

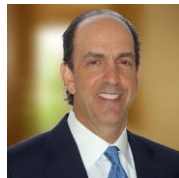
Comerica's 2026 Economic Outlook

Thursday, January 22, 2026

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Mark Your Calendars!

Our Next Technology Special Interest Group Event:

Wednesday, April 8, 2026



Speaker



Bill Adams
Comerica Bank
Chief Economist



More Expansionary Policy, Broader Growth in 2026

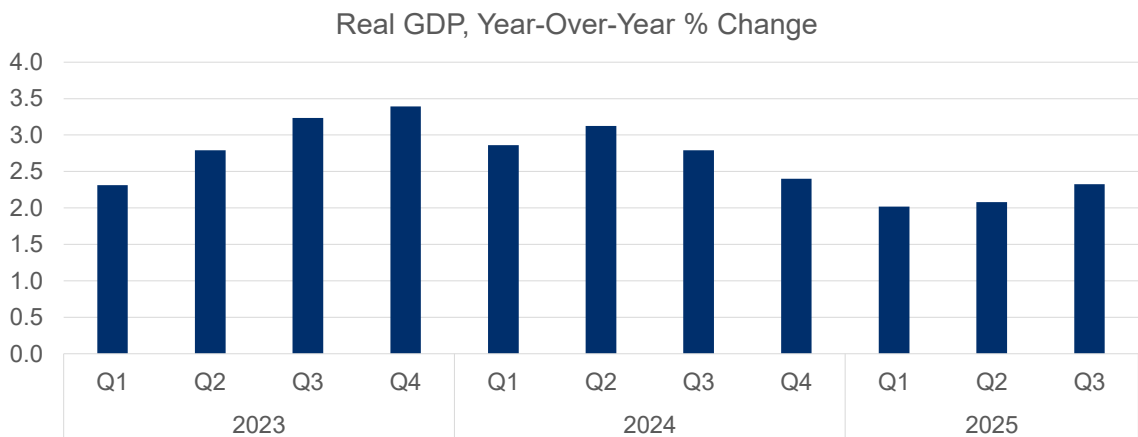
Bill Adams, SVP and Chief Economist

January 2026

FEI Technology SIG
Annual Outlook Presentation

commitment

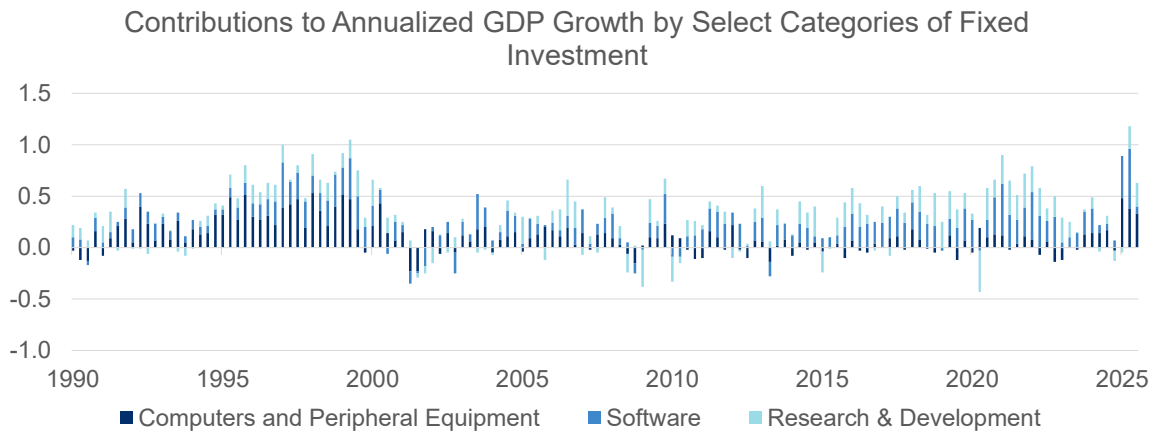
Economic growth was solid in 2025 despite DOGE cuts, tariff whiplash, and glum consumers



Sources: Bureau of Economic Analysis, Federal Reserve Bank of St Louis FRED Database; ©2026, Comerica Bank. All rights reserved.

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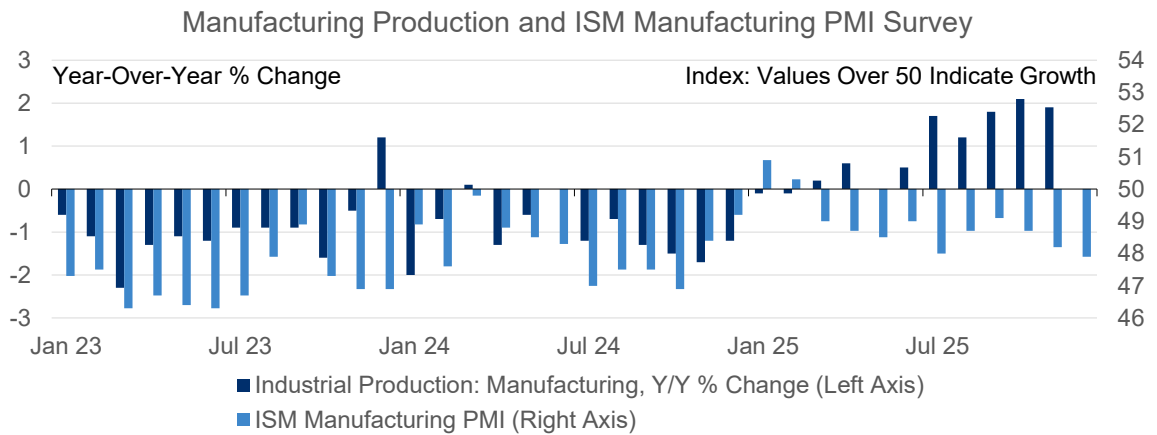
The economy is riding a huge tailwind from AI capex



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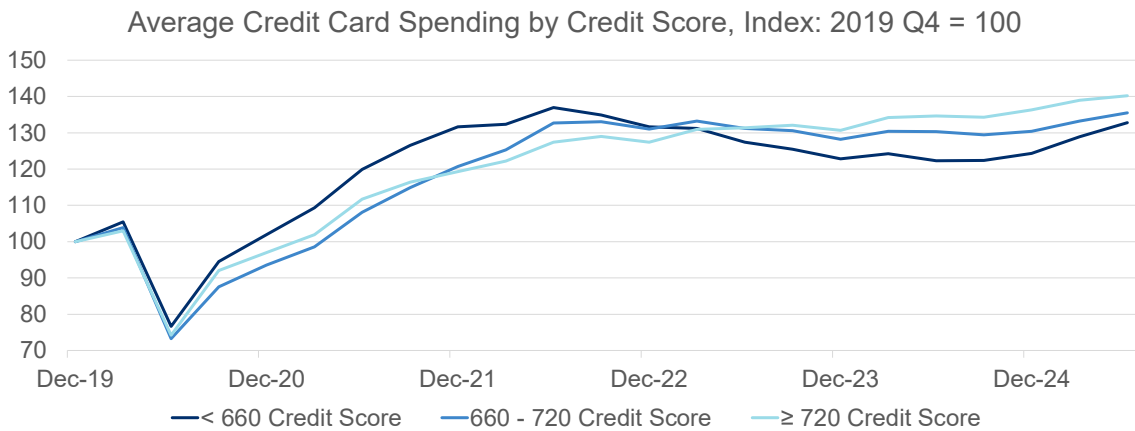
Manufacturing output is recovering but the industry still feels pessimistic about its outlook



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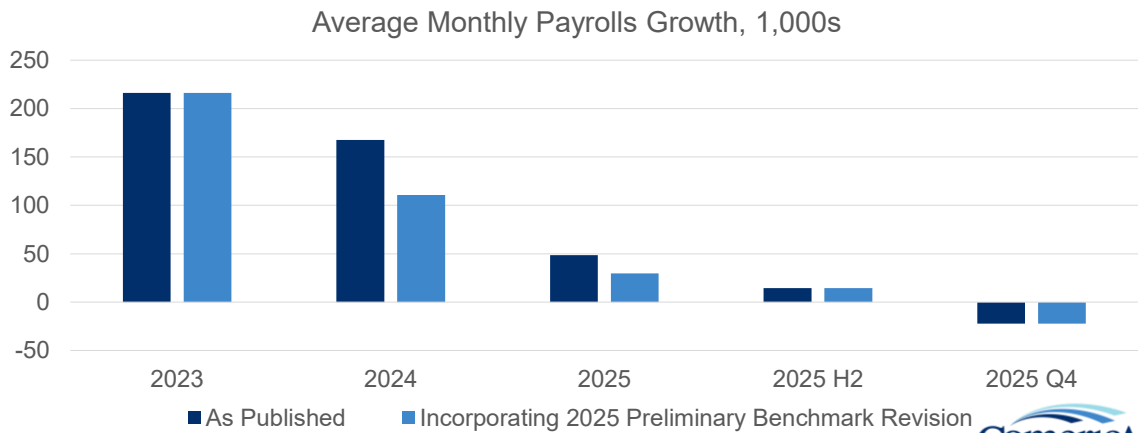
Affluent households are propping up consumer spending



Sources: Federal Reserve Bank of Philadelphia; seasonally-adjusted using Census X-13 and re-indexed; ©2026, Comerica Bank. All rights reserved.

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At the same time, job growth faces headwinds from DOGE cuts, tariffs, AI adoption, and housing weakness



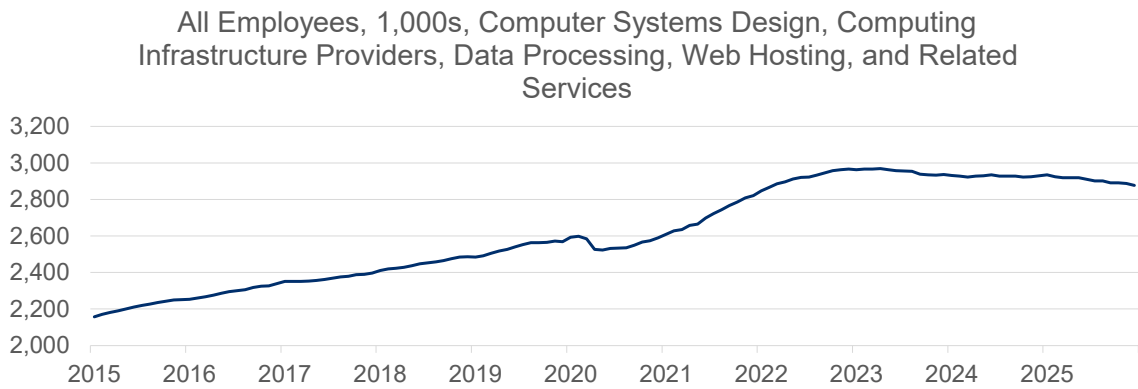
Sources: Bureau of Labor Statistics, Federal Reserve Bank of St. Louis FRED Database, Comerica Economics calculations;
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Leading indicators of the job market point to further weakening in early 2026



Sources: Bureau of Labor Statistics, Federal Reserve Bank of St Louis FRED Database; ©2026, Comerica Bank. All rights reserved. Note: October 2025 value is interpolated.

AI's impact on employment is the factor most likely to persist in 2025

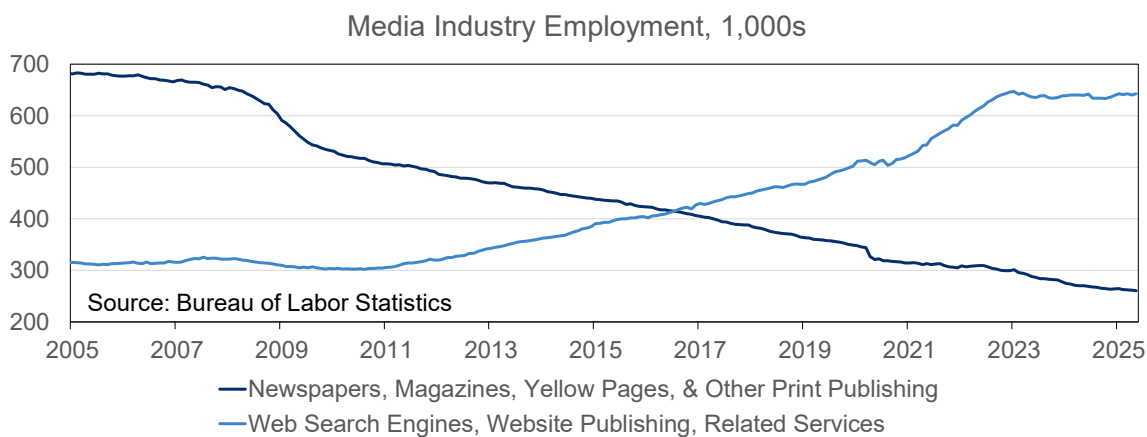


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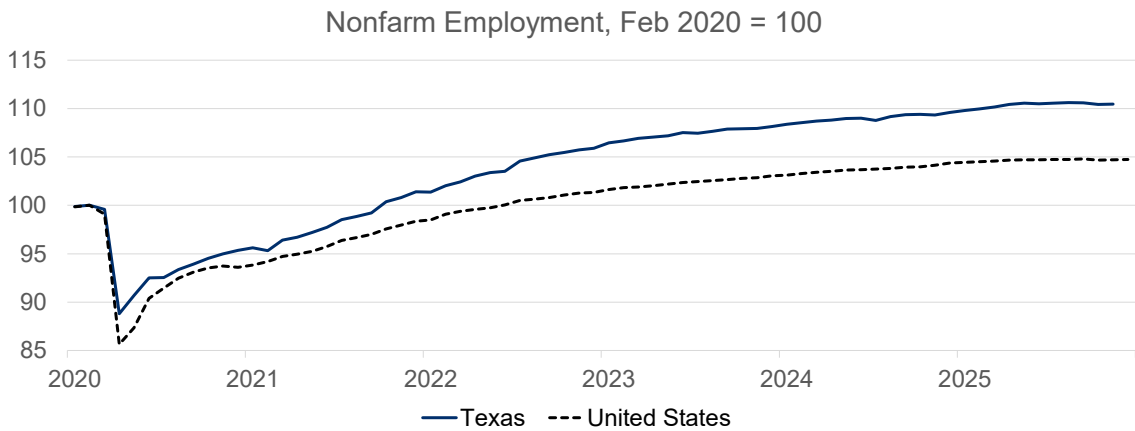
In previous technological transformations, old industries shed jobs faster than new industries added



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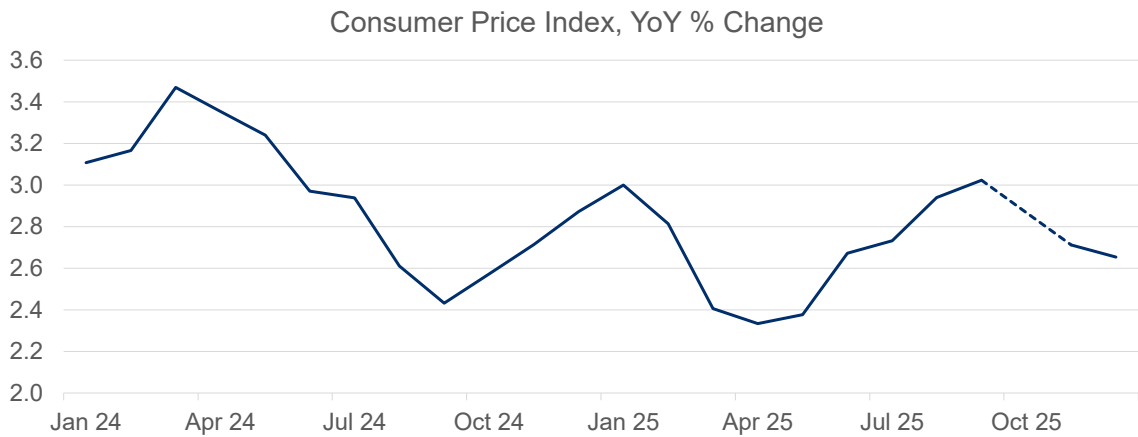
Texas was a top market for job growth post-pandemic, but slowed last year



Sources: Bureau of Labor Statistics, Federal Reserve Bank of St Louis FRED Database; ©2026, Comerica Bank. All rights reserved. Note: October 2025 value is interpolated.

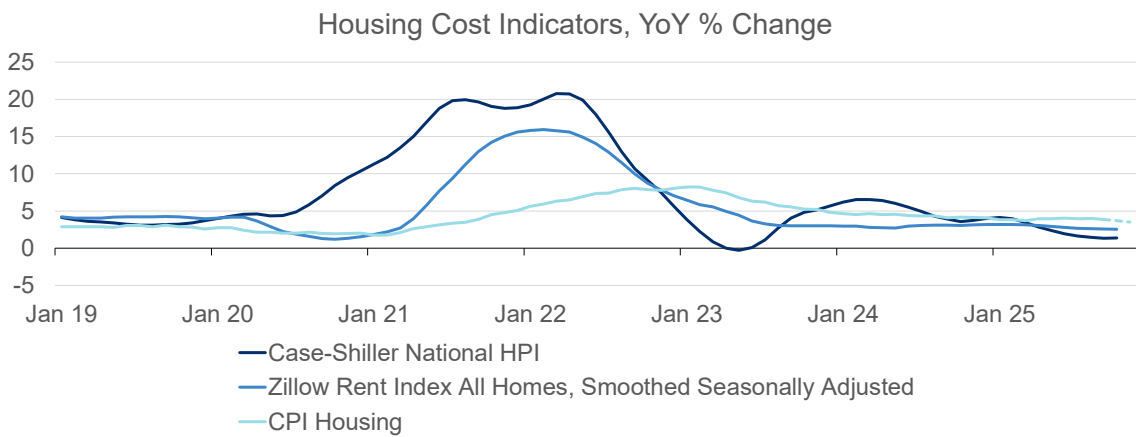
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The government shutdown muddied the inflation data



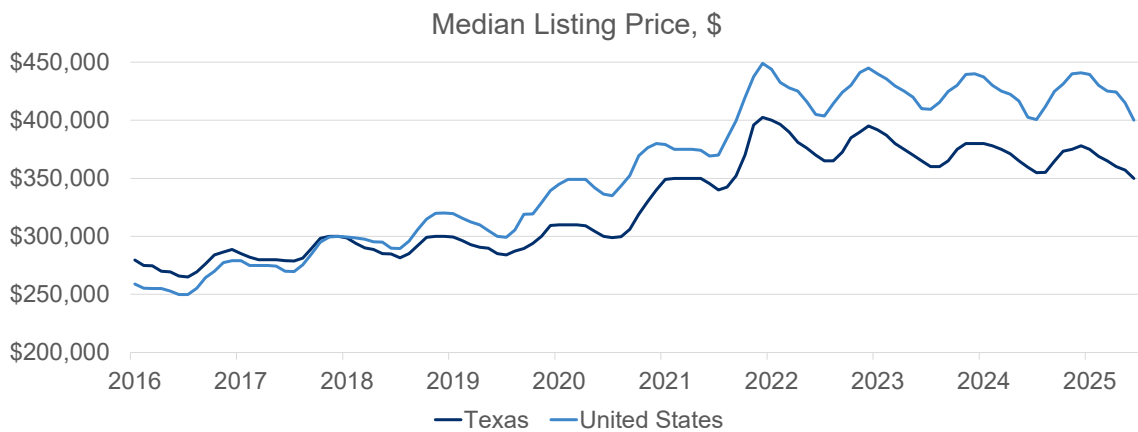
Source: Bureau of Labor Statistics; ©2026, Comerica Bank. All rights reserved. Dashed values interpolate through missing October 2025 release.

Housing CPI is clearly trending lower



Sources: Bureau of Labor Statistics, Federal Reserve Bank of St Louis FRED Database, Cotality, Zillow, Bloomberg; ©2026, Comerica Bank. All rights reserved. Note: Oct 2025 CPI Housing value is interpolated.

Texas house prices are edging down as more supply balances an historically tight market



Sources: Realtor.com, Federal Reserve Bank of St Louis FRED Database; ©2026, Comerica Bank. All rights reserved.

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Tariffs are raising core goods prices, but a wage-cost spiral is less likely as the job market cools



CPI: Core Goods, Year-Over-Year % Change



Sources: Bureau of Labor Statistics, Federal Reserve Bank of St Louis FRED Database; ©2026, Comerica Bank. All rights reserved. Dashes indicate interpolated values.

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Comerica forecasts 75bps in fed rate cuts in 2026, political pressure makes cuts less likely

	2024 Actual	2025 Preliminary	2026 Forecast
Real GDP, Annual % Change	2.8%	2.1%	2.0%
Real Residential Fixed Investment, Annual % Change	3.2%	-2.0%	0.9%
Real Nonresidential Fixed Investment, Annual % Change	2.9%	4.0%	4.3%
Unemployment Rate, Q4 Avg.	4.1%	4.5%	4.3%
Payroll Jobs, Avg. Monthly Increase*	111,000*	36,000*	39,000
CPI, Q4/Q4	2.7%	2.7%	2.6%
FHFA Purchase-Only House Price Index, Q4/Q4	4.6%	0.9%	1.9%
Fed Funds Target, Year-End	4.25%-4.50%	3.50%-3.75%	2.75%-3.00%
10-Year Treasury Yield, Annual Avg.	4.21%	4.29%	4.11%

Source: Comerica December 2025 U.S. Economic Forecast, updated to include subsequent actual data releases; ©2026, Comerica Bank. All rights reserved.
 * Starred values incorporate the CES September 2025 Preliminary Benchmark Revision.



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Thanks for inviting me to speak again today



Bill Adams, Chief Economist

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