

Michigan Economic Activity Index

	<u>Value</u>	<u>% Change</u>
March 2018	118.6	0.3
February 2018	118.3	-0.1

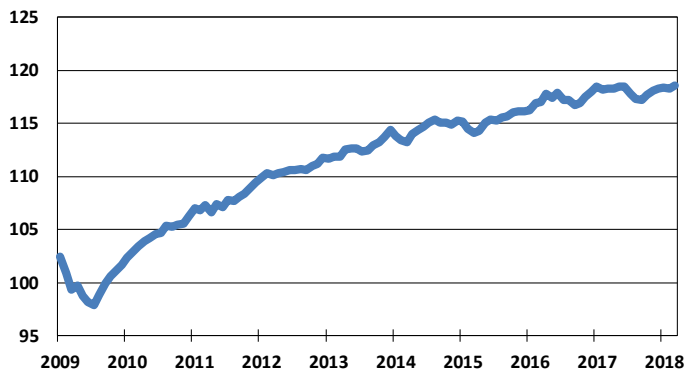
**All data has been adjusted for seasonality and changes in price.*

Comerica Bank's Michigan Index Improves

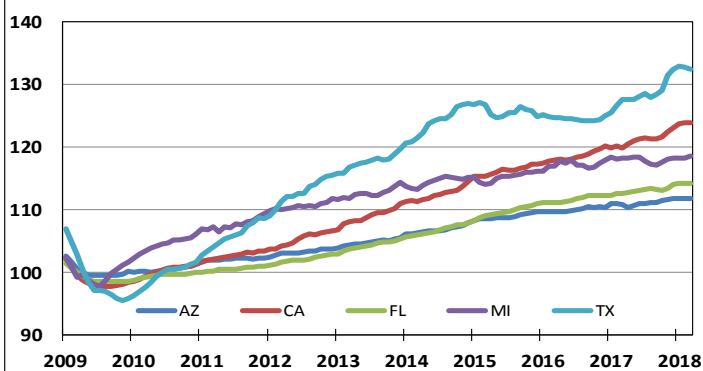
Comerica Bank's Michigan Economic Activity Index increased in March to a level of 118.6. March's reading is 21 points, or 21 percent, above the index cyclical low of 97.9. The index averaged 118.1 points for all of 2017, nine-tenths of a point above the index average for 2016. February's index reading was 118.3.

Comerica Bank's Michigan Economic Activity Index increased in March after a slight decline in February. The sub-indexes were mixed, with more up than down for the month. Seven out of nine index components were positive in March including nonfarm employment, unemployment insurance claims (inverted), housing starts, house prices, industrial electricity consumption, auto and light truck production and hotel occupancy. The two negative index components were total state trade and state sales tax revenues. Since March 2017, our Michigan Index has been positive six times, negative four times and moved sideways twice. Following the slump in Michigan economic activity in the first half of 2017, steady gains in the state's economy were supported by consistent job growth from October through March. However, the preliminary read for April showed Michigan actually lost 10,000 jobs for the month. As we move further past peak auto sales, the pace of hiring in Michigan's manufacturing sector continues to moderate. Auto production is expected to eventually tick down back to levels seen prior to last year's hurricanes, which gave a temporary boost to sales and production. International trade negotiations remain in flux and could exert a significant impact on the Michigan economy, with both winners and losers. The state's services sector is healthy and will continue to expand this year.

Michigan Index Historical Values



5 State Index Historical Values



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Indicator	Mar-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Nonfarm Payroll Employment (Thousands)	4,359	4,382	4,388	4,394	4,402	4,412
<i>Percent Change</i>		0.1%	0.1%	0.1%	0.2%	0.2%
Continuing UI Claims (Weekly Average)	62,482	59,420	59,096	59,319	59,283	57,254
<i>Percent Change</i>		-1.6%	-0.5%	0.4%	-0.1%	-3.4%
Housing Starts (Annualized Rate)	21,859	21,972	22,367	21,824	21,157	21,176
<i>Percent Change</i>		3.5%	1.8%	-2.4%	-3.1%	0.1%
House Price Index (Jan 2000=100)	99.7	102.8	103.3	103.9	104.7	105.7
<i>Percent Change</i>		0.3%	0.5%	0.6%	0.8%	0.9%
Industrial Electricity Sales (Millions, KwHr)	2,456	2,517	2,496	2,505	2,514	2,523
<i>Percent Change</i>		0.0%	-0.8%	0.3%	0.4%	0.4%
Auto Assemblies (Millions of Units, Annualized Rate)	11.3	10.6	10.7	10.6	10.8	11.1
<i>Percent Change</i>		0.8%	0.6%	-0.7%	2.1%	3.1%
Total Trade (Millions, 2009 USD, Annualized Rate)	181,169	174,798	179,582	183,821	183,684	183,461
<i>Percent Change</i>		2.2%	2.7%	2.4%	-0.1%	-0.1%
Hotel Occupancy Index (2009=100)	131.5	129.9	130.1	130.9	130.3	130.8
<i>Percent Change</i>		0.3%	0.1%	0.7%	-0.5%	0.4%
Sales Tax Revenue (Millions, 2009 USD)	580.7	579.6	575.8	571.0	570.6	564.0
<i>Percent Change</i>		0.6%	-0.7%	-0.8%	-0.1%	-1.2%
Total Index	118.3	118.1	118.3	118.4	118.3	118.6
<i>Percent Change</i>		0.3%	0.2%	0.1%	-0.1%	0.3%

(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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