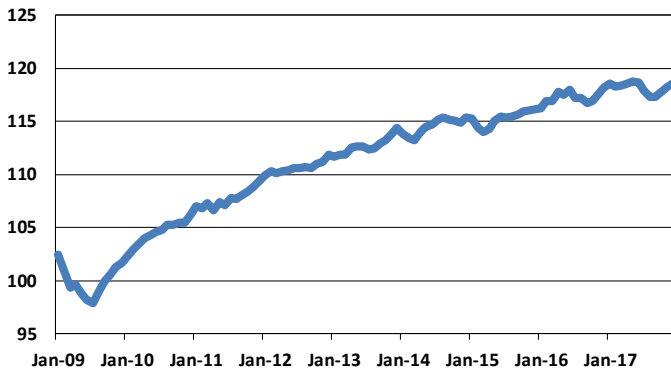


Michigan Economic Activity Index

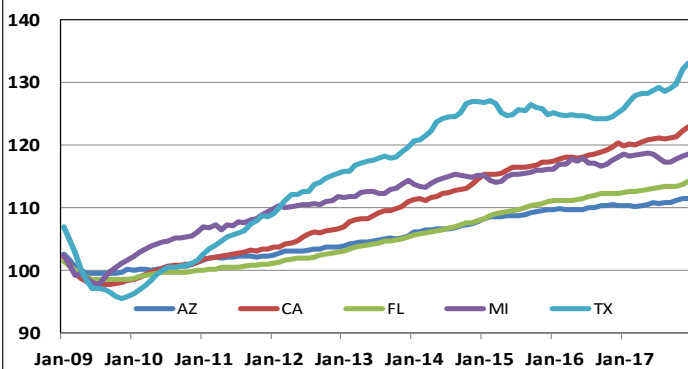
	<u>Value</u>	<u>% Change</u>
December 2017	118.6	0.3
November 2017	118.3	0.4

**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 Increases

Comerica Bank's Michigan Economic Activity Index increased by 0.3 percent in December to a level of 118.6. December's reading is 21 points, or 21 percent, above the index cyclical low of 97.9. The index averaged 118.2 points for all of 2017, nine-tenths of a point above the index average for 2016. November's index reading was 118.3.

Comerica Bank's Michigan Economic Activity Index moved up again in December, its third consecutive monthly increase. Gains across the Michigan economy were widespread. Seven of the nine factors were positive in December, including nonfarm payrolls, unemployment insurance claims (inverted), housing starts, house prices, auto production, total state trade and hotel occupancy. Industrial electricity demand and state sales tax revenues were both negative. The Michigan economy has been riding the tailwind of a late 2017 increase in domestic auto production. After hitting its cyclical peak in 2015 and 2016, auto production began to slow through the first half of 2017. The destruction of autos from last year's hurricanes, which struck Texas and Florida, helped pull forward automobile demand. The boost to demand is proving temporary. U.S. auto sales slid from a 17.8 million unit rate in December to 17.2 million in January. We expect auto sales to continue moderating this year, which will pull domestic auto production down, and this will be drag on our Michigan Index. We also look for moderating job growth in non-auto-related manufacturing in Michigan this year. This means the state will rely more on its services sector to push up job and economic growth moving forward. The U.S., Canada and Mexico are in the seventh round of NAFTA discussions in Mexico City. This round of negotiations is expected to end in early March without a final agreement.

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Michigan Economic Activity Index



Indicator	Dec-16	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
Nonfarm Payroll Employment (Thousands)	4,367	4,390	4,397	4,402	4,410	4,416
<i>Percent Change</i>		0.1%	0.2%	0.1%	0.2%	0.1%
Continuing UI Claims (Weekly Average)	61,814	61,418	61,471	60,250	58,792	58,606
<i>Percent Change</i>		2.2%	0.1%	-2.0%	-2.4%	-0.3%
Housing Starts (Annualized Rate)	22,658	19,820	19,426	21,230	22,103	22,851
<i>Percent Change</i>		-5.4%	-2.0%	9.3%	4.1%	3.4%
House Price Index (Jan 2000=100)	98.2	102.3	102.3	102.5	102.8	103.4
<i>Percent Change</i>		0.1%	0.0%	0.2%	0.3%	0.5%
Industrial Electricity Sales (Millions, KwHr)	2,503	2,473	2,524	2,518	2,517	2,496
<i>Percent Change</i>		1.2%	2.1%	-0.2%	-0.1%	-0.8%
Auto Assemblies (Millions of Units, Annualized Rate)	11.9	10.3	10.2	10.5	10.6	10.7
<i>Percent Change</i>		-2.6%	-1.0%	2.9%	0.9%	1.4%
Total Trade (Millions, 2009 USD, Annualized Rate)	172,296	174,434	171,597	171,022	174,784	179,570
<i>Percent Change</i>		-1.7%	-1.6%	-0.3%	2.2%	2.7%
Hotel Occupancy Index (2009=100)	129.9	129.3	129.5	129.4	130.0	130.2
<i>Percent Change</i>		-0.4%	0.1%	0.0%	0.4%	0.2%
Sales Tax Revenue (Millions, 2009 USD)	562.4	579.0	579.0	575.8	580.0	576.5
<i>Percent Change</i>		-2.1%	0.0%	-0.6%	0.7%	-0.6%
Total Index	118.2	117.3	117.3	117.8	118.3	118.6
<i>Percent Change</i>		-0.5%	0.0%	0.4%	0.4%	0.3%

(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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