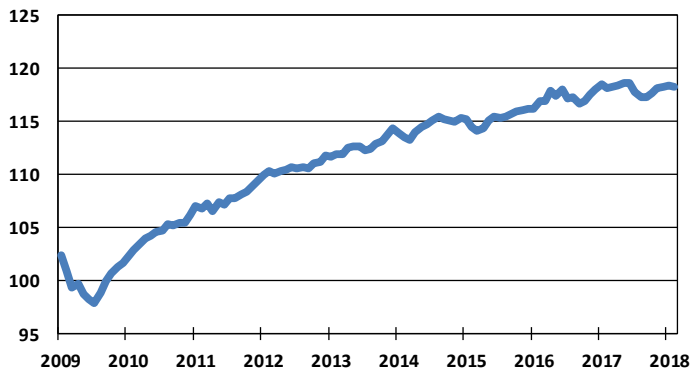


## Michigan Economic Activity Index

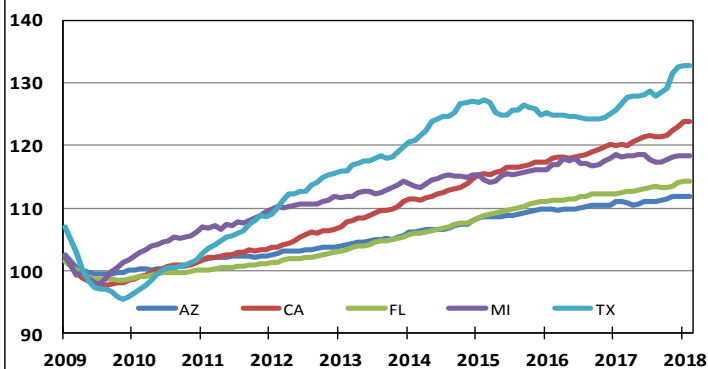
	<u>Value</u>	<u>% Change</u>
<b>February 2018</b>	<b>118.3</b>	<b>0.0</b>
<b>January 2018</b>	<b>118.3</b>	<b>0.0</b>

*\*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 Flat

Comerica Bank's Michigan Economic Activity Index remained flat in February 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.

Comerica Bank's Michigan Economic Activity Index was unchanged at 118.3 in February, for the third consecutive month at that level. The Michigan Index remains below its recent peak of 118.6 from May and June of last year. Five out of nine index components were positive in February. They were nonfarm employment, unemployment insurance claims (inverted), house prices, industrial electricity consumption and auto and light truck production. The four negative index components were housing starts, total state trade, hotel occupancy and state sales tax revenues. Michigan's economy has clearly lost momentum as the U.S. business cycle ages. Vehicle production was a consistent weight on the index from November 2016 through September 2017. The auto sales surge from last fall allowed automakers to ramp up production again in early 2018, but we believe that will be short-lived. We expect to see flat-to-gradually declining auto sales for the remainder of this year. That will keep production in check and contribute to an ongoing flat index for Michigan in 2018. We forecast the non-auto components of the state economy to be flat-to-positive through the remainder of this year. We expect tight housing supply to continue to support house price gains this year. However, Michigan's ongoing net population outflow, resulting in weak population growth, will keep new home construction subdued compared to other markets.

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# Michigan Economic Activity Index



Indicator	Feb-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
<b>Nonfarm Payroll Employment (Thousands)</b>	4,353	4,378	4,382	4,388	4,394	4,402
<i>Percent Change</i>		<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.2%</b>
<b>Continuing UI Claims (Weekly Average)</b>	62,954	60,362	59,420	59,096	59,319	59,283
<i>Percent Change</i>		<b>-1.4%</b>	<b>-1.6%</b>	<b>-0.5%</b>	<b>0.4%</b>	<b>-0.1%</b>
<b>Housing Starts (Annualized Rate)</b>	23,157	21,230	21,972	22,367	21,750	21,109
<i>Percent Change</i>		<b>9.3%</b>	<b>3.5%</b>	<b>1.8%</b>	<b>-2.8%</b>	<b>-2.9%</b>
<b>House Price Index (Jan 2000=100)</b>	99.0	102.5	102.8	103.3	103.9	104.7
<i>Percent Change</i>		<b>0.2%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.8%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	2,466	2,517	2,515	2,494	2,503	2,512
<i>Percent Change</i>		<b>-0.2%</b>	<b>-0.1%</b>	<b>-0.8%</b>	<b>0.3%</b>	<b>0.4%</b>
<b>Auto Assemblies (Millions of Units, Annualized Rate)</b>	11.6	10.5	10.6	10.7	10.6	10.8
<i>Percent Change</i>		<b>2.8%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>-0.7%</b>	<b>2.0%</b>
<b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>	177,877	171,019	174,798	179,582	183,822	183,670
<i>Percent Change</i>		<b>-0.3%</b>	<b>2.2%</b>	<b>2.7%</b>	<b>2.4%</b>	<b>-0.1%</b>
<b>Hotel Occupancy Index (2009=100)</b>	128.5	129.5	129.9	130.1	130.9	130.1
<i>Percent Change</i>		<b>-0.1%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>0.6%</b>	<b>-0.6%</b>
<b>Sales Tax Revenue (Millions, 2009 USD)</b>	576.0	575.9	579.7	575.8	571.0	570.7
<i>Percent Change</i>		<b>-0.6%</b>	<b>0.7%</b>	<b>-0.7%</b>	<b>-0.8%</b>	<b>-0.1%</b>
<b>Total Index</b>	118.1	117.7	118.1	118.3	118.3	118.3
<i>Percent Change</i>		<b>0.4%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.0%</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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