



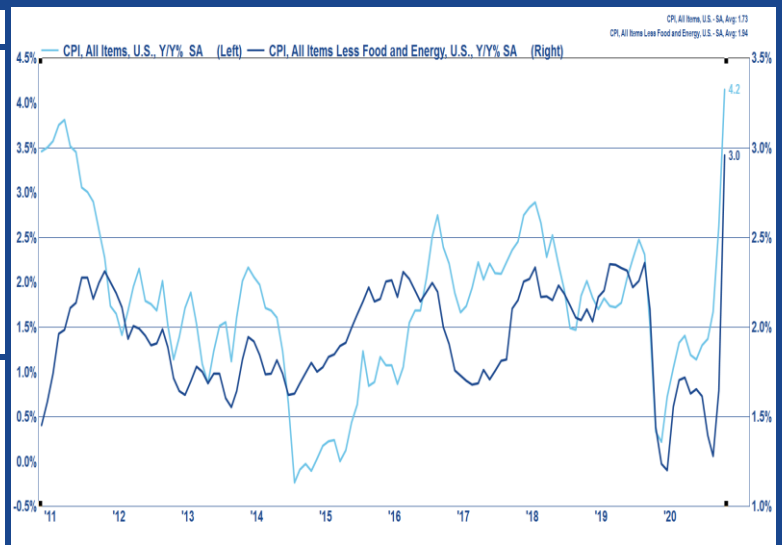
Economic & Market Commentary

Stock and bond markets retreated last week on stronger than expected inflation numbers. Inflation at the consumer and producer level in April came in much stronger than expected. The headline Consumer Price Index (CPI) rose 0.8% while core CPI (excluding food & energy) rose 0.9% which is the highest monthly reading since April 1982. Over the past year, headline and core CPI have risen 4.2% and 3.0% respectively. Supply bottlenecks, logistic issues, and labor shortages have constrained the ability of businesses to produce enough goods and services to keep up with rising demand. The Job Openings and Labor Turnover (JOLT) report released by the Bureau of Labor Statistics last Tuesday highlights the conundrum of the labor market as jobs openings reached an all-time high of 8.1 million in March. Moreover, the April NFIB Small Business Optimism survey revealed the inability of small businesses to find skilled and unskilled workers reached an all-time high of 42% as well. Yet, the U.S. Department of Labor reported that unemployment rose in April to 6.1%. Thus, the conundrum is rising unemployment during a labor shortage. Covid-19 everybody. We have written extensively on why employers are having a hard time attracting workers and fixing two primary factors could greatly alleviate not only the labor shortage but also many other factors driving the supply and demand imbalance. First, is a modification of Federal pandemic assistance. Businesses have repeatedly commented they are unable to attract or bring back employees due to the Federal pandemic assistance payments as workers are incentivized to stay home. The latest wave of Federal pandemic assistance payments is slated to run into September 2021. Second, the lifting of Covid-19 restrictions should abundantly open up daycare centers and schools thereby allowing parents to fully re-enter the workforce if they so choose. On countless levels, Covid-19 has ushered in very difficult and complex conditions where no clear and comprehensive solution is timely attainable.

Index Total Returns - May 14, 2021

	1-Wk	YTD	1-Yr
S&P 400	-1.71	18.51	76.16
Dow Jones	-1.08	13.09	48.58
Russell 2000	-2.04	13.01	81.80
S&P 500	-1.35	11.73	48.72
MSCI-Developed	-1.29	7.94	47.60
NASDAQ	-2.32	4.46	51.32
MSCI-Emerging	-3.00	1.79	48.17
Barclay's U.S. Bond Index			
High Yield	-0.27	1.97	19.59
Municipal	-0.17	0.51	5.95
5-year Muni	-0.12	0.05	4.18
Int. Gov. Credit	-0.12	-1.22	1.10
Aggregate	-0.37	-2.70	-0.24

Consumer Price Inflation (CPI)



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.05	0.05	0.16
U.S. 2-Yr	0.15	0.14	0.14
U.S. 3-Yr	0.33	0.28	0.18
U.S. 5-Yr	0.82	0.77	0.29
U.S. 10-Yr	1.63	1.56	0.62
U.S. 30-Yr	2.36	2.28	1.30

S&P 500 Sector Total Returns - May 14, 2021

Sector	1-Wk	YTD	1-Yr
Energy	-0.36	42.82	55.11
Financials	0.32	29.24	83.12
Materials	0.08	21.76	77.64
Industrials	-0.59	18.61	78.71
Real Estate	-0.95	15.93	40.14
Communication Services	-1.95	14.42	50.20
Health Care	-0.52	9.15	26.08
Utilities	-0.18	5.91	22.77
Consumer Staples	0.40	5.48	28.51
Consumer Discretionary	-3.67	5.13	47.63
Info Tech	-2.22	4.51	47.55

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.87	0.82	1.23
U.S. AA	0.95	0.91	1.54
U.S. A	1.19	1.16	2.44
U.S. Baa	1.65	1.63	4.03
U.S. Municipal	1.06	1.02	1.91
Michigan	1.11	1.07	1.97

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	21.54	16.21	1.35
S&P 400 - Mid Cap	18.57	15.79	1.11
S&P 600 - Small Cap	18.28	15.66	1.09