

Michigan Economic Activity Index

Comerica Bank

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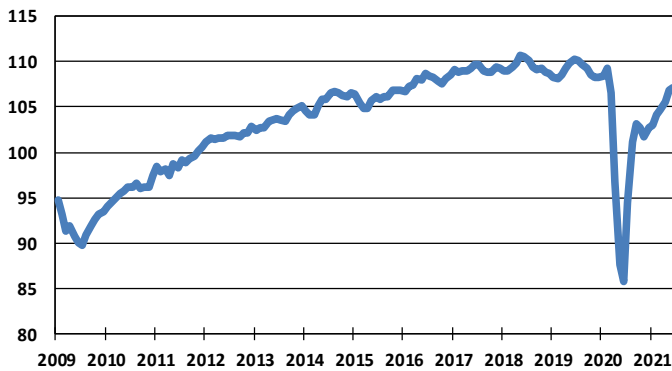
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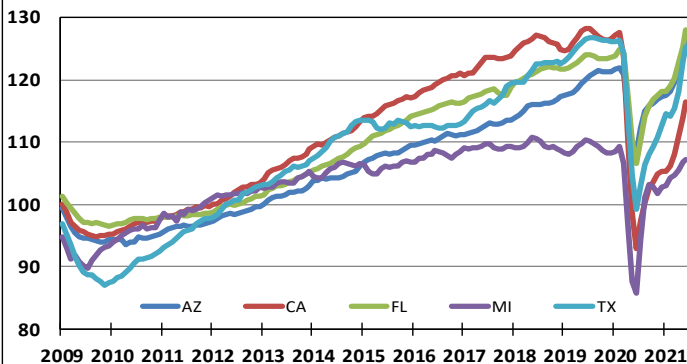
	Value	% Change
June 2021	107.2	0.4
May 2021 (Revised)	106.8	1.2

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

Michigan Index Historical Values



5 State Index Historical Values



Comerica Bank's Michigan Index Inches Up

Comerica Bank's Michigan Economic Activity Index increased in June to a level of 107.2. June's reading was 24.9 percent higher than the historical low of 85.8 reached in June 2020. The index averaged 100 points for all of 2020, 9.0 points below the index average for 2019. May's index reading was revised to 106.8.

Our Michigan Economic Activity Index increased 0.4 percent in June, posting its seventh consecutive monthly gain. Four of the nine sub-indexes improved for the month. They were house prices, industrial electricity demand, hotel occupancy and state sales tax revenues. Four sub-indexes fell in June including unemployment insurance claims (inverted), housing starts, light vehicle production and total state trade. Nonfarm employment was unchanged for the month. Auto and light truck assemblies increased from an 8.6 million unit rate in June to a 9.4 million unit pace in July. This is still well below the 11 million unit pace from pre-pandemic times. The global semiconductor shortage continues to weigh on auto production. The outbreak in COVID cases in Southeast Asia in early summer restricted chip production. We expect supply chain disruptions to gradually ease through the fall, but not disappear, as COVID impairs both U.S. and global production and distribution. We also expect the supply of new vehicles to improve over the coming months, helping to shift demand away from the used vehicle market. One sign that this is happening was the leveling off of used car prices in July. The current surge in COVID cases across the U.S. is pushing back our expectations for renormalizing consumer and business activity this fall. Michigan case counts remain below the spring peak, but we expect to see them rise in the coming weeks.

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Indicator	Jun-20	Feb-21	Mar-21	Apr-21	May-21	Jun-21
Nonfarm Payroll Employment (Thousands)	3,592	4,067	4,103	4,122	4,122	4,123
Percent Change		0.2%	0.9%	0.5%	0.0%	0.0%
Continuing UI Claims (Weekly Average)	975,352	136,525	114,360	106,995	121,635	131,252
Percent Change		-21.8%	-16.2%	-6.4%	13.7%	7.9%
Housing Starts (Annualized Rate)	13,794	24,258	24,435	22,475	24,898	21,645
Percent Change		-4.9%	0.7%	-8.0%	10.8%	-13.1%
House Price Index (2012=100)	159.0	171.0	172.4	173.6	174.8	175.3
Percent Change		0.9%	0.8%	0.7%	0.7%	0.3%
Industrial Electricity Sales (Millions, KwHr)	1,718	2,156	2,195	2,229	2,245	2,248
Percent Change		1.2%	1.8%	1.6%	0.7%	0.1%
Auto Assemblies (Millions of Units, Annualized Rate)	3.6	9.9	9.4	8.7	9.0	8.8
Percent Change		-6.4%	-4.5%	-7.4%	3.0%	-2.4%
Total Trade (Millions, 2012 USD, Annualized Rate)	84,482	162,954	161,381	157,048	158,178	156,080
Percent Change		-1.6%	-1.0%	-2.7%	0.7%	-1.3%
Hotel Occupancy Index (2012=100)	55.4	75.3	80.8	87.5	92.7	96.9
Percent Change		5.6%	7.3%	8.2%	6.0%	4.5%
Sales Tax Revenue (Millions, 2012 USD)	503.1	684.3	676.5	706.5	715.3	755.0
Percent Change		9.3%	-1.1%	4.4%	1.2%	5.5%
Total Index	85.8	104.2	104.7	105.5	106.8	107.2
Percent Change		1.2%	0.5%	0.8%	1.2%	0.4%
(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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