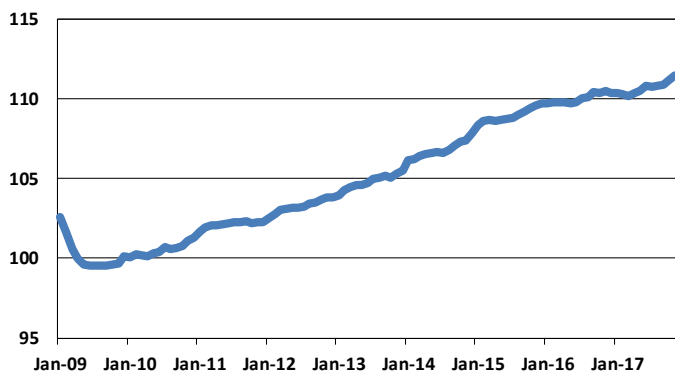


Arizona Economic Activity Index

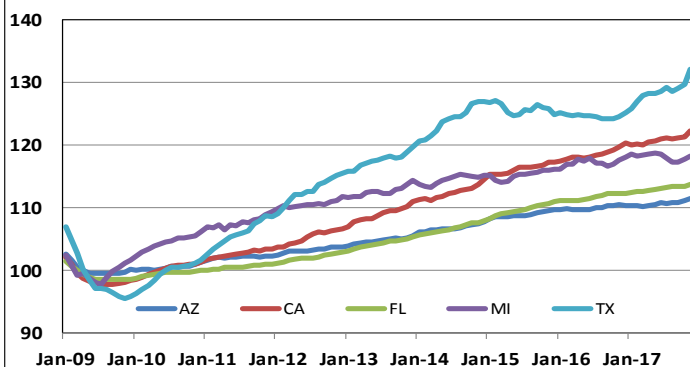
	<u>Value</u>	<u>% Change</u>
November 2017	111.5	0.3
October 2017	111.2	0.3

**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 Improves

Comerica Bank's Arizona Economic Activity Index grew 0.3 percent in November to a level of 111.5. November'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. October's index reading was 111.2.

The Comerica Bank Arizona Economic Activity Index improved again in November. The index is now up for the third consecutive month. Eight of the nine indicators were positive for the month, including nonfarm payrolls, unemployment insurance claims (inverted), housing starts, house prices, state total trade, hotel occupancy, state sales tax revenues and enplanements. The one indicator that was negative in November was industrial electricity demand. The Arizona economy showed steady moderate growth through the middle of 2017. Our index shows a modest acceleration in the state economy in Q4. Supporting this growth was an expansion in Arizona payrolls, up by 35,000 jobs in 2017. The majority of the job gains were in high-paying sectors such as construction, manufacturing, finance and insurance, business technical services and healthcare. However, most of the gains were concentrated in the Phoenix metropolitan statistical area. The Phoenix MSA accounts for about 75 percent of the Arizona economy. Employment gains in the Tucson MSA in 2017 were weaker than for Phoenix. The Tucson MSA makes up about 12 percent of Arizona's total economy. We expect to see moderate growth in the Arizona economy in 2018, supported by higher real estate prices and ongoing hiring, primarily in Phoenix. Phoenix house prices were up by 5.6 percent in November, over the previous 12 months.

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Arizona Economic Activity Index



Indicator	Nov-16	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Nonfarm Payroll Employment (Thousands)	2,730	2,747	2,750	2,755	2,761	2,766
<i>Percent Change</i>		0.0%	0.1%	0.2%	0.2%	0.2%
Continuing UI Claims (Weekly Average)	29,962	27,551	27,618	27,563	27,276	26,717
<i>Percent Change</i>		-0.5%	0.2%	-0.2%	-1.0%	-2.0%
Housing Starts (Annualized Rate)	36,204	34,788	34,576	35,739	37,950	39,328
<i>Percent Change</i>		-3.1%	-0.6%	3.4%	6.2%	3.6%
House Price Index (Jan 2000=100)	146.4	150.8	151.3	151.7	152.2	152.4
<i>Percent Change</i>		0.3%	0.3%	0.3%	0.3%	0.1%
Industrial Electricity Sales (Millions, KwHr)	1,204	1,103	1,095	1,106	1,113	1,095
<i>Percent Change</i>		-4.8%	-0.7%	1.0%	0.6%	-1.6%
Total Trade (Millions, 2009 USD, Annualized Rate)	37,443	35,911	36,582	36,281	37,094	38,063
<i>Percent Change</i>		-0.9%	1.9%	-0.8%	2.2%	2.6%
Hotel Occupancy Index (2009=100)	122.5	123.9	124.7	125.0	125.9	126.2
<i>Percent Change</i>		-0.3%	0.7%	0.3%	0.7%	0.2%
State Taxable Sales (Millions, 2009 USD)	5,974	6,200	6,149	6,171	6,176	6,225
<i>Percent Change</i>		1.5%	-0.8%	0.4%	0.1%	0.8%
Enplanements Index (2009=100)	115.4	115.7	114.8	114.4	115.4	116.5
<i>Percent Change</i>		-1.1%	-0.8%	-0.3%	0.8%	1.0%
Total Index	110.5	110.8	110.8	110.9	111.2	111.5
<i>Percent Change</i>		-0.1%	0.1%	0.1%	0.3%	0.3%

(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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