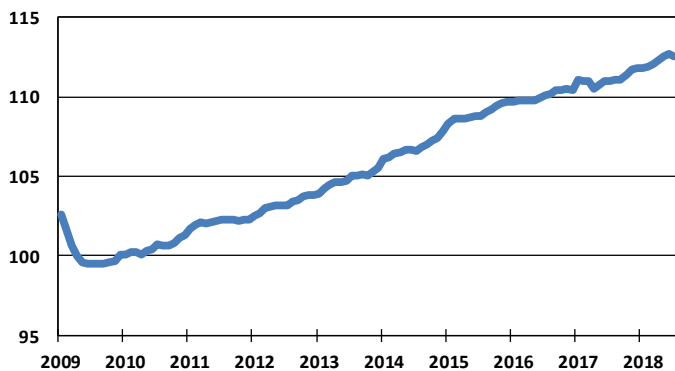


## Arizona Economic Activity Index

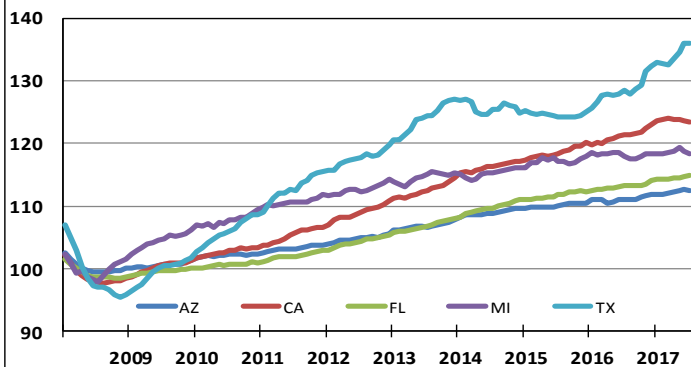
	<u>Value</u>	<u>% Change</u>
<b>July 2018</b>	<b>112.5</b>	<b>-0.2</b>
<b>June 2018</b>	<b>112.7</b>	<b>0.2</b>

*\*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 Dips

Comerica Bank's Arizona Economic Activity Index decreased 0.2 percentage points in July to a level of 112.5. July'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 June index reading was 112.7.

The Comerica Bank Arizona Economic Activity Index dipped in July, breaking a string of five consecutive monthly gains. This is the Arizona Index's first decline since April 2017. The components had been mixed in June however, which suggested that the Arizona economy was vulnerable to the cooling we are now observing in July. Four out of nine sub-indexes were positive in July. They were nonfarm employment, unemployment insurance claims (inverted), house prices and hotel occupancy. The five negative components were housing starts, industrial electricity demand, total state trade, state sales tax revenue, and enplanements. Arizona job growth in 2018 continues to look firmer than it did in 2017 and that is a strong positive. Through the first seven months of the year, 6,840 jobs per month have been added, on average. The state unemployment rate remained unchanged at 4.6 percent in August, which is still well above the low of 3.6 percent from mid-2007. According to the Arizona Republic, Arizona is second only to Florida in states attracting retirees, with the Phoenix metro area home to five of the top 10 destination cities for new residents aged 60 or older. Arizona's sunshine, comparatively low taxes and affordable housing prices are expected to remain significant draws for thousands of baby boomers as they reach retirement age.

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# Arizona Economic Activity Index



Indicator	Jul-17	Mar-18	Apr-18	May-18	Jun-18	Jul-18
<b>Nonfarm Payroll Employment (Thousands)</b>	2,773	2,812	2,819	2,827	2,834	2,840
<i>Percent Change</i>		<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>
<b>Continuing UI Claims (Weekly Average)</b>	27,604	25,153	25,334	25,482	25,694	25,665
<i>Percent Change</i>		<b>-1.2%</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.8%</b>	<b>-0.1%</b>
<b>Housing Starts (Annualized Rate)</b>	37,517	43,566	43,235	41,845	40,545	38,326
<i>Percent Change</i>		<b>0.8%</b>	<b>-0.8%</b>	<b>-3.2%</b>	<b>-3.1%</b>	<b>-5.5%</b>
<b>House Price Index (Jan 2000=100)</b>	160.1	164.6	165.6	166.6	167.2	168.0
<i>Percent Change</i>		<b>0.7%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.4%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	1,102	1,148	1,134	1,145	1,142	1,138
<i>Percent Change</i>		<b>-0.6%</b>	<b>-1.2%</b>	<b>1.0%</b>	<b>-0.3%</b>	<b>-0.3%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	38,282	41,567	42,146	41,738	41,458	40,029
<i>Percent Change</i>		<b>1.9%</b>	<b>1.4%</b>	<b>-1.0%</b>	<b>-0.7%</b>	<b>-3.4%</b>
<b>Hotel Occupancy Index (2009=100)</b>	124.3	122.8	124.2	125.7	126.6	126.9
<i>Percent Change</i>		<b>-0.9%</b>	<b>1.1%</b>	<b>1.2%</b>	<b>0.7%</b>	<b>0.3%</b>
<b>State Taxable Sales (Millions, 2012 USD)</b>	5,972	6,613	6,731	6,709	6,765	6,702
<i>Percent Change</i>		<b>0.2%</b>	<b>1.8%</b>	<b>-0.3%</b>	<b>0.8%</b>	<b>-0.9%</b>
<b>Enplanements Index (2009=100)</b>	115.8	118.8	118.6	118.8	118.2	118.0
<i>Percent Change</i>		<b>0.3%</b>	<b>-0.2%</b>	<b>0.1%</b>	<b>-0.4%</b>	<b>-0.2%</b>
<b>Total Index</b>	111.0	112.0	112.3	112.5	112.7	112.5
<i>Percent Change</i>		<b>0.1%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>-0.2%</b>

**(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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