

Weekly Market Overview

November 12, 2018



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

Despite Friday's poor showing, last week was positive for developed markets, as the S&P 500® Index picked up 2.16%, and the MSCI EAFE® Index managed to tack on 0.2%. U.S. equities were led by a rally among the large pharmaceutical manufactures, driving the sector to a 4.13% advance. This was followed by 3%+ gains among the electrical utility stocks and the food and beverage companies in the consumer staples. In a change from recent weeks, no sector posted a loss last week; however, the S&P Small Cap 600 Index fell a fractional 0.08%. Commodity prices were broadly lower last week, with the price of crude oil losing another 4.7%, as the number of exceptions granted regarding the sanctions on Iranian oil far exceeded expectations. This drop in crude oil prices led to a 5.1% decline in gasoline prices. Industrial metals were led lower by a 3.6% drop in copper prices. The agricultural sector experienced overall weakness of roughly 2%, as strong harvest data and concerns over market access continued to collide. Interest rates were notably active last week as witnessed by the ten-year treasury trading up to a 3.2447% yield only to rally back to 3.1819% on Friday. Investors sold equities in favor of bonds over rising concerns of slowing global economic growth following data releases in the U.K. and Germany. The resumption of the gradual rise in interest rates continued to have an impact on equity performance as the Russell 1000 Value Index advanced 2.28% to the Russell 1000 Growth Index gain of 1.72%.

The most common concern expressed by clients in 2017 had to do with the investment of cash, whether it was from the sale of a business, real estate or even another investment. The fear being that, with the market having done so well for so long, it was too late to invest in stocks. Furthermore, interest rates were so low, it did not make sense to lock up funds for so little yield, and with short-term rates just above the rate of inflation, after paying taxes they were losing ground. For those to whom we recommended the capital preservation models, there was resistance as those portfolios have an allocation to equities. While that may seem counterintuitive, I offer Exhibit 1, in which you will see that the rolling twelve-month positive return probability is better for those portfolios with a ten to twenty percent equity allocation. Yes, over sixty-eight years of rolling twelve-month periods, you stood a better chance of generating a positive return, even in the most conservative posture, by allocating part of your assets to stocks. This also enhanced the average rate of return. The return of volatility to financial markets this year has rightfully shaken investors and caused them to question their approach, but as this illustration points out, prudence for prudence's sake is not a virtue; fortune favors the bold.

Weekly Market Overview

November 12, 2018



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

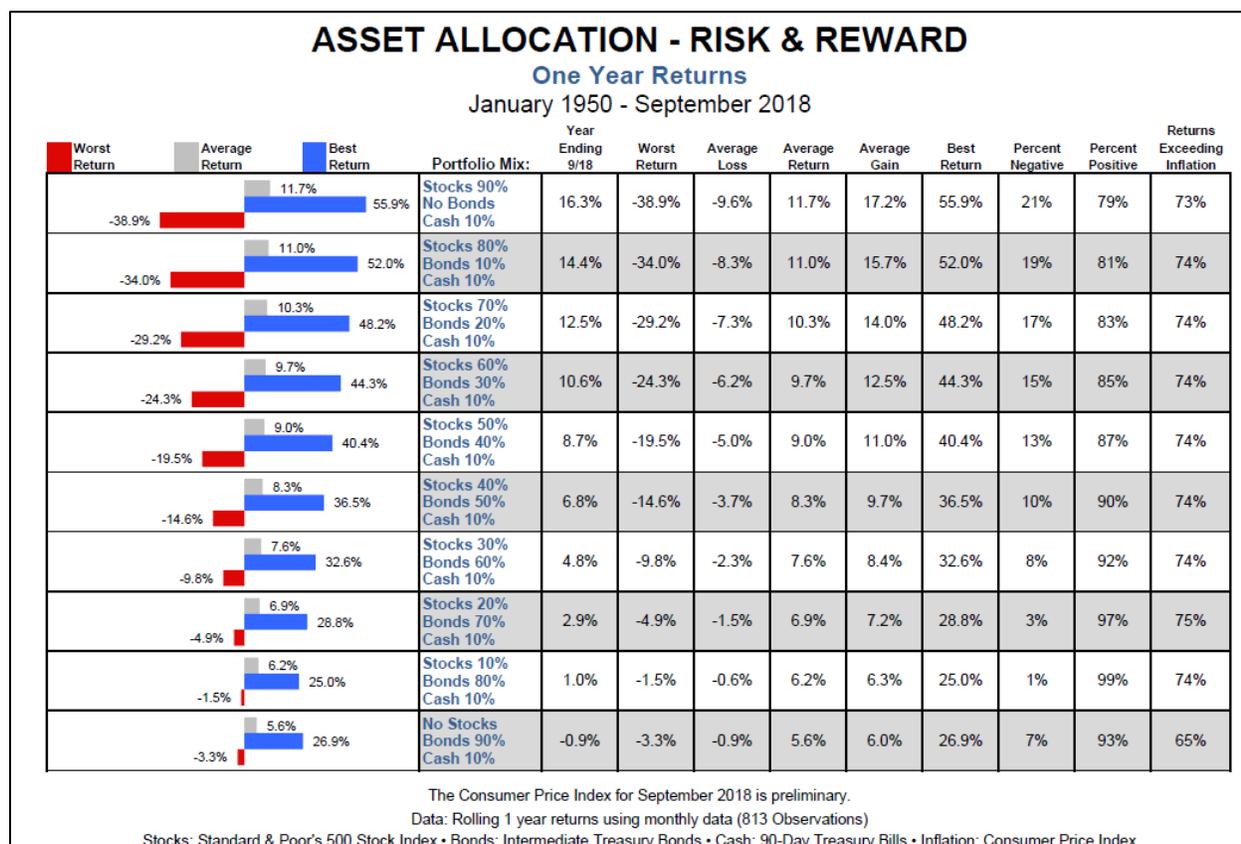


Exhibit 1 (Source: Crandall, Pierce & Company)

EQUITIES					S&P 500 [®] SECTORS			
DOMESTIC			INTERNATIONAL		YTD	12MTH		
	LEVEL	YTD	LEVEL	YTD				
DJIA	25989.3	5.14%	FTSE 100	7105.34	-12.79%	Energy	-2.76%	1.36%
S&P 500 [®]	2781.01	4.02%	HANG SEN	25601.92	-14.63%	Material	-7.85%	-3.68%
S&P 400	1882.54	-0.95%	MSCI EAFE [®]	1840.67	-7.50%	Cons Disc	12.05%	20.05%
S&P 600	972.65	3.89%	MSCI EMG	976.17	-13.70%	Cons Stpl	1.99%	7.75%
S&P 100	1237.35	4.58%	NIKKEI	22250.25	-3.24%	Health Care	14.00%	16.46%
COMMODITIES			CURRENCIES		Comm Serv.	-5.59%	8.72%	
	LEVEL	YTD	LEVEL	YTD	Financials	-1.56%	5.86%	
Gold	1209.65	-7.15%	MXN/DLR	20.1363	-2.37%	Technology	11.92%	11.93%
Silver	14.16	-16.42%	DLR/EUR	1.1336	-5.57%	Industrial	-7.84%	-3.68%
WTI	60.19	-0.38%	DLR/GB	1.2972	-4.00%	Utilities	6.94%	2.38%
Gasoline	1.62	-9.88%	RMB/DLR	6.9467	-6.24%	KEY INTEREST RATES		
Nat Gas	3.72	25.94%	CDN/DLR	1.3212	-5.09%	LIBOR OVERNIGHT	2.1750%	
						LIBOR 3 MONTH	2.6181%	

Weekly Market Overview

November 12, 2018



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management Group
1717 Main Street, 3rd Floor, Dallas, Texas 75201 / 214.462.6690

NOTE: IMPORTANT INFORMATION

Unless otherwise noted, all statistics herein obtained from Bloomberg.

This is not a complete analysis of every material fact regarding any company, industry or security. The information and materials herein has been obtained from sources we consider to be reliable, but Comerica Wealth Management does not warrant, or guarantee, its completeness or accuracy. Materials prepared by Comerica Wealth Management personnel are based on public information. Facts and views presented in this material have not been reviewed by, and may not reflect information known to, professionals in other business areas of Comerica Wealth Management, including investment banking personnel.

The views expressed are those of the author at the time of writing and are subject to change without notice. We do not assume any liability for losses that may result from the reliance by any person upon any such information or opinions. This material has been distributed for general educational/informational purposes only and should not be considered as investment advice or a recommendation for any particular security, strategy or investment product, or as personalized investment advice.

Diversification does not ensure a profit or protect against a loss in a declining market. Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The investments and strategies discussed herein may not be suitable for all clients. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations.

Comerica Wealth Management consists of various divisions and affiliates of Comerica Bank, including Comerica Bank & Trust, National Association; World Asset Management, Inc.; Comerica Securities, Inc.; and Comerica Insurance Services, Inc. and its affiliated insurance agencies. World Asset Management, Inc. and Comerica Securities, Inc. are federally registered investment advisors. Registrations do not imply a certain level of skill or training. Comerica Bank and its affiliates do not provide tax or legal advice. Please consult with your tax and legal advisors regarding your specific situation.

Non-deposit Investment products offered by Comerica and its affiliates are not insured by the FDIC, are not deposits or other obligations of or guaranteed by Comerica Bank or any of its affiliates, and are subject to investment risks, including possible loss of the principal invested. Past performance is not indicative of future results. Information presented is for general information only and is subject to change.

The S&P 500® Index, S&P MidCap Index, S&P 600 Index and Dow Jones Wilshire 5000 (collectively, "S&P® Indices") are products of S&P Dow Jones Indices LLC or its affiliates ("SPDJI") and Standard & Poor's Financial Services, LLC and has been licensed for use by Comerica Bank, on behalf of itself and its Affiliates. Standard & Poor's® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P") and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). The trademarks have been licensed to SPDJI and sublicensed for certain purposes by Comerica Bank, on behalf of itself and its Affiliates. Nothing herein is sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices") or Standard & Poor's Financial Services LLC. Neither S&P Dow Jones Indices nor Standard & Poor's Financial Services, LLC make any representation or warranty, express or implied, to the owners of the content herein, or any member of the public regarding the advisability of investing in securities generally or in particular strategies or the ability of any particular strategy to track general market performance. SPDJI and Standard & Poor's Financial Services, LLC only relationship to Comerica Bank, on behalf of itself and its Affiliates with respect to the S&P® Indices is the licensing of the Indices and certain trademarks, service marks, and/or trade names of S&P Dow Jones Indices and/or its licensors. The S&P Indices are determined, composed and calculated by S&P Dow Jones Indices or Standard & Poor's Financial Services, LLC without regard to Comerica Bank and its Affiliates or any of the content herein. S&P Dow Jones Indices and Standard & Poor's Financial Services, LLC have no obligation to take the needs of Comerica and its Affiliates or the owners of any of the content herein into consideration in determining, composing or calculating the S&P Indices. Neither S&P Dow Jones Indices nor Standard & Poor's Financial Services, LLC are responsible for and have not participated in the determination of the prices, and amount of any particular strategy or the timing of the issuance or sale of any particular strategy or in the determination or calculation of the equation by which any particular strategy is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices and Standard & Poor's Financial Services, LLC have no obligation or liability in connection with the administration, marketing or trading of any particular strategy. There is no assurance that any particular investment product based on the S&P Indices will accurately track index performance or provide positive investment returns. SPDJI is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

Weekly Market Overview

November 12, 2018



**Peter Sorrentino, Chief Investment Officer, Comerica Asset Management Group
1717 Main Street, 3rd Floor, Dallas, Texas 75201 / 214.462.6690**

NOTE: IMPORTANT INFORMATION

NEITHER S&P DOW JONES INDICES NOR STANDARD & POOR'S FINANCIAL SERVICES, LLC GUARANTEES THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE WAM STRATEGIES OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES AND STANDARD & POOR'S FINANCIAL SERVICES, LLC SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES AND STANDARD & POOR'S FINANCIAL SERVICES, LLC MAKE NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIM ALL WARRANTIES, OR MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY COMERICA AND ITS AFFILIATES, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P INDICES OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES OR STANDARD & POOR'S FINANCIAL SERVICES, LLC BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD-PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND COMERICA AND ITS AFFILIATES, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

"Russell 2000® Index" is a trademark of Russell Investments, licensed for use by Comerica Bank and World Asset Management, Inc. The source of all returns is Russell Investments. Further redistribution of information is strictly prohibited.

MSCI EAFE® is a trade mark of Morgan Stanley Capital International, Inc. ("MSCI").

FTSE International Limited ("FTSE") © FTSE 2016. FTSE® is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE under license. All rights in the FTSE Indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE Indices or underlying data.