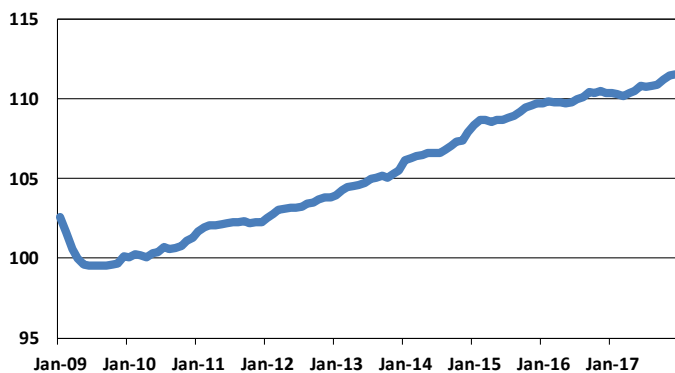


Arizona Economic Activity Index

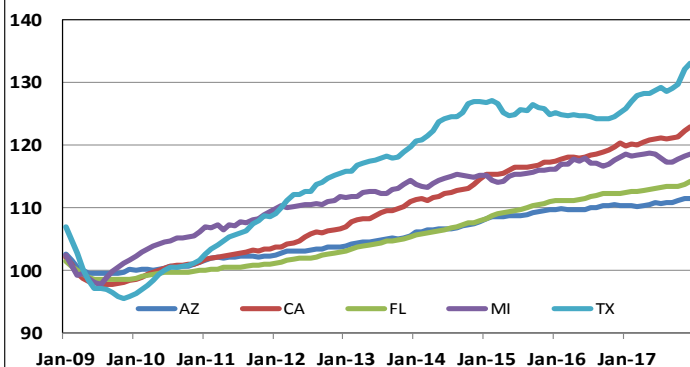
	<u>Value</u>	<u>% Change</u>
December 2017	111.6	0.1
November 2017	111.5	0.2

**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 0.1 percent in December to a level of 111.6. December's index reading is 12 points, or 12 percent, above the index cyclical low of 99.5. The index averaged 110.8 points for all of 2017, four-fifths of a point above the average for 2016. November's index reading was 111.5.

The Comerica Bank Arizona Economic Activity Index improved in December for the fifth consecutive month. Six of the nine indicators were positive for the month, including unemployment insurance claims (inverted), house prices, industrial electricity demand, state total trade, hotel occupancy and enplanements. Both housing starts and state sales tax revenue eased in December, while payroll employment was essentially unchanged. The Arizona economy showed more consistent momentum through the second half of 2017, and we believe that will carry over into the first half of 2018. In addition to its own growth factors, Arizona will continue to benefit from households and businesses seeking relief from costlier locations, including California. Net migration indicators from the Bureau of Census, the IRS and Atlas Van Lines show a consistent pattern. Net migration for Arizona was strongly positive prior to 2008. With the onset of the Great Recession, net migration to Arizona fell to zero or below (indicating net out-migration) from about 2008 through 2015. After 2015, the net migration numbers turned positive again. The most recent data, through 2017, maintains that positive trend. The 2020 Census will be very important for Arizona. We expect the 2020 Census numbers to confirm that households, on net, are moving back into the state. Stronger net-migration and population growth are central to Arizona's long term economic outlook.

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Arizona Economic Activity Index



Indicator	Dec-16	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Nonfarm Payroll Employment (Thousands)	2,732	2,750	2,755	2,761	2,766	2,767
<i>Percent Change</i>		0.1%	0.2%	0.2%	0.2%	0.0%
Continuing UI Claims (Weekly Average)	29,669	27,618	27,563	27,276	26,717	26,184
<i>Percent Change</i>		0.2%	-0.2%	-1.0%	-2.0%	-2.0%
Housing Starts (Annualized Rate)	38,377	34,576	35,739	37,950	39,328	38,520
<i>Percent Change</i>		-0.6%	3.4%	6.2%	3.6%	-2.1%
House Price Index (Jan 2000=100)	146.9	151.3	151.7	152.2	152.4	152.7
<i>Percent Change</i>		0.3%	0.3%	0.3%	0.2%	0.2%
Industrial Electricity Sales (Millions, KwHr)	1,205	1,099	1,108	1,115	1,093	1,104
<i>Percent Change</i>		-0.4%	0.8%	0.7%	-1.9%	1.0%
Total Trade (Millions, 2009 USD, Annualized Rate)	36,870	36,582	36,281	37,094	38,063	38,158
<i>Percent Change</i>		1.9%	-0.8%	2.2%	2.6%	0.3%
Hotel Occupancy Index (2009=100)	122.6	124.7	125.1	126.0	126.3	126.5
<i>Percent Change</i>		0.7%	0.4%	0.7%	0.2%	0.1%
State Taxable Sales (Millions, 2009 USD)	5,972	6,145	6,166	6,171	6,217	6,193
<i>Percent Change</i>		-0.8%	0.4%	0.1%	0.7%	-0.4%
Enplanements Index (2009=100)	115.4	114.7	114.3	115.4	116.7	117.5
<i>Percent Change</i>		-0.8%	-0.3%	1.0%	1.0%	0.7%
Total Index	110.3	110.8	110.9	111.2	111.5	111.6
<i>Percent Change</i>		0.1%	0.1%	0.3%	0.2%	0.1%

(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.

Comerica operates full-service banking centers throughout Maricopa County, including locations in Phoenix, Avondale, Goodyear, Mesa, Peoria, Scottsdale, Surprise and Tempe. In addition to Arizona, Comerica locations can be found in its headquarters state of Texas, as well as in California, Florida and Michigan, with select businesses operating in several other states, as well as in Canada and Mexico.

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