

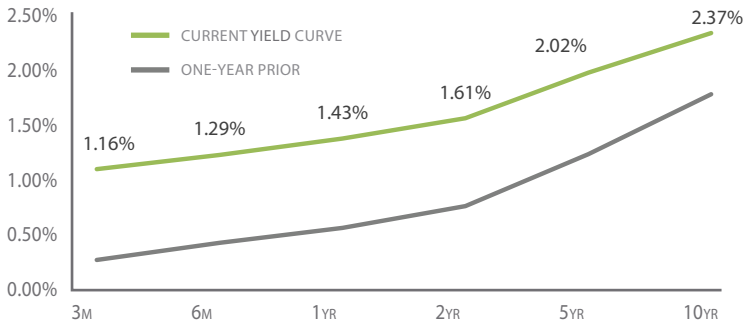


MN TRUST MARKET UPDATE

Prepared by Prudent Man Advisors, Inc.

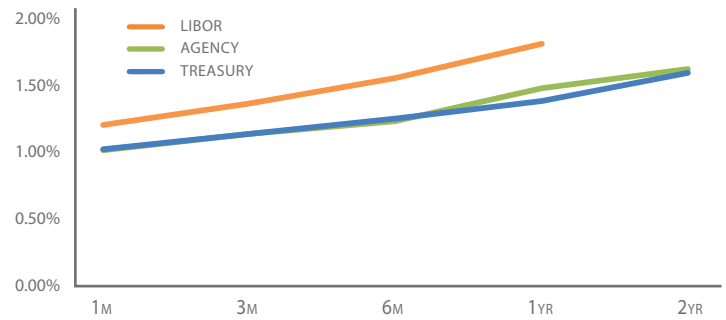
NOVEMBER 2017

Historical Yield Curve



Source: Bloomberg Finance L.P. 11/2/17

Indicative Rates



Source: Bloomberg Finance L.P. 11/2/17

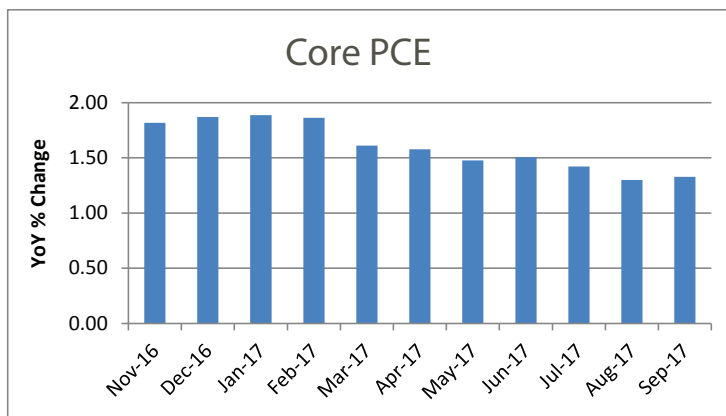
Rates do not reflect transaction fees.

FEATURED ECONOMIC INDICATOR

Fed Watching for Inflation

Inflation and inflation expectations are central to monetary policy decisions implemented by the Federal Reserve. Despite stronger economic growth, inflation has remained low, and the Fed's preferred measure of inflation, Core Personal Consumption Expenditures (PCE) has declined in 2017. Fed Chair Yellen has described the lower inflation in recent months as a "mystery" and expects the "soft readings will not persist." Central bankers like to see inflation near 2% because it signals a growing economy.

Source: Wall Street Journal



Source: Bloomberg

RECENT NEWS

Jerome Powell as Next Fed Chairman

Federal Reserve governor Jerome Powell has been nominated as the next Fed Chairman. Powell would "largely represent continuity," said Jonathan Wright, a former Fed economist now at Johns Hopkins University. In his five years on the central bank's board of governors, Mr. Powell has never dissented on a monetary or regulatory policy decision. He has supported the Fed's current course of slowly reversing its post-crisis stimulus efforts. The Republican has criticized GOP-sponsored bills to increase congressional scrutiny of the Fed, but he has advocated loosening some of the financial rules adopted by the Fed since the crisis. If confirmed by the Senate, Powell would be the first Fed leader in three decades without a Ph.D. in economics.

Source: Wall Street Journal, Bloomberg

U.S. Economic Indicators

Event	Event Date	Period	Survey	Actual	Prior / Revised (R)
Existing Home Sales	10/20/17	SEP	5.30m	5.39m	5.35m
Chicago Fed National Activity Index	10/23/17	SEP	-0.13	0.17	-0.37 (R)
Durable Goods Orders Ex. Transportation (MoM)	10/25/17	SEP	0.5%	0.7%	0.7 (R)
New Home Sales	10/25/17	SEP	554K	667K	561K (R)
GDP Annualized (QoQ)	10/27/17	3Q A	2.6%	3.0%	3.1%
Consumer Confidence	10/31/17	OCT	121.5	125.9	120.6 (R)
ISM Manufacturing	11/01/17	OCT	59.5	58.7	60.8
Change in Nonfarm Payrolls	11/03/17	OCT	313K	261K	18K (R)
Unemployment Rate	11/03/17	OCT	4.2%	4.1%	4.2%

Source: Bloomberg Finance L.P. 11/3/17

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