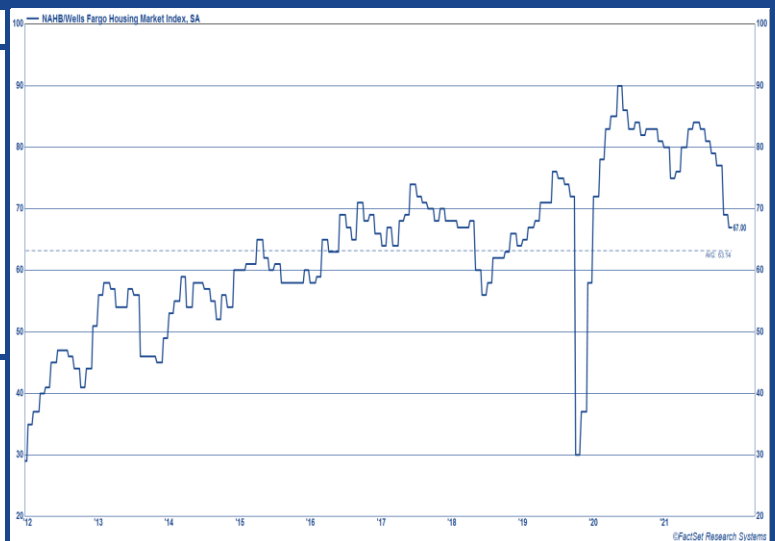


**Economic & Market Commentary**

The S&P 500 officially moved into bear market territory at the close last Monday and the downward momentum continued as stock markets finished sharply lower last week. Bonds didn't fare that well either as yields continued their march higher especially on the short end of the yield curve. On Monday stock and bond markets were still reeling from the 41-year high consumer price inflation number posted on Friday, May 10th of +8.6%. This inflation reading quickly increased the likelihood of a 75 basis point (+0.75%) increase by the Federal Reserve, who only a month ago communicated that a +0.75% increase was off the table. Sure enough, the Fed raised short-term rates +0.75% last Wednesday and left the door open for similar aggressive action to combat inflation. This was the largest short-term rate increase since November 1994. A year ago at this time the debate centered around whether inflation was going to be transitory or sustained. Unfortunately, we all know how that turned out. Now the debate has shifted to whether or not there is going to be a recession. Inflation is at a 41-year high and it is pressuring interest rates, household budgets, business profitability, and eroding confidence. Of late, signs are emerging of pending economic weakness. Retailers have warned of increasing inventories, shifting consumer spending habits, and lower earnings growth. Retail sales in May declined -0.3% with most categories posting declines except gasoline and food & beverage sales which increased +4.0% and +1.2% respectively. Makes sense given the average price for a gallon of gas reaches a new all-time high almost daily and food prices are up 10.1% from one-year ago. Surveys related to small business optimism, home builder confidence, and consumer confidence all fell again in May. Next year at this time the debate will be whether the recession is going to be moderate or severe.

**Index Total Returns - June 17, 2022**

	1-Wk	YTD	1-Yr
Dow Jones	-4.73	-16.91	-9.88
MSCI-Emerging	-4.67	-17.61	-24.51
MSCI-Developed	-5.73	-20.63	-20.36
S&P 400	-7.53	-21.30	-15.42
S&P 500	-5.75	-22.33	-11.68
Russell 2000	-7.43	-25.37	-26.33
NASDAQ	-4.76	-30.72	-23.22
<b>Barclay's U.S. Bond Index</b>			
5-year Muni	-1.28	-6.15	-6.01
Int. Gov. Credit	-0.47	-7.66	-8.04
Municipal	-2.00	-10.06	-9.72
Aggregate	-0.92	-11.48	-11.15
High Yield	-2.90	-13.10	-11.18

**Home Builder Confidence****U.S. Treasury Yields**

Treasury Yields	Latest Close	Week Ago	1-Year Ago
U.S. 1-Yr	2.75	2.43	0.08
U.S. 2-Yr	3.17	3.04	0.22
U.S. 3-Yr	3.35	3.22	0.43
U.S. 5-Yr	3.35	3.26	0.88
U.S. 10-Yr	3.24	3.16	1.51
U.S. 30-Yr	3.29	3.20	2.10

**S&P 500 Sector Total Returns - June 17, 2022**

Sector	1-Wk	YTD	1-Yr
Energy	-17.10	34.03	43.62
Utilities	-9.11	-8.72	1.59
Consumer Staples	-4.24	-10.51	1.70
Health Care	-4.42	-14.58	-2.69
Materials	-8.24	-16.97	-7.04
Industrials	-5.80	-18.81	-13.95
Financials	-4.84	-20.47	-12.81
Real Estate	-5.08	-24.10	-10.82
Info Tech	-4.89	-28.52	-12.79
Communication Services	-4.57	-31.16	-29.19
Consumer Discretionary	-5.53	-33.61	-23.06

**Municipal Yields - Bloomberg/Barclays Index**

Issue Type	Latest Close	Week Ago	1-Year Ago
U.S. AAA	3.04	2.70	0.83
U.S. AA	3.23	2.87	0.89
U.S. A	3.67	3.31	1.11
U.S. Baa	4.20	3.75	1.50
U.S. Municipal	3.38	3.01	0.99
Michigan	3.50	3.18	1.06

Index Characteristics	P/E	P/E NTM	Dividend
	NTM	10yr-Avg.	Yield
S&P 500 - Large Cap	15.47	17.16	1.64
S&P 400 - Mid Cap	11.14	15.66	1.54
S&P 600 - Small Cap	10.75	16.17	1.48