 2-Yr	0.14	0.15	0.26
U.S. 3-Yr	0.30	0.32	0.34
U.S. 5-Yr	0.86	0.88	0.48
U.S. 10-Yr	1.67	1.72	0.81
U.S. 30-Yr	2.37	2.45	1.38

**Total Returns - March 26, 2021**

Sector	1-Wk	YTD	1-Yr
Energy	2.99	34.83	72.51
Financials	0.96	17.25	62.10
Industrials	2.18	11.32	62.55
Materials	2.53	10.31	76.66
Real Estate	4.26	10.17	32.73
Communication Services	-1.88	6.69	57.00
Health Care	2.12	3.53	36.86
Utilities	2.86	1.97	18.56
Info Tech	2.53	1.95	62.50
Consumer Discretionary	-0.21	1.91	63.24
Consumer Staples	3.98	1.71	30.59

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.96	1.03	1.63
U.S. AA	1.04	1.11	1.83
U.S. A	1.34	1.43	2.35
U.S. Baa	1.86	1.95	3.54
U.S. Municipal	1.17	1.25	2.07
Michigan	1.22	1.31	2.10

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	22.18	16.09	1.41
S&P 400 - Mid Cap	19.48	15.59	1.18
S&P 600 - Small Cap	20.22	15.76	1.18