



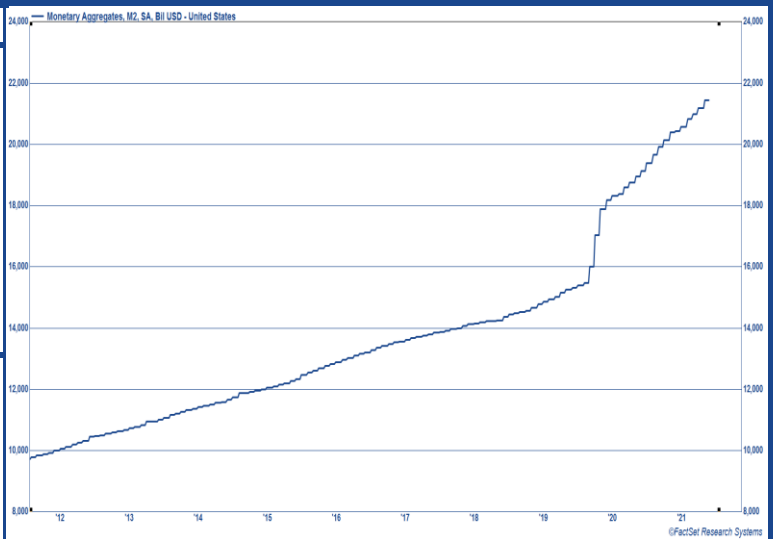
Economic & Market Commentary

The Nasdaq, S&P 600, and S&P 400 moved into correction territory joining the Russell 2000, which corrected back in December and is now down -18.6% from its all-time high. From its most recent all-time high, an index correction is defined as a decline of at least -10% and a Bear Market is a decline of at least -20%. Index technicals and sentiment are weak as relative strength indicators are through support levels, 200-day price moving averages have been breached and moving average advance/decline lines have been trending lower. The Federal Reserve and inflation weighed heavily on stocks again last week. The battle between inflation and margins has officially begun with the beginning of fourth-quarter 2021 earnings season. Bank earnings sounded the expense alarm bells as wage pressures are putting a dent in earnings and guidance for some. Other industries and companies followed suit but also highlighted supply shortages and transportation costs having a negative impact on earnings and forward guidance. Many companies have and will continue to raise prices to offset cost increases. So far, price increases have not materially impacted sales volumes as consumer and business demand remains strong. Historically, as companies raise prices consumers often substitute with a similar less expensive product and companies are keenly aware of consumer behavior. During its earnings call, the Procter and Gamble Co. CFO commented, "We assume - I think we hope that as some of these stimulus payments phase out, labor participation will increase, and hopefully, one level of income will be replaced by another." Demand is already a key focus in 2022. In an effort to slow demand and inflation, the Federal Reserve is expected to begin raising short-term rates in March and raise rates four times in 2022. Even though the labor market is tight, many economists argue retail sales were front-loaded with pandemic stimulus payments and will wane going forward. Also a factor, household budgets are under pressure from inflation. December retail sales declined -1.9% but one-month does not make a trend.

Index Total Returns - January 21, 2022

	1-Wk	YTD	1-Yr
MSCI-Emerging	-1.04	1.03	-9.59
MSCI-Developed	-2.08	-2.19	5.72
Dow Jones	-4.55	-5.63	11.96
S&P 500	-5.67	-7.66	15.76
S&P 400	-6.76	-8.67	7.10
Russell 2000	-8.07	-11.44	-6.24
NASDAQ	-7.55	-11.98	2.42
Barclay's U.S. Bond Index			
Int. Gov. Credit	-0.02	-1.16	-2.26
5-year Muni	-0.40	-1.26	-1.04
Municipal	-0.46	-1.38	-0.05
High Yield	-0.68	-1.54	2.99
Aggregate	0.05	-1.77	-2.53

U.S. Money Supply



U.S. Treasury Yields

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	0.55	0.48	0.10
U.S. 2-Yr	0.99	0.96	0.12
U.S. 3-Yr	1.27	1.27	0.19
U.S. 5-Yr	1.54	1.54	0.45
U.S. 10-Yr	1.75	1.77	1.10
U.S. 30-Yr	2.06	2.11	1.87

S&P 500 Sector Total Returns - January 21, 2022

Sector	1-Wk	YTD	1-Yr
Energy	-3.08	12.84	56.41
Consumer Staples	-1.42	-1.43	21.06
Financials	-6.44	-2.17	27.36
Utilities	-0.79	-3.75	13.22
Industrials	-4.40	-4.36	15.39
Materials	-5.36	-7.30	14.31
Health Care	-3.41	-8.08	11.56
Communication Services	-7.05	-8.90	8.57
Real Estate	-2.85	-9.46	31.90
Info Tech	-6.94	-11.34	16.43
Consumer Discretionary	-8.48	-12.16	3.72

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	1.28	1.17	0.78
U.S. AA	1.33	1.23	0.87
U.S. A	1.57	1.47	1.27
U.S. Baa	1.88	1.77	1.87
U.S. Municipal	1.43	1.33	1.04
Michigan	1.52	1.42	1.13

Index Characteristics	P/E NTM	P/E NTM 10yr-Avg.	Dividend Yield
S&P 500 - Large Cap	19.70	16.91	1.32
S&P 400 - Mid Cap	14.35	15.60	1.24
S&P 600 - Small Cap	13.46	16.17	1.19