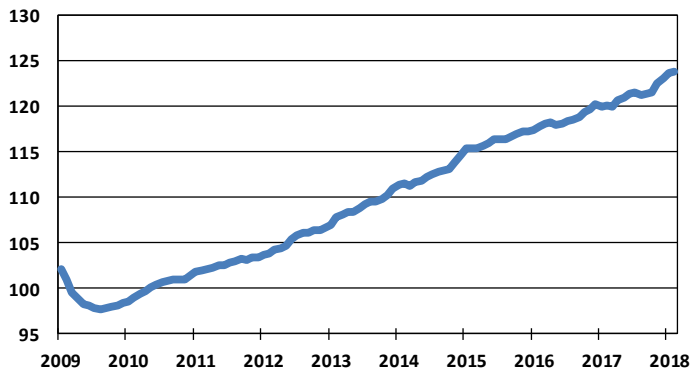


California Economic Activity Index

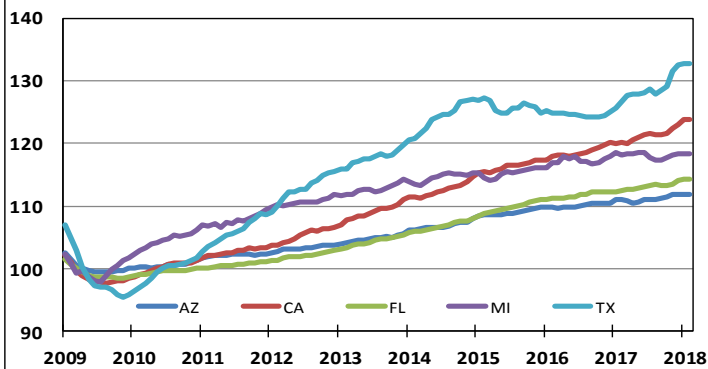
	<u>Value</u>	<u>% Change</u>
February 2018	123.8	0.0
January 2018	123.7	0.5

**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 Levels Out

Comerica Bank's California Economic Activity Index was up by 0.1 points in February to 123.8. February'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.

Comerica Bank's California Economic Activity Index was essentially unchanged in February. The sub-indexes were mixed for the month. Six of the eight sub-indexes were positive in February including nonfarm payroll employment, unemployment insurance claims (inverted), house prices, industrial electricity demand, state total trade and the Dow Jones Tech Stock Index. The two sub-indexes that were negative for February were housing starts and hotel occupancy. It has been seven months since our California Index last declined. In early 2018, some of the major components of our index are showing volatility. Last month we spoke about the growing volatility in tech-sector stocks. The Dow Jones Tech Stock Index remains off of March highs as of the last full week of April. Now we are seeing signs of more volatility in the key state nonfarm payrolls series. California nonfarm payrolls grew at a robust pace averaging a net 47,000 jobs per month from October through January. Since then, California gained a net 1,200 jobs in February and posted a net job loss of 7,200 jobs in March as employment weakened in the construction and retail trade sectors. This is the first net monthly job loss for California since June 2016. With the California unemployment rate currently at an all-time low of 4.3 percent, we expect to see job growth moderate somewhat as the pool of job seekers shrinks. Even with more volatility and smaller monthly gains, we expect nonfarm payrolls to be a net positive for our California Index in 2018.

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California Economic Activity Index



Indicator	Feb-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Nonfarm Payroll Employment (Thousands)	16,652	16,878	16,920	16,966	17,008	17,036
<i>Percent Change</i>		0.2%	0.2%	0.3%	0.2%	0.2%
Continuing UI Claims (Weekly Average)	364,024	345,040	341,943	341,524	338,685	336,920
<i>Percent Change</i>		-0.6%	-0.9%	-0.1%	-0.8%	-0.5%
Housing Starts (Annualized Rate)	102,677	103,708	109,174	113,466	122,256	119,848
<i>Percent Change</i>		0.6%	5.3%	3.9%	7.7%	-2.0%
House Price Index (Jan 2000=100)	220.9	228.4	229.8	231.4	233.1	234.8
<i>Percent Change</i>		0.4%	0.6%	0.7%	0.7%	0.7%
Industrial Electricity Sales (Millions, KwHr)	4,095	3,996	3,941	3,946	4,034	4,084
<i>Percent Change</i>		0.0%	-1.4%	0.1%	2.2%	1.3%
Total Trade (Millions, 2009 USD, Annualized Rate)	538,776	538,481	549,257	560,083	568,874	571,463
<i>Percent Change</i>		-0.1%	2.0%	2.0%	1.6%	0.5%
Technology Stock Index (2009=100)	260.6	307.3	318.0	328.4	339.5	343.3
<i>Percent Change</i>		2.2%	3.5%	3.3%	3.4%	1.1%
Hotel Occupancy Index (2009=100)	125.8	124.8	127.0	127.4	127.5	127.0
<i>Percent Change</i>		0.1%	1.7%	0.3%	0.1%	-0.4%
Total Index	120.2	121.6	122.5	123.0	123.7	123.8
<i>Percent Change</i>		0.2%	0.7%	0.5%	0.5%	0.0%

(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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