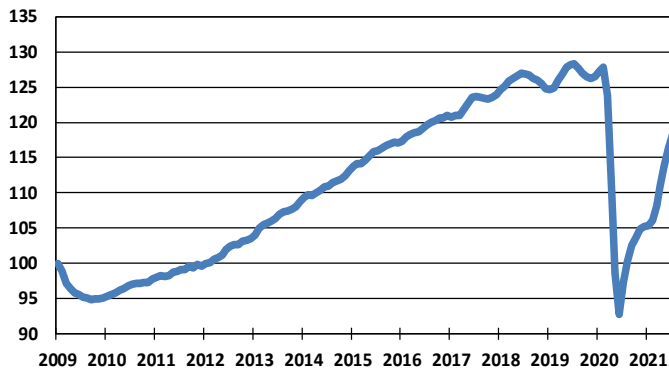


California Economic Activity Index

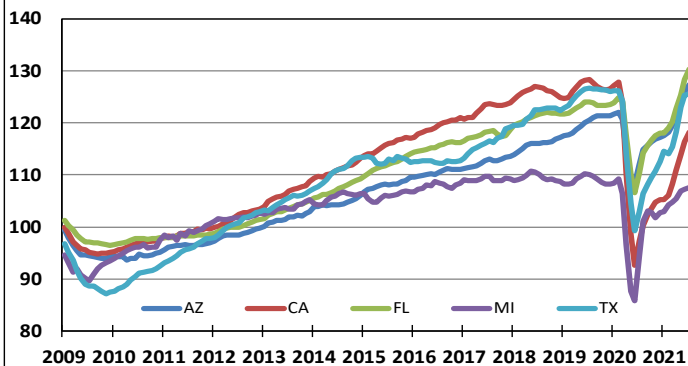
	<u>Value</u>	<u>% Change</u>
July 2021	118.3	1.6
June 2021 (Revised)	116.4	2.2

**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 Ticks Up

Comerica Bank's California Economic Activity Index increased in July to a level of 118.3. July's reading is 27.6 percent above the historical low of 92.7 set in June 2020. The index averaged 107.9 points in 2020, 18.9 points below the average for all of 2019. June's index reading was revised to 116.4.

Our California Economic Activity Index improved by 1.6 percent in July, and is now up for the thirteenth consecutive month. In July, six of the sub-indexes increased including nonfarm employment, house prices, industrial electricity demand, hotel occupancy, enplanements and state revenues. Three sub-indexes fell for the month including unemployment insurance claims (inverted), housing starts and state total trade. The California Index continued to see solid gains through July and is expected to gain again in August. The rise in COVID cases this summer was met with broader access to effective vaccines. California new COVID cases peaked at lower levels than the winter wave and have trended lower in September. The expected expansion of vaccine eligibility to younger cohorts over the next few months will help normalize back-to-school and back-to-office heading into early 2022. We could see gyrations in California consumer spending this fall. Federal unemployment benefits are winding down for many and the enhanced weekly subsidy ended in early-September. However, California has also averaged 111,000 net new jobs per month since February. We expect that strong labor demand and rising wages will help offset some of the drag from reduced unemployment benefits. California's recovering tourism sector also saw more positive news with the announcement that international air travel to the U.S. will resume in November for fully vaccinated foreign travelers.

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California Economic Activity Index



Indicator	Jul-20	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Nonfarm Payroll Employment (Thousands)	15,470	16,006	16,136	16,246	16,335	16,429
<i>Percent Change</i>		0.4%	0.8%	0.7%	0.6%	0.6%
Continuing UI Claims (Weekly Average)	2,980,953	653,456	588,595	582,384	611,240	661,273
<i>Percent Change</i>		-18.2%	-9.9%	-1.1%	5.0%	8.2%
Housing Starts (Annualized Rate)	88,024	112,486	110,760	107,504	112,732	111,209
<i>Percent Change</i>		-4.5%	-1.5%	-2.9%	4.9%	-1.4%
House Price Index (2012=100)	164.1	178.9	181.2	183.9	186.6	189.6
<i>Percent Change</i>		1.2%	1.3%	1.5%	1.5%	1.6%
Industrial Electricity Sales (Millions, KwHr)	3,913	3,679	3,734	3,878	4,010	4,114
<i>Percent Change</i>		-0.5%	1.5%	3.8%	3.4%	2.6%
Total Trade (Millions, 2012 USD, Annualized Rate)	472,642	553,739	571,257	574,427	566,952	564,711
<i>Percent Change</i>		3.5%	3.2%	0.6%	-1.3%	-0.4%
Hotel Occupancy Index (2012=100)	62.0	74.2	81.3	88.4	93.4	96.4
<i>Percent Change</i>		10.7%	9.6%	8.7%	5.7%	3.1%
Enplanements Index (2012=100)	20.4	39.0	49.4	65.7	82.7	96.7
<i>Percent Change</i>		17.2%	26.8%	33.0%	25.9%	16.8%
Total Revenues (Millions, 2012 USD)	16,603	13,812	13,216	16,194	16,550	16,649
<i>Percent Change</i>		-0.3%	-4.3%	22.5%	2.2%	0.6%
Total Index	97.3	108.2	110.9	113.9	116.4	118.3
<i>Percent Change</i>		2.0%	2.5%	2.7%	2.2%	1.6%

(Seasonally Adjusted, 3-Month Moving Average)

Explanatory Note:

The California 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, enplanements and state revenues. 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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