



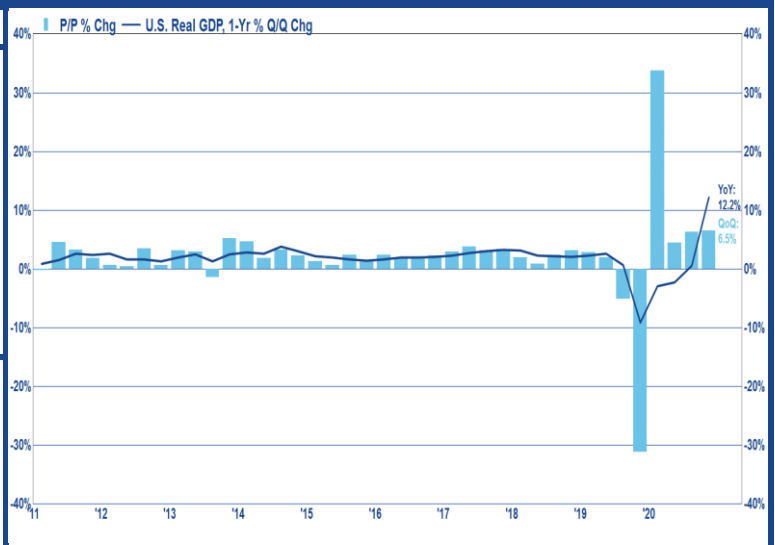
Economic & Market Commentary

A couple of weeks ago, the National Bureau of Economic Research's Business Cycle Dating Commission, which maintains a chronology of the peaks and troughs of U.S. business cycles, published their findings about the country's most recent recession. The research cited, "The committee has determined that a trough in monthly economic activity occurred in the U.S. economy in April 2020. The previous peak in economic activity occurred in February 2020. The recession lasted two months, which makes it the shortest U.S. recession on record." Around this time last year when states were opening or partially re-opening their economies debate centered on the type of economic recovery that would ensue. Would it be V-shaped, U-shaped, L-shaped, or K-shaped? The answer is clearly V-shaped. Last Thursday, the U.S. Bureau of Economic Analysis released their first reading on second-quarter 2021 U.S. GDP which showed the economy grew at an annualized pace of 6.5%. More importantly, the overall level of the U.S. economy in second-quarter 2021 exceeded pre-pandemic levels. The current level of \$19.3 trillion surpasses the fourth-quarter 2019 reading of \$19.2 trillion. Moreover, the current level of monthly retail sales greatly surpasses pre-pandemic levels. In January 2020, monthly retail sales totaled \$527.3 billion while in June 2021 retail sales totaled \$621.1 billion. This strong level of economic growth has also propelled corporate earnings as the second-quarter 2021 earnings growth rate for the S&P 500 Index presently stands at +85.0%. The U.S. economy has plainly experienced a V-shaped recovery. Yet, the Federal Reserve continues to expound the fragility of the U.S. economic recovery by keeping rates artificially low via the target rate and monthly bond purchasing program. Perhaps it is time they begin to unmask the U.S. economy and move towards functioning normally.

Index Total Returns - July 30, 2021

	1-Wk	YTD	1-Yr
S&P 400	1.18	18.00	46.99
S&P 500	-0.35	17.99	36.45
Dow Jones	-0.36	15.31	34.79
NASDAQ	-1.10	14.26	37.53
Russell 2000	0.76	13.29	51.97
MSCI-Developed	0.62	9.65	30.31
MSCI-Emerging	-2.50	0.22	20.64
Barclay's U.S. Bond Index			
High Yield	0.06	4.01	10.62
Municipal	0.04	1.90	3.29
5-year Muni	0.12	0.82	1.72
Int. Gov. Credit	0.17	-0.14	0.21
Aggregate	0.25	-0.50	-0.70

U.S. GDP



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.07	0.07	0.12
U.S. 2-Yr	0.18	0.19	0.11
U.S. 3-Yr	0.35	0.38	0.13
U.S. 5-Yr	0.70	0.72	0.23
U.S. 10-Yr	1.23	1.28	0.55
U.S. 30-Yr	1.89	1.92	1.20

S&P 500 Sector Total Returns - July 30, 2021

Sector	1-Wk	YTD	1-Yr
Energy	1.68	33.60	44.43
Real Estate	0.28	29.01	32.69
Financials	0.79	25.14	55.21
Communication Services	-0.96	23.95	43.91
Info Tech	-0.73	18.15	40.03
Industrials	-0.24	17.44	46.43
Health Care	0.50	17.33	27.33
Materials	2.80	16.83	41.52
Consumer Discretionary	-2.57	10.82	26.40
Consumer Staples	0.24	7.70	18.20
Utilities	0.38	6.82	12.03

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.73	0.75	0.78
U.S. AA	0.78	0.79	0.96
U.S. A	0.98	0.99	1.59
U.S. Baa	1.30	1.32	2.54
U.S. Municipal	0.87	0.88	1.22
Michigan	0.95	0.96	1.25

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.18	16.41	1.28
S&P 400 - Mid Cap	17.14	15.96	1.10
S&P 600 - Small Cap	16.41	15.57	1.03