

# California Economic Activity Index

Comerica Bank

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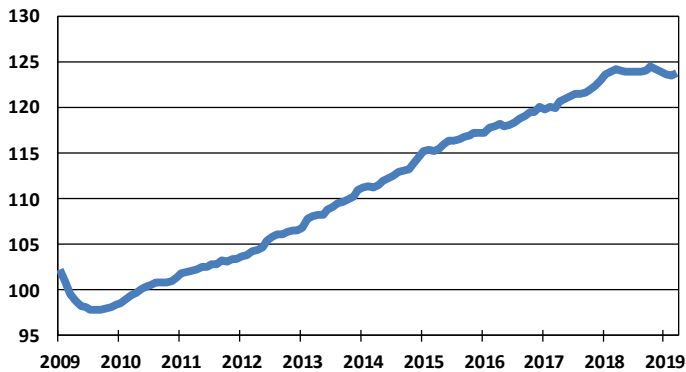
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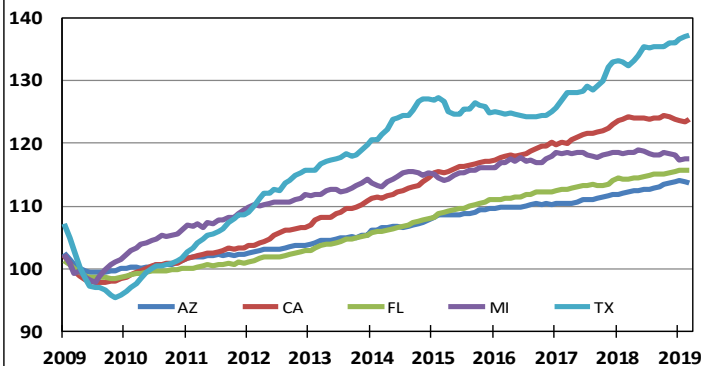
	<u>Value</u>	<u>% Change</u>
<b>March 2019</b>	<b>123.8</b>	<b>0.2</b>
<b>February 2019</b>	<b>123.5</b>	<b>-0.1</b>

*\*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 Ticks Up

Comerica Bank's California Economic Activity Index increased 0.2 percent in March to a level of 123.8. March's reading is 26 points, or 27 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. February's reading was 123.5.

Comerica Bank's California Economic Activity Index improved in March, following four consecutive monthly declines through February. The index components were mixed in March. Three of the eight components were positive for the month. They included nonfarm employment, housing starts and Dow Jones Technology Index. Four of the eight components were negative including unemployment insurance (inverted), house prices, state total trade and hotel occupancy. Industrial electricity demand was unchanged. The California economy lost momentum in late 2018 according to our California Index. This was consistent with the official state GDP data which showed California GDP moderated from a 6.6 percent annualized rate in 2018Q2, to 1.2 percent in 2018Q3 and 2.2 percent in 2018Q4. Our index is indicating that California may see only moderate growth in early 2019 as well. Weaker housing data has weighed on our California Index in recent months. Housing starts have declined in nine of the last 12 months. House prices have also been mixed. San Francisco and Los Angeles house prices improved in February and March after sliding from November to January. San Diego house prices continued to see losses. State labor market data has also been a little softer so far this year. The pace of hiring remains positive, yet the tick up in California's unemployment rate raises a caution flag about the strength of the state's labor market in 2019.

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Indicator	Mar-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
<b>Nonfarm Payroll Employment (Thousands)</b>	17,091	17,254	17,281	17,298	17,313	17,332
<i>Percent Change</i>		<b>0.1%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	334,455	316,876	317,907	321,415	325,987	328,748
<i>Percent Change</i>		<b>-1.3%</b>	<b>0.3%</b>	<b>1.1%</b>	<b>1.4%</b>	<b>0.8%</b>
<b>Housing Starts (Annualized Rate)</b>	130,130	107,279	90,008	83,539	79,445	90,664
<i>Percent Change</i>		<b>-7.5%</b>	<b>-16.1%</b>	<b>-7.2%</b>	<b>-4.9%</b>	<b>14.1%</b>
<b>House Price Index (Jan 2000=100)</b>	250.5	252.7	252.3	251.7	251.3	251.1
<i>Percent Change</i>		<b>-0.1%</b>	<b>-0.2%</b>	<b>-0.2%</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	4,193	3,981	4,023	3,976	3,950	3,950
<i>Percent Change</i>		<b>-0.9%</b>	<b>1.1%</b>	<b>-1.2%</b>	<b>-0.7%</b>	<b>0.0%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	595,399	564,993	553,464	550,012	553,129	549,769
<i>Percent Change</i>		<b>-1.3%</b>	<b>-2.0%</b>	<b>-0.6%</b>	<b>0.6%</b>	<b>-0.6%</b>
<b>Technology Stock Index (2009=100)</b>	350.7	364.5	347.4	339.8	344.7	358.3
<i>Percent Change</i>		<b>-2.8%</b>	<b>-4.7%</b>	<b>-2.2%</b>	<b>1.4%</b>	<b>4.0%</b>
<b>Hotel Occupancy Index (2009=100)</b>	126.0	126.4	127.7	127.8	127.3	126.3
<i>Percent Change</i>		<b>0.4%</b>	<b>1.0%</b>	<b>0.1%</b>	<b>-0.4%</b>	<b>-0.8%</b>
<b>Total Index</b>	124.2	124.3	123.9	123.6	123.5	123.8
<i>Percent Change</i>		<b>-0.2%</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-0.1%</b>	<b>0.2%</b>

**(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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