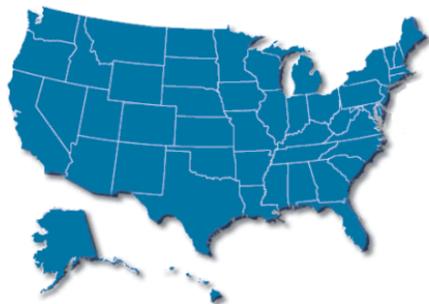


ECONOMIC HIGHLIGHTS



Oil prices decreased 12.4% in December 2015 from the November level. December 2015 oil prices were 37.3% below the level in December 2014 and at the lowest monthly level since April 2004. The decline in prices has reflected increased oil production and supplies, as well as economic slowing in many foreign economies. Oil prices averaged \$48.69 per barrel during 2015, the lowest annual average since 2004.

Retail sales (excluding food services and drinking places) in December 2015 were unchanged from November 2015, and were only 1.8% above December 2014. Compared to December 2014, motor vehicle and parts sales increased by 6.8%, building materials/garden equipment and supply sales were up 5.7%, and sporting goods/hobby/book/music stores were up 8.8% in December 2015. Sales at electronics and appliance stores were down 4.9% from December 2014 to December 2015, while gas station sales declined by 14.1%, reflecting lower gasoline prices.



The **Detroit Consumer Price Index (CPI)** decreased at a 7.2% annual rate between October 2015 and December 2015, primarily due to lower prices for apparel and energy, particularly motor fuel; and was 0.1% below the level in December 2014. On an annual basis, the Detroit CPI declined 1.4% in 2015, with declines in many sectors, although energy (-17.9%) and apparel (-6.7%) exhibited the most significant declines.

Wage and salary employment increased by 0.2% (10,000 jobs) from November 2015 to December 2015. Manufacturing was the only sector to exhibit a decline (0.5%), despite a 0.7% increase in transportation equipment manufacturing employment. Compared with December 2014, the manufacturing and education/health services sectors added the most jobs (19,000), while employment rose most rapidly in the construction sector (7.6%). The only sectors exhibiting year-over-year declines were mining and logging (4.7%), information (3.7%), and government (1.2%).

U.S. & MICHIGAN LABOR MARKET NEWS (Seasonally adjusted, thousands)							
U.S.	Dec. 2015	Nov. 2015	Dec. 2014	Change from Nov.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	157,833	157,367	156,142	466	0.3%	1,691	1.1%
Employment	149,929	149,444	147,439	485	0.3	2,490	1.7
Unemployment	7,904	7,923	8,703	(19)	(0.2)	(799)	(9.2)
Unemployment Rate	5.0%	5.0%	5.6%	---	---	---	---
Michigan	Dec. 2015	Nov. 2015	Dec. 2014	Change from Nov.		Change from Year Ago	
				Number	Percent	Number	Percent
Labor Force	4,771	4,763	4,748	8	0.2%	23	0.5%
Employment	4,527	4,521	4,454	6	0.1	74	1.7
Unemployment	243	242	294	1	0.5	(51)	(17.3)
Unemployment Rate	5.1%	5.1%	6.2%	---	---	---	---

Source: Bureau of Labor Statistics, U.S. Department of Labor (Household Data)



MICHIGAN WAGE AND SALARY EMPLOYMENT (Seasonally adjusted, thousands)							
	Dec. 2015*	Nov. 2015	Dec. 2014	Change from Oct.		Change from Yr Ago	
				Number	Percent	Number	Percent
Total Non-Agricultural Jobs	4,297	4,287	4,218	10	0.2%	80	1.9%
Goods Producing Industries	767	768	738	(1)	(0.1)	29	4.0
Mining and Logging	8	8	9	0	2.5	(0)	(4.7)
Construction	156	153	145	3	1.6	11	7.6
Manufacturing	604	607	585	(3)	(0.5)	19	3.2
Transportation Equipment	194	193	185	1	0.7	10	5.3
Service Producing Industries	3,530	3,519	3,480	11	0.3	51	1.5
Trade, Transportation & Utilities	770	766	761	3	0.4	8	1.1
Wholesale Trade	174	173	170	1	0.8	5	2.8
Retail Trade	464	463	463	1	0.2	1	0.2
Transportation & Utilities	132	131	129	1	0.8	3	2.1
Information	55	55	57	0	0.0	(2)	(3.7)
Financial Activities	213	213	206	0	0.1	7	3.3
Professional & Business Services	646	643	633	3	0.4	12	2.0
Education & Health Services	668	666	649	2	0.2	19	2.9
Leisure & Hospitality Services	415	415	407	0	0.1	8	2.1
Other Services	176	174	171	2	1.1	5	3.0
Government	588	587	595	1	0.2	(7)	(1.2)

Source: Bureau of Labor Statistics, U.S. Department of Labor (Establishment Data) *Preliminary

MICHIGAN AVERAGE WEEKLY HOURS AND EARNINGS						
Industry	Average Weekly Hours			Average Weekly Earnings		
	Dec. 2015	Year Ago	Percent Change	Dec. 2015	Year Ago	Percent Change
Construction	41.1	39.0	5.4%	\$1,029.14	\$961.35	7.1%
Manufacturing	44.9	45.4	(1.1)	944.25	943.41	0.1
Durable Goods	45.8	46.4	(1.3)	1,015.39	1,013.84	0.2
Transportation Equipment Mfg.	48.9	50.0	(2.2)	1,202.45	1,289.50	(6.8)
Motor Vehicle Parts Mfg.	48.4	49.3	(1.8)	1,099.16	1,199.45	(8.4)
Nondurable Goods	42.1	41.9	0.5	712.33	707.27	0.7
Wholesale Trade	39.1	38.2	2.4	899.30	864.08	4.1
Retail Trade	30.1	30.5	(1.3)	411.47	411.14	0.1
Information	36.0	34.7	3.7	882.72	862.99	2.3
Financial Activities	36.4	35.7	2.0	835.38	780.76	7.0
Professional & Business Services	33.8	36.6	(7.7)	812.55	830.45	(2.2)
Health Care & Social Assistance	31.4	31.7	(0.9)	656.89	609.59	7.8
Leisure & Hospitality	22.7	22.7	0.0	249.70	249.70	0.0
Accommodation & Food Services	22.7	22.6	0.4	239.71	239.11	0.3

Source: Bureau of Labor Statistics, U.S. Department of Labor



MICHIGAN UNEMPLOYMENT RATES BY SELECTED METROPOLITAN AREAS AND MULTI-COUNTY AREAS (Not Adjusted for Seasonal Variations)				
	Dec. 2015	Nov. 2015	Oct. 2015	Dec. 2014
Metropolitan Statistical Areas				
Ann Arbor	2.6%	2.9%	3.4%	3.3%
Battle Creek	3.9	4.1	4.3	4.8
Bay City	4.3	4.3	4.4	5.6
Detroit-Warren-Dearborn	5.4	5.2	6.3	6.5
Flint	4.6	4.8	5.0	5.8
Grand Rapids-Wyoming	2.8	3.0	3.1	3.7
Jackson	4.0	4.2	4.5	5.1
Kalamazoo-Portage	3.5	3.7	3.9	4.7
Lansing-East Lansing	3.2	3.4	3.6	4.2
Midland	3.8	3.9	4.0	4.6
Monroe	3.3	3.6	4.1	4.3
Muskegon	4.2	4.6	4.8	5.7
Niles-Benton Harbor	4.0	4.2	4.3	5.2
Saginaw	4.2	4.4	4.6	5.5
Multi-County Areas				
Northeast Lower Michigan	7.1	6.6	5.7	8.5
Northwest Lower Michigan	5.0	4.7	4.5	6.4
Upper Peninsula	5.7	5.5	5.0	6.8
Michigan Statewide Average				
-- Unadjusted (comparable to figures shown above)	4.5	4.5	5.0	5.6

Source: Michigan Department of Technology, Management, and Budget

MOTOR VEHICLE SALES AND PRODUCTION STATISTICS (Thousands of Units, Seasonally Adjusted Annual Rates)							
	Dec. 2015	Nov. 2015	Oct. 2015	Sept. 2015	Year Ago Nov.	Percent Change From:	
						Dec./Nov.	Dec. 2015/ Dec. 2014
Motor Vehicle Sales¹⁾							
Autos	7,145	7,539	7,762	7,659	7,850	(5.2%)	(9.0%)
Domestics	5,434	5,613	5,859	5,769	5,767	(3.2)	(5.8)
Imports	1,711	1,926	1,903	1,890	2,083	(11.2)	(17.9)
Import Share	23.9%	25.5%	24.5%	24.7%	26.5%	---	---
Light Trucks	10,070	10,522	10,363	10,411	8,953	(4.3)	12.5
Domestics	8,049	8,416	8,301	8,621	7,647	(4.4)	5.3
Imports	2,021	2,106	2,062	1,790	1,306	(4.0)	54.7
Import Share	20.1%	20.0%	19.9%	17.2%	14.6%	---	---
Subtotal: Light Vehicle Sales	17,215	18,061	18,125	18,070	16,803	(4.7)	2.5
Heavy Trucks	416	491	427	445	420	(15.3)	(1.0)
Total Vehicle Sales	17,631	18,552	18,552	18,515	17,223	(5.0)	2.4
U.S. Motor Vehicle Production¹⁾							
Autos	3,846	3,943	4,085	4,086	4,440	(2.5)	(13.4)
Michigan Motor Vehicle Production²⁾							
Autos	804	805	681	896	965	(0.0)	(16.7)
Trucks	1,561	1,456	1,514	1,529	1,618	7.2	(3.5)
Total	2,365	2,260	2,194	2,425	2,583	4.6	(8.4)
Michigan Production as % of U.S.	19.1%	19.5%	18.7%	19.9%	23.4%	---	---
U.S. Motor Vehicle Inventories³⁾							
Total Car	1,563	1,611	1,542	1,524	1,712	(3.0)	(8.7)
Days Supply	69	70	71	63	66	(1.4)	4.5
Total Truck	2,021	2,126	2,033	1,928	1,846	(4.9)	9.5
Days Supply	56	62	67	57	58	(9.7)	(3.4)

Sources: 1) U.S. Department of Commerce, Bureau of Economic Analysis. 2) Michigan Department of Treasury, Office of Revenue and Tax Analysis and the Senate Fiscal Agency. 3) Automotive News, Crain Communications, Inc. (ending inventory, not seasonally adjusted).



OTHER KEY ECONOMIC INDICATORS						
Variable	Latest Period	Actual Data			Percent Chng From	
		Latest Period	Previous Period	Year Ago	Previous Period*	Year Ago
Index of Consumer Sentiment , monthly ¹⁾ (1996 Q1=100)	Dec.	92.6	91.3	93.6	1.4%	(1.1%)
Oil Prices ²⁾ (\$ per barrel, West Texas Intermediate Crude)	Dec.	\$37.19	\$42.44	\$59.29	(12.4)	(37.3)
Housing Starts, U.S. ³⁾ (thousands of units, SAAR)	Dec.	1,143	1,176	1,080	(2.8)	5.8
Retail Sales, U.S. ³⁾ (billions, seasonally adjusted)	Dec.	\$395.3	\$395.3	\$388.1	0.0	1.8
Industrial Production Index ⁴⁾ (1997=100, seasonally adjusted)	Dec.	105.9	106.6	107.9	(0.7)	(1.9)
Capacity Utilization ⁴⁾ (% of total capacity, seasonally adjusted)	Dec.	76.4	77.0	79.0	(0.8)	(3.3)
Consumer Price Index ⁵⁾ (1982-84=100)						
U.S. (seasonally adjusted)	Dec.	238.0	238.3	236.5	(1.3)	0.7
Detroit (not seasonally adjusted)	Dec.	217.8	220.5	218.1	(7.2)	(0.1)
Interest Rates						
3-month Treasury Bill ⁴⁾	Dec.	0.23%	0.13%	0.03%	---	---
Corporate Aaa Bonds ⁴⁾	Dec.	3.97%	4.06%	3.79%	---	---
Real Gross Domestic Product ⁶⁾ (billions of 2005 \$, SAAR, Chain-Weighted)	2015 4th Quarter	\$16,455.1	\$16,414.0	\$16,151.4	1.0	1.9
Michigan Tax Collections ⁷⁾ (12 major taxes, millions)	Dec.	\$1,829.0	\$1,738.6	\$1,922.6	NM	(4.9)

SAAR = Seasonally Adjusted at Annual Rates. NM = Not Meaningful.
Revenue data vary greatly from month-to-month due to timing and other noneconomic factors.
*Note: Percent changes from previous period for CPI and GDP at annual rate.

Sources: 1) Reuters/University of Michigan Surveys of Consumers. 2) Dow Jones & Company/Federal Reserve Bank of St. Louis. 3) U.S. Department of Commerce, Bureau of the Census. 4) Board of Governors of the Federal Reserve System. 5) U.S. Department of Labor, Bureau of Labor Statistics. 6) U.S. Department of Commerce, Bureau of Economic Analysis. 7) Michigan Department of Treasury and the Senate Fiscal Agency.

