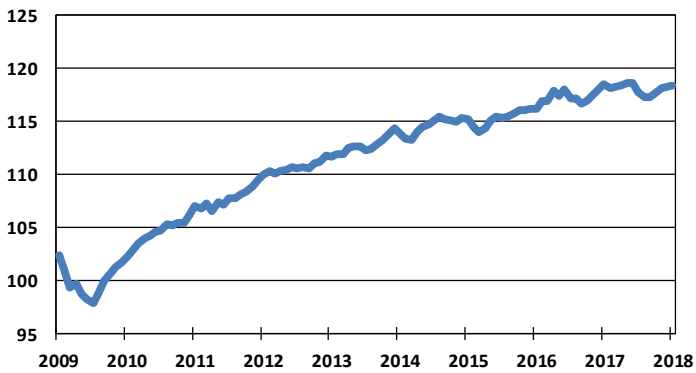


## Michigan Economic Activity Index

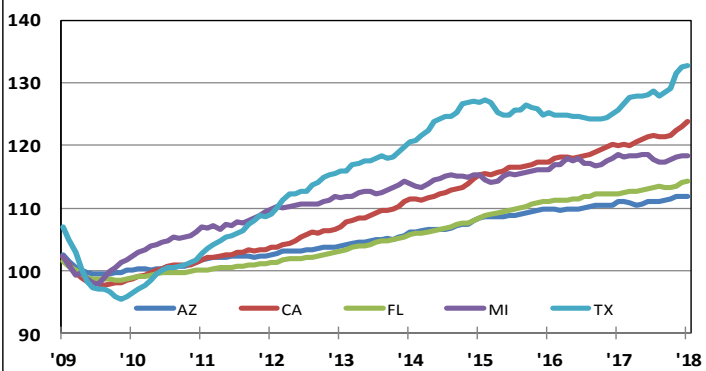
|                                    | <u>Value</u> | <u>% Change</u> |
|------------------------------------|--------------|-----------------|
| <b>January 2018</b>                | <b>118.3</b> | <b>0.0</b>      |
| <b>December 2017<br/>(Revised)</b> | <b>118.3</b> | <b>0.1</b>      |

*\*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 Unchanged

Comerica Bank's Michigan Economic Activity Index remained unchanged in January at a level of 118.3. January's reading is 20 points, or 21 percent, above the index cyclical low of 97.9. The index averaged 118.1 points for all of 2017, four-fifths of a point above the index average for 2016. December's index reading was revised to 118.3.

Comerica Bank's Michigan Economic Activity Index was unchanged in January, following three consecutive monthly increases between October and December. The index was split between gains and losses. Five of the nine sub-indexes were positive for January, including nonfarm payrolls, house prices, industrial electricity demand, total state trade and hotel occupancy. The four sub-indexes that were negative for the month were unemployment insurance claims (inverted), housing starts, auto production and state sales tax revenues. This is not the first time that the index has gone unchanged in recent history. Last year the index stalled in June and turned south from July to September as state nonfarm payrolls declined. At the same time, auto production saw an 11 month decline from November 2016 through September 2017. January's stall strikes a cautionary note, however there are some positives. First, Michigan continued to see monthly nonfarm payroll gains through February. The labor market remains solid as monthly unemployment insurance claims approach historical lows. Second, while the boost from post-hurricane auto sales last fall continues to dissipate, the sales rate is dropping to pre-hurricane levels slower than originally anticipated. This could be a sign that auto sales will remain stronger than expected this year. A major wildcard this year is international trade. The eighth round of NAFTA talks is tentatively set for April.

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# Michigan Economic Activity Index



| Indicator   | Jan-17  | Sep-17       | Oct-17       | Nov-17       | Dec-17       | Jan-18       |
|---|---------|--------------|--------------|--------------|--------------|--------------|
| <b>Nonfarm Payroll Employment (Thousands)</b>               | 4,349   | 4,373        | 4,378        | 4,382        | 4,388        | 4,394        |
| <i>Percent Change</i>                                       |         | <b>0.0%</b>  | <b>0.1%</b>  | <b>0.1%</b>  | <b>0.1%</b>  | <b>0.1%</b>  |
| <b>Continuing UI Claims (Weekly Average)</b>                | 62,008  | 61,471       | 60,250       | 58,792       | 58,606       | 59,322       |
| <i>Percent Change</i>                                       |         | <b>0.1%</b>  | <b>-2.0%</b> | <b>-2.4%</b> | <b>-0.3%</b> | <b>1.2%</b>  |
| <b>Housing Starts (Annualized Rate)</b>                     | 23,558  | 19,426       | 21,230       | 21,972       | 22,278       | 21,660       |
| <i>Percent Change</i>                                       |         | <b>-2.0%</b> | <b>9.3%</b>  | <b>3.5%</b>  | <b>1.4%</b>  | <b>-2.8%</b> |
| <b>House Price Index (Jan 2000=100)</b>                     | 98.6    | 102.3        | 102.5        | 102.8        | 103.3        | 103.9        |
| <i>Percent Change</i>                                       |         | <b>0.0%</b>  | <b>0.2%</b>  | <b>0.3%</b>  | <b>0.5%</b>  | <b>0.5%</b>  |
| <b>Industrial Electricity Sales (Millions, KwHr)</b>        | 2,509   | 2,524        | 2,518        | 2,515        | 2,493        | 2,501        |
| <i>Percent Change</i>                                       |         | <b>2.1%</b>  | <b>-0.2%</b> | <b>-0.1%</b> | <b>-0.9%</b> | <b>0.3%</b>  |
| <b>Auto Assemblies (Millions of Units, Annualized Rate)</b> | 11.7    | 10.2         | 10.5         | 10.6         | 10.7         | 10.6         |
| <i>Percent Change</i>                                       |         | <b>-0.9%</b> | <b>2.8%</b>  | <b>0.8%</b>  | <b>0.6%</b>  | <b>-0.6%</b> |
| <b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>    | 174,783 | 171,597      | 171,020      | 174,801      | 179,583      | 183,831      |
| <i>Percent Change</i>                                       |         | <b>-1.6%</b> | <b>-0.3%</b> | <b>2.2%</b>  | <b>2.7%</b>  | <b>2.4%</b>  |
| <b>Hotel Occupancy Index (2009=100)</b>                     | 129.4   | 129.5        | 129.5        | 129.9        | 130.0        | 130.8        |
| <i>Percent Change</i>                                       |         | <b>0.2%</b>  | <b>-0.1%</b> | <b>0.3%</b>  | <b>0.1%</b>  | <b>0.6%</b>  |
| <b>Sales Tax Revenue (Millions, 2009 USD)</b>               | 581.2   | 579.5        | 576.2        | 580.3        | 576.8        | 572.6        |
| <i>Percent Change</i>                                       |         | <b>0.0%</b>  | <b>-0.6%</b> | <b>0.7%</b>  | <b>-0.6%</b> | <b>-0.7%</b> |
| <b>Total Index</b>  | 118.4   | 117.2        | 117.7        | 118.1        | 118.3        | 118.3        |
| <i>Percent Change</i>                                       |         | <b>0.0%</b>  | <b>0.4%</b>  | <b>0.4%</b>  | <b>0.1%</b>  | <b>0.0%</b>  |

**(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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