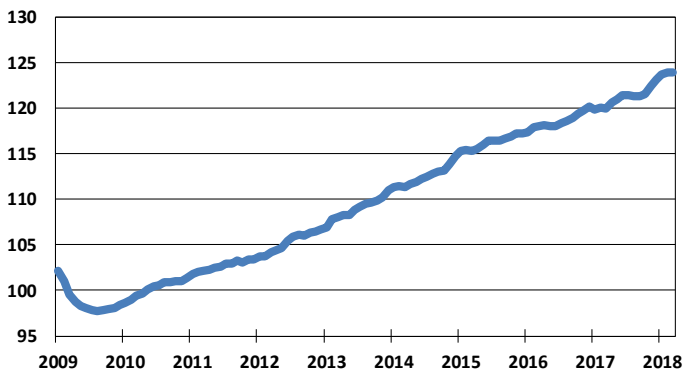


California Economic Activity Index

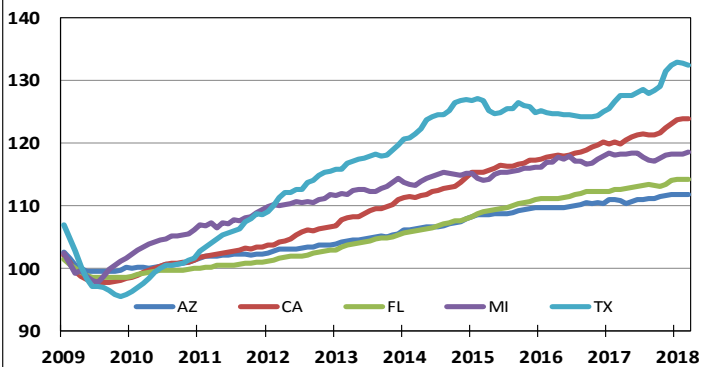
	<u>Value</u>	<u>% Change</u>
March 2018	124.0	0.1
February 2018 (Revised)	123.9	0.2

**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 Increases

Comerica Bank's California Economic Activity Index was up by 0.1 points in March to 124.0. March'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. February's reading was revised up to 123.9.

Comerica Bank's California Economic Activity Index ticked up slightly in March, following an upward revision to February's index reading. The sub-indexes were mixed for March. Six of the eight sub-indexes were positive including nonfarm payroll employment, unemployment insurance claims (inverted), housing starts, house prices, industrial electricity demand and the Dow Jones Tech Stock Index. The two sub-indexes that were negative for March were state total trade and hotel occupancy. While our California Index showed only a modest gain in March, the longer-run trends of the underlying data series remain positive and are consistent with an ongoing moderate economic expansion for California this year. Limiting the upside growth to state economic activity in recent months was the slowdown in the pace of hiring in February and March. However, the state added a net 39,200 jobs in April, building some momentum for the California economy heading in the second half of 2018. Construction is the fastest growing sector in terms of the pace of hiring, with one-in-four jobs gained in the state attributed to the sector since the start of 2018. This is consistent with other positive data on the state's housing sector. Our housing starts sub-index reading for March was the highest level since early 2007. Home prices also continue to climb, up 7.6 percent in San Diego, 8.1 percent in L.A. and 11.2 percent in San Francisco year-over-year in March.

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California Economic Activity Index



Indicator	Mar-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Nonfarm Payroll Employment (Thousands)	16,682	16,920	16,966	17,008	17,036	17,054
<i>Percent Change</i>		0.2%	0.3%	0.2%	0.2%	0.1%
Continuing UI Claims (Weekly Average)	363,935	341,943	341,524	338,685	336,920	335,046
<i>Percent Change</i>		-0.9%	-0.1%	-0.8%	-0.5%	-0.6%
Housing Starts (Annualized Rate)	90,515	109,174	113,466	121,635	125,315	126,485
<i>Percent Change</i>		5.3%	3.9%	7.2%	3.0%	0.9%
House Price Index (Jan 2000=100)	222.0	229.9	231.5	233.1	234.8	236.4
<i>Percent Change</i>		0.6%	0.7%	0.7%	0.7%	0.7%
Industrial Electricity Sales (Millions, KwHr)	4,039	3,940	3,943	4,028	4,075	4,103
<i>Percent Change</i>		-1.4%	0.1%	2.2%	1.2%	0.7%
Total Trade (Millions, 2009 USD, Annualized Rate)	540,740	549,257	560,083	568,872	571,506	558,656
<i>Percent Change</i>		2.0%	2.0%	1.6%	0.5%	-2.2%
Technology Stock Index (2009=100)	267.6	318.3	328.6	339.5	343.1	348.6
<i>Percent Change</i>		3.4%	3.2%	3.3%	1.1%	1.6%
Hotel Occupancy Index (2009=100)	125.7	127.0	127.4	127.6	126.9	126.4
<i>Percent Change</i>		1.7%	0.3%	0.1%	-0.5%	-0.4%
Total Index	120.0	122.5	123.1	123.7	123.9	124.0
<i>Percent Change</i>		0.7%	0.5%	0.5%	0.2%	0.1%

(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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