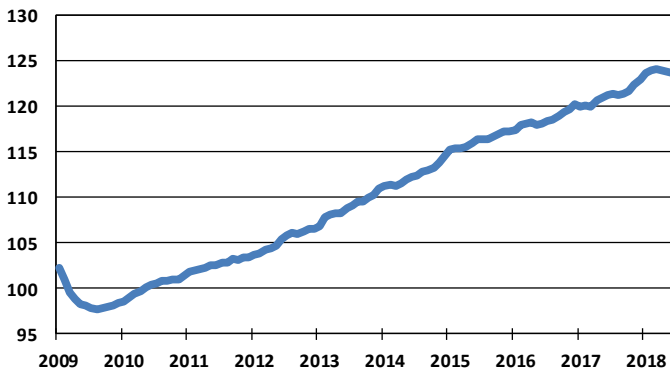


## California Economic Activity Index

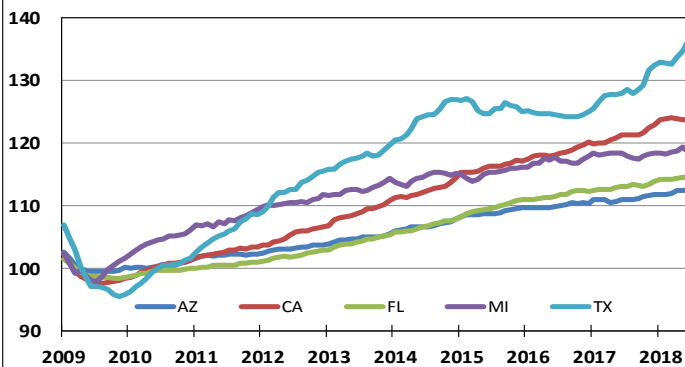
	<u>Value</u>	<u>% Change</u>
<b>June 2018</b>	<b>123.7</b>	<b>-0.1</b>
<b>May 2018</b>	<b>123.8</b>	<b>-0.2</b>

*\*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 Declines

Comerica Bank's California Economic Activity Index decreased by 0.1 points in June to 123.7. June'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. May's reading was 123.8.

Comerica Bank's California Economic Activity Index eased again in June. This is now the third consecutive monthly decline. However, the declines in the sub-indexes were less widespread in June than in May. Five of the eight sub-indexes were positive in June. They were nonfarm employment, unemployment insurance claims (inverted), house prices, industrial electricity demand and the Dow Jones technology stock index. The three negative sub-indexes in June were housing starts, total state trade and hotel occupancy. Uncertainty on trade is a headwind for the state economy. California saw a run-up in total trade in early 2018, as some companies and consumers tried to finalize purchases before tariffs were implemented. The dollar value of state total trade has now declined for four consecutive months and was below year-ago levels in June. The U.S. and Mexico struck a preliminary accord on trade earlier this week which is a positive sign. However, it is still uncertain how or if Canada will join the accord. Trade negotiations with China continued to deteriorate as both the Trump Administration and the Chinese government implemented tariffs on an additional \$16 billion worth of goods on August 23. California's housing sector has also slowed in recent months. Rising interest rates are adding to the state's housing affordability problem. According to the Mortgage Bankers Association, the rate on a 30 year fixed rate mortgage was at 4.81 percent in mid-August.

### Media Contact:

Robert Dye  
(214) 462-6839  
[radye@comerica.com](mailto:radye@comerica.com)

### Data Contact:

Daniel Sanabria  
(214) 462-6789  
[fdsanabria@comerica.com](mailto:fdsanabria@comerica.com)

To subscribe to our publications or for questions, contact us at [ComericaEcon@comerica.com](mailto:ComericaEcon@comerica.com). Archives are available at <http://www.comerica.com/insights>. Follow us on Twitter: [@Comerica\\_Econ](https://twitter.com/Comerica_Econ).

# California Economic Activity Index



Indicator	Jun-17	Feb-18	Mar-18	Apr-18	May-18	Jun-18
<b>Nonfarm Payroll Employment (Thousands)</b>	16,782	17,036	17,054	17,065	17,078	17,096
<b>Percent Change</b>		<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	354,717	336,920	335,046	337,904	339,655	333,932
<b>Percent Change</b>		<b>-0.5%</b>	<b>-0.6%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>-1.7%</b>
<b>Housing Starts (Annualized Rate)</b>	106,640	127,051	130,842	126,063	121,579	115,875
<b>Percent Change</b>		<b>3.9%</b>	<b>3.0%</b>	<b>-3.7%</b>	<b>-3.6%</b>	<b>-4.7%</b>
<b>House Price Index (Jan 2000=100)</b>	238.0	249.4	250.9	252.0	252.3	252.5
<b>Percent Change</b>		<b>0.7%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	3,952	4,075	4,100	3,954	3,949	3,960
<b>Percent Change</b>		<b>1.1%</b>	<b>0.6%</b>	<b>-3.6%</b>	<b>-0.1%</b>	<b>0.3%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	575,549	599,663	593,701	591,815	581,480	570,704
<b>Percent Change</b>		<b>0.7%</b>	<b>-1.0%</b>	<b>-0.3%</b>	<b>-1.7%</b>	<b>-1.9%</b>
<b>Technology Stock Index (2009=100)</b>	290.6	342.1	348.0	347.7	353.4	360.0
<b>Percent Change</b>		<b>1.1%</b>	<b>1.7%</b>	<b>-0.1%</b>	<b>1.6%</b>	<b>1.9%</b>
<b>Hotel Occupancy Index (2009=100)</b>	126.5	126.8	126.4	126.4	126.2	126.1
<b>Percent Change</b>		<b>-0.5%</b>	<b>-0.3%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Total Index</b>	121.3	123.9	124.1	124.0	123.8	123.7
<b>Percent Change</b>		<b>0.2%</b>	<b>0.2%</b>	<b>-0.1%</b>	<b>-0.2%</b>	<b>-0.1%</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.

Comerica Bank, with locations in the key California markets of San Francisco and the East Bay, San Jose, Los Angeles, Orange County, San Diego, Fresno, Sacramento, Santa Cruz/Monterey, and the Inland Empire, is a subsidiary of Comerica Incorporated (NYSE: CMA). Comerica is a financial services company headquartered in Dallas, Texas, and strategically aligned into three major business segments: the Business Bank, the Retail Bank, and Wealth Management. Comerica focuses on relationships and helping businesses and people be successful.

To subscribe to our publications or for questions, contact us at [ComericaEcon@comerica.com](mailto:ComericaEcon@comerica.com). Archives are available at <http://www.comerica.com/insights>. Follow us on Twitter: @Comerica\_Econ.

*To subscribe to our publications or for questions, contact us at [ComericaEcon@comerica.com](mailto:ComericaEcon@comerica.com). Archives are available at <http://www.comerica.com/insights>. Follow us on Twitter: @Comerica\_Econ.*

The articles and opinions in this publication are for general information only, are subject to change, and are not intended to provide specific investment, legal, tax or other advice or recommendations. The information contained herein reflects the thoughts and opinions of the noted authors only, and such information does not necessarily reflect the thoughts and opinions of Comerica or its management team. We are not offering or soliciting any transaction based on this information. We suggest that you consult your attorney, accountant or tax or financial advisor with regard to your situation. Although information has been obtained from sources we believe to be reliable, neither the authors nor Comerica guarantee its accuracy, and such information may be incomplete or condensed. Neither the authors nor Comerica shall be liable for any typographical errors or incorrect data obtained from reliable sources or factual information.