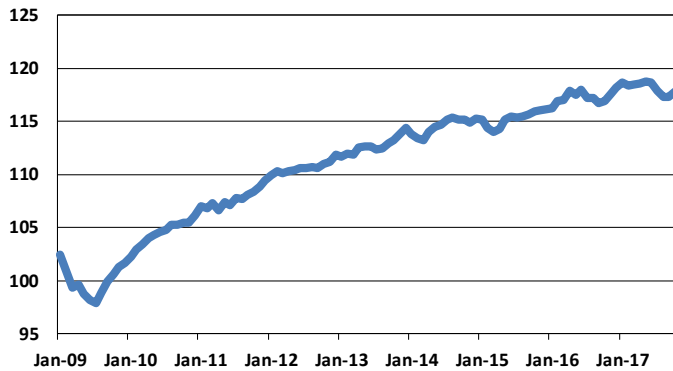


Michigan Economic Activity Index

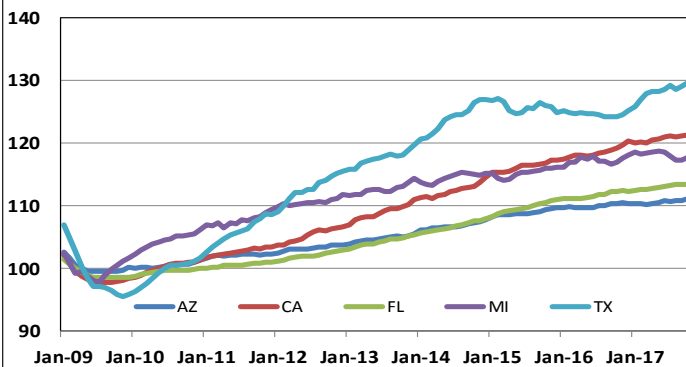
	<u>Value</u>	<u>% Change</u>
October 2017	117.8	0.4
September 2017 (Revised)	117.3	0.0

**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 Improves

Comerica Bank's Michigan Economic Activity Index increased by 0.4 percent in October to a level of 117.8. October's reading is 20 points, or 20 percent, above the index cyclical low of 97.9. The index averaged 117.3 points for all of 2016, two points above the index average for 2015. September's index reading was revised to 117.3.

Comerica Bank's Michigan Economic Activity Index increased slightly in October after stalling through last summer. The October gain is the first increase in the Michigan Index since last May. Over the previous 12 months, the Michigan Index was up only 0.8 percent in October, so it is fair to say the Michigan economy was feeling less momentum through most of 2017 than it did in 2016. Positive factors for October were nonfarm payrolls, housing starts, house prices and auto production. Industrial electricity demand, total state trade, hotel occupancy and state sales tax revenues were negatives. We expect auto sales to ease gradually through 2018 as the support from hurricane-related replacements in Texas and Florida fades. A key positive for auto sales in 2018 will be the expected solid performance of the U.S. economy. However, with auto sales currently near the cyclical peak of the mid-2000's, it looks like there is only limited upside potential for sales even in a relatively strong economy. We look for the service sector in Michigan to support modest growth going forward as the push from auto-related manufacturing eases. Tax reform will be an overall positive for the U.S. economy, including Michigan. However, higher interest rates through 2018 are a developing headwind for both the auto sector and real estate.

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Michigan Economic Activity Index



Indicator	Oct-16	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17
Nonfarm Payroll Employment (Thousands)	4,346	4,387	4,387	4,390	4,397	4,402
<i>Percent Change</i>		0.1%	0.0%	0.1%	0.2%	0.1%
Continuing UI Claims (Weekly Average)	64,704	59,911	60,117	61,418	61,471	60,250
<i>Percent Change</i>		-0.5%	0.3%	2.2%	0.1%	-2.0%
Housing Starts (Annualized Rate)	18,894	23,515	20,914	19,770	19,389	21,226
<i>Percent Change</i>		5.7%	-11.1%	-5.5%	-1.9%	9.5%
House Price Index (Jan 2000=100)	97.2	102.5	102.3	102.4	102.4	102.5
<i>Percent Change</i>		0.4%	-0.2%	0.1%	0.0%	0.2%
Industrial Electricity Sales (Millions, KwHr)	2,485	2,418	2,442	2,471	2,524	2,520
<i>Percent Change</i>		-0.8%	1.0%	1.2%	2.1%	-0.2%
Auto Assemblies (Millions of Units, Annualized Rate)	12.0	11.1	10.6	10.3	10.2	10.5
<i>Percent Change</i>		-0.6%	-4.9%	-2.6%	-1.0%	2.9%
Total Trade (Millions, 2009 USD, Annualized Rate)	174,213	179,195	177,367	174,434	171,597	171,023
<i>Percent Change</i>		0.1%	-1.0%	-1.7%	-1.6%	-0.3%
Hotel Occupancy Index (2009=100)	128.6	131.3	129.9	129.3	129.5	129.4
<i>Percent Change</i>		-2.1%	-1.1%	-0.4%	0.1%	-0.1%
Sales Tax Revenue (Millions, 2009 USD)	549.8	576.7	591.5	579.2	579.6	576.4
<i>Percent Change</i>		0.7%	2.6%	-2.1%	0.1%	-0.6%
Total Index	116.9	118.6	117.9	117.3	117.3	117.8
<i>Percent Change</i>		-0.1%	-0.6%	-0.5%	0.0%	0.4%

(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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