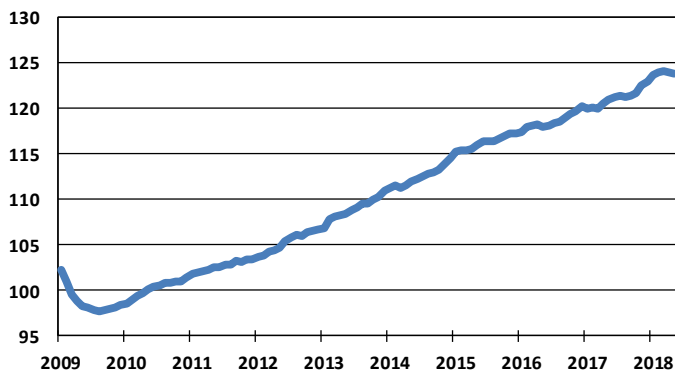


## California Economic Activity Index

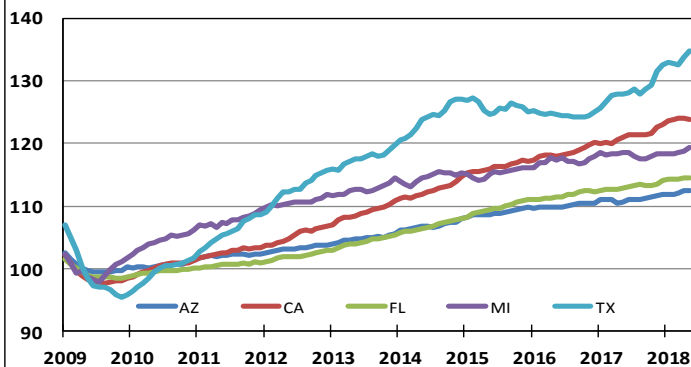
	<u>Value</u>	<u>% Change</u>
<b>May 2018</b>	<b>123.8</b>	<b>-0.2</b>
<b>April 2018 (Revised)</b>	<b>124.0</b>	<b>-0.1</b>

*\*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 Dips Again

Comerica Bank's California Economic Activity Index decreased by 0.2 points in May to 123.8. May'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. April's reading was revised to 124.0.

Comerica Bank's California Economic Activity Index eased again in May, after a small dip in April. Three out of eight sub-indices were positive in May. They were nonfarm employment, house prices and the Dow Jones technology stock index. Unemployment insurance claims (inverted), housing starts, total state trade and hotel occupancy were negatives in May. The industrial electricity demand sub-index was unchanged. The Trump Administration's aggressive stance toward trade negotiations adds to risks for the California economy. Activity at key California ports reportedly surged in June as business tried to get ahead of increasing tariffs with China. We could see the opposite side of that later this year. International trade is a key economic support for Southern California. According to the Port of Los Angeles, one out of every nine jobs in Southern California is connected to trade, for a total of about a million jobs. China is the Port of Los Angeles' biggest trading partner. Trade with China totaled \$145 billion for the Port of LA in 2017, more than half of the port's total trade for 2017. The Port of Long Beach has a similar exposure to China. Residential real estate markets in Southern California are showing signs of stress. Home sales were weak in June. According to the National Association of Realtors, foreign purchases of U.S. homes have declined this year. High prices, a strong dollar and trade tensions may all be playing a part in reduced foreign home purchases.

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# California Economic Activity Index



Indicator	May-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
<b>Nonfarm Payroll Employment (Thousands)</b>	16,750	17,008	17,036	17,054	17,065	17,078
<b>Percent Change</b>		<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	357,365	338,685	336,920	335,046	337,904	339,655
<b>Percent Change</b>		<b>-0.8%</b>	<b>-0.5%</b>	<b>-0.6%</b>	<b>0.9%</b>	<b>0.5%</b>
<b>Housing Starts (Annualized Rate)</b>	100,188	122,213	126,920	130,622	125,814	120,993
<b>Percent Change</b>		<b>8.9%</b>	<b>3.9%</b>	<b>2.9%</b>	<b>-3.7%</b>	<b>-3.8%</b>
<b>House Price Index (Jan 2000=100)</b>	223.4	233.2	234.9	236.3	237.3	237.7
<b>Percent Change</b>		<b>0.7%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.2%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	3,957	4,027	4,071	4,098	3,956	3,955
<b>Percent Change</b>		<b>2.1%</b>	<b>1.1%</b>	<b>0.7%</b>	<b>-3.5%</b>	<b>0.0%</b>
<b>Total Trade (Millions, 2009 USD, Annualized Rate)</b>	542,663	560,961	564,738	559,073	557,465	547,628
<b>Percent Change</b>		<b>1.4%</b>	<b>0.7%</b>	<b>-1.0%</b>	<b>-0.3%</b>	<b>-1.8%</b>
<b>Technology Stock Index (2009=100)</b>	283.8	339.0	342.6	348.5	348.1	353.7
<b>Percent Change</b>		<b>3.4%</b>	<b>1.1%</b>	<b>1.7%</b>	<b>-0.1%</b>	<b>1.6%</b>
<b>Hotel Occupancy Index (2009=100)</b>	126.5	127.5	126.8	126.4	126.4	126.3
<b>Percent Change</b>		<b>0.1%</b>	<b>-0.5%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>-0.1%</b>
<b>Total Index</b>	120.9	123.7	123.9	124.1	124.0	123.8
<b>Percent Change</b>		<b>0.6%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>-0.2%</b>

**(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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