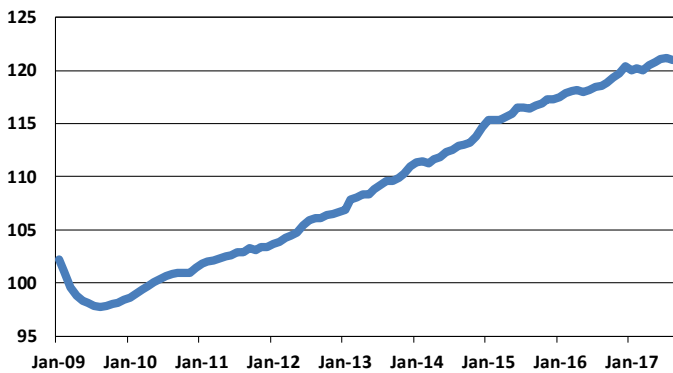


## California Economic Activity Index

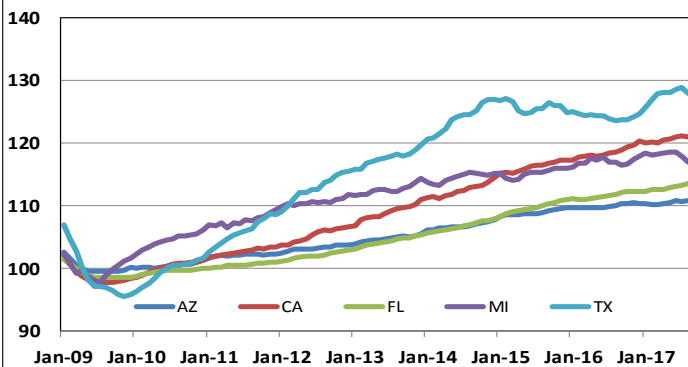
	<u>Value</u>	<u>% Change</u>
<b>August 2017</b>	<b>121.0</b>	<b>-0.2</b>
<b>July 2017</b>	<b>121.2</b>	<b>0.1</b>

*\*All data has been adjusted for seasonality and changes in price.*

California Index Historical Values



5 State Index Historical Values



## Comerica Bank's California Index Eases

Comerica Bank's California Economic Activity Index decreased by 0.2 percent in August to 121.0. August's reading is 23 points, or 24 percent, above the index cyclical low of 97.8. The index averaged 118.6 points in 2016, two and three-tenths points above the average for all of 2015. July's index reading was 121.2.

Comerica Bank's California Economic Activity Index decreased slightly, by 0.2 percent, in August, breaking a string of four consecutive monthly gains. Statewide job creation has been somewhat erratic in recent months. The September payroll data shows a bounce back after a small decline in August, so that is a positive for the state economy this fall. The August index results were mixed, with five out of eight sub-indexes positive for the month. The positives were nonfarm employment, house prices, industrial electricity demand, total state trade and the Dow Jones Tech Stock Index. The three negative factors for the month were unemployment insurance claims (inverted), housing starts and hotel occupancy. We do not expect the recent wildfires in California to exert a significant downward drag on the state economy. Rather, the rebuilding effort after the fires is likely to boost overall economic activity in some parts of the state. Overall residential real estate conditions remain tight. However, the robust price gains in the San Francisco area through 2015 have eased, bringing Bay Area house price appreciation through mid-2017 closer to the moderate-to-strong rates seen in Los Angeles and San Diego. We look for ongoing positive economic conditions in California through the end of this year.

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# California Economic Activity Index



Indicator	Aug-16	Apr-17	May-17	Jun-17	Jul-17	Aug-17
<b>Nonfarm Payroll Employment (Thousands)</b>	16,487	16,684	16,694	16,695	16,731	16,755
<i>Percent Change</i>		<b>0.1%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	361,617	365,725	358,411	355,160	347,696	347,719
<i>Percent Change</i>		<b>-0.1%</b>	<b>-2.0%</b>	<b>-0.9%</b>	<b>-2.1%</b>	<b>0.0%</b>
<b>Housing Starts (Annualized Rate)</b>	95,265	102,804	103,769	110,919	110,236	106,694
<i>Percent Change</i>		<b>13.3%</b>	<b>0.9%</b>	<b>6.9%</b>	<b>-0.6%</b>	<b>-3.2%</b>
<b>House Price Index (Jan 2000=100)</b>	216.0	223.2	223.8	224.1	225.2	226.2
<i>Percent Change</i>		<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.5%</b>	<b>0.5%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	4,173	3,965	3,925	3,941	3,945	4,024
<i>Percent Change</i>		<b>-1.9%</b>	<b>-1.0%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>2.0%</b>
<b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>	515,668	544,193	540,915	539,240	531,413	537,807
<i>Percent Change</i>		<b>0.6%</b>	<b>-0.6%</b>	<b>-0.3%</b>	<b>-1.5%</b>	<b>1.2%</b>
<b>Technology Stock Index (2009=100)</b>	231.4	274.9	283.4	290.2	296.3	298.3
<i>Percent Change</i>		<b>2.0%</b>	<b>3.1%</b>	<b>2.4%</b>	<b>2.1%</b>	<b>0.7%</b>
<b>Hotel Occupancy Index (2009=100)</b>	124.5	126.2	126.7	126.6	126.2	124.6
<i>Percent Change</i>		<b>0.1%</b>	<b>0.4%</b>	<b>-0.1%</b>	<b>-0.3%</b>	<b>-1.3%</b>
<b>Total Index</b>	118.6	120.5	120.8	121.1	121.2	121.0
<i>Percent Change</i>		<b>0.4%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>-0.2%</b>

**(Seasonally Adjusted, 3-Month Moving Average)**

## Explanatory Note:

The California Economic Activity Index consists of eight variables, as follows: nonfarm payroll employment, continuing claims for unemployment insurance, housing starts, house price index, industrial electricity sales, total trade, technology stock index and hotel occupancy. All data are seasonally adjusted. Nominal values have been converted to constant dollar values. Index levels are expressed in terms of three-month moving averages.

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