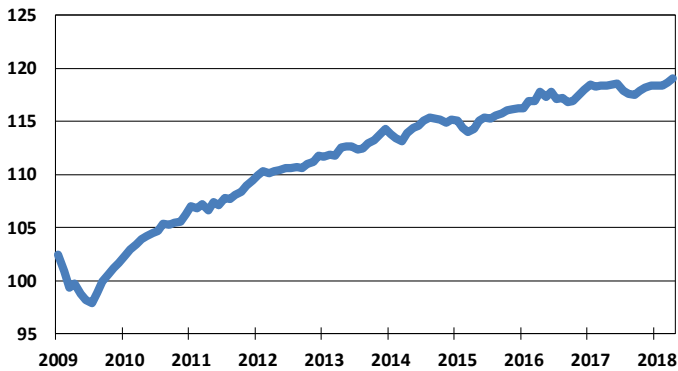


## Michigan Economic Activity Index

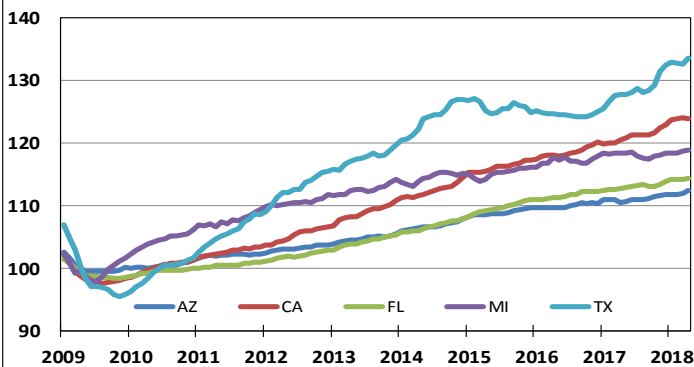
	<u>Value</u>	<u>% Change</u>
<b>April 2018</b>	<b>119.0</b>	<b>0.3</b>
<b>March 2018 (Revised)</b>	<b>118.7</b>	<b>0.3</b>

*\*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 Up Again

Comerica Bank's Michigan Economic Activity Index increased in April to a level of 119.0. April's reading is 21 points, or 22 percent, above the index cyclical low of 97.9. The index averaged 118.2 points for all of 2017, one point above the index average for 2016. March's index reading was revised to 118.7.

Comerica Bank's Michigan Economic Activity Index increased in April, following a gain in March. This shows renewed economic momentum after stalling from December through February. The sub-indexes were mostly positive, seven increased and two decreased in April. Nonfarm payrolls, unemployment insurance claims (inverted), house prices, vehicle assemblies, state trade, hotel occupancy and state sales tax revenues were all positives for April. Housing starts and industrial electricity demand were negatives. Vehicle assemblies increased from February through April. However, we have already seen a large drop in assemblies for May, indicating that vehicle assemblies could become a drag on the Michigan Index by early summer. Trade actions by the U.S. and by our key trading partners, Canada and Mexico, have increased uncertainty for many Michigan businesses. Some businesses are responding by reducing borrowing and delaying investment. This could also weigh on hiring. The current economic drag from trade uncertainty is small. However, there is potential for more drag if trade wars escalate and if the auto sector is materially impacted. Higher gasoline prices are also a negative for Michigan's auto industry. The national average gasoline price is about \$2.85 per gallon, 60 cents higher now than a year ago. This eats into discretionary spending by U.S. households and may curb the demand for large SUVs and pickup trucks.

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# Michigan Economic Activity Index



Indicator	Apr-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
<b>Nonfarm Payroll Employment (Thousands)</b>	4,363	4,388	4,394	4,402	4,412	4,417
<i>Percent Change</i>		<b>0.1%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	62,149	59,096	59,319	59,283	57,254	55,070
<i>Percent Change</i>		<b>-0.5%</b>	<b>0.4%</b>	<b>-0.1%</b>	<b>-3.4%</b>	<b>-3.8%</b>
<b>Housing Starts (Annualized Rate)</b>	23,014	23,124	22,192	21,246	21,805	21,022
<i>Percent Change</i>		<b>2.1%</b>	<b>-4.0%</b>	<b>-4.3%</b>	<b>2.6%</b>	<b>-3.6%</b>
<b>House Price Index (Jan 2000=100)</b>	101.0	103.5	104.0	104.8	105.7	106.8
<i>Percent Change</i>		<b>0.5%</b>	<b>0.5%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>1.0%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	2,436	2,495	2,503	2,510	2,517	2,492
<i>Percent Change</i>		<b>-0.8%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>-1.0%</b>
<b>Auto Assemblies (Millions of Units, Annualized Rate)</b>	11.3	10.7	10.6	10.8	11.1	11.4
<i>Percent Change</i>		<b>0.6%</b>	<b>-0.7%</b>	<b>2.1%</b>	<b>3.1%</b>	<b>2.4%</b>
<b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>	178,922	179,582	183,834	183,726	183,532	183,978
<i>Percent Change</i>		<b>2.7%</b>	<b>2.4%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>0.2%</b>
<b>Hotel Occupancy Index (2009=100)</b>	132.1	130.1	130.9	130.3	130.8	132.2
<i>Percent Change</i>		<b>0.1%</b>	<b>0.7%</b>	<b>-0.5%</b>	<b>0.4%</b>	<b>1.0%</b>
<b>Sales Tax Revenue (Millions, 2009 USD)</b>	566.2	576.6	572.5	573.1	567.4	574.6
<i>Percent Change</i>		<b>-0.6%</b>	<b>-0.7%</b>	<b>0.1%</b>	<b>-1.0%</b>	<b>1.3%</b>
<b>Total Index</b>	118.4	118.4	118.4	118.4	118.7	119.0
<i>Percent Change</i>		<b>0.2%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.3%</b>	<b>0.3%</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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