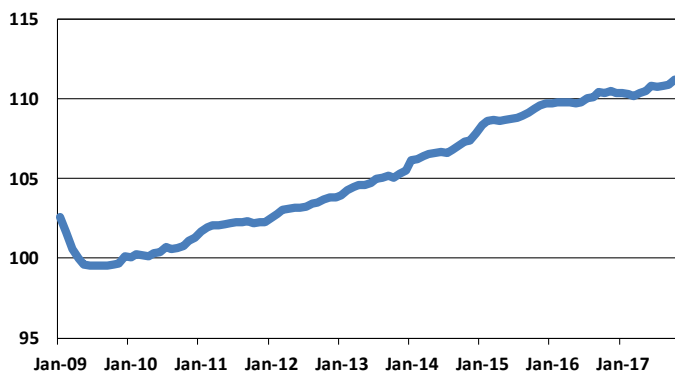


## Arizona Economic Activity Index

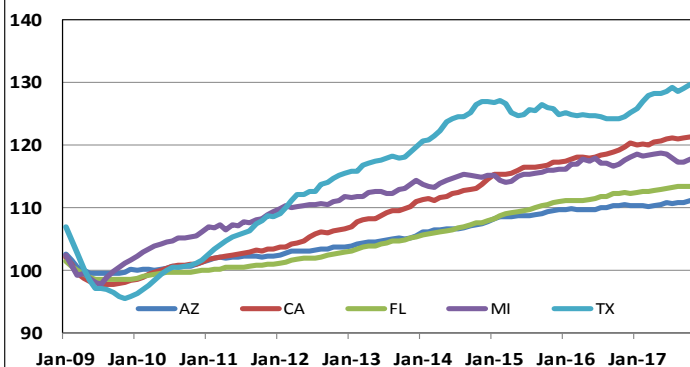
	<u>Value</u>	<u>% Change</u>
<b>October 2017</b>	<b>111.2</b>	<b>0.3</b>
<b>September 2017</b>	<b>110.9</b>	<b>0.1</b>

*\*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 Increases

Comerica Bank's Arizona Economic Activity Index grew 0.3 percent in October to a level of 111.2. October's index reading is 12 points, or 12 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. September's index reading was 110.9.

The Comerica Bank Arizona Economic Activity Index for October increased again after gaining in September. The October increase was a moderately strong 0.3 percent, showing that the Arizona economy gained momentum in late 2017 after stalling earlier in the year. Also, in October, all nine Arizona Index components increased. This was the first across-the-board gain in the index since January 2015. One cautionary note comes from nonfarm payroll gains, which were inconsistent through 2017. Still, there are positive signals from other components. Unemployment insurance claims continue to improve. Housing starts show an increasing trend through last fall. House prices are consistently climbing. Industrial electricity demand is up from a summer low. Total state trade is gradually improving. Hotel occupancy is also on an increasing trend. State sales tax receipts are up. Enplanements reversed a declining trend in October. We look for moderate gains in the Arizona economy through 2018, supported by a healthy U.S. economy and the ongoing retirement of baby boomers. Arizona remains an attractive low-cost retirement location for many baby boomers, including those from nearby high-priced California. Because Arizona's economy has historically been fueled in large part by residential construction, the prospect of moderately increasing mortgage interest rates this year represents a downside risk for the state.

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# Arizona Economic Activity Index



Indicator	Oct-16	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Nonfarm Payroll Employment (Thousands)	2,726	2,746	2,747	2,750	2,755	2,761
<i>Percent Change</i>		<b>0.2%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>
Continuing UI Claims (Weekly Average)	30,282	27,688	27,551	27,618	27,563	27,276
<i>Percent Change</i>		<b>-0.9%</b>	<b>-0.5%</b>	<b>0.2%</b>	<b>-0.2%</b>	<b>-1.0%</b>
Housing Starts (Annualized Rate)	36,669	35,761	34,665	34,464	35,627	37,286
<i>Percent Change</i>		<b>0.7%</b>	<b>-3.1%</b>	<b>-0.6%</b>	<b>3.4%</b>	<b>4.7%</b>
House Price Index (Jan 2000=100)	146.0	150.4	150.8	151.3	151.7	152.3
<i>Percent Change</i>		<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>
Industrial Electricity Sales (Millions, KwHr)	1,194	1,158	1,103	1,097	1,107	1,115
<i>Percent Change</i>		<b>-1.9%</b>	<b>-4.8%</b>	<b>-0.5%</b>	<b>0.9%</b>	<b>0.7%</b>
Total Trade (Millions, 2009 USD, Annualized Rate)	38,074	36,232	35,911	36,582	36,281	37,094
<i>Percent Change</i>		<b>1.1%</b>	<b>-0.9%</b>	<b>1.9%</b>	<b>-0.8%</b>	<b>2.2%</b>
Hotel Occupancy Index (2009=100)	122.5	124.2	123.9	124.7	125.0	125.9
<i>Percent Change</i>		<b>1.1%</b>	<b>-0.3%</b>	<b>0.7%</b>	<b>0.3%</b>	<b>0.7%</b>
State Taxable Sales (Millions, 2009 USD)	6,000	6,109	6,202	6,141	6,164	6,171
<i>Percent Change</i>		<b>2.2%</b>	<b>1.5%</b>	<b>-1.0%</b>	<b>0.4%</b>	<b>0.1%</b>
Enplanements Index (2009=100)	112.9	117.1	115.7	114.8	114.4	115.4
<i>Percent Change</i>		<b>-0.1%</b>	<b>-1.1%</b>	<b>-0.8%</b>	<b>-0.3%</b>	<b>0.8%</b>
<b>Total Index</b>	110.4	110.8	110.8	110.8	110.9	111.2
<i>Percent Change</i>		<b>0.3%</b>	<b>-0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.3%</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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