

Michigan Economic Activity Index

Comerica Bank

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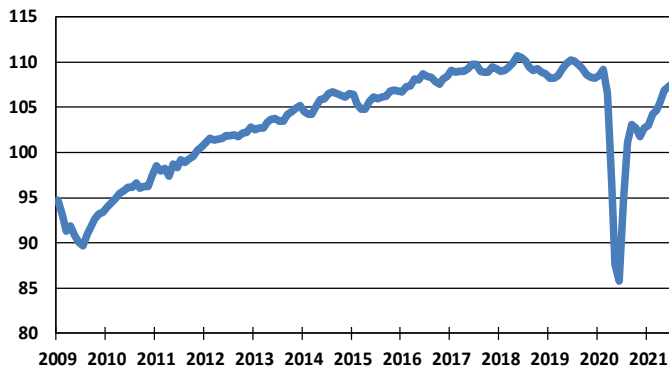
September 22, 2021

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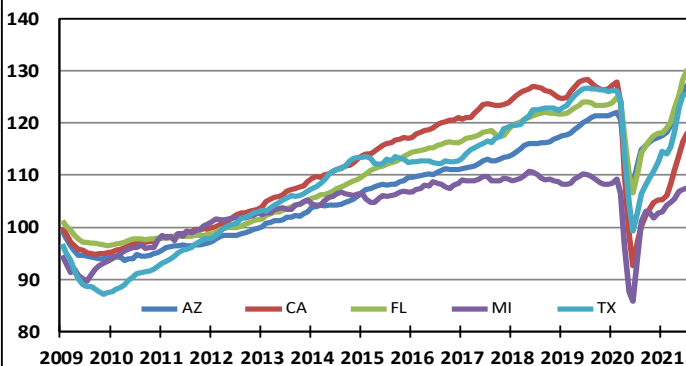
	Value	% Change
July 2021	107.6	0.3
June 2021 (Revised)	107.3	0.4

**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 Improves

Comerica Bank's Michigan Economic Activity Index increased in July to a level of 107.6. July's reading was 25.4 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. June's index reading was revised to 107.3.

Our Michigan Economic Activity Index increased by 0.3 percent in July for its eighth consecutive monthly gain. The index is within striking distance of its pre-COVID level of 109.2 from February 2020. We expect it to get there before the end of the year pending increased output by automakers. The auto production sub-index for this July was up slightly for the month at 89.8, still well below its February 2020 level of 106.2. In July, six out of nine sub indexes improved. The gainers were nonfarm employment, unemployment insurance claims (inverted), house prices, light vehicle production, total state trade and hotel occupancy. Industrial electricity demand and state sales tax revenues declined. Housing starts were unchanged. COVID cases increased in Michigan since mid-summer, as they did in many other states. Fortunately, the most recent data through mid-September shows a flattening curve for new cases. We expect business to continue to operate in the state without increased restrictions through the remainder of this year. Even without new restrictions, the state's manufacturing sector will face the continued challenges of a tightening labor market and supply chain constraints. Light vehicle assemblies increased for the second straight month in August to a 9.235 million unit annual rate, still well below the roughly 11 million unit rate trend through 2018 and 2019.

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Indicator	Jul-20	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Nonfarm Payroll Employment (Thousands)	3,788	4,103	4,122	4,122	4,123	4,140
Percent Change		0.9%	0.5%	0.0%	0.0%	0.4%
Continuing UI Claims (Weekly Average)	891,566	114,360	106,995	121,635	131,252	127,274
Percent Change		-16.2%	-6.4%	13.7%	7.9%	-3.0%
Housing Starts (Annualized Rate)	16,915	24,386	22,416	25,609	22,081	22,077
Percent Change		0.6%	-8.1%	14.2%	-13.8%	0.0%
House Price Index (2012=100)	159.4	172.4	173.7	175.0	176.3	177.9
Percent Change		0.8%	0.7%	0.7%	0.8%	0.9%
Industrial Electricity Sales (Millions, KwHr)	1,932	2,194	2,227	2,241	2,240	2,236
Percent Change		1.8%	1.5%	0.6%	-0.1%	-0.2%
Auto Assemblies (Millions of Units, Annualized Rate)	7.4	9.4	8.7	8.9	8.7	8.9
Percent Change		-4.6%	-7.2%	2.0%	-2.3%	2.5%
Total Trade (Millions, 2012 USD, Annualized Rate)	114,673	161,381	157,055	158,174	156,057	160,553
Percent Change		-1.0%	-2.7%	0.7%	-1.3%	2.9%
Hotel Occupancy Index (2012=100)	68.7	81.1	87.6	92.7	96.7	99.2
Percent Change		7.3%	8.1%	5.8%	4.3%	2.7%
Sales Tax Revenue (Millions, 2012 USD)	605.5	676.5	706.5	715.3	754.8	744.1
Percent Change		-1.1%	4.4%	1.2%	5.5%	-1.4%
Total Index	94.4	104.7	105.5	106.9	107.3	107.6
Percent Change		0.5%	0.8%	1.3%	0.4%	0.3%
(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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