



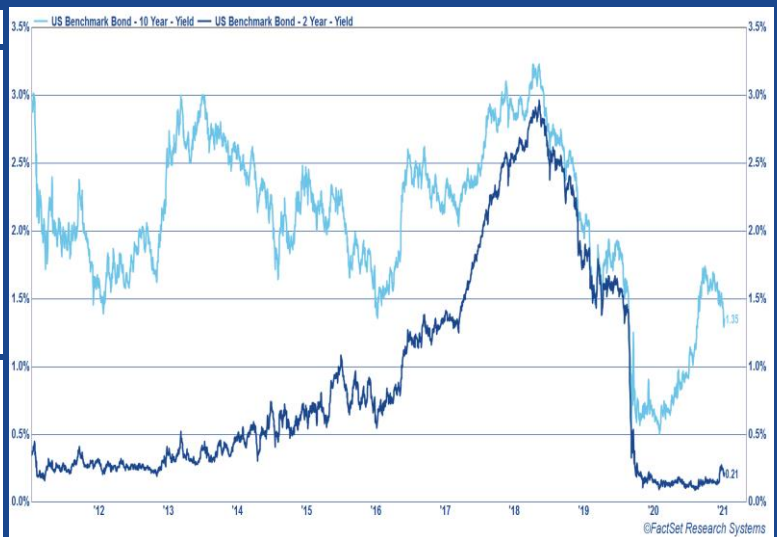
**Economic & Market Commentary**

Stocks finished mixed last week as a sharp drop in bond yields highlighted economic recovery concerns. The yield on the 10-year Treasury bond dipped below 1.25% before finishing at 1.35% for the week. The 10-year Treasury peaked earlier this year at 1.74% on March 31 driven higher on rising inflation fears. Historically, the bond market has been a harbinger of economic developments. With bond yields dropping so sharply while inflation rates are rising, the market views this as a rather troubling development. Concerns are growing that economic and earnings growth may have peaked. Retail sales have risen sharply over the past year driven higher by numerous economic relief packages and may pull back in the coming months as the latest round of relief payments are slated to expire in September. ISM June surveys for manufacturing and service activity both came in lower than expected although their readings were in solid expansionary territory. S&P 500 Index second quarter earnings are forecasted to rise 63.5% and then trend lower the remainder of the year. Earnings comparisons will be more much difficult this time next year which is calling into question the current frothy valuations. Finally, the rise in the Delta Covid variant is raising fears it may derail the global economic recovery. The upcoming week kicks off the start of the S&P 500 2Q21 earnings season and has some economic reports that will be closely scrutinized as well. Economic reports on tap this week include the June Consumer Price Index, NFIB Small Business Optimism Index, June Producer Price Index, Weekly Initial Jobless Claims, June Retail Sales and the Preliminary July U of M Consumer Sentiment Survey. Financials will kick off the earnings season with reports from JP Morgan, BlackRock, Bank of America, Citigroup, Wells Fargo, and U.S. Bancorp.

**Index Total Returns - July 9, 2021**

	1-Wk	YTD	1-Yr
S&P 400	-0.11	18.07	56.86
S&P 500	0.42	17.24	40.79
Russell 2000	-1.11	16.00	64.73
Dow Jones	0.25	15.05	38.35
NASDAQ	0.43	14.47	40.39
MSCI-Developed	-0.07	9.26	30.93
MSCI-Emerging	-2.60	3.22	24.39
<b>Barclay's U.S. Bond Index</b>			
High Yield	0.20	4.03	14.54
Municipal	0.58	1.73	4.49
5-year Muni	0.29	0.48	2.38
Int. Gov. Credit	0.24	-0.58	0.26
Aggregate	0.31	-1.18	-0.56

**U.S. Treasury Yields**



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Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.07	0.07	0.17
U.S. 2-Yr	0.21	0.24	0.15
U.S. 3-Yr	0.40	0.44	0.17
U.S. 5-Yr	0.79	0.86	0.27
U.S. 10-Yr	1.35	1.43	0.60
U.S. 30-Yr	1.99	2.04	1.31

**S&P 500 Sector Total Returns - July 9, 2021**

Sector	1-Wk	YTD	1-Yr
Energy	-3.41	42.80	60.82
Real Estate	2.65	27.68	36.11
Financials	-0.63	25.70	65.28
Communication Services	-0.25	21.53	43.34
Industrials	0.23	17.61	56.67
Info Tech	0.88	16.50	41.05
Materials	0.18	15.44	48.16
Health Care	0.41	14.36	29.78
Consumer Discretionary	1.45	13.57	33.16
Consumer Staples	0.44	5.53	22.51
Utilities	0.98	4.67	17.82

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.76	0.86	0.98
U.S. AA	0.82	0.91	1.18
U.S. A	1.02	1.12	1.84
U.S. Baa	1.37	1.48	2.97
U.S. Municipal	0.90	1.01	1.46
Michigan	1.00	1.09	1.48

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.81	16.36	1.29
S&P 400 - Mid Cap	17.72	15.94	1.09
S&P 600 - Small Cap	17.36	15.56	1.01