

Weekly Market Overview

March 4, 2019



Peter Sorrentino, Chief Investment Officer, Comerica Asset Management

As February ended, the market struggled to close the month to the upside. Domestically, only the S&P 500® Index and the NASDAQ were able to finish in the black, posting gains of 0.46% and 0.90%, respectively. The smaller companies of the S&P 400® Index and S&P 600® Index closed the week in the red with declines of 0.40% and 0.86%, respectively. The same dynamic played out in international markets as well, with the MSCI EAFE® Index gaining 0.50%, while the MSCI Emerging Market Index lost 0.67%. Domestic market leadership came from the energy, technology and financial sectors that delivered gains of 1.05%, 0.99% and 0.43%, respectively. Counterbalancing those gains was the 1.43% decline in materials stocks and a 0.35% decline among the consumer staples. The gains posted by the energy stocks were something of a surprise, given that crude oil prices declined 2.55% last week, with the price per barrel of WTI closing at \$55.80. Industrial metal prices were fractionally higher, thanks to copper, steel and palladium. Among the agricultural commodities, livestock prices were broadly higher. Among grain prices, the strength in corn and soybeans was offset by a decline in wheat. Interest rates advanced across the term structure with the short end adding gains of 2.5% and the long end moving up 3.8%. Thankfully, the interest rate inversion with which we began the year is gradually being pulled out of existence, as rates have resumed their gradual ascent. Contrasted in Exhibit 1 is the term structure from the end of 2018 with that of last Friday's close. This normalization is helping to alleviate investor fears of an impending recession.

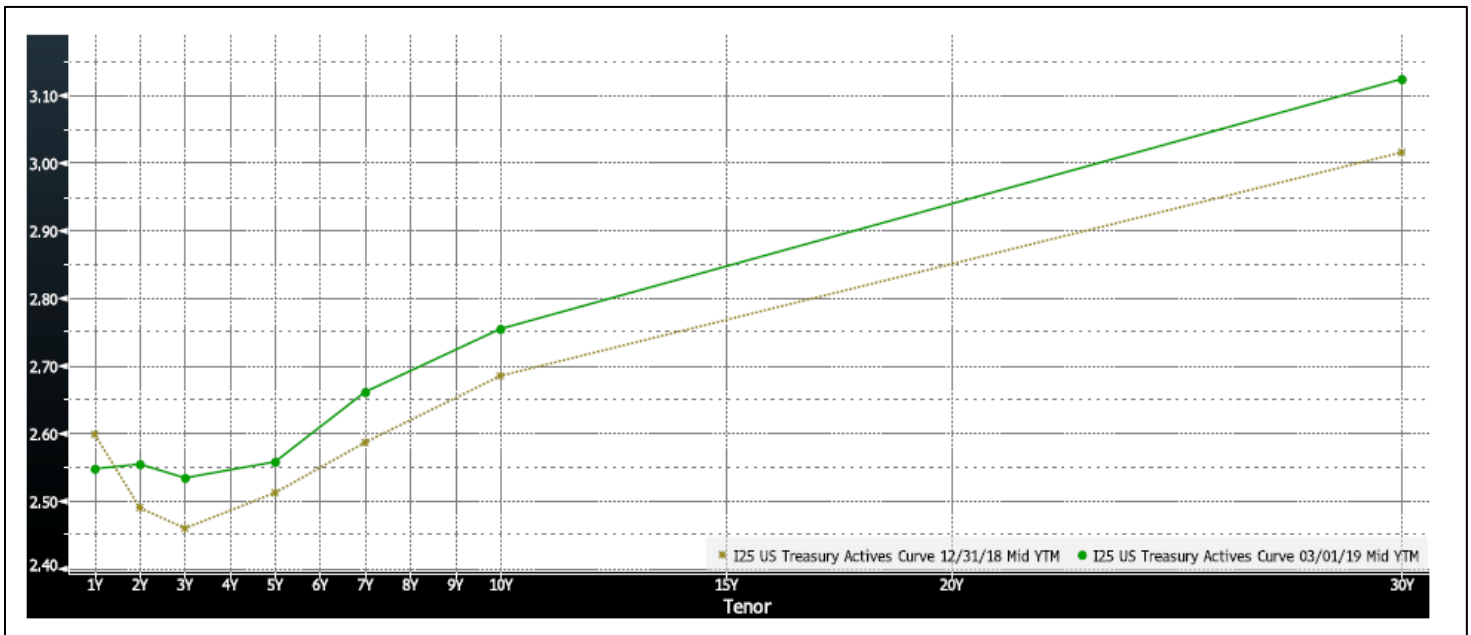


Exhibit 1 (Source: Bloomberg) • I25 US Treasury Actives Curve 12/31/18 Mid YTM • I25 US Treasury Actives Curve 03/01/19 Mid YTM

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EQUITIES						S&P 500® SECTORS		
DOMESTIC			INTERNATIONAL				YTD	12MTH
	LEVEL	YTD		LEVEL	YTD			
DJIA	26026.32	11.57%	FTSE 100	7106.73	9.35%	Energy	16.09%	2.45%
S&P 500®	2803.69	11.84%	HANG SEN	28812.17	11.23%	Material	8.84%	-4.73%
S&P 400®	1925.35	15.77%	MSCI EAFE®	1870.53	9.65%	Cons Disc	12.19%	8.17%
S&P 600®	978.79	15.84%	MSCI EMG	1051.54	8.88%	Cons Stpl	7.43%	4.46%
S&P 100®	1232.43	10.64%	NIKKEI	21602.69	5.81%	Health Care	7.57%	13.01%
						Comm Serv.	12.14%	4.33%
						Financials	12.09%	-4.40%
						Technology	15.15%	7.38%
						Industrial	18.65%	3.75%
						Utilities	7.95%	20.86%
COMMODITIES			CURRENCIES			KEY INTEREST RATES		
	LEVEL	YTD		LEVEL	YTD			
Gold	1293.40	0.85%	MXN/DLR	19.2714	1.97%	LIBOR OVERNIGHT		2.3849%
Silver	15.21	-1.86%	DLR/EUR	1.1365	-0.89%	LIBOR 3 MONTH		2.5985%
WTI	55.80	22.88%	DLR/GB	1.3202	3.51%			
Gasoline	1.72	30.72%	RMB/DLR	6.7064	2.57%			
Nat Gas	2.86	-2.76%	CDN/DLR	1.3297	2.56%			

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NOTE: IMPORTANT INFORMATION

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