

Michigan Economic Activity Index

	<u>Value</u>	<u>% Change</u>
December 2018	118.8	0.2
November 2018 (Revised)	118.6	-0.2

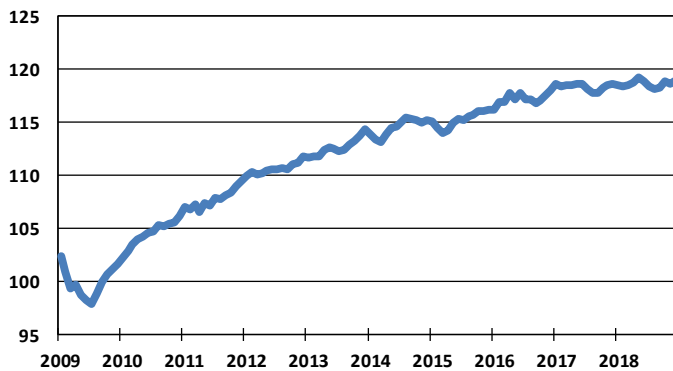
**All data has been adjusted for seasonality and changes in price.*

Comerica Bank's Michigan Index Improves

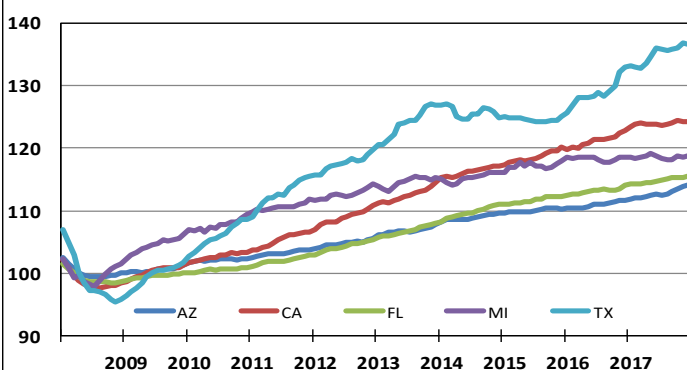
Comerica Bank's Michigan Economic Activity Index increased by 0.2 percent in December to a level of 118.8. December's reading is 21 points, or 21 percent, above the index cyclical low of 97.9. The index averaged 118.6 points for all of 2018, 0.2 points above the index average for 2017. November's index reading was revised to 118.6.

Comerica Bank's Michigan Economic Activity Index increased in December, by 0.2 percent, after easing by the same percentage in November. The now-ended partial federal government shutdown is still having an impact on the data stream and so we may see larger-than-normal revisions to the index over the next few months. The Michigan Index clearly lost momentum in 2018, increasing in only six months of last year. The last time that the Michigan Index increased for more than three consecutive months was over late 2016/early 2017. In December, six out of nine index components were positive. They were payroll employment, housing starts, house prices, industrial electricity demand, vehicle production and state sales tax revenues. Negatives for December were unemployment insurance claims (inverted), total state trade and hotel occupancy. Last month we noted that consumer confidence dropped at the end of 2018, likely influenced by the government shutdown. Falling consumer confidence is a negative indicator for auto sales. The good news is that consumer confidence improved in February with the resolution of the shutdown. In more good news, Fiat Chrysler has announced a \$4.5 billion plan for upgrading five existing plants in Michigan. The expansion is expected to add nearly 6,500 new jobs. Waymo, Google's autonomous vehicle company, plans to spend \$13.6 million in Michigan and hire up to 400 new workers.

Michigan Index Historical Values



5 State Index Historical Values



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Michigan Economic Activity Index



Indicator	Dec-17	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18
Nonfarm Payroll Employment (Thousands)	4,388	4,432	4,435	4,439	4,441	4,445
<i>Percent Change</i>		0.1%	0.1%	0.1%	0.0%	0.1%
Continuing UI Claims (Weekly Average)	59,096	53,323	53,246	52,267	52,460	52,701
<i>Percent Change</i>		0.4%	-0.1%	-1.8%	0.4%	0.5%
Housing Starts (Annualized Rate)	23,124	17,332	18,207	20,063	20,295	20,631
<i>Percent Change</i>		-12.0%	5.1%	10.2%	1.2%	1.7%
House Price Index (Jan 2000=100)	110.0	112.8	113.0	113.4	113.7	114.1
<i>Percent Change</i>		0.0%	0.2%	0.3%	0.3%	0.3%
Industrial Electricity Sales (Millions, KwHr)	2,566	2,489	2,485	2,518	2,488	2,506
<i>Percent Change</i>		0.0%	-0.1%	1.3%	-1.2%	0.7%
Auto Assemblies (Millions of Units, Annualized Rate)	10.7	10.6	10.8	11.1	11.1	11.3
<i>Percent Change</i>		3.2%	1.7%	2.7%	0.5%	1.7%
Total Trade (Millions, 2012 USD, Annualized Rate)	190,152	188,865	188,258	187,418	186,278	186,133
<i>Percent Change</i>		0.1%	-0.3%	-0.4%	-0.6%	-0.1%
Hotel Occupancy Index (2009=100)	130.0	132.3	131.1	132.2	131.8	130.9
<i>Percent Change</i>		-0.6%	-0.9%	0.8%	-0.3%	-0.7%
Sales Tax Revenue (Millions, 2012 USD)	613.6	635.2	629.2	624.2	606.6	612.7
<i>Percent Change</i>		2.5%	-0.9%	-0.8%	-2.8%	1.0%
Total Index	118.6	118.1	118.2	118.8	118.6	118.8
<i>Percent Change</i>		-0.3%	0.1%	0.5%	-0.2%	0.2%

(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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