



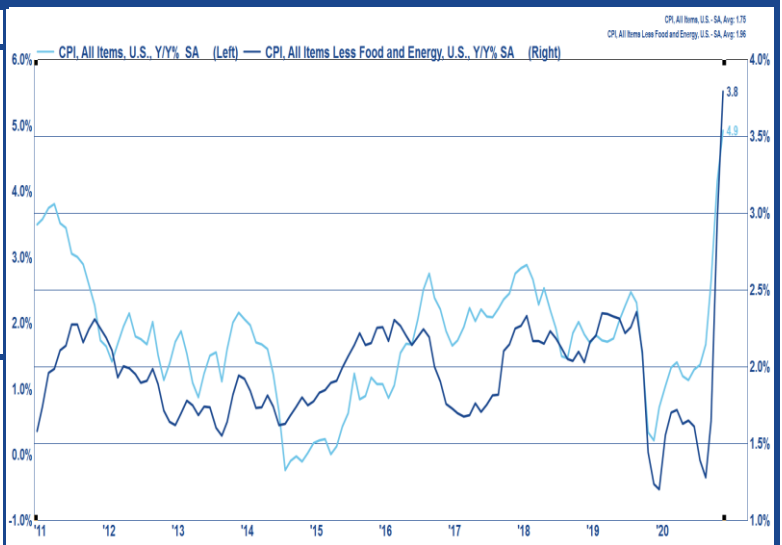
Economic & Market Commentary

Last week saw red hot labor shortage and inflation numbers posted which pushed stock markets higher and bond yields lower. That's right, in the bizarro Covid-19 pandemic capital markets era, higher inflation drove bond yields lower. And a diet of french fries, milk shakes, cake, and ice cream are good for weight-loss. According to the U.S. Department of Labor Consumer Price Index (CPI) report, headline inflation in May rose 0.6% and 5.0% from a year ago, which is the fastest pace since August 2008. Core inflation, which excludes food and energy, rose 0.7% and 3.8% from a year ago, which is the fastest pace since June 1992. From the reaction of capital markets, inflation is not a concern as the Federal Reserve believes inflation will be transitory, so it will be so. A shortage of labor is one of the factors contributing to the current supply and demand imbalance that is pushing higher inflation. According to the Bureau of Labor Statistics Job Openings and Labor Turnover (JOLT) report, job openings in April reached a record level of 9.3 million. This record job openings level is slightly below the 9.8 million people who are reported as unemployed. The (JOLT) report cited large job opening increases throughout the U.S. in a variety of industries including construction, manufacturing, retail, transportation, professional services, financial services, health care, and leisure and hospitality. Both the JOLT and CPI reports are consistent with the May Small Business Optimism Survey from the National Federation of Independent Business (NFIB) which reported that 48% of small businesses find it very difficult to obtain workers to fill open positions and 40% are raising prices, which is the highest reading since 1981. For small businesses, labor remains the top single most important problem although tax concerns are rising and closing in fast.

Index Total Returns - June 11, 2021

	1-Wk	YTD	1-Yr
S&P 400	0.89	19.93	61.78
Russell 2000	2.18	18.73	74.11
S&P 500	0.43	13.84	43.73
Dow Jones	-0.78	13.65	39.98
MSCI-Developed	0.34	11.60	35.24
NASDAQ	1.85	9.50	49.29
MSCI-Emerging	0.08	7.81	41.94
Barclay's U.S. Bond Index			
High Yield	0.50	3.04	14.17
Municipal	0.45	1.45	4.85
5-year Muni	0.21	0.45	2.65
Int. Gov. Credit	0.25	-0.69	0.74
Aggregate	0.47	-1.71	-0.20

Consumer Price Index - CPI



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.05	0.05	0.18
U.S. 2-Yr	0.15	0.14	0.16
U.S. 3-Yr	0.32	0.30	0.20
U.S. 5-Yr	0.75	0.79	0.29
U.S. 10-Yr	1.46	1.55	0.65
U.S. 30-Yr	2.15	2.24	1.40

S&P 500 Sector Total Returns - June 11, 2021

Sector	1-Wk	YTD	1-Yr
Energy	-0.50	47.80	49.58
Financials	-2.37	28.07	66.22
Real Estate	2.02	25.62	37.01
Materials	-2.02	19.35	62.51
Communication Services	0.82	18.12	47.70
Industrials	-1.73	17.25	56.02
Health Care	1.95	10.14	30.71
Info Tech	1.39	9.13	46.02
Consumer Discretionary	1.63	6.93	38.52
Utilities	1.17	6.28	16.36
Consumer Staples	-0.72	5.59	26.05

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.76	0.83	0.99
U.S. AA	0.81	0.89	1.23
U.S. A	1.05	1.14	1.98
U.S. Baa	1.44	1.54	3.32
U.S. Municipal	0.92	1.00	1.54
Michigan	1.01	1.06	1.57

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.52	16.29	1.32
S&P 400 - Mid Cap	18.43	15.92	1.08
S&P 600 - Small Cap	18.21	15.63	1.03