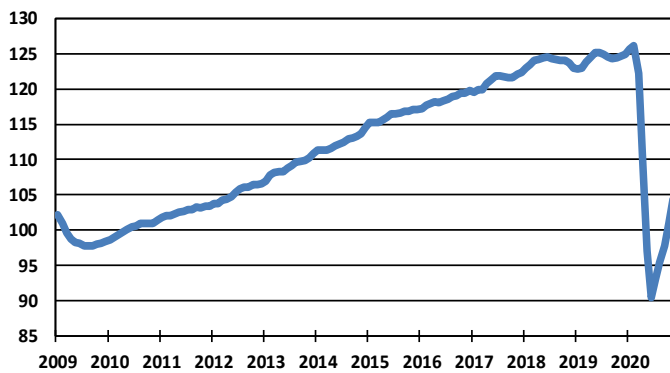


California Economic Activity Index

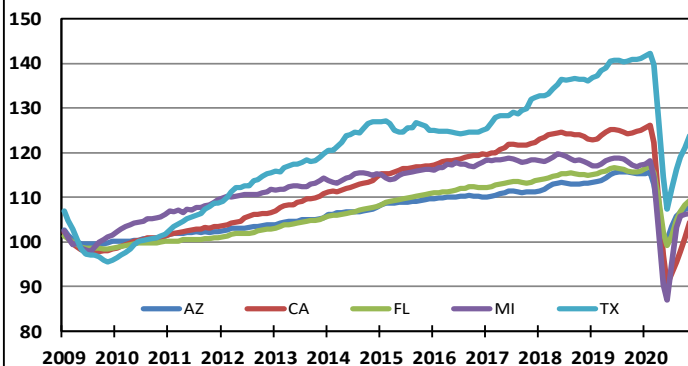
	<u>Value</u>	<u>% Change</u>
November 2020	104.4	3.5
October 2020 (Revised)	100.9	3.2

**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 Improved

Comerica Bank's California Economic Activity Index increased in November to a level of 104.4. November's reading is 15 percent above the historical low of 90.4. The index averaged 124.3 points in 2019, 0.4 points above the average for all of 2018. October's index reading was revised to 100.9.

Our California Economic Activity Index improved again in November, marking the fifth consecutive monthly gain. Seven of the eight components increased for the month including nonfarm employment, unemployment insurance claims (inverted), housing starts, house prices, industrial electricity demand, state total trade and the Dow Jones Technology Index. Hotel occupancy was the sole negative component for the month. The recent momentum in the California Index is consistent with a partial rebound in the state's economy in Q3 and early Q4. However, the state's labor market weakened in December as California re-entered strict social mitigation policies. California payrolls contracted by a net 52,200 jobs in December. The regional stay-at-home orders were relaxed by Governor Newsom on January 25. Going forward, social mitigation policy will be guided by COVID-19 cases and ICU capacity at the county level. Almost all counties remained at the strictest purple tier as we go to publication, so we expect only a modest reopening of the state economy at the end of January. Early stumbles in vaccine rollout and the prospect of more contagious variants of the coronavirus pose major downside risks to the California economy in the first half of 2021. The \$900 billion fiscal stimulus package passed by Congress in December and likely additional stimulus later this year will be key supports, setting the state up for stronger growth in the second half of 2021.

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California Economic Activity Index



Indicator	Nov-19	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20
Nonfarm Payroll Employment (Thousands)	17,501	15,533	15,783	15,883	16,003	16,107
<i>Percent Change</i>		1.7%	1.6%	0.6%	0.8%	0.6%
Continuing UI Claims (Weekly Average)	318,098	2,968,256	3,014,752	2,967,094	2,633,338	2,090,128
<i>Percent Change</i>		6.6%	1.6%	-1.6%	-11.2%	-20.6%
Housing Starts (Annualized Rate)	104,324	86,074	89,457	96,757	103,515	108,096
<i>Percent Change</i>		17.8%	3.9%	8.2%	7.0%	4.4%
House Price Index (Jan 2000=100)	253.2	259.6	261.1	264.3	268.0	271.6
<i>Percent Change</i>		0.1%	0.6%	1.2%	1.4%	1.3%
Industrial Electricity Sales (Millions, KwHr)	3,949	3,935	3,892	3,875	3,795	3,805
<i>Percent Change</i>		1.6%	-1.1%	-0.4%	-2.1%	0.3%
Total Trade (Millions, 2012 USD, Annualized Rate)	511,014	474,491	506,560	523,714	523,025	524,753
<i>Percent Change</i>		9.2%	6.8%	3.4%	-0.1%	0.3%
Technology Stock Index (2009=100)	415.8	509.6	540.6	561.4	584.3	599.7
<i>Percent Change</i>		5.9%	6.1%	3.8%	4.1%	2.6%
Hotel Occupancy Index (2009=100)	122.9	71.0	77.8	84.1	86.0	83.9
<i>Percent Change</i>		17.9%	9.7%	8.1%	2.2%	-2.5%
Total Index	124.7	93.0	95.5	97.8	100.9	104.4
<i>Percent Change</i>		2.9%	2.7%	2.4%	3.2%	3.5%

(Seasonally Adjusted, 3-Month Moving Average)

Explanatory Note:

The California Economic Activity Index consists of eight variables, as follows: nonfarm payroll employment, continuing claims for unemployment insurance, housing starts, house price index, industrial electricity sales, total trade, technology stock index and hotel occupancy. 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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