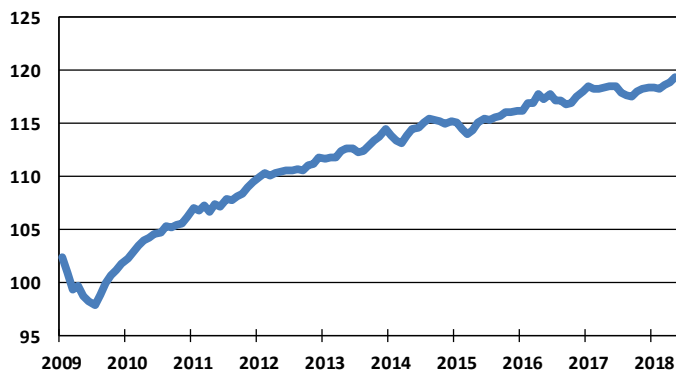


Michigan Economic Activity Index

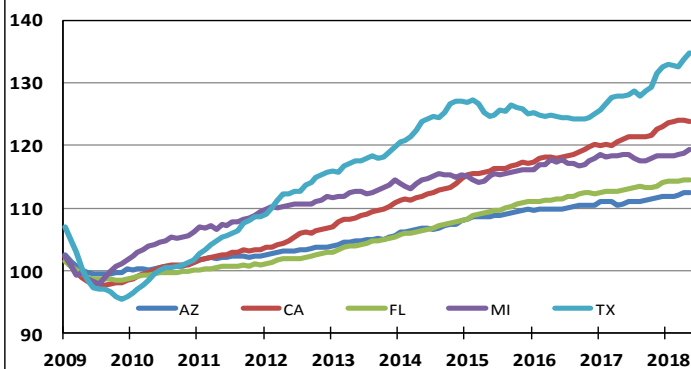
	<u>Value</u>	<u>% Change</u>
May 2018	119.4	0.5
April 2018 (Revised)	118.8	0.2

**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 Extends Gains

Comerica Bank's Michigan Economic Activity Index increased in May to a level of 119.4. May'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. April's index reading was revised to 118.8.

Comerica Bank's Michigan Economic Activity Index increased in May for the third consecutive month. Six out of nine sub-indices were positive in May. The were unemployment insurance claims (inverted), housing starts, house prices, industrial electricity demand, hotel occupancy and sales tax revenues. The auto and light truck production sub-index eased in May, as did the sub-index for total state trade. The non-farm employment sub-index was unchanged in May. Strong U.S. job growth and elevated consumer confidence have been supportive of Michigan's auto industry this year. However, there are some headwinds. Steel and aluminum import tariffs have cut into automaker profitability and are putting pressure on auto prices. Higher gasoline prices are increasing the cost of operating the light trucks and SUVs that roll off of Michigan assembly lines. Higher interest rates are also boosting the cost of financing vehicles. Stalled residential construction numbers this year may be weighing on demand for new pickup trucks. U.S. Trade Representative Robert Lighthizer said at the end of July that it was possible that NAFTA partners could reach a tentative agreement in August. That would allow outgoing Mexican President Enrique Pena Nieto to sign an agreement before he leaves office in December. We expect that the end of NAFTA-related uncertainty will be a positive for Michigan businesses, however, it may not remove other trade-related uncertainty.

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Michigan Economic Activity Index



Indicator	May-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18
Nonfarm Payroll Employment (Thousands)	4,366	4,394	4,402	4,412	4,417	4,420
Percent Change		0.1%	0.2%	0.2%	0.1%	0.1%
Continuing UI Claims (Weekly Average)	60,857	59,319	59,283	57,254	55,070	53,153
Percent Change		0.4%	-0.1%	-3.4%	-3.8%	-3.5%
Housing Starts (Annualized Rate)	22,581	22,234	21,333	21,354	20,442	22,342
Percent Change		-3.8%	-4.1%	0.1%	-4.3%	9.3%
House Price Index (Jan 2000=100)	101.7	104.1	104.9	105.8	106.6	106.9
Percent Change		0.5%	0.8%	0.9%	0.8%	0.3%
Industrial Electricity Sales (Millions, KwHr)	2,430	2,505	2,514	2,522	2,491	2,500
Percent Change		0.3%	0.3%	0.3%	-1.2%	0.4%
Auto Assemblies (Millions of Units, Annualized Rate)	11.2	10.6	10.8	11.1	11.4	11.0
Percent Change		-0.7%	2.1%	3.1%	2.4%	-3.5%
Total Trade (Millions, 2009 USD, Annualized Rate)	178,019	182,053	181,195	181,595	182,295	181,877
Percent Change		1.4%	-0.5%	0.2%	0.4%	-0.2%
Hotel Occupancy Index (2009=100)	133.1	130.9	130.2	130.8	132.2	134.1
Percent Change		0.6%	-0.5%	0.4%	1.1%	1.4%
Sales Tax Revenue (Millions, 2009 USD)	573.0	572.8	573.5	567.8	575.3	579.0
Percent Change		-0.7%	0.1%	-1.0%	1.3%	0.6%
Total Index	118.5	118.4	118.3	118.6	118.8	119.4
Percent Change		0.0%	-0.1%	0.3%	0.2%	0.5%

(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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