Weekly Market Overview

Comerica Wealth Management

January 14, 2019

Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

The rebound in financial assets continued into week two of 2019, as bond prices remained stable and global stock prices continued to rise. The S&P 500® Index added 2.67%, while the MSCI EAFE® and Emerging Market Indices gained 1.91% and 2.37%, respectively. The market's affinity for less trafficked equities was evident in the domestic market as the S&P MidCap 400® and S&P SmallCap 600® Indices outpaced their larger brethren, picking up 4.7% and 4.6%, respectively. While there was a wide range of results among the economic sectors last week, all were positive. Industrials led the advance gaining 4.2%, followed by consumer discretion and energy shares that picked up 3.6%. Consumer staples and utilities were the only sectors that failed to gain at least a full percentage point, adding only 0.7% and 0.9%, respectively, last week. Commodities were particularly volatile, with natural gas setting the pace in the domestic market, up 12%, followed by crude oil at plus 6%. Industrial and precious metals were fractionally higher, apart from a 7% decline in ferrous metal prices. Agricultural prices split with livestock, moving 3% higher, while grain prices fell 1%.

This week will see the start of earnings reporting season with the banks being first up. Given the tepid performance of the financials in the recent rally, the market seems to have tempered its expectations for the group. In the last two weeks, investors appear to have become oblivious to the swirling political winds, as Brexit and the Italian budget impasse no longer seem to bother Europeans. U.S. investors likewise appear unmoved by the partial Federal shutdown and ever-widening scope of Congressional rancor regarding the administration. Whether this disregard is warranted, simply so much whistling past the graveyard remains to be seen. The next three weeks will set the tone as investors digest earnings trends from the last quarter of 2018 and management's outlook for 2019. While the economic data (as shown in Exhibit 1) involving the consumer remain strong, the second derivative, or the change in the rate of change, has turned down. Were these blips in the data due to the market decline in the closing months of the year or something more ominous? As spring approaches, we will have our answers.

Weekly Market Overview

January 14, 2019

Comerica Wealth Management

Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

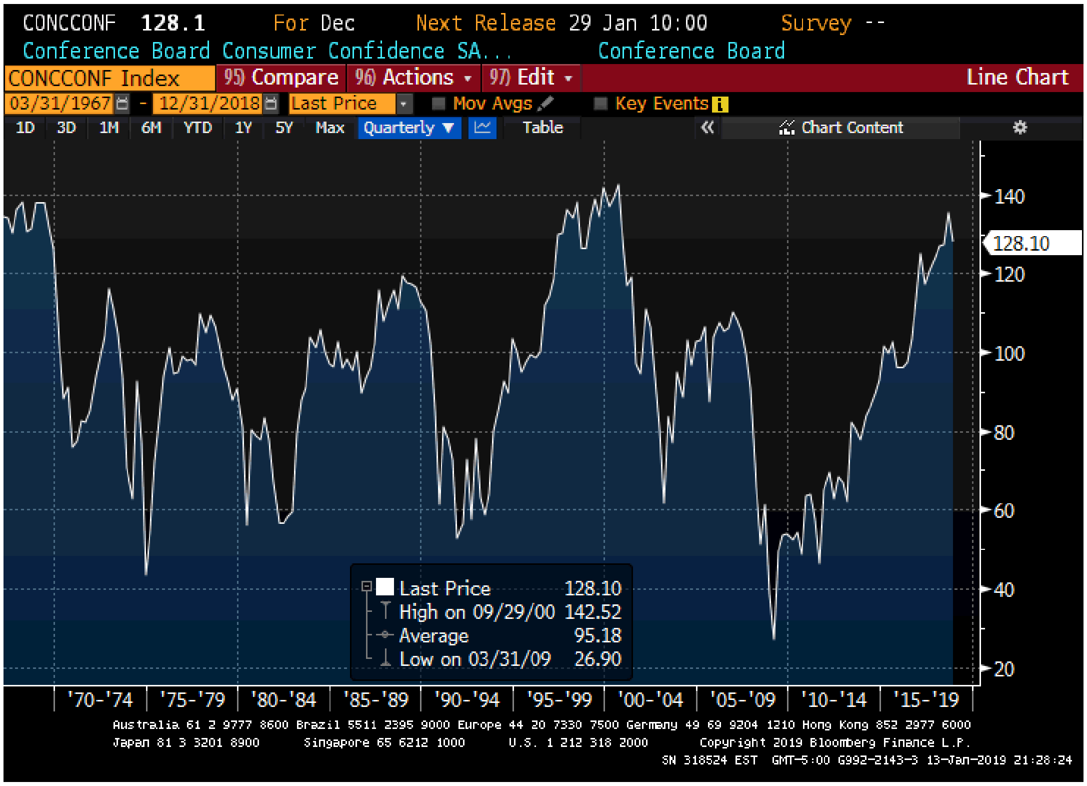

Exhibit 1 (Source: Bloomberg)

EQUITIES						S&P 500® SECTORS		
DOMESTIC			INTERNATIONAL				YTD	12MTH
	LEVEL	YTD		LEVEL	YTD	Energy	8.07%	-17.46%
DJIA	23995.95	2.87%	FTSE 100	6918.18	3.59%	Material	3.42%	-15.88%
S&P 500®	2596.26	3.57%	HANG SEN	26667.27	3.06%	Cons Disc	6.00%	0.32%
S&P 400®	1763.62	6.05%	MSCI EAFE®	1786.13	3.92%	Cons Stpl	1.64%	-6.49%
S&P 600®	902.03	6.76%	MSCI EMG	1001.11	3.70%	Health Care	1.63%	2.94%
S&P 100®	1149.35	3.19%	NIKKEI	20359.7	2.90%	Comm Serv.	6.26%	-4.95%
						Financials	2.85%	-14.59%
COMMODITIES			CURRENCIES			Technology	2.55%	-2.78%
	LEVEL	YTD		LEVEL	YTD	Industrial	5.31%	-13.94%
Gold	1291.55	0.70%	MXN/DLR	19.1404	2.67%	Utilities	0.62%	9.72%
Silver	15.64	0.95%	DLR/EUR	1.147	0.03%			
WTI	51.74	13.94%	DLR/GB	1.2851	0.76%	KEY INTEREST RATES		
Gasoline	1.41	6.39%	RMB/DLR	6.7455	1.97%	LIBOR OVERNIGHT		2.3894%
Nat Gas	3.31	12.69%	CDN/DLR	1.3255	2.88%	LIBOR 3 MONTH		2.7873%

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.

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.