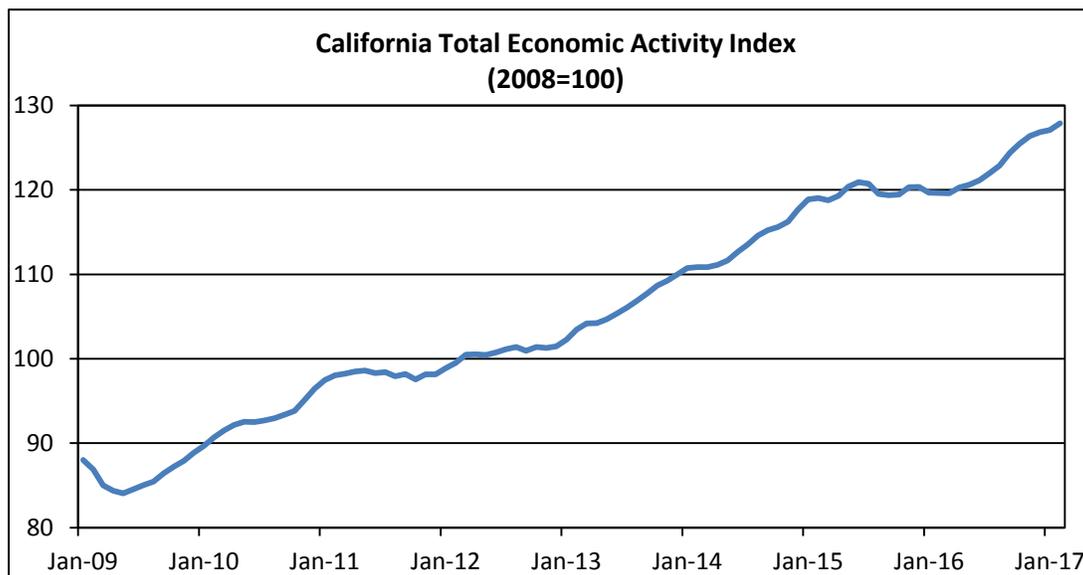


Comerica Bank's California Index Ticks Up

Comerica Bank's California Economic Activity Index grew by 0.8 percentage points in February to reach 127.9. February's reading is 44 points, or 52 percent, above the index cyclical low of 84.1. The index averaged 122.4 points in 2016, two and three-fifths points above the average for all of 2015. January's index reading was 127.1.

"Our California Economic Activity Index increased again in February, for the 11th consecutive month. This is good news for the largest state economy. However, a cautionary note comes from payroll job growth. That component of our index did not increase in February; it was unchanged. Monthly job creation in the state has been cycling down from about 42,000 net new payroll jobs per month in 2015, to about 30,000 per month in 2016, to about 19,000 per month for the first three months of 2017. Softer job growth in California is indicative of a slower growing state economy and has national implications as well. Four out of eight index components increased in February. They were state exports, housing starts, house prices and the technology stock index. Three components decreased. They were unemployment insurance claims (inverted), defense spending, and hotel occupancy," said Robert Dye, Chief Economist at Comerica Bank. "We expect the California economy to continue expanding this year, but weaker job growth is a potential drag for the state."



The California Economic Activity Index consists of eight variables, as follows: nonfarm payrolls, exports, hotel occupancy rates, continuing claims for unemployment insurance, housing starts, national defense spending, house prices, and the NASDAQ-100-Technology Sector Index (NDXT). All data are seasonally adjusted, as necessary, and indexed to a base year of 2008. Nominal values have been converted to constant dollar values. Index levels are expressed in terms of three-month moving averages.

Comerica Bank, with locations in the key California markets of San Francisco and the East Bay, San Jose, Los Angeles, Orange County, San Diego, Fresno, Sacramento, Santa Cruz/Monterey, and the Inland Empire, is a subsidiary of Comerica Incorporated (NYSE: CMA). Comerica is a financial services company headquartered in Dallas, Texas, and strategically aligned into three major business segments: the Business Bank, the Retail Bank, and Wealth Management. Comerica focuses on relationships and helping businesses and people be successful.

To subscribe to our publications or for questions, contact us at ComericaEcon@comerica.com. Archives are available at <http://www.comerica.com/economics>. Follow us on Twitter: @Comerica_Econ.

Media Contact:

Robert Dye
(214) 462-6839
radye@comerica.com

Data Contact:

Daniel Sanabria
(214) 462-6789
fdsanabria@comerica.com