



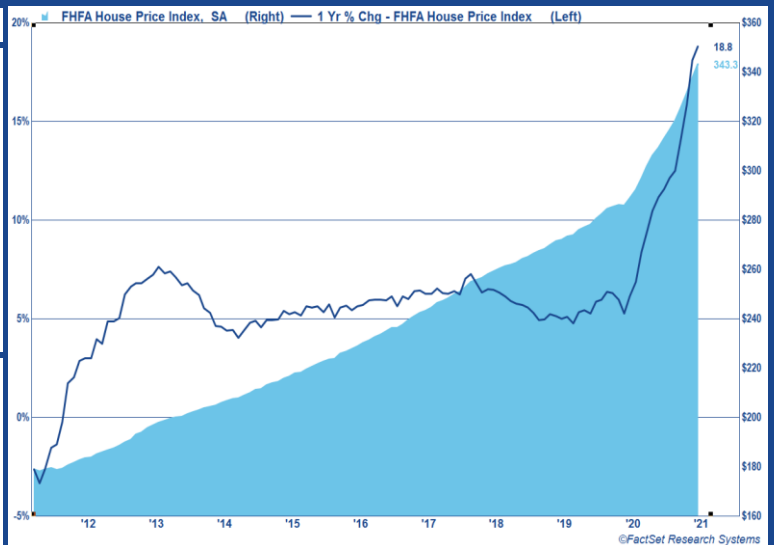
Economic & Market Commentary

Despite overall underwhelming economic data last week, stocks finished mostly higher while bond returns were mostly unchanged. There were many economic reports released last week with some good and some not so good. The main takeaway is that the Delta variant is having an impact both domestically and globally. On the good news front, home prices in June continued to surge with the S&P/Case Shiller Home Price Index rising 1.8% and 19.1% from one year ago. The June Federal Housing Finance Agency (FHFA) Home Price Index had similar numbers rising 1.6% for the month and 18.8% from one year ago. Additionally, ISM manufacturing and service surveys showed strong activity with expansionary readings of 59.9% and 61.7% respectively. ISM survey respondents continue to struggle with shortages of raw materials and labor, rising commodity prices, and transporting products. On the not so good news front, consumer confidence took a hit in August dropping 11.3 points to 113.8 from 125.1 in July. The Conference Board report referenced concerns about the Delta variant and inflation as the main reasons for the drop in confidence. These concerns were evident in the August labor report as monthly payroll gains totaled 235,000 vs. expected of 750,000. While most industries saw small to modest gains during the month, service-related sectors, retail trade, ground transportation, and food services all experienced job declines. Wages continued to grow as average hourly earnings climbed 0.7% in the month and are up +4.3% over the past year. Sustained strong wage growth does not bode well for inflation rates nor does continued supply and demand constraints, which appear to be prolonged due to the Delta variant. The spread of the Delta variant in Asia has led to widespread restrictions which likely will reduce production of essential parts and materials for many industries while demand surges. Will inflation indeed be transitory as the Fed contends?

Index Total Returns - September 3, 2021

	1-Wk	YTD	1-Yr
S&P 500	0.62	21.95	33.25
S&P 400	-0.20	20.64	46.73
NASDAQ	1.57	19.75	35.02
Dow Jones	-0.14	17.10	27.42
Russell 2000	0.68	16.77	49.91
MSCI-Developed	1.80	13.24	28.69
MSCI-Emerging	3.42	3.42	20.98
Barclay's U.S. Bond Index			
High Yield	0.41	4.74	10.17
Municipal	0.00	1.49	3.42
5-year Muni	0.01	0.72	1.70
Int. Gov. Credit	0.05	-0.33	-0.06
Aggregate	-0.06	-0.76	-0.66

FHFA Home Price Index



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	0.20	0.22	0.12
U.S. 3-Yr	0.40	0.41	0.14
U.S. 5-Yr	0.78	0.80	0.23
U.S. 10-Yr	1.32	1.31	0.62
U.S. 30-Yr	1.94	1.92	1.34

S&P 500 Sector Total Returns - September 3, 2021

Sector	1-Wk	YTD	1-Yr
Real Estate	4.02	35.54	38.77
Energy	-1.38	31.51	46.51
Financials	-2.36	30.44	54.84
Communication Services	0.96	30.07	38.75
Info Tech	0.89	22.81	34.22
Health Care	1.70	21.57	30.71
Industrials	-0.33	18.85	36.78
Materials	-0.74	18.70	34.62
Consumer Discretionary	1.27	13.12	19.29
Utilities	1.44	12.57	20.36
Consumer Staples	1.63	10.18	15.26

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.83	0.82	0.90
U.S. AA	0.89	0.88	1.10
U.S. A	1.10	1.09	1.68
U.S. Baa	1.39	1.37	2.55
U.S. Municipal	0.98	0.96	1.33
Michigan	1.04	1.04	1.35

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	21.45	16.51	1.25
S&P 400 - Mid Cap	16.99	15.98	1.07
S&P 600 - Small Cap	15.97	15.67	1.05