

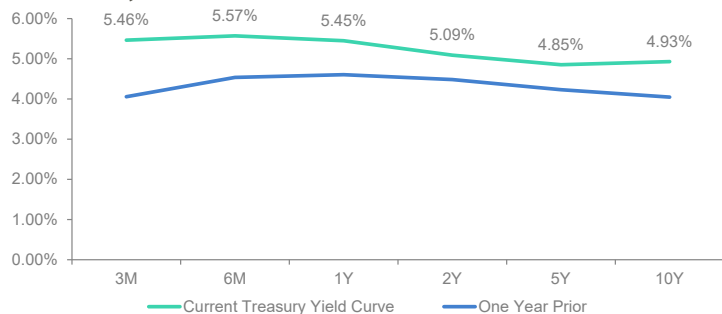


MN TRUST MARKET UPDATE

Prepared by PMA Asset Management, LLC

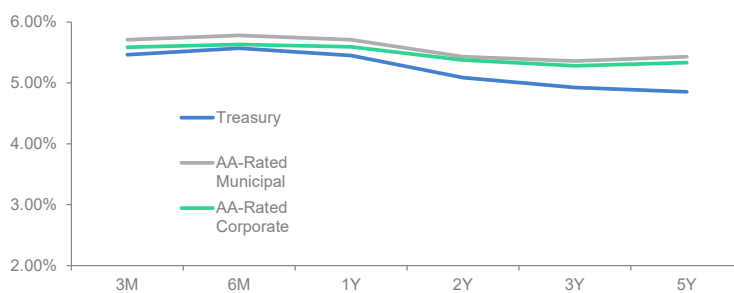
NOVEMBER 2023

Treasury Yield Curve



Source: Bloomberg Finance L.P. 10/31/23

Market Yields



Source: Bloomberg Finance L.P. 10/31/23

FEATURED MARKET DATA

Earnings Forecasts Down

More than 55% of S&P 500 companies reported third quarter earnings through October 31st, with the blended (actual plus estimates) earnings growth rate of 2.8% outpacing expectations for a decline of 0.3%. However, the magnitude of positive earnings surprises has so far run below five-year averages. Another trend in the third quarter is the slower blended year-over-year revenue growth rate of 2.1% compared to the 10-year average of 5.0%. Weaker revenue growth has placed concern on consumer resilience and demand. Slower revenue growth and weaker fourth quarter company earnings guidance have contributed to analysts' lower 2024 earnings estimates during this earnings season.

Sources: FactSet

S&P 500 Valuations Have Improved YTD, but EPS Estimates Continue to Weaken



Sources: FactSet

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Consumer Price Index (MoM)	10/12/23	SEP	0.3%	0.4%	0.6%
Consumer Price Index (YoY)	10/12/23	SEP	3.6%	3.7%	3.7%
Retail Sales Ex. Auto (MoM)	10/17/23	SEP	0.2%	0.6%	0.9% (R)
Chicago Fed National Activity Index	10/23/23	SEP	-0.14	0.02	-0.22 (R)
Core PCE (YoY)	10/27/23	SEP	3.7%	3.7%	3.8% (R)
Consumer Confidence	10/31/23	OCT	100.5	102.6	104.3 (R)
ISM Manufacturing	11/01/23	OCT	49.0	46.7	49.0
Change in Nonfarm Payrolls	11/03/23	OCT	180K	--	336K
Unemployment Rate	11/03/23	OCT	3.8%	--	3.8%

Source: Bloomberg Finance L.P. 10/31/23. Glossary terms on following page.

RECENT NEWS

Fed Holds Rates

The Fed held rates steady on November 1st despite continued strong growth and employment and persistently elevated inflation. Real gross domestic product (GDP) increased in the third quarter at an annual rate of 4.9% according to the "advance" estimate. A strong consumer helped fuel this growth. Unemployment remained very low at 3.8% in September and headline CPI continued its above target growth at 3.7% in September. In holding rates steady, the Fed recognizes the cumulative effects of tighter monetary policy and the lagging impact of higher rates on growth and inflation. As such, rather than raising rates, the Fed is emphasizing that current policy is restrictive and they intend to remain restrictive as long as necessary.

Source: Bloomberg

Contact Information

KENT JOHNSON

Senior Vice President, Director-Minnesota Office

PMA Securities, LLC
5298 Kyler Ave. NE, 2nd Floor
Albertville, MN 55301

Tel: 763.497.1490 Ext. 1300
Email: kjohnson@pmanetwork.com

Glossary of Terms

Term	What is it:
Building Permits	Records the number of permits for future housing construction.
Capacity Utilization	Tracks the extent to which capacity is being used in the production of goods and services.
Change in Nonfarm Payrolls	This indicator measures the change in the number of employees on business and government payrolls.
Chicago Fed National Activity Index	A nationwide measure of economic activity and inflation pressures. An index value of zero indicates that the national economy is expanding at its historical trend rate of growth.
Consumer Confidence	Index examines how consumers feel about jobs, the economy and spending.
Consumer Price Index (CPI)	Measures the average change in retail prices over time for a basket consisting of more than 200 categories of assorted goods and services paid directly by consumers.
Core Consumer Price Index (Core CPI)	This measure of CPI excludes food and energy costs.
Durable Goods Orders	A measure of new orders placed with domestic manufacturers for durable goods, which are items that last three years or more.
Existing Home Sales	Measures monthly sales of previously owned single-family homes.
GDP Annualized QoQ	Measures the annualized quarterly growth of the final market value of all goods and services produced within a country. GDP is the foremost report on how fast or slow the economy is growing.
Housing Starts	Records the number of new housing units started during a period.
Index of Leading Economic Indicators (LEI)	An index designed to predict the direction of the economy.
Initial Jobless Claims	Tracks new filings for unemployment insurance benefits.
ISM Manufacturing	Measures manufacturing activity based on a monthly survey of purchasing managers.
MBA Mortgage Applications	The Mortgage Bankers Association's weekly mortgage application survey includes home loan application activity for conventional and government loans for home purchases and refinances.
Mortgage Delinquencies	A measure of the percent of total conventional and government loans which are at least one payment past due, but not in the process of foreclosure.
Personal Consumption Expenditure (PCE)	The Federal Reserve's preferred measure of inflation tracks overall price changes for goods and services. Core PCE excludes food and energy.
Personal Income and Spending	Index records the income Americans receive, how much they spend, and what they save.
Retail Sales	Tracks the sale of new and used goods for personal or household consumption.
Retail Sales Ex. Auto	Retail sales excluding motor vehicles and parts.
S&P Case-Shiller Home Price Index	Tracks the value of single-family housing within the U.S. There are multiple indexes including the 20-City Composite.
Unemployment Rate	The U-3 unemployment rates tracks the percentage of the civilian workforce that is unemployed.

Source: Bloomberg, The Secrets of Economic Indicators by Bernard Baumohl; PMA Asset Management, LLC

This document was prepared by PMA Asset Management, LLC for clients of the firm and its affiliated PMA entities, as defined below. It is being provided for informational and/or educational purposes only without regard to any particular user's investment objectives, financial situation or means. The content of this document is not to be construed as a recommendation, solicitation or offer to buy or sell any security, financial product or instrument, or to participate in any particular trading strategy in any jurisdiction in which such an offer or solicitation, or trading strategy would be illegal. Nor does it constitute any legal, tax, accounting or investment advice of services regarding the suitability or profitability of any security or investment. Although the information contained in this document has been obtained from third-party sources believed to be reliable, PMA cannot guarantee the accuracy or completeness of such information. It is understood that PMA is not responsible for any errors or omissions in the content in this document and the information is being provided to you on an "as is" basis without warranties or representations of any kind.

Securities, public finance services and institutional brokerage services are offered through PMA Securities, LLC PMA Securities, LLC is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. PMA Asset Management, LLC, an SEC registered investment adviser, provides investment advisory services to local government investment pools and separate accounts. All other products and services are provided by PMA Financial Network, LLC PMA Financial Network, LLC, PMA Securities, LLC and PMA Asset Management, LLC (collectively "PMA") are under common ownership.

Securities and public finance services offered through PMA Securities, LLC are available in CA, CO, FL, IL, IN, IA, MI, MN, MO, NE, NY, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which June be done only after client suitability is reviewed and determined. All investments mentioned herein June have varying levels of risk, and June not be suitable for every investor. PMA and its employees do not offer tax or legal advice. Individuals and organizations should consult with their own tax and/or legal advisors before making any tax or legal related investment decisions. Additional information is available upon request.