



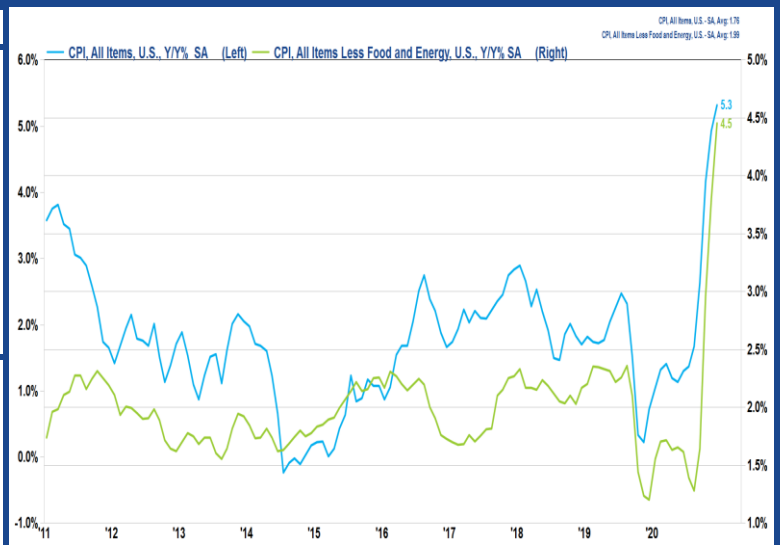
**Economic & Market Commentary**

Concerns are rising surrounding the spread of the Covid Delta variant and its potential impact to derail the global economic recovery. Stocks were broadly lower last week with a sharp sell-off in mid-cap (-3.3%) and small-cap (-5.1%) stocks and bond yields again moved lower amid higher inflation data. Inflation measures came in higher than expected again in June marking the fourth month of transitory inflation. At the producer level, final demand inflation rose a hefty +1.0% in the month of June and +7.3% over the past twelve months. At the consumer level, headline inflation rose +0.9% in the month of June and +5.3% over the past twelve months. These are the largest consumer inflation readings since June 2008 and August 2008, respectively. The glaring outlier was the used cars and trucks segment which rose a whopping +10.5% in the month of June alone and is up 45.2% over the past twelve months. Both readings are the largest increases ever reported for this segment since the CPI report began in 1953. Due to a global shortage of semiconductor chips, new car production has been severely impacted, which has driven up used car prices. The next time you drive by a car dealership, take a look and see how barren their lots are of new inventory. Business and consumer inflation expectations are rising as well. The NFIB June Small Business Optimism index, which rose 2.9 points to 102.5 and is the first reading above 100 since November 2020, showed that 47% of businesses have raised their prices. This is the highest reading since January 1981. Both the U of M Consumer Sentiment and the Conference Board Consumer Confidence surveys reflect that inflation is a rising concern. Last Friday, the preliminary U of M July survey dropped 5.5 points to 80.8% on concerns that inflation will pressure living standards.

**Index Total Returns - July 16, 2021**

	1-Wk	YTD	1-Yr
S&P 500	-0.96	16.12	36.66
Dow Jones	-0.52	14.45	32.33
S&P 400	-3.29	14.19	45.03
NASDAQ	-1.87	12.34	38.74
Russell 2000	-5.11	10.07	48.97
MSCI-Developed	-0.46	8.76	27.02
MSCI-Emerging	1.72	4.99	30.48
<b>Barclay's U.S. Bond Index</b>			
High Yield	-0.15	3.88	13.32
Municipal	0.04	1.77	3.94
5-year Muni	0.07	0.56	2.07
Int. Gov. Credit	0.08	-0.49	0.26
Aggregate	0.24	-0.94	-0.48

**Consumer Price Index**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.08	0.07	0.16
U.S. 2-Yr	0.23	0.21	0.15
U.S. 3-Yr	0.42	0.40	0.16
U.S. 5-Yr	0.78	0.79	0.26
U.S. 10-Yr	1.30	1.35	0.61
U.S. 30-Yr	1.93	1.99	1.30

**S&P 500 Sector Total Returns - July 16, 2021**

Sector	1-Wk	YTD	1-Yr
Energy	-7.69	31.82	37.50
Real Estate	0.67	28.53	38.65
Financials	-1.56	23.75	52.79
Communication Services	-0.25	21.23	40.94
Industrials	-1.52	15.82	44.75
Info Tech	-0.60	15.80	42.57
Health Care	-0.10	14.24	25.24
Materials	-2.34	12.74	35.94
Consumer Discretionary	-2.63	10.57	29.59
Utilities	2.56	7.34	16.36
Consumer Staples	1.25	6.85	19.91

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.76	0.76	0.88
U.S. AA	0.81	0.82	1.08
U.S. A	1.01	1.02	1.73
U.S. Baa	1.36	1.37	2.82
U.S. Municipal	0.90	0.90	1.35
Michigan	0.98	1.00	1.38

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.42	16.38	1.30
S&P 400 - Mid Cap	17.03	15.95	1.14
S&P 600 - Small Cap	16.47	15.56	1.07