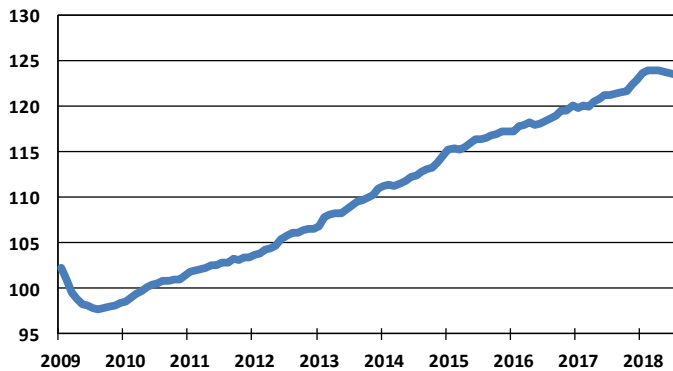


## California Economic Activity Index

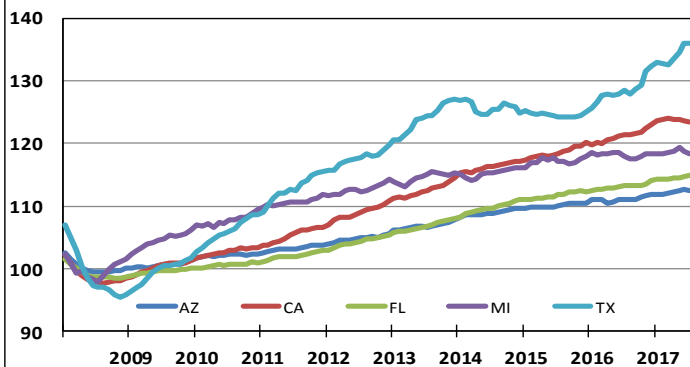
	<u>Value</u>	<u>% Change</u>
<b>July 2018</b>	<b>123.5</b>	<b>-0.2</b>
<b>June 2018</b>	<b>123.7</b>	<b>-0.1</b>

*\*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 Slides

Comerica Bank's California Economic Activity Index decreased by 0.2 points in July to 123.5. July's reading is 26 points, or 26 percent, above the index cyclical low of 97.7. The index averaged 121.2 points in 2017, 2.4 points above the average for all of 2016. June's reading was 123.7.

Comerica Bank's California Economic Activity Index ticked down again in July. This is now the fourth consecutive monthly decline. Five of the eight sub-indexes were positive in July. 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 for June were down again in July including housing starts, total state trade and hotel occupancy. The California economy has lost some momentum heading into the second half of 2018. Industries tied to construction and trade are facing major headwinds this year. Rising mortgages rates and home prices are eating into housing affordability. According to the California Association of Realtors, August sales of existing single-family homes were down 6.6 percent from a year ago. Construction of new homes has also slowed in recent months. Trade tensions with China continue to build as the Trump Administration announced a 10 percent tariff on an additional \$200 billion worth of Chinese goods which went into effect on September 24. These tariffs are set to increase to 25 percent on January 1, unless negotiated otherwise. The Chinese government announced a 5 percent tariff on \$60 billion worth of U.S. goods in response. The major positive factor for the California economy is job growth which accelerated from June to August. California's unemployment rate remained low at 4.2 percent in 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).

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.

# California Economic Activity Index



Indicator	Jul-17	Mar-18	Apr-18	May-18	Jun-18	Jul-18
<b>Nonfarm Payroll Employment (Thousands)</b>	16,811	17,054	17,065	17,078	17,096	17,117
<i>Percent Change</i>		<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	350,913	335,046	337,904	339,655	333,932	329,993
<i>Percent Change</i>		<b>-0.6%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>-1.7%</b>	<b>-1.2%</b>
<b>Housing Starts (Annualized Rate)</b>	106,258	130,842	126,063	121,579	115,875	106,342
<i>Percent Change</i>		<b>3.0%</b>	<b>-3.7%</b>	<b>-3.6%</b>	<b>-4.7%</b>	<b>-8.2%</b>
<b>House Price Index (Jan 2000=100)</b>	239.3	250.8	251.9	252.3	252.3	252.5
<i>Percent Change</i>		<b>0.6%</b>	<b>0.4%</b>	<b>0.1%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	3,946	4,092	3,952	3,950	3,964	4,090
<i>Percent Change</i>		<b>0.6%</b>	<b>-3.4%</b>	<b>-0.1%</b>	<b>0.4%</b>	<b>3.2%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	568,677	593,715	591,810	581,451	570,642	565,208
<i>Percent Change</i>		<b>-1.0%</b>	<b>-0.3%</b>	<b>-1.8%</b>	<b>-1.9%</b>	<b>-1.0%</b>
<b>Technology Stock Index (2009=100)</b>	295.5	347.9	347.4	353.2	359.8	368.6
<i>Percent Change</i>		<b>1.7%</b>	<b>-0.1%</b>	<b>1.6%</b>	<b>1.9%</b>	<b>2.5%</b>
<b>Hotel Occupancy Index (2009=100)</b>	126.0	126.1	126.1	125.9	125.8	125.5
<i>Percent Change</i>		<b>-0.4%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>	<b>-0.2%</b>
<b>Total Index</b>	121.3	124.0	123.9	123.8	123.7	123.5
<i>Percent Change</i>		<b>0.1%</b>	<b>-0.1%</b>	<b>-0.1%</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.

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.