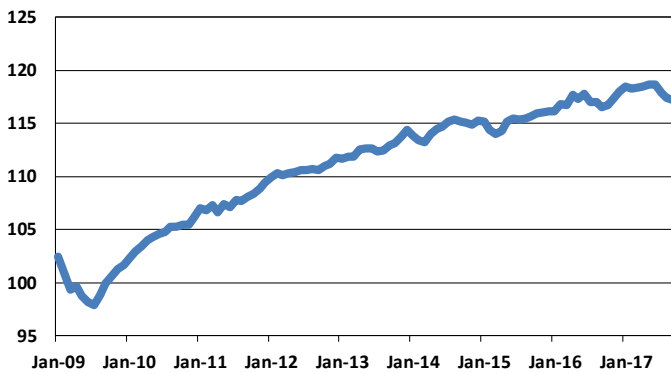


Michigan Economic Activity Index

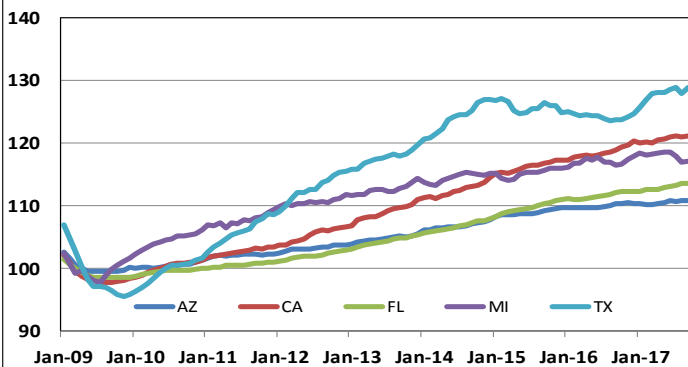
| | <u>Value</u> | <u>% Change</u> |
|-----------------------|--------------|-----------------|
| September 2017 | 117.2 | -0.2 |
| August 2017 | 117.4 | -0.4 |

**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 Down Again

Comerica Bank's Michigan Economic Activity Index declined by 0.2 percent in September to a level of 117.2. September'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. August's index reading was revised up to 117.4.

Comerica Bank's Michigan Economic Activity Index was down again in September, now its fourth consecutive monthly decline. Production of autos and light trucks has declined 11 out of the last 12 months as demand for autos likely peaked in 2016. The recent boost to auto sales, due to replacement of vehicles damaged during the active hurricane season, continued into October and November. This is expected to provide only temporary relief to slowing auto production. September index results were mixed. Four out of nine sub-indexes were positive for the month including nonfarm payrolls, industrial electricity demand, hotel occupancy and state sales tax revenue. The four sub-indexes that were negative were unemployment insurance claims (inverted), housing starts, vehicle production and total state trade. House prices were unchanged. Other parts of the state's economy are seeing a slowdown as the state's auto industry adjusts to a lower demand environment. Housing starts have trended lower in recent months. Also, while state home prices remain up on a year-ago basis, month-to-month home prices have remained flat since April in the Detroit metropolitan area. Michigan job growth has been inconsistent over the past few years. We expect to see only modest job growth for the state through next year.

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Michigan Economic Activity Index



| Indicator | Sep-16 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 |
|--|--------------|--------------|--------------|---------------|--------------|--------------|
| Nonfarm Payroll Employment (Thousands) | 4,335 | 4,384 | 4,387 | 4,387 | 4,390 | 4,397 |
| <i>Percent Change</i> | | 0.1% | 0.1% | 0.0% | 0.1% | 0.2% |
| Continuing UI Claims (Weekly Average) | 65,199 | 60,216 | 59,911 | 60,117 | 61,418 | 61,471 |
| <i>Percent Change</i> | | -3.9% | -0.5% | 0.3% | 2.2% | 0.1% |
| Housing Starts (Annualized Rate) | 18,170 | 21,977 | 23,241 | 20,666 | 19,857 | 18,570 |
| <i>Percent Change</i> | | -1.3% | 5.7% | -11.1% | -3.9% | -6.5% |
| House Price Index (Jan 2000=100) | 97.0 | 102.1 | 102.5 | 102.3 | 102.5 | 102.5 |
| <i>Percent Change</i> | | 0.8% | 0.4% | -0.2% | 0.1% | 0.0% |
| Industrial Electricity Sales (Millions, KwHr) | 2,498 | 2,441 | 2,425 | 2,452 | 2,483 | 2,528 |
| <i>Percent Change</i> | | -0.2% | -0.7% | 1.1% | 1.3% | 1.8% |
| Auto Assemblies (Millions of Units, Annualized Rate) | 11.9 | 11.2 | 11.1 | 10.6 | 10.3 | 10.2 |
| <i>Percent Change</i> | | -1.1% | -0.6% | -4.9% | -2.6% | -1.0% |
| Total Trade (Millions, 2009 USD, Annualized Rate) | 173,978 | 179,105 | 179,195 | 177,362 | 174,430 | 171,605 |
| <i>Percent Change</i> | | 0.1% | 0.1% | -1.0% | -1.7% | -1.6% |
| Hotel Occupancy Index (2009=100) | 127.3 | 134.3 | 131.5 | 130.0 | 129.3 | 129.4 |
| <i>Percent Change</i> | | 1.0% | -2.1% | -1.2% | -0.5% | 0.1% |
| Sales Tax Revenue (Millions, 2009 USD) | 550.6 | 571.7 | 576.1 | 591.0 | 578.8 | 579.1 |
| <i>Percent Change</i> | | 1.0% | 0.8% | 2.6% | -2.1% | 0.1% |
| Total Index | 116.5 | 118.7 | 118.6 | 117.9 | 117.4 | 117.2 |
| <i>Percent Change</i> | | 0.2% | -0.1% | -0.6% | -0.4% | -0.2% |

(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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