

Michigan Economic Activity Index

	<u>Value</u>	<u>% Change</u>
April 2019	117.9	0.2
March 2019 (Revised)	117.7	0.1

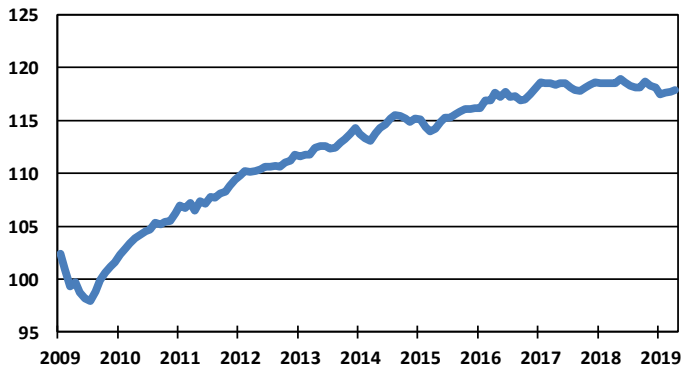
**All data has been adjusted for seasonality and changes in price.*

Comerica Bank's Michigan Index Ticks Up

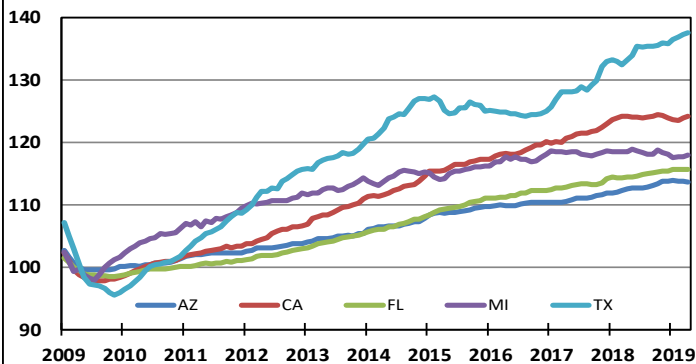
Comerica Bank's Michigan Economic Activity Index increased 0.2 percent in April to a level of 117.9. April's reading is 20 points, or 20 percent, above the index cyclical low of 97.9. The index averaged 118.4 points for all of 2018, 0.1 points above the index average for 2017. March's index reading was 117.7.

Comerica Bank's Michigan Economic Activity Index increased for the third consecutive month in April. We remain cautious in our view of the Michigan economy despite the recent upward movement of the Michigan Index. The index value of 117.9 for April is little changed from where it was in June 2016, indicating a loss of momentum in the Michigan economy over the last three years, after accelerating strongly coming out of the Great Recession. Further, we can say that in the 28 months since January 2017, our Michigan Index has increased just 10 times. In April, results were mixed. Four out of nine index components were positive. They were housing starts, house prices, total state trade and state sales tax revenue. Three components were negative. They were unemployment insurance claims (inverted), industrial electricity demand and light vehicle production. Nonfarm employment and hotel occupancy were unchanged for the month. The U.S. auto industry was buoyed by stronger-than-expected sales in May, which increased to a 17.4 million unit annual rate. But strains are apparent in the auto industry, particularly at the global level. Ford has announced a significant cut-back in Europe. Ford intends to close 5 production facilities there and sell one more and eliminate some 12,000 jobs globally, including non-production jobs.

Michigan Index Historical Values



5 State Index Historical Values



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Michigan Economic Activity Index



Indicator	Apr-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Nonfarm Payroll Employment (Thousands)	4,411	4,429	4,435	4,441	4,445	4,445
<i>Percent Change</i>		0.1%	0.1%	0.1%	0.1%	0.0%
Continuing UI Claims (Weekly Average)	55,186	52,626	53,018	53,282	54,390	54,484
<i>Percent Change</i>		0.0%	0.7%	0.5%	2.1%	0.2%
Housing Starts (Annualized Rate)	20,291	18,638	16,846	18,071	18,647	20,267
<i>Percent Change</i>		-4.3%	-9.6%	7.3%	3.2%	8.7%
House Price Index (Jan 2000=100)	112.9	114.1	114.5	114.8	115.1	115.2
<i>Percent Change</i>		0.2%	0.4%	0.3%	0.2%	0.1%
Industrial Electricity Sales (Millions, KwHr)	2,492	2,458	2,475	2,446	2,439	2,409
<i>Percent Change</i>		-0.7%	0.7%	-1.2%	-0.2%	-1.3%
Auto Assemblies (Millions of Units, Annualized Rate)	11.2	11.3	11.2	11.1	10.7	10.5
<i>Percent Change</i>		1.7%	-0.6%	-0.7%	-3.8%	-1.6%
Total Trade (Millions, 2012 USD, Annualized Rate)	192,820	185,228	182,015	180,081	182,582	183,859
<i>Percent Change</i>		-0.5%	-1.7%	-1.1%	1.4%	0.7%
Hotel Occupancy Index (2009=100)	131.4	131.0	128.6	128.3	129.0	129.0
<i>Percent Change</i>		-0.6%	-1.8%	-0.2%	0.6%	0.0%
Sales Tax Revenue (Millions, 2012 USD)	610.3	612.4	614.5	613.9	614.0	614.9
<i>Percent Change</i>		1.0%	0.3%	-0.1%	0.0%	0.2%
Total Index	118.5	118.1	117.5	117.6	117.7	117.9
<i>Percent Change</i>		-0.2%	-0.5%	0.1%	0.1%	0.2%

(Seasonally Adjusted, 3-Month Moving Average)

Explanatory Note:

The Michigan 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, auto assemblies, total trade, hotel occupancy and sales tax revenue. 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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