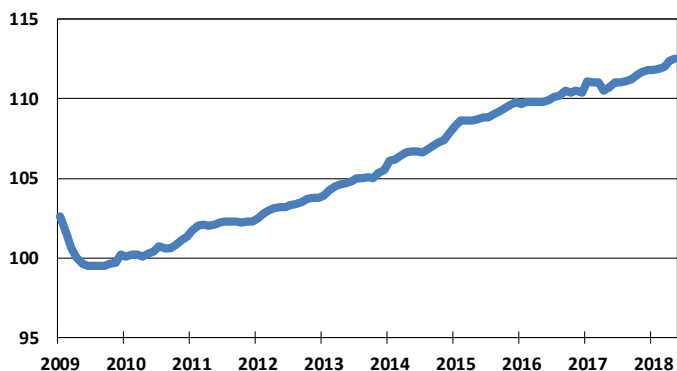


Arizona Economic Activity Index

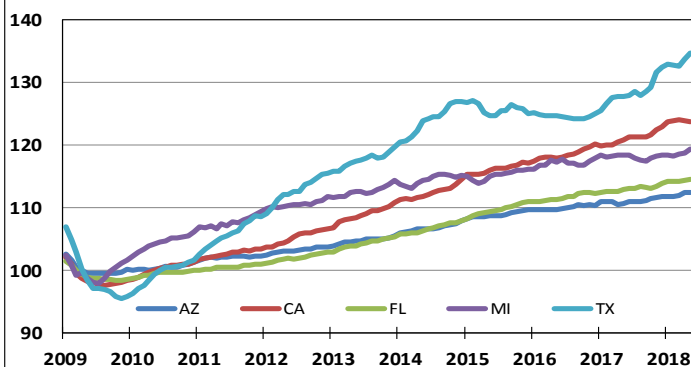
	<u>Value</u>	<u>% Change</u>
May 2018	112.5	0.1
April 2018	112.4	0.4

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

Arizona Index Historical Values



5 State Index Historical Values



Comerica Bank's Arizona Index Climbs

Comerica Bank's Arizona Economic Activity Index increased 0.1 percentage points in May to a level of 112.5. May's index reading is 13 points, or 13 percent, above the index cyclical low of 99.5. The index averaged 111.1 points for all of 2017, one point above the average for 2016. The April index reading was 112.4.

The Comerica Bank Arizona Economic Activity Index registered its fourth consecutive monthly gain in May. The Arizona Index has not declined since April 2017. The components were mixed in May however, suggesting that the Arizona economy is still vulnerable to cooling. Five out of nine sub-indexes were positive in May. They were non-farm employment, house prices, industrial electricity demand, hotel occupancy and enplanements. The four negative components were unemployment insurance claims (inverted), housing starts, total state trade and state sales tax revenue. So far in 2018, Arizona job growth looks a little firmer than it did in 2017. Through the first half of the year, 7,650 jobs per month have been added, on average. This helped to lower the state unemployment rate to 4.7 percent in May and June, still well above the low of 3.6 percent from mid-2007. Even though national home construction data was soft through early summer, Phoenix-area construction has been strong. According to the Arizona Republic, new houses are being built this summer at the fastest pace in 10 years. The Case-Shiller home price data shows that Phoenix-area house prices were up 7.3 percent in May over the previous 12 months. Hopes for a resolution this year to the stalled NAFTA negotiations are rising. Almost half of Arizona international exports go to Canada and Mexico, with Mexico being Arizona's top trading partner.

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Arizona Economic Activity Index



Indicator	May-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Nonfarm Payroll Employment (Thousands)	2,761	2,797	2,804	2,812	2,819	2,827
<i>Percent Change</i>		0.1%	0.3%	0.3%	0.3%	0.3%
Continuing UI Claims (Weekly Average)	27,888	25,764	25,468	25,153	25,334	25,482
<i>Percent Change</i>		-1.7%	-1.2%	-1.2%	0.7%	0.6%
Housing Starts (Annualized Rate)	38,230	43,615	43,585	44,194	43,977	42,538
<i>Percent Change</i>		4.4%	-0.1%	1.4%	-0.5%	-3.3%
House Price Index (Jan 2000=100)	149.8	153.1	153.9	155.0	156.0	157.0
<i>Percent Change</i>		0.2%	0.5%	0.7%	0.7%	0.6%
Industrial Electricity Sales (Millions, KwHr)	1,174	1,134	1,155	1,149	1,136	1,146
<i>Percent Change</i>		3.0%	1.9%	-0.5%	-1.2%	0.9%
Total Trade (Millions, 2009 USD, Annualized Rate)	35,930	38,324	38,308	39,074	39,706	39,275
<i>Percent Change</i>		0.9%	0.0%	2.0%	1.6%	-1.1%
Hotel Occupancy Index (2009=100)	122.9	125.1	123.8	122.8	124.2	125.6
<i>Percent Change</i>		-0.9%	-1.0%	-0.9%	1.2%	1.2%
State Taxable Sales (Millions, 2009 USD)	5,458	6,164	6,210	6,218	6,327	6,304
<i>Percent Change</i>		-0.4%	0.7%	0.1%	1.8%	-0.4%
Enplanements Index (2009=100)	116.8	118.4	118.6	118.9	118.8	118.9
<i>Percent Change</i>		0.6%	0.1%	0.3%	-0.2%	0.1%
Total Index	110.7	111.8	111.9	112.0	112.4	112.5
<i>Percent Change</i>		0.0%	0.1%	0.1%	0.4%	0.1%

(Seasonally Adjusted, 3-Month Moving Average)

Explanatory Note:

The Arizona 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, total trade, hotel occupancy, state taxable sales and total enplanements. 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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