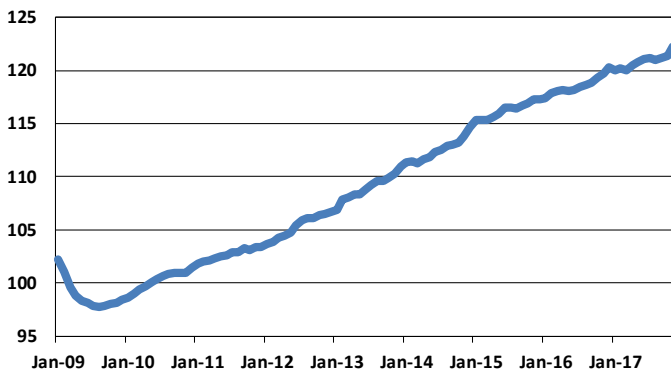


California Economic Activity Index

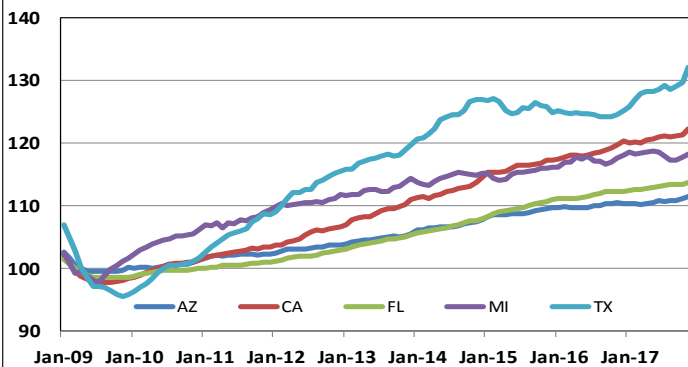
	<u>Value</u>	<u>% Change</u>
November 2017	122.2	0.7
October 2017 (Revised)	121.4	0.2

**All data has been adjusted for seasonality and changes in price.*

California Index Historical Values



5 State Index Historical Values



Comerica Bank's California Index Increases

Comerica Bank's California Economic Activity Index grew by 0.7 percent in November to 122.2. November's reading is 24 points, or 25 percent, above the index cyclical low of 97.8. The index averaged 118.6 points in 2016, two and three-tenths points above the average for all of 2015. October's index reading was revised to 121.4.

Comerica Bank's California Economic Activity Index increased again in November. This is now the third consecutive monthly gain following last summer's slowdown in activity. Seven out of eight indicators were positive in November, including payroll employment, unemployment insurance claims (inverted), housing starts, house prices, total state trade, the Dow Jones Tech Stock Index and hotel occupancy. Industrial electricity consumption was the only negative indicator in November. The California economy built up positive momentum in the latter portion of 2017. The factors that were a drag on state economic activity last summer are moving towards being slight positives heading into early 2018. The hotel occupancy index stalled for most of 2017, but has since seen two consecutive monthly gains. Tourism and business activity, spurred on by rising global and domestic growth, will support the state's accommodations industry in 2018. Total trade has also improved in recent months, supported by a slightly weaker trade weighted U.S. dollar and rising energy prices, which boost both import and export values for petroleum products. The wildcard for state trade will be NAFTA negotiations, which concluded its sixth round earlier this week with no comprehensive resolution. The next round of negotiations will take place in February. It may be more complicated to strike a deal if the negotiations are extended into the Mexico presidential and U.S. mid-term elections.

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California Economic Activity Index



Indicator	Nov-16	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17
Nonfarm Payroll Employment (Thousands)	16,596	16,731	16,755	16,798	16,827	16,877
<i>Percent Change</i>		0.2%	0.1%	0.3%	0.2%	0.3%
Continuing UI Claims (Weekly Average)	361,300	347,696	347,719	344,685	344,853	340,885
<i>Percent Change</i>		-2.1%	0.0%	-0.9%	0.0%	-1.2%
Housing Starts (Annualized Rate)	95,749	109,238	105,545	103,044	103,708	108,553
<i>Percent Change</i>		-1.2%	-3.4%	-2.4%	0.6%	4.7%
House Price Index (Jan 2000=100)	218.1	225.1	226.1	227.2	228.3	229.7
<i>Percent Change</i>		0.5%	0.5%	0.5%	0.5%	0.6%
Industrial Electricity Sales (Millions, KwHr)	4,198	3,950	4,022	3,990	3,989	3,943
<i>Percent Change</i>		-0.1%	1.8%	-0.8%	0.0%	-1.2%
Total Trade (Millions, 2009 USD, Annualized Rate)	524,067	531,428	537,821	539,126	538,491	549,214
<i>Percent Change</i>		-1.4%	1.2%	0.2%	-0.1%	2.0%
Technology Stock Index (2009=100)	245.3	295.7	298.2	300.9	307.7	317.1
<i>Percent Change</i>		1.7%	0.8%	0.9%	2.2%	3.1%
Hotel Occupancy Index (2009=100)	127.1	126.2	124.6	124.6	124.7	126.8
<i>Percent Change</i>		-0.3%	-1.3%	0.0%	0.1%	1.7%
Total Index	119.7	121.2	121.0	121.1	121.4	122.2
<i>Percent Change</i>		0.1%	-0.2%	0.1%	0.2%	0.7%

(Seasonally Adjusted, 3-Month Moving Average)

Explanatory Note:

The California Economic Activity Index consists of eight variables, as follows: nonfarm payroll employment, continuing claims for unemployment insurance, housing starts, house price index, industrial electricity sales, total trade, technology stock index and hotel occupancy. 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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