

California Economic Activity Index

Comerica Bank

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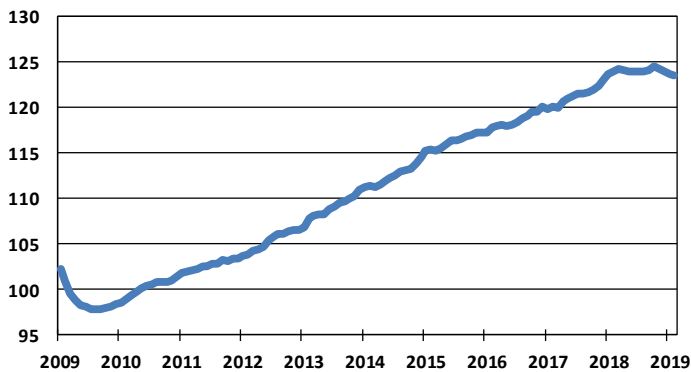
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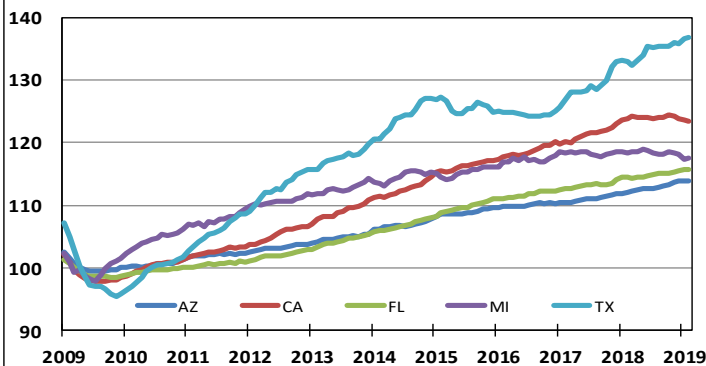
	<u>Value</u>	<u>% Change</u>
February 2019	123.5	-0.1
January 2019 (Revised)	123.6	-0.2

**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 Eases Again

Comerica Bank's California Economic Activity Index declined by 0.1 percent in February to a level of 123.5. February'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. January's reading was revised to 123.6.

Comerica Bank's California Economic Activity Index declined by 0.1 percent in February, now down for the fourth consecutive month. Three of the eight index components posted gains in February including nonfarm employment, state total trade and the Dow Jones Technology Index. Five of the index components were negative for February. They were unemployment insurance (inverted), housing starts, house prices, industrial electricity demand, total trade and hotel occupancy. Our California Index continues to show sluggish economic activity heading into spring. State level labor data remains mixed. California continues to post steady monthly job gains. However, claims for unemployment insurance have ticked up after hitting a cyclical low in November. This has coincided with an increase of California's unemployment rate from 4.1 percent in December to 4.3 percent in March. Weaker housing data has also weighed on California economic activity, but there are signs of improvement in recent months. According to the California Association of Realtors, existing homes sales rebounded in February and March to around 400,000 units per month. A tight supply of existing homes for sale, lower mortgage rates and moderating home prices will support the market for new homes. Yet, overall low housing affordability in California's major markets and restrictions to development will limit the upside potential for new home construction in 2019.

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California Economic Activity Index



Indicator	Feb-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
Nonfarm Payroll Employment (Thousands)	17,061	17,228	17,254	17,281	17,298	17,313
<i>Percent Change</i>		0.2%	0.1%	0.2%	0.1%	0.1%
Continuing UI Claims (Weekly Average)	336,835	321,187	316,876	317,907	321,415	325,987
<i>Percent Change</i>		-1.1%	-1.3%	0.3%	1.1%	1.4%
Housing Starts (Annualized Rate)	126,605	116,018	107,279	90,008	83,539	79,445
<i>Percent Change</i>		4.5%	-7.5%	-16.1%	-7.2%	-4.9%
House Price Index (Jan 2000=100)	249.0	252.9	252.7	252.3	251.7	251.3
<i>Percent Change</i>		0.1%	-0.1%	-0.2%	-0.2%	-0.2%
Industrial Electricity Sales (Millions, KwHr)	4,174	4,016	3,981	4,022	3,981	3,958
<i>Percent Change</i>		-0.2%	-0.9%	1.0%	-1.0%	-0.6%
Total Trade (Millions, 2012 USD, Annualized Rate)	600,949	572,317	564,993	553,464	550,012	553,129
<i>Percent Change</i>		0.3%	-1.3%	-2.0%	-0.6%	0.6%
Technology Stock Index (2009=100)	345.1	374.8	364.3	347.5	340.4	344.6
<i>Percent Change</i>		-0.8%	-2.8%	-4.6%	-2.0%	1.2%
Hotel Occupancy Index (2009=100)	126.2	125.9	126.4	127.7	127.8	127.3
<i>Percent Change</i>		0.4%	0.4%	1.0%	0.1%	-0.4%
Total Index	123.9	124.5	124.3	123.9	123.6	123.5
<i>Percent Change</i>		0.3%	-0.2%	-0.3%	-0.2%	-0.1%

(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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