

California Economic Activity Index

Comerica Bank

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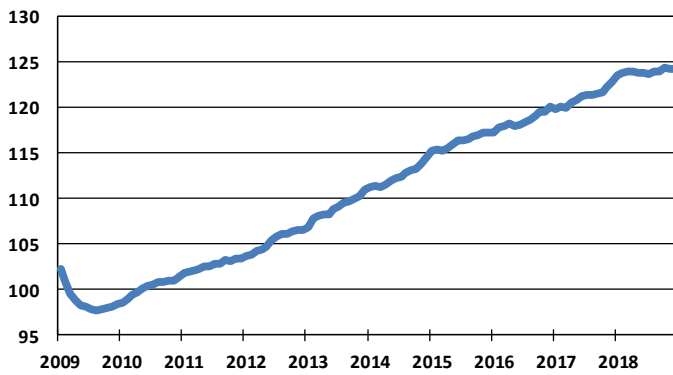
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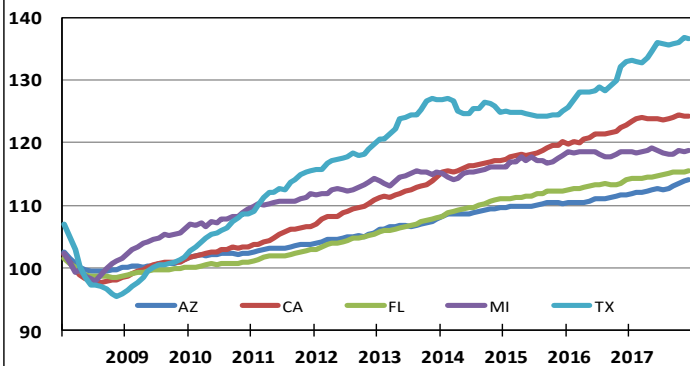
	Value	% Change
December 2018	124.3	0.0
November 2018 (Revised)	124.3	-0.1

**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 Flattens

Comerica Bank's California Economic Activity Index was unchanged in December. December's reading is 27 points, or 27 percent, above the index cyclical low of 97.7. The index averaged 124.0 points in 2018, 2.9 points above the average for all of 2017. November's reading was revised to 124.3.

Comerica Bank's California Economic Activity Index was unchanged in December following a slight decline in November. California's economy has weakened in recent months. This is consistent with the rise in uncertainty seen nationally amongst consumers and businesses at the end of 2018. There were three positive index components in December including nonfarm employment, industrial electricity demand and hotel occupancy. The five negative components for the month include unemployment insurance (inverted), housing starts, house prices, total trade and the Dow Jones Tech Index. California labor data remains generally positive. The state continued to see net job growth through the end of 2018. However, the rise in unemployment insurance claims in December and January are a cautionary sign pointing to a loss of momentum in the state's labor market. In particular, the Los Angeles metropolitan area saw a moderation in hiring in 2018. Los Angeles also saw a gradual increase in its unemployment rate to 4.3 percent over 7 consecutive months ending in December. California housing data weakened at year-end. Our housing starts index was down 7 out of 12 months in 2018. Moderating house price growth and slightly lower mortgage rates will help ease some of the affordability issues. However, a number of headwinds for housing remain, including a cooler global economy, trade policy and increasing outmigration from California.

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California Economic Activity Index



Indicator	Dec-17	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Nonfarm Payroll Employment (Thousands)	16,966	17,150	17,179	17,209	17,233	17,262
<i>Percent Change</i>		0.2%	0.2%	0.2%	0.1%	0.2%
Continuing UI Claims (Weekly Average)	341,524	325,322	323,967	318,453	313,008	315,397
<i>Percent Change</i>		-1.4%	-0.4%	-1.7%	-1.7%	0.8%
Housing Starts (Annualized Rate)	112,228	111,802	111,259	116,083	107,935	103,433
<i>Percent Change</i>		0.9%	-0.5%	4.3%	-7.0%	-4.2%
House Price Index (Jan 2000=100)	245.9	252.6	252.8	253.0	252.8	252.4
<i>Percent Change</i>		0.1%	0.1%	0.1%	-0.1%	-0.1%
Industrial Electricity Sales (Millions, KwHr)	4,024	4,114	4,018	4,012	3,983	4,055
<i>Percent Change</i>		0.2%	-2.3%	-0.1%	-0.7%	1.8%
Total Trade (Millions, 2012 USD, Annualized Rate)	585,007	562,539	570,543	572,327	565,004	559,982
<i>Percent Change</i>		-0.9%	1.4%	0.3%	-1.3%	-0.9%
Technology Stock Index (2009=100)	329.2	375.1	380.7	377.7	366.2	348.7
<i>Percent Change</i>		2.1%	1.5%	-0.8%	-3.0%	-4.8%
Hotel Occupancy Index (2009=100)	126.3	125.7	125.3	125.9	126.4	127.7
<i>Percent Change</i>		0.1%	-0.3%	0.4%	0.4%	1.0%
Total Index	122.8	123.9	124.0	124.4	124.3	124.3
<i>Percent Change</i>		0.2%	0.1%	0.3%	-0.1%	0.0%

(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.

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