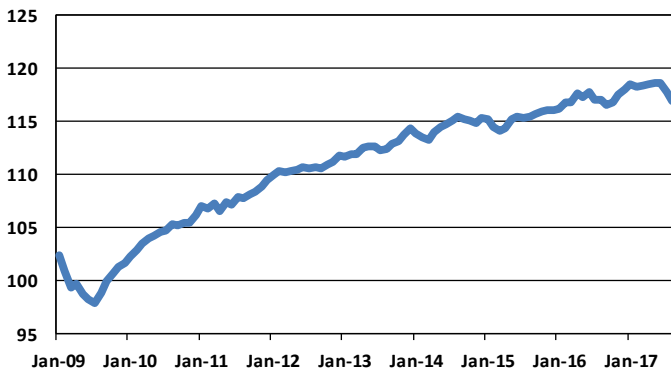


Michigan Economic Activity Index

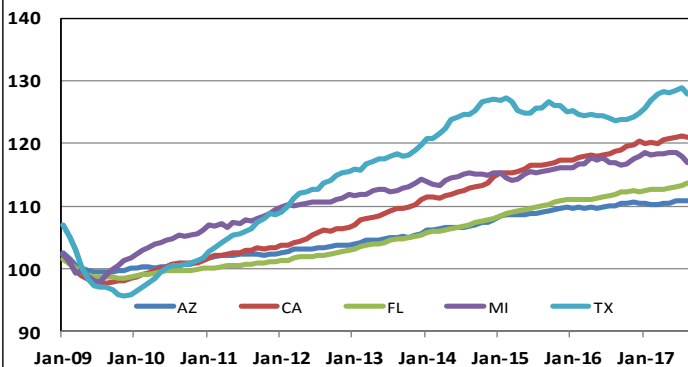
	<u>Value</u>	<u>% Change</u>
August 2017	117.0	-0.7
July 2017	117.8	-0.6

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

Michigan Index Historical Values



5 State Index Historical Values



Comerica Bank's Michigan Index Falls

Comerica Bank's Michigan Economic Activity Index decreased by 0.7 percent in August to a level of 117.0. August's reading is 19 points, or 20 percent, above the index cyclical low of 97.9. The index averaged 117.1 points for all of 2016, one and four-fifths points above the index average for 2015. July's index reading was 117.8.

Comerica Bank's Michigan Economic Activity Index decreased again in August, after falling through June and July as well. The stall in the Michigan Index is indicative of a state economy in transition. Michigan enjoyed the benefits of a restructured and rebounding auto industry as auto production accelerated after the Great Recession. Now, facing easing demand, auto-related manufacturing is no longer a growth leader for the state. However, it can be an economic stabilizer if auto sales can maintain the 16 to 17 million unit range as the U.S. economic expansion moves into extra innings. An important reprieve for the auto industry came in September as auto sales spiked due to the emergency replacement of hundreds of thousands of vehicles damaged from Hurricanes Harvey and Irma. This helped to absorb a growing inventory of unsold cars and trucks. We expect this sales spike to be short-lived and to effectively pull demand forward, which may result in softer sales later on. In August, three out of nine Michigan sub-indexes were positive. They were nonfarm payrolls, house prices and industrial electricity demand. The six negative sub-indexes were unemployment insurance claims (inverted), housing starts, vehicle production, total state trade, hotel occupancy and state sales tax revenue. We look for only modest growth in the Michigan economy through the remainder of this year.

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Michigan Economic Activity Index



Indicator	Aug-16	Apr-17	May-17	Jun-17	Jul-17	Aug-17
Nonfarm Payroll Employment (Thousands)	4,329	4,382	4,384	4,387	4,387	4,390
Percent Change		0.1%	0.1%	0.1%	0.0%	0.1%
Continuing UI Claims (Weekly Average)	65,182	62,661	60,216	59,911	60,117	61,418
Percent Change		-0.6%	-3.9%	-0.5%	0.3%	2.2%
Housing Starts (Annualized Rate)	20,313	22,139	21,846	23,100	20,609	19,803
Percent Change		3.2%	-1.3%	5.7%	-10.8%	-3.9%
House Price Index (Jan 2000=100)	96.7	101.3	102.2	102.5	102.3	102.4
Percent Change		1.4%	0.8%	0.4%	-0.2%	0.1%
Industrial Electricity Sales (Millions, KwHr)	2,514	2,444	2,438	2,417	2,441	2,470
Percent Change		-0.8%	-0.2%	-0.9%	1.0%	1.2%
Auto Assemblies (Millions of Units, Annualized Rate)	11.9	11.3	11.2	11.1	10.6	10.3
Percent Change		-0.1%	-1.1%	-0.6%	-4.9%	-2.6%
Total Trade (Millions, 2009 USD, Annualized Rate)	172,344	178,922	179,105	179,195	177,362	174,430
Percent Change		-1.2%	0.1%	0.1%	-1.0%	-1.7%
Hotel Occupancy Index (2009=100)	127.2	133.0	134.3	131.5	129.7	126.4
Percent Change		1.0%	1.0%	-2.1%	-1.3%	-2.6%
Sales Tax Revenue (Millions, 2009 USD)	554.5	566.3	571.7	576.0	590.9	578.8
Percent Change		-2.8%	1.0%	0.7%	2.6%	-2.0%
Total Index	117.0	118.5	118.7	118.6	117.8	117.0
Percent Change		0.1%	0.2%	-0.1%	-0.6%	-0.7%

(Seasonally Adjusted, 3-Month Moving Average)

Explanatory Note:

The Michigan Economic Activity Index consists of nine variables, as follows: nonfarm payroll employment, continuing claims for unemployment insurance, housing starts, house price index, industrial electricity sales, auto assemblies, total trade, hotel occupancy and sales tax revenue. 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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