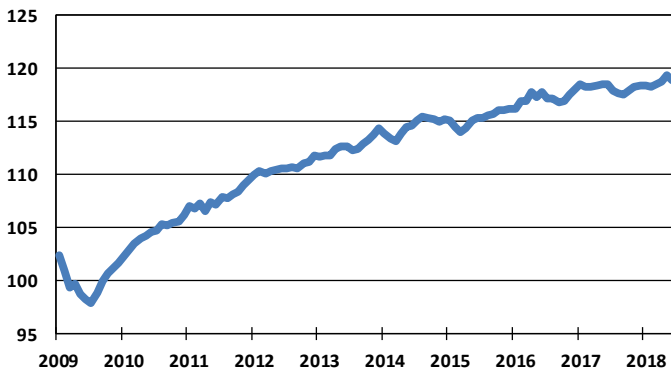


Michigan Economic Activity Index

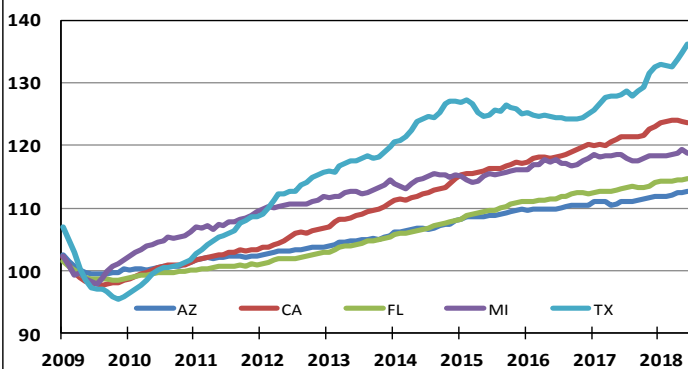
	<u>Value</u>	<u>% Change</u>
June 2018	118.8	-0.4
May 2018 (Revised)	119.3	0.5

**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 Dips

Comerica Bank's Michigan Economic Activity Index decreased in June to a level of 118.8. June's reading is 21 points, or 21 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. May's index reading was revised to 119.3.

Comerica Bank's Michigan Economic Activity Index dipped in June, breaking a string of three consecutive monthly gains last spring. The Michigan Index has been largely range-bound over the last 12 months, with the June 2018 index value just 0.25 percent above June 2017. This points to cooler overall economic growth for Michigan over the last year. In June, four index components were positive. They were nonfarm payrolls, unemployment insurance claims (inverted), hotel occupancy and state sales tax revenues. Five index components were negative. They were housing starts, house prices, industrial electricity demand, automobile and light truck production and total state trade. The Trump Administration has announced a new trade deal with Mexico that should remove some uncertainty for the auto industry. Auto stocks rallied on the news. Of note for the auto industry, the deal stipulates that 75 percent of the content of cars built under agreement comes from North America, above the current 62.5 percent. Also, 40-45 percent of the content of cars must be made by workers earning at least \$16 per hour. The trade deal still must be ratified by Mexico and the U.S., which is not necessarily a sure bet. Canada was not included in the trade negotiations between the U.S. with Mexico. Canadian trade officials are currently in negotiations with U.S. trade officials, but the prospects for a trilateral trade pact are uncertain.

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Michigan Economic Activity Index



Indicator	Jun-17	Feb-18	Mar-18	Apr-18	May-18	Jun-18
Nonfarm Payroll Employment (Thousands)	4,370	4,402	4,412	4,417	4,420	4,422
<i>Percent Change</i>		0.2%	0.2%	0.1%	0.1%	0.0%
Continuing UI Claims (Weekly Average)	60,672	59,283	57,254	55,070	53,153	52,319
<i>Percent Change</i>		-0.1%	-3.4%	-3.8%	-3.5%	-1.6%
Housing Starts (Annualized Rate)	24,302	21,188	21,060	20,078	21,819	19,629
<i>Percent Change</i>		-4.5%	-0.6%	-4.7%	8.7%	-10.0%
House Price Index (Jan 2000=100)	108.4	111.4	112.3	113.2	113.5	113.4
<i>Percent Change</i>		0.8%	0.9%	0.8%	0.2%	-0.1%
Industrial Electricity Sales (Millions, KwHr)	2,421	2,513	2,521	2,490	2,498	2,481
<i>Percent Change</i>		0.3%	0.3%	-1.2%	0.3%	-0.7%
Auto Assemblies (Millions of Units, Annualized Rate)	11.1	10.8	11.1	11.4	11.0	10.7
<i>Percent Change</i>		2.1%	3.1%	2.4%	-3.5%	-2.7%
Total Trade (Millions, 2012 USD, Annualized Rate)	189,554	192,383	192,825	193,563	193,124	189,739
<i>Percent Change</i>		-0.5%	0.2%	0.4%	-0.2%	-1.8%
Hotel Occupancy Index (2009=100)	130.3	130.2	130.7	132.1	133.9	134.6
<i>Percent Change</i>		-0.5%	0.4%	1.0%	1.4%	0.5%
Sales Tax Revenue (Millions, 2012 USD)	608.2	608.8	602.9	610.9	615.0	627.2
<i>Percent Change</i>		0.1%	-1.0%	1.3%	0.7%	2.0%
Total Index	118.5	118.3	118.5	118.7	119.3	118.8
<i>Percent Change</i>		-0.1%	0.2%	0.2%	0.5%	-0.4%

(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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