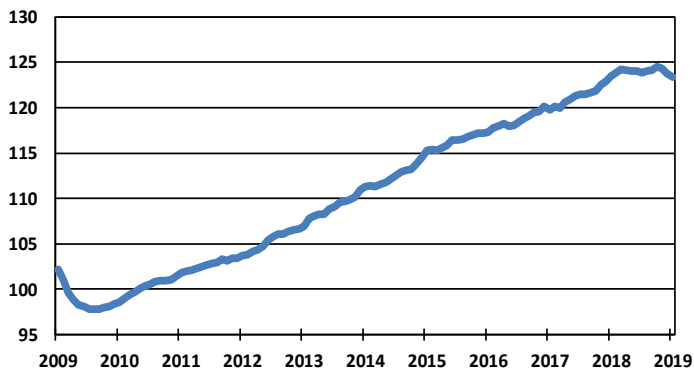


California Economic Activity Index

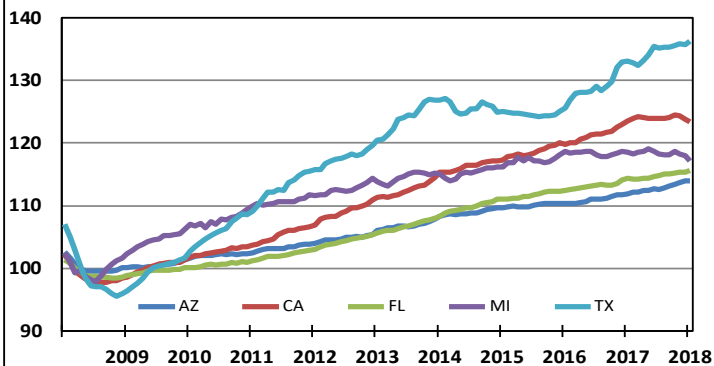
	<u>Value</u>	<u>% Change</u>
January 2019	123.4	-0.3
December 2018 (Revised)	123.8	-0.4

**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 Dips

Comerica Bank's California Economic Activity Index declined by 0.3 percent in January. January's reading is 26 points, or 26 percent, above the index cyclical low of 97.8. The index averaged 124.0 points in 2018, 2.8 points above the average for all of 2017. December's reading was revised to 123.8.

Comerica Bank's California Economic Activity Index declined by 0.3 percent in January. This followed a 0.4 percent decline December. The California Index saw a strong downward revision in the housing starts component for December. In January, only two of the index components were positive including nonfarm employment and hotel occupancy. The six negative index components for the month were unemployment insurance (inverted), housing starts, house prices, industrial electricity demand, total trade and the Dow Jones Tech Index. Our California Index has now posted three consecutive monthly declines. Leading the declines were tech stocks prices which were pummeled from October to December. Tech stock prices have since rebounded through March and will be a net positive for our index in the coming months. California housing data has also been sluggish in recent months. Total housing starts peaked at a 131,000 unit annual rate in March 2018. That number dropped to just a 60,000 unit annual rate in December 2018. The slowdown in housing activity has led to a dramatic downshift in home price growth across California's major regions. According to the S&P Case-Shiller, home prices were up just 2.9 percent in Los Angeles and 1.3 percent in San Diego for the 12 months ending in January. Year-over-year home price growth in San Francisco has abruptly declined from 10.6 percent in August to 1.7 percent in January.

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California Economic Activity Index



Indicator	Jan-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19
Nonfarm Payroll Employment (Thousands)	17,020	17,200	17,228	17,254	17,281	17,298
<i>Percent Change</i>		0.1%	0.2%	0.1%	0.2%	0.1%
Continuing UI Claims (Weekly Average)	338,685	323,967	318,453	313,008	315,397	321,027
<i>Percent Change</i>		-0.4%	-1.7%	-1.7%	0.8%	1.8%
Housing Starts (Annualized Rate)	122,074	111,015	116,018	107,279	86,998	76,829
<i>Percent Change</i>		-0.5%	4.5%	-7.5%	-18.9%	-11.7%
House Price Index (Jan 2000=100)	247.4	252.8	253.0	252.7	252.3	251.6
<i>Percent Change</i>		0.1%	0.1%	-0.1%	-0.2%	-0.2%
Industrial Electricity Sales (Millions, KwHr)	4,122	4,028	4,020	3,981	4,020	3,968
<i>Percent Change</i>		-2.3%	-0.2%	-1.0%	1.0%	-1.3%
Total Trade (Millions, 2012 USD, Annualized Rate)	595,979	570,543	572,324	565,009	553,494	545,518
<i>Percent Change</i>		1.4%	0.3%	-1.3%	-2.0%	-1.4%
Technology Stock Index (2009=100)	341.0	379.1	376.4	365.9	348.2	338.6
<i>Percent Change</i>		1.4%	-0.7%	-2.8%	-4.9%	-2.8%
Hotel Occupancy Index (2009=100)	126.4	125.3	125.9	126.4	127.6	127.8
<i>Percent Change</i>		-0.3%	0.4%	0.4%	1.0%	0.1%
Total Index	123.5	124.1	124.5	124.3	123.8	123.4
<i>Percent Change</i>		0.1%	0.3%	-0.2%	-0.4%	-0.3%

(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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