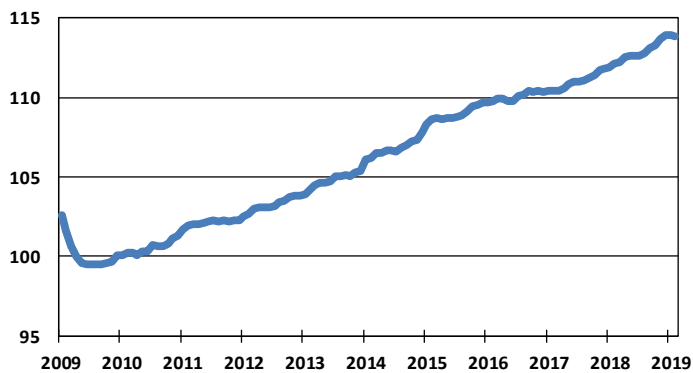


Arizona Economic Activity Index

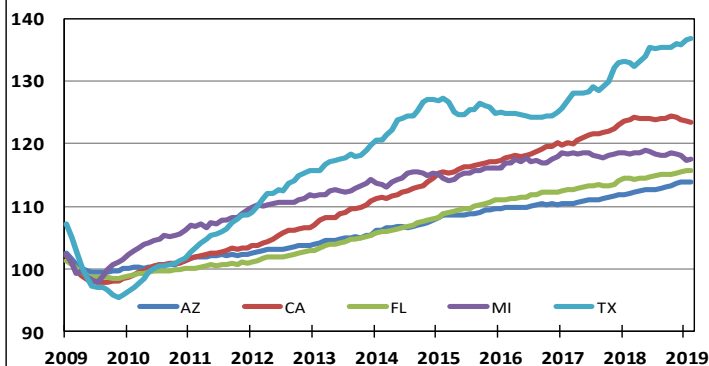
	<u>Value</u>	<u>% Change</u>
February 2019	113.8	-0.1
January 2019 (Revised)	113.9	0.0

**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 Slows

Comerica Bank's Arizona Economic Activity Index decreased by 0.1 percent in February to a level of 113.8. February's index reading is 14 points, or 14 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. January's index reading was revised to 113.9.

The Comerica Bank Arizona Economic Activity Index moderated slightly in February, after going unchanged in January. The index components were split between gains and losses in February, with four of the nine index components positive for the month. The positive factors were nonfarm employment, unemployment insurance (inverted), house prices and industrial electricity demand. Four index components were negative in February including housing starts, state total trade, hotel occupancy and state sales tax revenue. Total enplanements were unchanged. Our Arizona Index shows that the Arizona economy lost a little momentum at the beginning of 2019. According to the Arizona Office of Tourism, state park visitations were down 12.8 percent from a year ago in February. Also, the state's housing sector was negatively impacted by rising mortgage rates through late 2018. Home sales fell from May 2018 through January 2019, according to ARMLS. Lower mortgage rates at the start of the year encouraged opportunistic buying in February and March, but we do not expect to see a fundamental shift in demand for Arizona housing due to lower mortgage rates this spring. Our Arizona Index is up 1.5 percent over the 12 months ending in February. This is consistent with a moderate economic expansion for the state. We expect the Arizona economy to continue to improve in 2019 anchored by steady job gains and population growth.

Media Contact:

Robert Dye
(214) 462-6839
radye@comerica.com

Data Contact:

Daniel Sanabria
(214) 462-6789
fdsanabria@comerica.com

To subscribe to our publications or for questions, contact us at 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.

Arizona Economic Activity Index



Indicator	Feb-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Nonfarm Payroll Employment (Thousands)	2,819	2,876	2,883	2,888	2,893	2,897
<i>Percent Change</i>		0.3%	0.2%	0.2%	0.2%	0.1%
Continuing UI Claims (Weekly Average)	25,904	24,328	23,878	23,386	22,950	22,617
<i>Percent Change</i>		-2.2%	-1.9%	-2.1%	-1.9%	-1.5%
Housing Starts (Annualized Rate)	43,127	45,204	42,035	38,052	36,801	35,013
<i>Percent Change</i>		5.0%	-7.0%	-9.5%	-3.3%	-4.9%
House Price Index (Jan 2000=100)	163.4	170.0	171.0	171.8	172.4	172.8
<i>Percent Change</i>		0.5%	0.6%	0.4%	0.4%	0.2%
Industrial Electricity Sales (Millions, KwHr)	1,156	1,133	1,140	1,143	1,149	1,154
<i>Percent Change</i>		-0.5%	0.6%	0.2%	0.5%	0.4%
Total Trade (Millions, 2012 USD, Annualized Rate)	40,783	41,203	42,180	42,292	42,461	42,334
<i>Percent Change</i>		1.6%	2.4%	0.3%	0.4%	-0.3%
Hotel Occupancy Index (2009=100)	124.8	128.1	128.9	129.0	129.1	127.6
<i>Percent Change</i>		0.2%	0.6%	0.1%	0.1%	-1.2%
State Taxable Sales (Millions, 2012 USD)	5,985	6,832	6,877	6,925	6,910	6,906
<i>Percent Change</i>		0.5%	0.6%	0.7%	-0.2%	-0.1%
Enplanements Index (2009=100)	118.3	119.4	120.9	121.4	121.7	121.7
<i>Percent Change</i>		1.0%	1.2%	0.5%	0.2%	0.0%
Total Index	112.1	113.3	113.7	113.9	113.9	113.8
<i>Percent Change</i>		0.2%	0.4%	0.2%	0.0%	-0.1%

(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.

Comerica operates full-service banking centers throughout Maricopa County, including locations in Phoenix, Avondale, Goodyear, Mesa, Peoria, Scottsdale, Surprise and Tempe. In addition to Arizona, Comerica locations can be found in its headquarters state of Texas, as well as in California, Florida and Michigan, with select businesses operating in several other states, as well as in Canada and Mexico.

To subscribe to our publications or for questions, contact us at 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. 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.