

## California Economic Activity Index

	<u>Value</u>	<u>% Change</u>
<b>January 2018</b>	<b>123.7</b>	<b>0.6</b>
<b>December 2017 (Revised)</b>	<b>123.0</b>	<b>0.5</b>

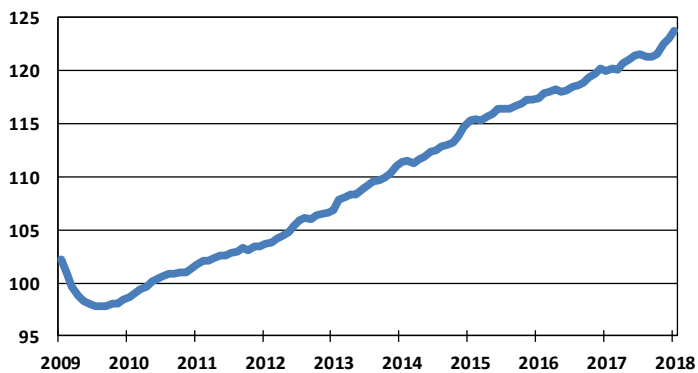
*\*All data has been adjusted for seasonality and changes in price.*

## Comerica Bank's California Index Up Again

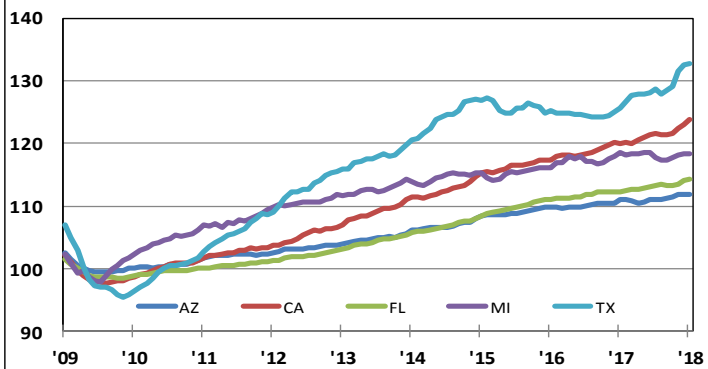
Comerica Bank's California Economic Activity Index grew by 0.6 percent in January to 123.7. January's reading is 26 points, or 27 percent, above the index cyclical low of 97.7. The index averaged 121.2 points in 2017, two and three-fifths points above the average for all of 2016. December's index reading was revised to 123.0.

Comerica Bank's California Economic Activity Index continued to improve in January. Our California Index is now up for the fifth consecutive month following last year's late-summer stall. Gains remained widespread with all eight sub-indexes positive in January. Anchoring the California economy is ongoing state job growth which maintained momentum into the start of 2018. California added an average of 31,450 jobs per month in the first two months of 2018. This is slightly above the average 30,500 jobs per month in 2017. California house prices continued to grow at a fast pace. Year-over-year house price growth began to accelerate in 2017 as Bay Area house prices rebounded. Sustained demand for housing in the state's major metropolitan areas is supporting residential construction activity, which has steadily improved over the last four months. While California job growth and the housing sector have been consistently positive in recent months, we expect some components of our California Index to be more volatile this year. Following a strong run in January, the Dow Jones Tech Stock Index dipped in February and volatility began to show up again in late March. California trade will also be another wildcard this year as the Trump Administration announced tariffs on imported steel and aluminum which went into effect on March 23. Canada and Mexico were exempted from the tariffs. The eighth round of NAFTA negotiations are tentatively scheduled for April.

California Index Historical Values



5 State Index Historical Values



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# California Economic Activity Index



Indicator	Jan-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
<b>Nonfarm Payroll Employment (Thousands)</b>	16,630	16,844	16,878	16,920	16,966	17,008
<i>Percent Change</i>		<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.2%</b>
<b>Continuing UI Claims (Weekly Average)</b>	363,647	344,685	344,853	340,885	341,110	338,467
<i>Percent Change</i>		<b>-0.9%</b>	<b>0.0%</b>	<b>-1.2%</b>	<b>0.1%</b>	<b>-0.8%</b>
<b>Housing Starts (Annualized Rate)</b>	95,193	103,044	103,708	109,174	113,466	122,577
<i>Percent Change</i>		<b>-2.4%</b>	<b>0.6%</b>	<b>5.3%</b>	<b>3.9%</b>	<b>8.0%</b>
<b>House Price Index (Jan 2000=100)</b>	219.9	227.3	228.3	229.7	231.4	233.1
<i>Percent Change</i>		<b>0.5%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>0.7%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	4,162	3,992	4,001	3,955	3,952	4,021
<i>Percent Change</i>		<b>-0.8%</b>	<b>0.2%</b>	<b>-1.1%</b>	<b>-0.1%</b>	<b>1.7%</b>
<b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>	537,379	539,126	538,485	549,265	560,087	568,903
<i>Percent Change</i>		<b>0.2%</b>	<b>-0.1%</b>	<b>2.0%</b>	<b>2.0%</b>	<b>1.6%</b>
<b>Technology Stock Index (2009=100)</b>	252.3	300.7	307.3	318.0	328.4	339.5
<i>Percent Change</i>		<b>0.9%</b>	<b>2.2%</b>	<b>3.5%</b>	<b>3.3%</b>	<b>3.4%</b>
<b>Hotel Occupancy Index (2009=100)</b>	126.6	124.7	124.8	127.0	127.4	127.5
<i>Percent Change</i>		<b>0.0%</b>	<b>0.1%</b>	<b>1.7%</b>	<b>0.3%</b>	<b>0.1%</b>
<b>Total Index</b>	119.9	121.3	121.6	122.5	123.0	123.7
<i>Percent Change</i>		<b>0.0%</b>	<b>0.2%</b>	<b>0.7%</b>	<b>0.5%</b>	<b>0.6%</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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