

**Economic & Market Commentary**

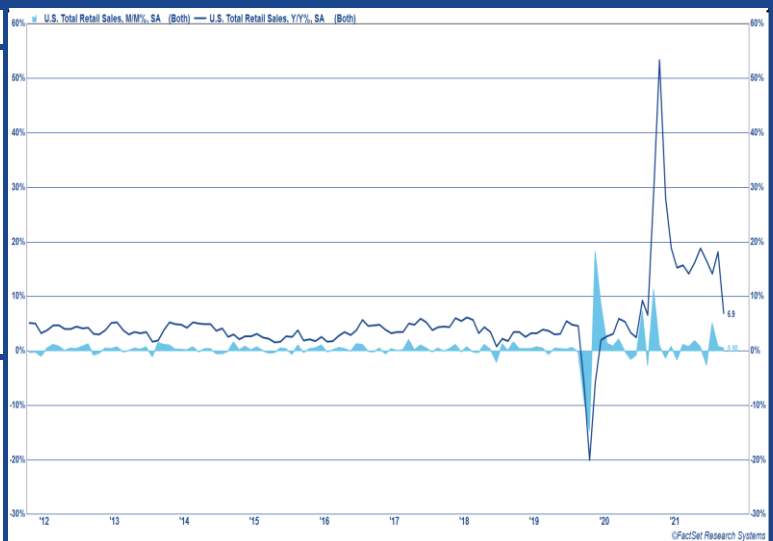
Inflation dominated the headlines in shortened trading last week and there was good news and bad news. First, the bad news. The Consumer Price Index (CPI) came in slightly higher than expected at +8.5% (vs. +8.4%) over the past 12 months through March, which is a forty-one-year high. For the month, headline CPI also came in higher than expected at +1.2% vs. +0.80%. Prices at the wholesale level in March, as measured by the Producer Price Index (PPI), came in much higher than expected at +11.2% (vs. +10.5%) over the past 12 months, which is an all-time high for the report. The good news comes with the core CPI number which rose +0.30% in the month of March which was less than the expected +0.50%. Core CPI excludes food and energy. One month does not make a trend but if core CPI can begin post average numbers in the +0.20% to +0.40% range between now and the end of the year, it should help to alleviate bond yield pressure. The yield curve steepened last week as bond yields continued to trek higher on the intermediate and long parts of the yield curve while yields on the short end declined. Soaring inflation works as a tax on consumers and there is rising concerns that discretionary spending is being crimped. Retail sales in March came in slightly lower than expected at +0.50% vs +0.60%, however when compared to one year ago, retail sales rose +6.9% which is the lowest y/y reading since February 2021. Again, one month does not make a trend and retail sales monthly data has been quite volatile during the COVID era but it is highly probable that during this inflationary period consumers are making substitutions on goods and cutting back on overall spending as their household budgets are stretched. As a recent University of Michigan consumer survey showed, consumers are very concerned their standard of living is eroding.

Index Total Returns - April 15, 2022

	1-Wk	YTD	1-Yr
Dow Jones	-0.78	-4.68	4.05
S&P 400	0.46	-7.13	-0.64
S&P 500	-2.11	-7.45	8.00
MSCI-Developed	-0.93	-8.51	-4.50
MSCI-Emerging	-0.83	-8.84	-14.49
Russell 2000	0.53	-10.41	-9.84
NASDAQ	-2.62	-14.50	-3.02

Barclay's U.S. Bond Index

Int. Gov. Credit	-0.08	-5.72	-5.67
5-year Muni	-0.33	-5.92	-5.71
High Yield	-0.32	-6.55	-3.08
Municipal	-0.54	-7.51	-6.46
Aggregate	-0.70	-8.54	-7.43

U.S. Retail Sales**U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	1.69	1.72	0.06
U.S. 2-Yr	2.45	2.52	0.15
U.S. 3-Yr	2.68	2.72	0.31
U.S. 5-Yr	2.79	2.76	0.79
U.S. 10-Yr	2.83	2.71	1.54
U.S. 30-Yr	2.92	2.75	2.21

Municipal Yields - Bloomberg/Barclays Index

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	2.66	2.56	0.81
U.S. AA	2.78	2.66	0.90
U.S. A	3.10	2.99	1.17
U.S. Baa	3.43	3.30	1.67
U.S. Municipal	2.89	2.78	1.02
Michigan	2.93	2.81	1.08

S&P 500 Sector Total Returns - April 15, 2022

Sector	1-Wk	YTD	1-Yr
Energy	3.11	45.21	70.73
Utilities	-0.85	7.09	18.98
Consumer Staples	0.56	3.15	19.65
Health Care	-2.31	-1.23	18.87
Materials	1.27	-1.33	12.44
Financials	-1.65	-5.13	6.75
Industrials	-0.18	-5.16	0.92
Real Estate	-1.46	-5.32	23.59
Consumer Discretionary	-1.77	-12.53	-0.13
Info Tech	-5.19	-15.52	4.98
Communication Services	-3.65	-16.00	-9.20

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	18.89	17.07	1.35
S&P 400 - Mid Cap	13.70	15.66	1.26
S&P 600 - Small Cap	13.17	16.14	1.21