



Economic & Market Commentary

According to FactSet's Earnings Insight Report, with 95% of companies reporting actual third-quarter 2021 (3Q21) earning results in the S&P 500, the earnings growth rate stands at +39.6%. The main themes being reported by companies in 3Q21 center around the supply chain disruptions, strong demand, rising revenue and costs, margins, and price increases. According to the report, "of these companies, 342 have cited the term 'supply chain' during their earnings call for 3Q21, which is well above the 5-year average. In fact, this is the highest overall number of S&P 500 companies citing 'supply chain.' The previous record was 292, which occurred in 1Q21." At the sector level, Industrials (67) had the highest number of companies citing "supply chain" followed by Information Technology (46) and Consumer Discretionary (45). Rising input, transportation, and labor costs are beginning to impact margins. Net profit margins peaked in 2Q21 at +13.1% and are forecasted to fall to +11.8% in 4Q21, which from a historical perspective is still quite a healthy net margin level. To counter rising costs, the majority of companies have raised prices and are guiding of additional price increases in the future. In addition to strong earnings, revenues in 3Q21 have grown an astounding +17.8% on very strong demand which is well above the five-year average of +5.8%. To get an idea of how strong demand is look no further than October retail sales. Retail sales in October rose a strong +1.7% in the month and are up +16.3% when compared to October 2020. For the month, retail sales growth was broad-based with on-line sales leading the way advancing +4.0% followed by fuel +3.9%, electronics +3.8%, building supplies & general merchandise +2.8%, and motor vehicles at +1.8%. When compared to January 2020, total retail sales level in October 2021 is +21.1% higher.

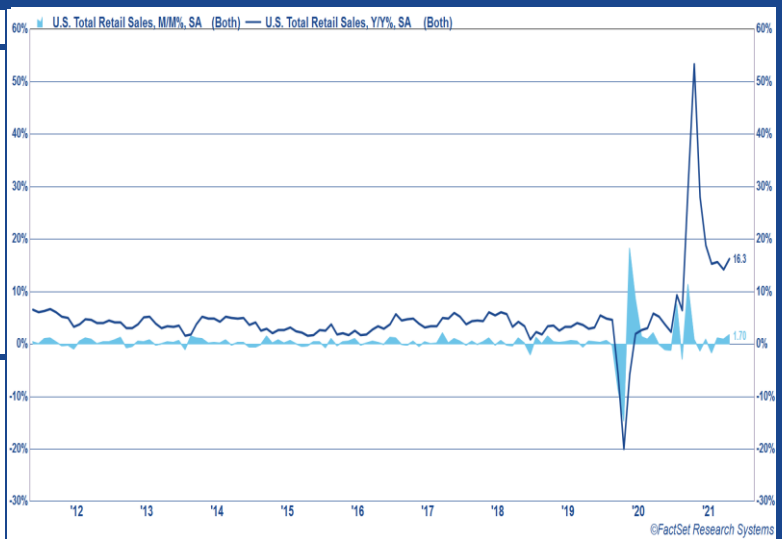
Index Total Returns - November 19, 2021

	1-Wk	YTD	1-Yr
S&P 500	0.36	26.67	33.06
S&P 400	-1.07	25.79	35.26
NASDAQ	1.27	25.32	35.77
Russell 2000	-2.83	19.63	32.63
Dow Jones	-1.29	18.25	23.01
MSCI-Developed	-0.78	11.56	18.37
MSCI-Emerging	-1.25	0.12	7.91

Barclay's U.S. Bond Index

High Yield	-0.38	4.33	7.06
Municipal	0.00	1.12	1.99
5-year Muni	-0.04	0.08	0.55
Int. Gov. Credit	0.02	-1.48	-1.10
Aggregate	0.09	-1.60	-1.27

U.S. Retail Sales



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.15	0.17	0.11
U.S. 2-Yr	0.51	0.52	0.17
U.S. 3-Yr	0.85	0.85	0.22
U.S. 5-Yr	1.20	1.23	0.38
U.S. 10-Yr	1.54	1.58	0.85
U.S. 30-Yr	1.91	1.95	1.58

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	0.99	0.98	0.82
U.S. AA	1.05	1.04	0.97
U.S. A	1.29	1.28	1.51
U.S. Baa	1.57	1.56	2.47
U.S. Municipal	1.14	1.13	1.20
Michigan	1.26	1.26	1.26

S&P 500 Sector Total Returns - November 19, 2021

Sector	1-Wk	YTD	1-Yr
Energy	-4.90	50.35	60.34
Real Estate	0.01	34.86	34.40
Financials	-2.81	34.25	45.15
Info Tech	2.41	32.28	42.23
Consumer Discretionary	3.83	29.14	34.77
Communication Services	-1.00	24.93	30.57
Materials	-1.98	23.37	28.72
Industrials	-1.11	20.56	22.69
Health Care	-0.66	18.52	23.97
Consumer Staples	-0.94	10.14	12.08
Utilities	0.99	9.82	9.38

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	21.57	16.74	1.23
S&P 400 - Mid Cap	16.72	15.96	1.08
S&P 600 - Small Cap	15.15	15.83	1.04