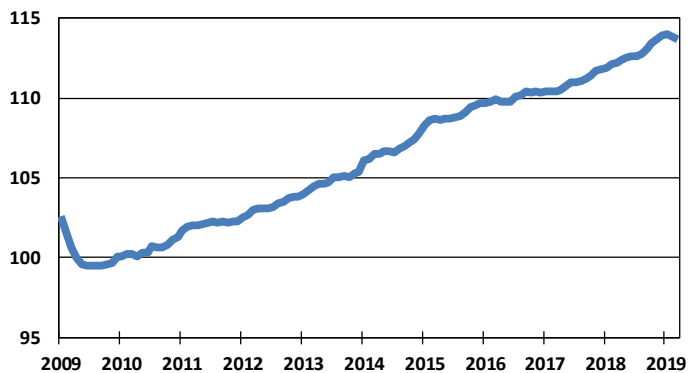


Arizona Economic Activity Index

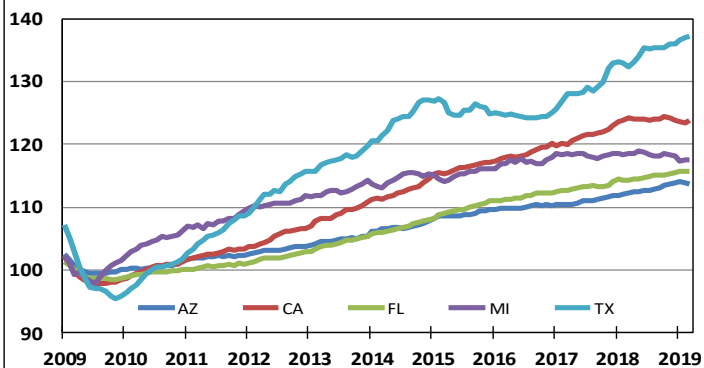
	<u>Value</u>	<u>% Change</u>
March 2019	113.7	-0.1
February 2019	113.8	-0.2

**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 is Mixed

Comerica Bank's Arizona Economic Activity Index decreased by 0.1 percent in March to a level of 113.7. March'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. February's index reading was 113.8.

Comerica Bank's Arizona Economic Activity Index cooled slightly in March, after a moderate decline in February. The index components look more positive in March than the headline index value. Six of the nine index components increased for the month. They were nonfarm employment, unemployment insurance (inverted), housing starts, house prices, state total trade and total enplanements. The three negative index components were industrial electricity demand, hotel occupancy and state sales tax revenue. While Arizona economic activity was mixed in the first few months of 2019, one constant positive was the strength of the state's labor market. Arizona added 23,300 jobs through April. This is slightly below the pace of hiring in early 2018, but it is still a solid number. Arizona unemployment insurance claims are also sitting at their lowest levels since early 2001. Travel and accommodations related data continues to be choppy, reflective of the early 2019 slowdown in tourism. The ongoing U.S. economic expansion will support more business and recreational travel into the state as we move later into 2019. Arizona's housing outlook is also improving. Lower mortgage rates through May and positive net in-migration trends continue to support Arizona housing activity during the spring buying season. Phoenix home sales ticked up 13.8 percent in April, rising for the third consecutive month according to ARMLS.

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Arizona Economic Activity Index



Indicator	Mar-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Nonfarm Payroll Employment (Thousands)	2,828	2,883	2,888	2,893	2,897	2,901
<i>Percent Change</i>		0.2%	0.2%	0.2%	0.1%	0.1%
Continuing UI Claims (Weekly Average)	25,703	23,878	23,386	22,950	22,617	22,434
<i>Percent Change</i>		-1.9%	-2.1%	-1.9%	-1.5%	-0.8%
Housing Starts (Annualized Rate)	43,452	42,035	38,052	36,801	35,013	37,030
<i>Percent Change</i>		-7.0%	-9.5%	-3.3%	-4.9%	5.8%
House Price Index (Jan 2000=100)	164.6	171.0	171.8	172.4	172.8	173.1
<i>Percent Change</i>		0.6%	0.4%	0.4%	0.2%	0.2%
Industrial Electricity Sales (Millions, KwHr)	1,135	1,141	1,142	1,147	1,150	1,145
<i>Percent Change</i>		0.6%	0.2%	0.4%	0.3%	-0.5%
Total Trade (Millions, 2012 USD, Annualized Rate)	41,484	42,180	42,292	42,461	42,334	43,261
<i>Percent Change</i>		2.4%	0.3%	0.4%	-0.3%	2.2%
Hotel Occupancy Index (2009=100)	124.1	128.9	129.0	129.1	127.6	126.5
<i>Percent Change</i>		0.6%	0.1%	0.1%	-1.2%	-0.8%
State Taxable Sales (Millions, 2012 USD)	6,049	6,879	6,929	6,919	6,926	6,803
<i>Percent Change</i>		0.5%	0.7%	-0.1%	0.1%	-1.8%
Enplanements Index (2009=100)	118.5	121.0	121.5	121.8	121.7	121.9
<i>Percent Change</i>		1.3%	0.4%	0.2%	-0.1%	0.2%
Total Index	112.2	113.7	113.9	114.0	113.8	113.7
<i>Percent Change</i>		0.3%	0.2%	0.1%	-0.2%	-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.

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