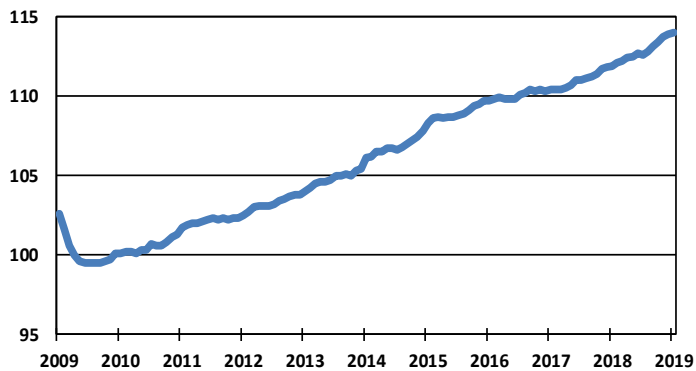


## Arizona Economic Activity Index

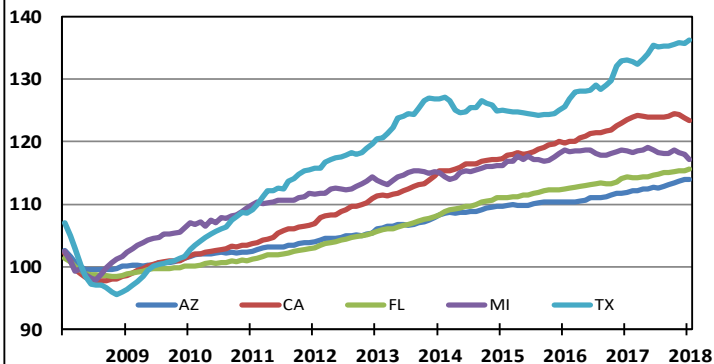
	<u>Value</u>	<u>% Change</u>
<b>January 2019</b>	<b>114.0</b>	<b>0.1</b>
<b>December 2018 (Revised)</b>	<b>113.9</b>	<b>0.2</b>

*\*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 Ticks Up

Comerica Bank's Arizona Economic Activity Index increased by 0.1 percent in January to a level of 114. January's index reading is 15 points, or 15 percent, above the index cyclical low of 99.5. The index averaged 112.8 points for all of 2018, 1.8 points above the average for 2017. December's index reading was revised to 113.9.

The Comerica Bank Arizona Economic Activity Index ticked up again in January, increasing for the sixth consecutive month. The gains were wide spread for the month. Seven of the nine index components were positive in January. This included nonfarm employment, unemployment insurance claims (inverted), house prices, industrial electricity demand, state total trade, hotel occupancy and enplanements. The two negative index components in January were housing starts and state sales tax revenue. Our Arizona Index continues to improve, indicating ongoing economic momentum through 2018 and into early 2019. Strong job growth helped drive Arizona's economic growth in 2018. One concern for the state's labor market is the recent uptick in the unemployment rate from 4.7 percent in June of 2018 to 5.1 percent in February 2019. However, Arizona continuing unemployment insurance claims have steadily declined since last summer. Therefore, population growth and the re-entry of marginally attached workers into the labor force may be contributing factors to the recent increase in the state unemployment rate. The expansion of the labor force is a positive for the Arizona economy. The housing sector will also be a positive factor for Arizona this year. House prices, housing starts and construction employment were all up in 2018. Lower mortgage rates this year will support demand for Arizona housing and new home construction in 2019.

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# Arizona Economic Activity Index



Indicator	Jan-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Nonfarm Payroll Employment (Thousands)	2,811	2,869	2,876	2,883	2,888	2,893
<i>Percent Change</i>		<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>
Continuing UI Claims (Weekly Average)	25,764	25,199	24,576	23,884	23,189	22,575
<i>Percent Change</i>		<b>-1.2%</b>	<b>-2.5%</b>	<b>-2.8%</b>	<b>-2.9%</b>	<b>-2.6%</b>
Housing Starts (Annualized Rate)	43,430	43,045	45,204	42,035	36,576	34,496
<i>Percent Change</i>		<b>4.1%</b>	<b>5.0%</b>	<b>-7.0%</b>	<b>-13.0%</b>	<b>-5.7%</b>
House Price Index (Jan 2000=100)	162.6	169.1	170.0	171.0	171.8	172.5
<i>Percent Change</i>		<b>0.5%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.4%</b>
Industrial Electricity Sales (Millions, KwHr)	1,140	1,140	1,134	1,141	1,142	1,147
<i>Percent Change</i>		<b>0.2%</b>	<b>-0.5%</b>	<b>0.6%</b>	<b>0.1%</b>	<b>0.4%</b>
Total Trade (Millions, 2012 USD, Annualized Rate)	40,914	40,566	41,204	42,181	42,294	42,313
<i>Percent Change</i>		<b>-0.3%</b>	<b>1.6%</b>	<b>2.4%</b>	<b>0.3%</b>	<b>0.0%</b>
Hotel Occupancy Index (2009=100)	125.3	128.0	128.3	129.1	129.3	129.5
<i>Percent Change</i>		<b>1.0%</b>	<b>0.3%</b>	<b>0.6%</b>	<b>0.2%</b>	<b>0.2%</b>
State Taxable Sales (Millions, 2012 USD)	5,944	6,814	6,850	6,890	6,941	6,912
<i>Percent Change</i>		<b>0.8%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>-0.4%</b>
Enplanements Index (2009=100)	118.1	118.1	119.3	120.8	121.4	121.8
<i>Percent Change</i>		<b>0.7%</b>	<b>1.0%</b>	<b>1.3%</b>	<b>0.5%</b>	<b>0.3%</b>
<b>Total Index</b>	111.9	113.1	113.4	113.7	113.9	114.0
<i>Percent Change</i>		<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.1%</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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