



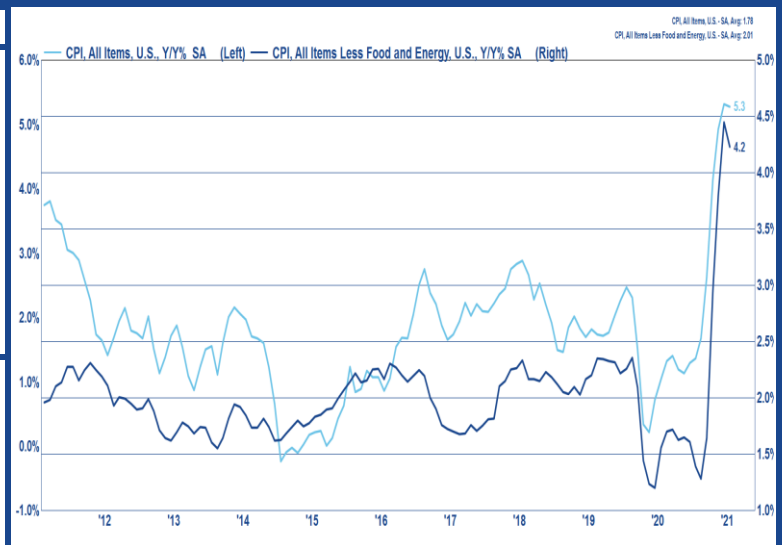
**Economic & Market Commentary**

Stocks finished mixed last week as inflation and consumer confidence data did not provide clear direction. The Delta variant is getting much media coverage but so far markets have discounted any meaningful economic impact but it appears to be having some effect on consumer confidence and specific service industries. On Friday, the University of Michigan's index of consumer sentiment fell sharply to the lowest level since 2011 with a reading of 70.2% down 11 percentage points from July's reading of 81.2%. Economists also continued to discuss the dampened momentum in high frequency data on restaurants, air travel and leisure spending. Also, in recent 2Q21 earnings reports, many hotel, leisure, restaurant, and airline companies warned of a potential slowdown in bookings and business due to the Delta variant with some already seeing a deceleration in bookings and a rise in cancellations. On the inflation front, the Consumer Price Index (CPI) for July came in as expected at +0.5% and +5.4% over the past twelve months. Core CPI, excluding food and energy, came in at +0.3% for the month and +4.3% over the past twelve months. The easing of inflation from the past several months of very high readings is a welcome development and some economists as well as the Fed expect this moderation to continue for the remainder of the year. Looking at July's Producer Price Index (PPI) level, the continued moderation expectation is called into question. The PPI for July came in higher than expected at +1.0% vs. +0.6% and +7.8% over the past twelve months vs +7.3% expected. Core PPI, which excludes food and energy, came in higher than expected as well with a monthly reading of +1.0% vs. +0.5% and +6.2% over the past twelve months vs. +5.8% expected. Going forward, the key question will be at what level will inflation moderate over the next 24 months and economists are split on this inflation rate. The bond market is in the Fed's camp.

**Index Total Returns - August 13, 2021**

	1-Wk	YTD	1-Yr
S&P 500	0.75	20.02	34.48
S&P 400	0.56	19.29	41.75
Dow Jones	0.94	17.31	29.75
NASDAQ	-0.07	15.47	35.19
Russell 2000	-1.06	13.19	42.20
MSCI-Developed	1.56	12.53	27.14
MSCI-Emerging	-0.85	0.54	19.04
<b>Barclay's U.S. Bond Index</b>			
High Yield	-0.16	3.65	9.86
Municipal	-0.18	1.58	2.71
5-year Muni	-0.05	0.76	1.51
Int. Gov. Credit	0.03	-0.39	0.25
Aggregate	0.11	-0.82	-0.27

**Consumer Price Index - CPI**



**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.08	0.07	0.15
U.S. 2-Yr	0.22	0.20	0.16
U.S. 3-Yr	0.44	0.40	0.20
U.S. 5-Yr	0.79	0.76	0.32
U.S. 10-Yr	1.30	1.29	0.71
U.S. 30-Yr	1.95	1.94	1.43

**S&P 500 Sector Total Returns - August 13, 2021**

Sector	1-Wk	YTD	1-Yr
Energy	-0.40	33.55	37.35
Real Estate	0.04	30.00	35.36
Financials	1.91	32.12	56.96
Communication Services	0.75	25.81	42.07
Info Tech	0.09	19.42	37.10
Health Care	0.54	18.76	27.07
Industrials	1.41	19.31	38.17
Materials	2.74	20.22	40.51
Consumer Discretionary	0.06	11.31	22.55
Utilities	1.76	11.21	16.60
Consumer Staples	2.13	9.40	17.25

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.80	0.77	0.76
U.S. AA	0.85	0.81	0.93
U.S. A	1.05	1.02	1.53
U.S. Baa	1.35	1.32	2.46
U.S. Municipal	0.94	0.90	1.17
Michigan	1.02	1.00	1.20

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.33	16.45	1.26
S&P 400 - Mid Cap	17.04	15.97	1.09
S&P 600 - Small Cap	16.02	15.61	1.06