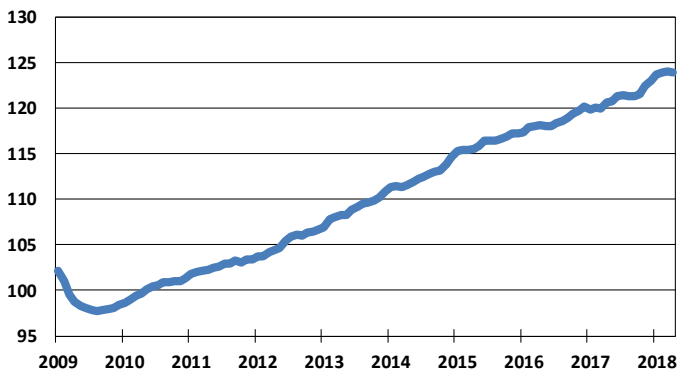


California Economic Activity Index

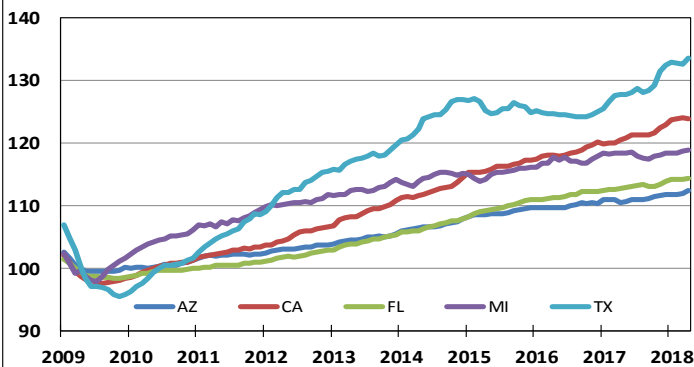
	<u>Value</u>	<u>% Change</u>
April 2018	123.9	-0.2
March 2018 (Revised)	124.1	0.1

**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 Declines

Comerica Bank's California Economic Activity Index decreased by 0.2 points in April to 123.9. April'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. March's reading was revised to 124.1.

Comerica Bank's California Economic Activity Index ticked down in April. This follows a slowdown in momentum in February and March. The sub-indexes were mixed for April. Five of the eight components were negative for the month including unemployment insurance claims (inverted), housing starts, industrial electricity demand, total state trade and the Dow Jones Tech Stock Index. Two of the eight components were unchanged in April including nonfarm payroll employment and hotel occupancy. There was only one positive component for the month which was house prices. This is not the first time that our California Index has gone negative in recent history. In the past 24 months, the index has declined five times and gone sideways once. However, this is the first time that the loss of momentum appears to be widespread across the sub-indexes. The stalwart for the California economy coming out of the recession was steady job gains. Yet, nonfarm payrolls have added just 86,600 jobs in the first five months of 2018. This is the weakest start to a year in terms of job growth since 2011. There is growing uncertainty surrounding the impact of trade disputes as the U.S. and its major trading partners announce additional tariff and counter-tariff measures. The technology sector is one area where we are seeing that uncertainty play out as stock prices exhibit volatility heading into the summer.

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California Economic Activity Index



Indicator	Apr-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Nonfarm Payroll Employment (Thousands)	16,716	16,966	17,008	17,036	17,054	17,065
<i>Percent Change</i>		0.3%	0.2%	0.2%	0.1%	0.1%
Continuing UI Claims (Weekly Average)	362,431	341,524	338,685	336,920	335,046	337,904
<i>Percent Change</i>		-0.1%	-0.8%	-0.5%	-0.6%	0.9%
Housing Starts (Annualized Rate)	101,092	112,228	122,259	127,027	130,625	125,354
<i>Percent Change</i>		2.7%	8.9%	3.9%	2.8%	-4.0%
House Price Index (Jan 2000=100)	222.7	231.6	233.1	234.9	236.3	237.4
<i>Percent Change</i>		0.7%	0.7%	0.7%	0.6%	0.5%
Industrial Electricity Sales (Millions, KwHr)	3,990	3,945	4,027	4,069	4,088	3,959
<i>Percent Change</i>		0.1%	2.1%	1.0%	0.5%	-3.2%
Total Trade (Millions, 2009 USD, Annualized Rate)	544,193	560,083	568,912	571,640	558,872	555,362
<i>Percent Change</i>		2.0%	1.6%	0.5%	-2.2%	-0.6%
Technology Stock Index (2009=100)	275.9	328.3	339.4	343.3	349.0	348.4
<i>Percent Change</i>		3.2%	3.4%	1.1%	1.7%	-0.2%
Hotel Occupancy Index (2009=100)	125.9	127.3	127.5	126.8	126.4	126.4
<i>Percent Change</i>		0.3%	0.1%	-0.5%	-0.3%	0.0%
Total Index	120.6	123.0	123.7	124.0	124.1	123.9
<i>Percent Change</i>		0.4%	0.6%	0.2%	0.1%	-0.2%

(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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