

Weekly Market Overview

November 19, 2018



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

Global equity markets declined last week, as investors grappled to balance the potential for economic deceleration with positive corporate growth forecasts. A large portion of last week's trading represented yet another series of reversion to the mean price actions. After enduring a precipitous decline following the market peak on September 20th, the basic materials sector turned one of only two positive price moves, picking up 0.47%. With interest rates slipping back last week, the utility sector managed last week's only other positive price movement, rising a fractional 0.02%. The heaviest selling pressure for the week fell on the consumer discretionary stocks, as same-store sales data for Nordstrom, Macy's and Kohl's resulted in double-digit percentage declines for these department store brands that served to take the group down 3.32%. Technology shares suffered the second worst decline last week, with the group falling 2.33%. In technology, the weakness was widespread, but the most notable declines were among companies such as Invidia, that have been associated with demand for crypto currencies. The recent price decline of Bitcoin and others led to a drop in demand for the technology needed to mine and process blockchain transactions. Surprisingly last week, the decline in interest rates did not produce a shift of investor preference back to growth over value. As measured by the Russell 1000 Index, value fell only 0.72% to growth's -2.22%. In global stock prices, emerging markets rallied 1.04%, while the developed markets lost 1.45%, a virtual reversal of the prior week's price action. Part of the bounce experienced by the materials stocks is attributable to a positive week for commodity prices, as the group enjoyed broad-based price gains despite the continued drop experienced by crude oil. Precious metals added over 1%, while industrial metals, led by a 2.5% rise in copper, were higher as well. Soybeans led the agricultural sector with a gain of 1.94%. Domestic natural gas continues to rally. After trading at or below \$3 per Mcf¹ for most of the year, it has now crested the \$4.25 level, picking up 15% last week alone.

Exhibit 1, extracted from a recent Bloomberg article, demonstrates how much the world has changed in recent years and highlights how oil production has shifted. The U.S., Russia and Saudi Arabia now account for as much crude oil output as the remainder of OPEC combined. The article goes on to point out that these three producers have entirely different agendas than those long held by OPEC members. Further complicating the outlook for energy, the International Energy Agency lowered its demand growth forecast for 2019 this week. This will also serve to complicate the deliberations of the Federal Reserve policy makers, as falling energy prices will have an impact on inflation and economic growth. As we have experienced in the equity markets in recent weeks, fear of the unknown continues to haunt investors. Will the policy makers continue to raise rates? Right now, the bond market is saying 'no'. Will stable interest rates aid equity valuations? Again, the immediate answer has been 'no' as well. But the underlying corporate fundamentals are still positive. The emerging bottoms up earnings outlook for the S&P 500® Index for 2019 forecasts a 9% rise, driving a 1.2% increase in the return on equity for investors. Hardly a gloomy prospect and, given recent price weakness, it places a 15 times earnings multiple on the market. While not cheap by any measure, it is far less risky than it has been.

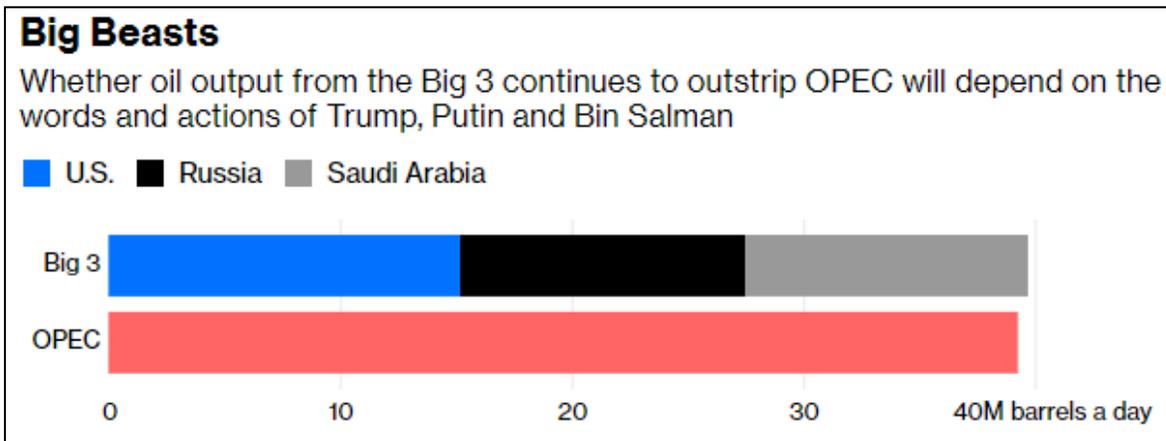
¹1,000 cubic feet of natural gas

Weekly Market Overview

November 19, 2018



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management



Note: Includes crude, condensates, and natural gas liquids
Exhibit 1 (Source: Bloomberg)

EQUITIES					S&P 500 [®] SECTORS			
DOMESTIC			INTERNATIONAL				YTD	12MTH
	LEVEL	YTD		LEVEL	YTD			
DJIA	25413.22	2.81%	FTSE 100	7013.88	-13.33%	Energy	-4.61%	2.69%
S&P 500 [®]	2736.27	2.34%	HANG SEN	21680.34	-12.66%	Material	-7.45%	-3.61%
S&P 400	1865.4	-1.85%	MSCI EAFE [®]	1812.83	-8.81%	Cons Disc	7.86%	14.07%
S&P 600	961.44	2.69%	MSCI EMG	986.3	-12.79%	Cons Stpl	0.25%	4.85%
S&P 100	1213.73	2.58%	NIKKEI	21680.34	-4.76%	Health Care	12.85%	15.20%
						Comm Serv.	-6.86%	6.69%
						Financials	-2.81%	4.24%
						Technology	9.26%	9.61%
						Industrial	-3.70%	3.52%
						Utilities	6.97%	1.85%
COMMODITIES			CURRENCIES			KEY INTEREST RATES		
	LEVEL	YTD		LEVEL	YTD			
Gold	1223.36	-6.10%	MXN/DLR	20.1666	-2.52%	LIBOR OVERNIGHT		2.1754%
Silver	14.42	-14.84%	DLR/EUR	1.1415	-4.92%	LIBOR 3 MONTH		2.6445%
WTI	56.46	-6.55%	DLR/GB	1.2834	-5.03%			
Gasoline	1.58	-12.35%	RMB/DLR	6.938	-6.22%			
Nat Gas	4.73	-44.67%	CDN/DLR	1.3148	-4.39%			

Weekly Market Overview

November 19, 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 19, 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.