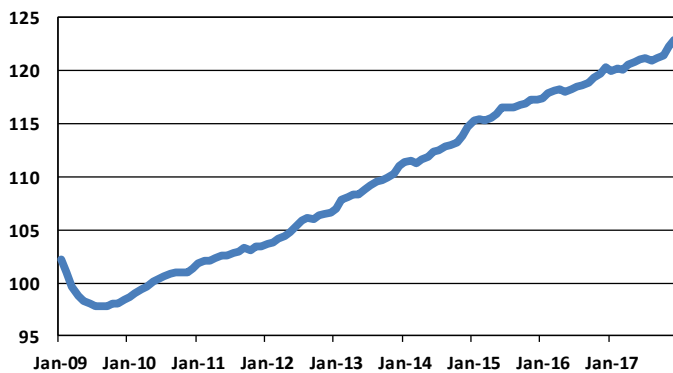


## California Economic Activity Index

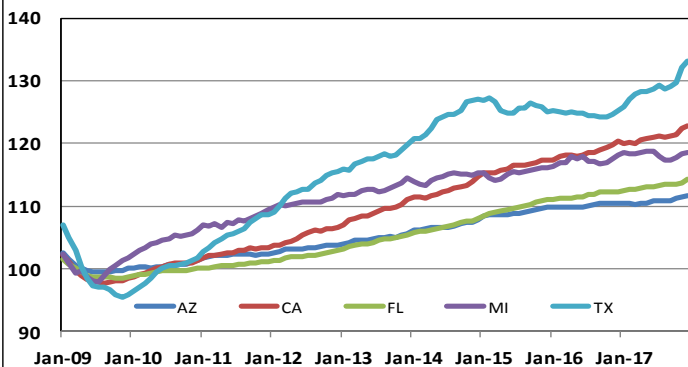
	<u>Value</u>	<u>% Change</u>
<b>December 2017</b>	<b>122.9</b>	<b>0.5</b>
<b>November 2017 (Revised)</b>	<b>122.3</b>	<b>0.8</b>

*\*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 Improves

Comerica Bank's California Economic Activity Index grew by 0.5 percent in December to 122.9. December's reading is 25 points, or 26 percent, above the index cyclical low of 97.8. The index averaged 121.0 points in 2017, two and two-fifths points above the average for all of 2016. November's index reading was revised to 122.3.

Comerica Bank's California Economic Activity Index ticked up again in December, posting its fourth consecutive monthly gain. The improvement in economic activity at the end of 2017 was spread across most sectors. Six of the eight components were positive in December, including nonfarm payroll employment, housing starts, house prices, total state trade, the Dow Jones Tech Stock Index and hotel occupancy. The two negative components were unemployment insurance claims (inverted) and industrial electricity consumption in December. The recent improved performance of the California economy was driven by strong nonfarm payroll gains, up 2.1 percent or 342,000 jobs in 2017. This is faster average job growth than the U.S. as a whole, which saw nonfarm payrolls grow by just 1.5 percent last year. Solid job gains are leading to tighter labor markets across most of the state's major metro areas. This has pushed the overall California unemployment rate to an all-time low at 4.5 percent as of December. Job growth is also pushing up demand for California housing. The supply of single-family homes throughout the state has been tight since the end of the recession. While single-family housing starts have been growing since 2012, it has not been enough to keep up with demand. This will keep upward pressure on single-family house prices and makes declining housing affordability an ongoing issue for the state.

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# California Economic Activity Index



Indicator	Dec-16	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
<b>Nonfarm Payroll Employment (Thousands)</b>	16,625	16,755	16,798	16,827	16,877	16,927
<i>Percent Change</i>		<b>0.1%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.3%</b>
<b>Continuing UI Claims (Weekly Average)</b>	362,131	347,719	344,685	344,853	340,885	341,110
<i>Percent Change</i>		<b>0.0%</b>	<b>-0.9%</b>	<b>0.0%</b>	<b>-1.2%</b>	<b>0.1%</b>
<b>Housing Starts (Annualized Rate)</b>	109,786	105,545	103,044	103,708	109,174	113,466
<i>Percent Change</i>		<b>-3.4%</b>	<b>-2.4%</b>	<b>0.6%</b>	<b>5.3%</b>	<b>3.9%</b>
<b>House Price Index (Jan 2000=100)</b>	219.0	226.2	227.2	228.3	229.7	231.5
<i>Percent Change</i>		<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.8%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	4,122	4,022	3,990	3,988	3,939	3,931
<i>Percent Change</i>		<b>1.9%</b>	<b>-0.8%</b>	<b>-0.1%</b>	<b>-1.2%</b>	<b>-0.2%</b>
<b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>	531,453	537,821	539,126	538,491	549,214	560,046
<i>Percent Change</i>		<b>1.2%</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>2.0%</b>	<b>2.0%</b>
<b>Technology Stock Index (2009=100)</b>	248.8	297.8	300.4	307.0	317.8	328.5
<i>Percent Change</i>		<b>0.7%</b>	<b>0.9%</b>	<b>2.2%</b>	<b>3.5%</b>	<b>3.4%</b>
<b>Hotel Occupancy Index (2009=100)</b>	126.9	124.7	124.7	124.8	126.9	127.4
<i>Percent Change</i>		<b>-1.2%</b>	<b>0.0%</b>	<b>0.1%</b>	<b>1.7%</b>	<b>0.4%</b>
<b>Total Index</b>	120.3	121.0	121.1	121.4	122.3	122.9
<i>Percent Change</i>		<b>-0.2%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.8%</b>	<b>0.5%</b>

**(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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