

Weekly Market Overview

September 24, 2018



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

Unlike the week prior, the final week of summer brought the blues to the U.S. equity market. While the S&P 500[®] Index managed to finish the sessions with a gain of 0.86%, both the S&P 400 Mid-Cap Index and the S&P 600 Small Cap Index lost ground, with the former slipping 0.66%, and the latter a full 1.1%. It was the same story for the Russell indices, as the Russell 2000[®] Index declined 0.46%. The only significantly negative among economic sectors were the utilities, which lost 2.28%. This was not a surprise, though, as U.S. interest rates continued to advance with the ten-year and beyond now holding above 3%. But the technology sector falling a fractional 0.44% was enough to cancel out a 1.94% advance in basic materials, a 1.18% gain among financials and the 1.1% gains for industrials and energy shares, respectively, demonstrating quite vividly the capitalization bias inherent in the major indices. The U.S. dollar declined relative to all major and most emerging market currencies last week. This rallied those markets and, thanks to the gain on currency translation, served to make both the MSCI EAFE[®] (+2.89%) and the MSCI Emerging Market (+2.23%) the best performers among equities last week. The impact upon commodity prices was even more dramatic as crude oil recovered another 2.5%, copper added 6.5% and U.S. grain prices continued to recover, most notably wheat, which tacked on 8.7%. With the last week of the third quarter at hand, we should expect to see a fair amount of trading (once known as window dressing), as investment managers scramble to get their houses in order for the upcoming reporting season. Coupled with the usual dynamics of Triple Witching¹, it should serve for a lively week in the markets.

EQUITIES						S&P 500 [®] SECTORS		
DOMESTIC			INTERNATIONAL				YTD	12MTH
	LEVEL	YTD		LEVEL	YTD			
DJIA	26743.5	8.19%	FTSE 100	7490.23	-5.73%	Energy	6.58%	15.12%
S&P 500 [®]	2929.67	9.58%	HANG SEN	27953.58	-6.54%	Material	1.76%	9.24%
S&P 400	2041.36	7.41%	MSCI EAFE [®]	1994.96	-0.18%	Cons Disc	19.86%	32.48%
S&P 600	1074.35	14.75%	MSCI EMG	1051.44	-9.78%	Cons Stpl	-1.36%	5.10%
COMMODITIES			CURRENCIES			Health Care	15.60%	17.51%
	LEVEL	YTD		LEVEL	YTD	Financials	4.29%	15.00%
Gold	1200.04	-7.89%	MXN/DLR	18.8287	4.41%	Technology	19.63%	31.70%
Silver	14.20	-15.55%	DLR/EUR	1.1749	-2.13%	Industrial	6.63%	13.33%
WTI	70.78	17.15%	DLR/GB	1.3072	-3.26%	Utilities	3.46%	3.33%
Nat Gas	2.98	0.81%	CDN/DLR	1.2916	-2.67%	KEY INTEREST RATES		
						LIBOR OVERNIGHT		1.9209%
						LIBOR 3 MONTH		2.3726%

¹The quarter-end expiration of options, futures and options on futures contracts. Generally, a period of heightened price volatility in the market as traders reposition and roll contracts.

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NOTE: IMPORTANT INFORMATION

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