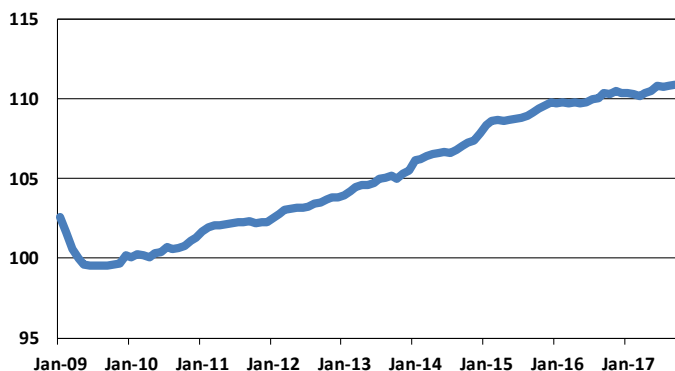


## Arizona Economic Activity Index

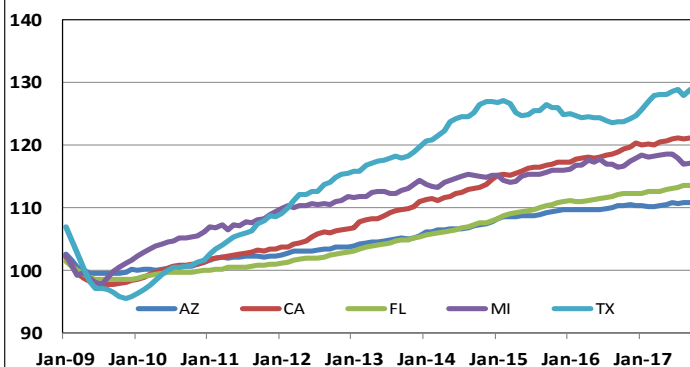
	<u>Value</u>	<u>% Change</u>
<b>September 2017</b>	<b>110.9</b>	<b>0.1</b>
<b>August 2017</b>	<b>110.8</b>	<b>0.0</b>

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

Arizona Index Historical Values



5 State Index Historical Values



## Comerica Bank's Arizona Index Ticks Up

Comerica Bank's Arizona Economic Activity Index rose 0.1 percent in September to a level of 110.9. September's index reading is 11 points, or 11 percent, above the index cyclical low of 99.5. The index averaged 110.0 points for all of 2016, one and one-tenth point above the average for 2015. August's index reading was 110.8.

The Comerica Bank Arizona Economic Activity Index for September ticked up by 0.1 percent after revised data showed essentially no change for August. The Arizona state index has remained range bound since last May. Arizona's monthly nonfarm payrolls data has been volatile this year, posting losses in four out of 10 months. Looking through the noisy monthly data, it appears that the pace of Arizona payroll growth is moderating. Year to date, Arizona has added a net 27,100 jobs as of October. This is about half the pace of 2016 and 2015. The September Arizona sub-index values were mostly positive. Six out of nine sub-indexes were positive, including nonfarm payrolls, unemployment insurance claims (inverted), housing starts, house prices, industrial electricity demand and state sales tax revenues. The two negative sub-indexes were total state trade and enplanements. The hotel occupancy sub-index was unchanged for the month. The Arizona economy still has some room to run in this cycle. Recent gains in the state's labor market have been enough to pull Arizona's unemployment rate down to 4.5 percent in October. Tighter labor markets, along with the increase in Arizona's minimum wage from \$10.00 per hour to \$10.50 per hour, effective in January, will help to boost incomes in 2018. Higher incomes, along with climbing home prices, will support state household spending through 2018.

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# Arizona Economic Activity Index



Indicator	Sep-16	May-17	Jun-17	Jul-17	Aug-17	Sep-17
Nonfarm Payroll Employment (Thousands)	2,720	2,741	2,746	2,747	2,750	2,755
<i>Percent Change</i>		<b>0.1%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.2%</b>
Continuing UI Claims (Weekly Average)	30,483	27,947	27,688	27,551	27,618	27,563
<i>Percent Change</i>		<b>-1.4%</b>	<b>-0.9%</b>	<b>-0.5%</b>	<b>0.2%</b>	<b>-0.2%</b>
Housing Starts (Annualized Rate)	35,730	35,226	35,467	34,368	33,968	35,733
<i>Percent Change</i>		<b>-1.6%</b>	<b>0.7%</b>	<b>-3.1%</b>	<b>-1.2%</b>	<b>5.2%</b>
House Price Index (Jan 2000=100)	145.6	149.9	150.4	150.8	151.3	151.8
<i>Percent Change</i>		<b>0.5%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>
Industrial Electricity Sales (Millions, KwHr)	1,186	1,181	1,158	1,102	1,095	1,106
<i>Percent Change</i>		<b>0.3%</b>	<b>-2.0%</b>	<b>-4.9%</b>	<b>-0.6%</b>	<b>1.0%</b>
Total Trade (Millions, 2009 USD, Annualized Rate)	39,103	35,843	36,232	35,910	36,581	36,282
<i>Percent Change</i>		<b>-2.2%</b>	<b>1.1%</b>	<b>-0.9%</b>	<b>1.9%</b>	<b>-0.8%</b>
Hotel Occupancy Index (2009=100)	122.4	123.0	124.3	124.0	124.8	124.8
<i>Percent Change</i>		<b>1.0%</b>	<b>1.1%</b>	<b>-0.3%</b>	<b>0.6%</b>	<b>0.1%</b>
State Taxable Sales (Millions, 2009 USD)	5,999	5,975	6,105	6,198	6,141	6,166
<i>Percent Change</i>		<b>0.8%</b>	<b>2.2%</b>	<b>1.5%</b>	<b>-0.9%</b>	<b>0.4%</b>
Enplanements Index (2009=100)	112.0	117.3	117.2	115.7	114.6	113.9
<i>Percent Change</i>		<b>0.4%</b>	<b>-0.1%</b>	<b>-1.3%</b>	<b>-1.0%</b>	<b>-0.6%</b>
<b>Total Index</b>	110.4	110.5	110.9	110.7	110.8	110.9
<i>Percent Change</i>		<b>0.1%</b>	<b>0.3%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>0.1%</b>

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

## Explanatory Note:

The Arizona 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, total trade, hotel occupancy, state taxable sales and total enplanements. 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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