



CBER Economic Indexes for Nevada and Southern Nevada

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CBER's Indexes of Nevada Economic Activity



Coincident Index Components

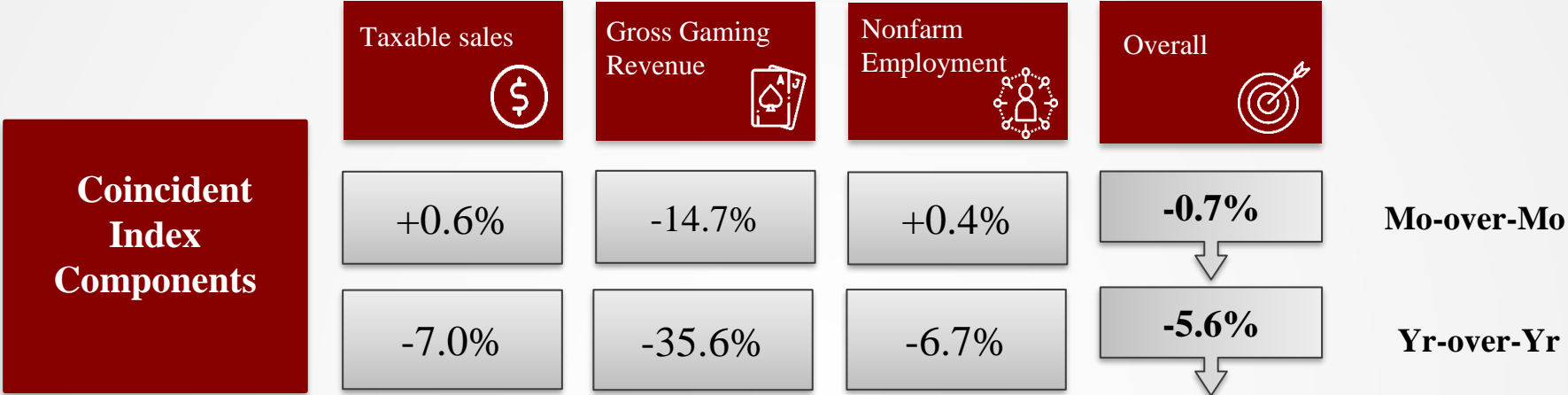
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

Leading Index Component

- Nevada Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- Nevada Housing Permits
- Nevada Commercial Permits
- Nevada Airline Passengers
- Standard & Poor's Stock Market Index

The CBER Nevada coincident and leading indexes use the Department of Commerce index construction method. The CBER Nevada coincident index measures the ups and downs of the Nevada economy, while the CBER Nevada leading index provides an indication for the future direction of the coincident index. The coincident index provides the benchmark series that defines the business cycle or reference cycle in Nevada. The leading index then tracks the economy relative to that reference cycle. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Nevada coincident index, the Nevada leading index peaked in November 2005, 14 months before the Nevada coincident index peaked. Then, the Nevada leading index troughed in May 2009, 13 months before the Nevada coincident index troughed. The COVID-19 recession differs from typical economic recessions. It provides almost no signal that it is coming. The coincident index peaked in December 2019 while the leading index peaked in January 2020. The big dips in both indexes came with the March data and the April data should provide even more dramatic decreases in the two indexes. The Nevada COVID-19 recession began in December 2019. All series are seasonally adjusted (SA). A full description of the methodology used to construct the indexes can be found at: <http://cber.unlv.edu/publications/nvindices.pdf>.

Summary of CBER's Nevada Coincident and Leading Indexes in December 2020



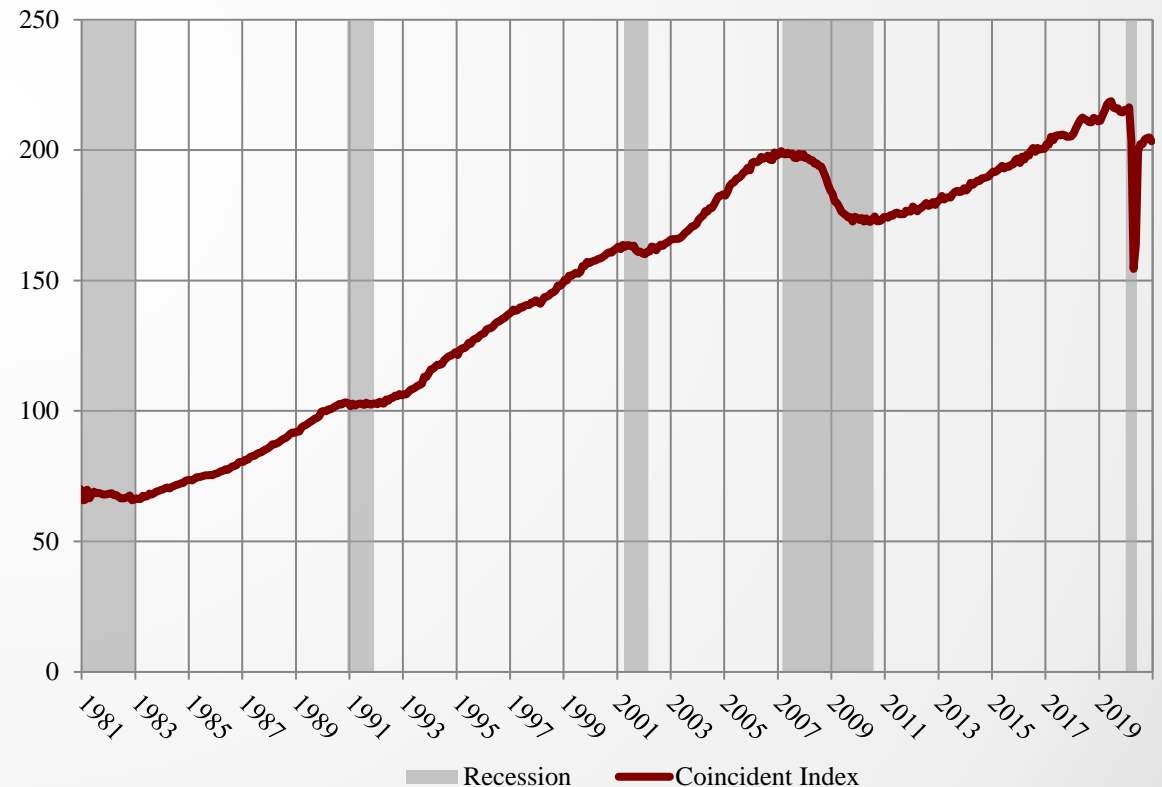
* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.
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The CBER Nevada coincident index decreased both month-over-month and year-over-year.

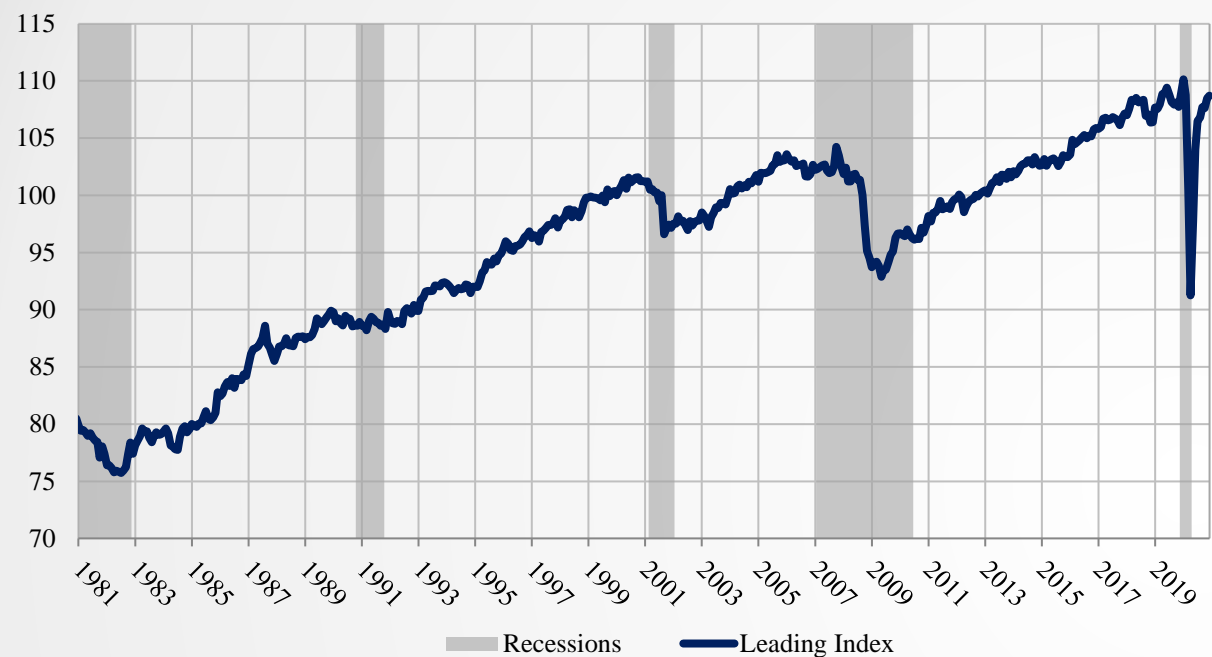
The CBER Nevada coincident index experienced a 0.7 percent month-over-month decrease in December. This decline reflects a decrease in gross gaming revenue of 14.7 percent and increases in taxable sales and nonfarm employment of 0.6 and 0.4 percent, respectively, from November 2020. We continue to note that the index recovered quickly, flattened in the summer months, and now turned down with the most recent data.

On a year-over-year basis, the index dropped by 5.6 percent. This decrease reflected the downward surge in taxable sales, gross gaming revenue, and nonfarm employment, down by 7.0, 35.6, and 6.7 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	5,213,524,609	+0.6%	-7.0%
Gross Gaming Revenue (SA)	651,950,451	-14.7%	-35.6%
Nonfarm Employment (SA)	1,313,489	+0.4%	-6.7%
Index and % Change	203.5	-0.7%	-5.6%



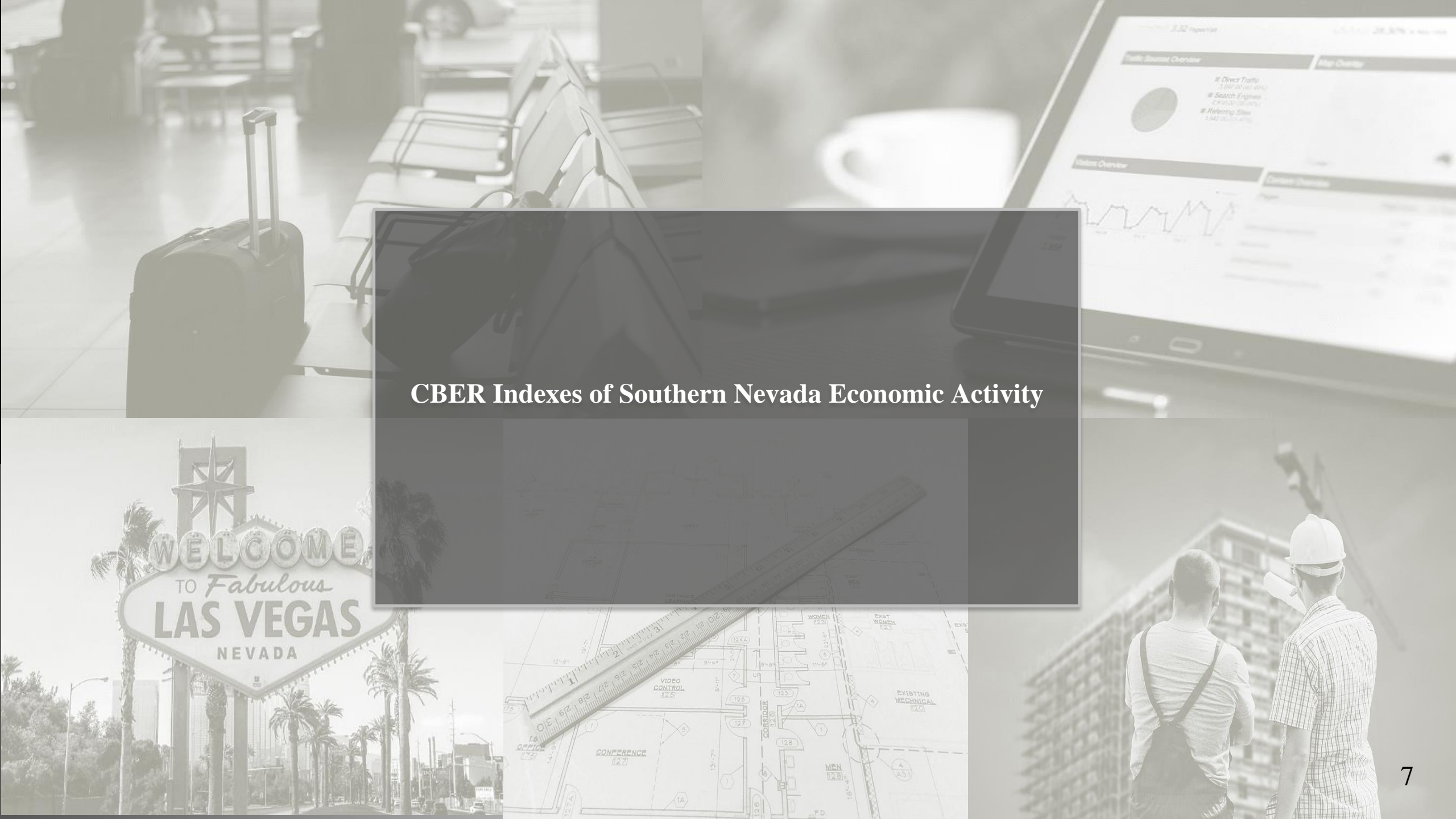
The CBER Nevada leading index increased month-over-month and decreased year-over-year.



Date	Index	Mo-over-Mo	Yr-over-Yr
Dec-19	109.0	1.2%	2.4%
Jan-20	110.1	1.1%	2.3%
Feb-20	108.8	-1.2%	1.1%
Mar-20	100.5	-7.6%	-6.9%
Apr-20	91.3	-9.2%	-16.2%
May-20	97.6	7.0%	-10.4%
Jun-20	104.0	6.6%	-4.9%
Jul-20	106.5	2.4%	-2.1%
Aug-20	106.8	0.3%	-1.2%
Sep-20	107.7	0.8%	-0.2%
Oct-20	107.6	-0.1%	-0.5%
Nov-20	108.5	0.8%	0.7%
Dec-20	108.7	0.2%	-0.3%

The CBER Nevada leading index increased by 0.2 percent on a month-over-month basis. On the positive side, initial claims for unemployment insurance (inverted), the ten-year real Treasury yield (inverted), housing permits, and the S&P 500 increased by 6.6, 0.1, 23.6, and 3.8 percent, respectively, from November 2020. On the negative side, Nevada passengers and commercial permits decreased by 4.8 and 11.9 percent, respectively, from last month.

On a year-over-year basis, the leading index decreased by 0.3 percent. The initial claims for unemployment insurance (inverted), Nevada passengers, and commercial permits decreased by 214.4, 60.8, and 31.8 percent, respectively from last year. The ten-year Treasury yield (inverted) did not change. The housing permits and S&P 500 increased by 53.1 and 15.8 percent, respectively, from December 2019.



CBER Indexes of Southern Nevada Economic Activity

CBER's Indexes of Southern Nevada Economic Activity

The CBER Southern Nevada coincident and leading indexes use the Department of Commerce index construction method. The coincident index measures the ups and downs of the Southern Nevada economy. The leading index provides a signal about the future direction of the coincident index. The coincident index peaked in February 2007 and then fell dramatically through June 2010. Prior to the Great Recession, identified by the benchmark Southern Nevada coincident index, the Southern Nevada leading index peaked in September 2005, 16 months before the Southern Nevada coincident index peaked. Then the Southern Nevada leading index troughed in May 2009, 13 months before the Southern Nevada coincident index troughed. As noted above, the COVID-19 recession differs from typical economic recessions. It provides almost no signal that it is coming. The coincident index peaked in December 2019 while the leading index peaked in January 2020. The big dips in both indexes came with the March data and the April data should provide even more dramatic decreases in the two indexes. The Southern Nevada COVID-19 recession began in December 2019. All series are SA.

Coincident Index

- CC Taxable Sales
- CC Gross Gaming Revenue
- CC Nonfarm Employment

Note: CC = Clark County

Leading Index

- NV Initial Claims for Unemployment (inverted)
- Real 10-Year Treasury Rate (inverted)
- CC Housing Permits
- CC Commercial Permits
- McCarran Passengers
- S&P 500

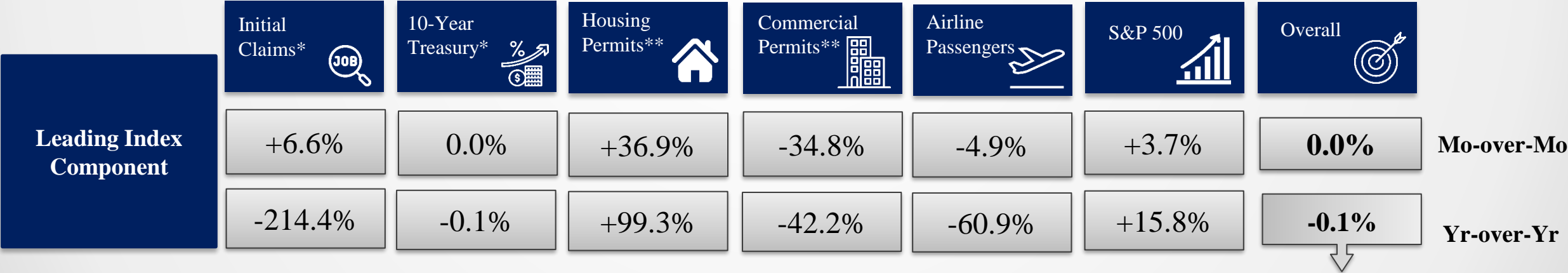
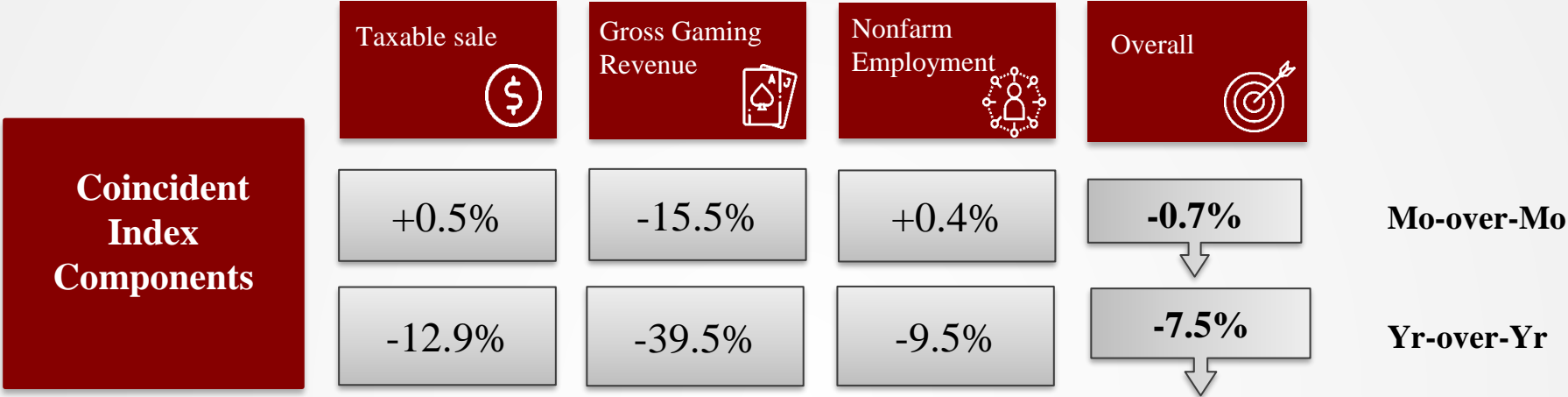
Tourism Index

- McCarran Passengers
- CC Gross Gaming Revenue
- LV Hotel/Motel Occupancy Rate

Construction Index

- CC Construction Employment
- CC Housing Permits
- CC Commercial Permits

Summary of CBER's Southern Nevada Coincident and Leading Indexes in December 2020



* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.

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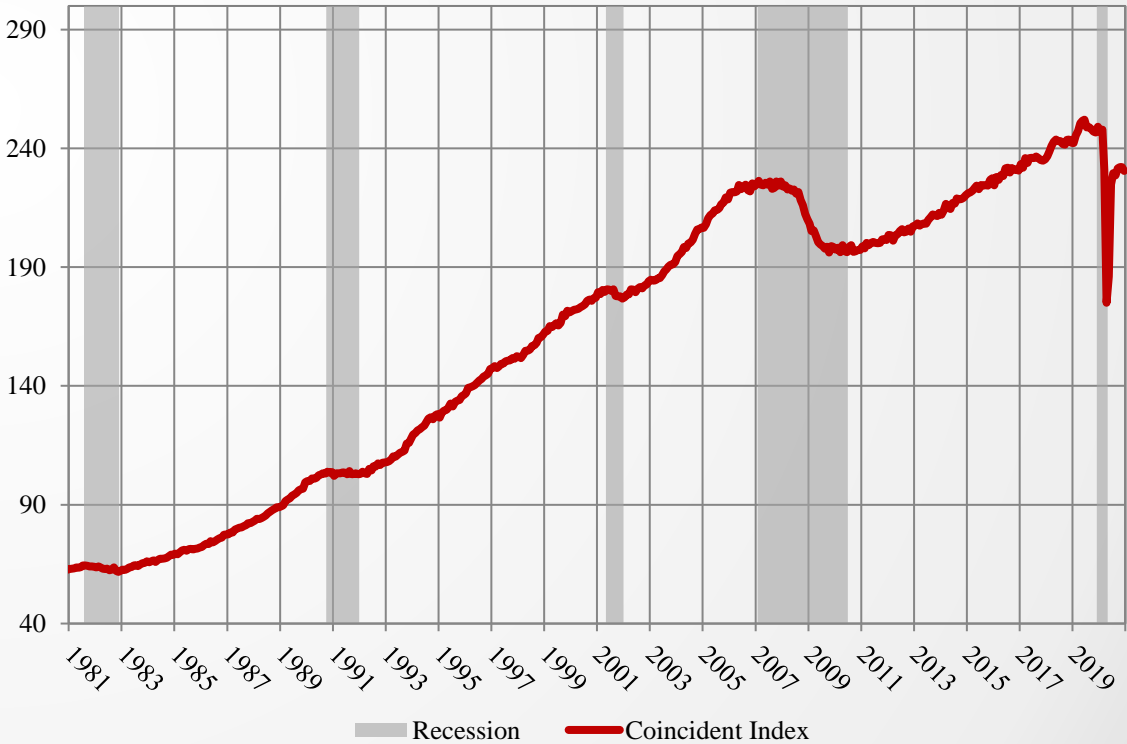
Southern Nevada Coincident Index in December 2020

The CBER Southern Nevada coincident index decreased month-over-month and year-over-year.

The CBER Southern Nevada coincident index decreased by a small 0.7 percent in December compared to the previous month. This decline resulted from monthly increases in taxable sales and nonfarm employment of 0.5 and 0.4 percent, respectively, from November. Gross gaming revenue, however, decreased by 15.5 percent from November.

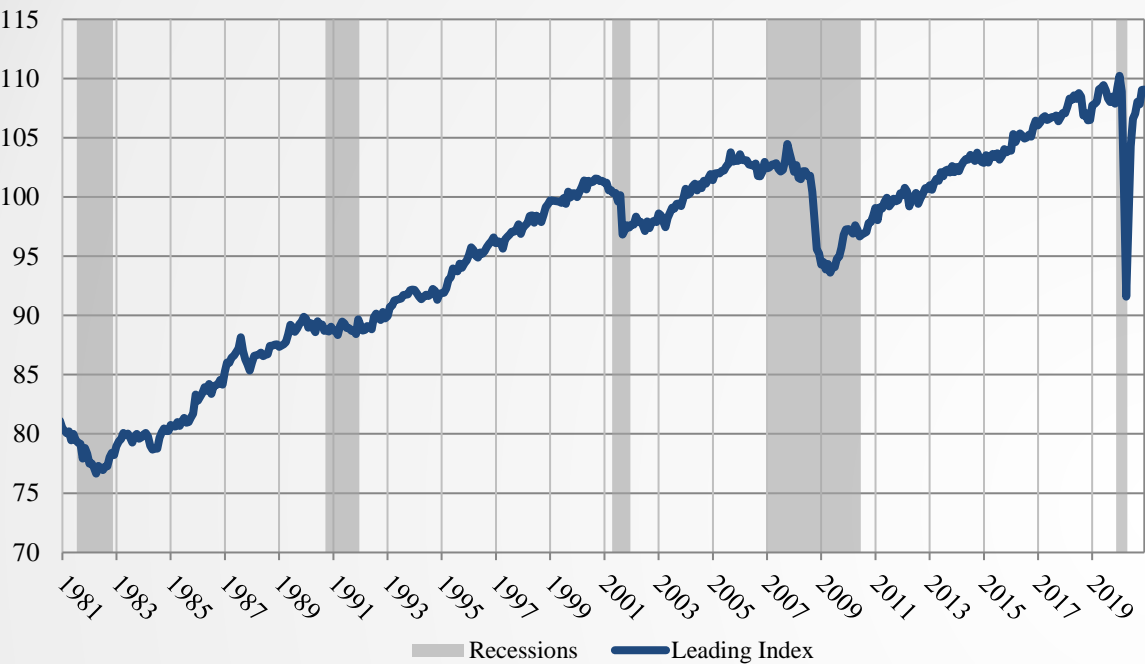
The Southern Nevada coincident index decreased year-over-year, dropping by 7.5 percent. The decrease reflected losses in taxable sales, gross gaming revenue, and nonfarm employment, down by 12.9, 39.5, and 9.5 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	3,630,319,019	+0.5%	-12.9%
Gross Gaming Revenue (SA)	533,598,959	-15.5%	-39.5%
Nonfarm Employment (SA)	927,818	+0.4%	-9.5%
Index and % Change	230.5	-0.7%	-7.5%



Southern Nevada Leading Index in December 2020

The CBER Southern Nevada leading index did not change month-over-month and decreased year-over-year.

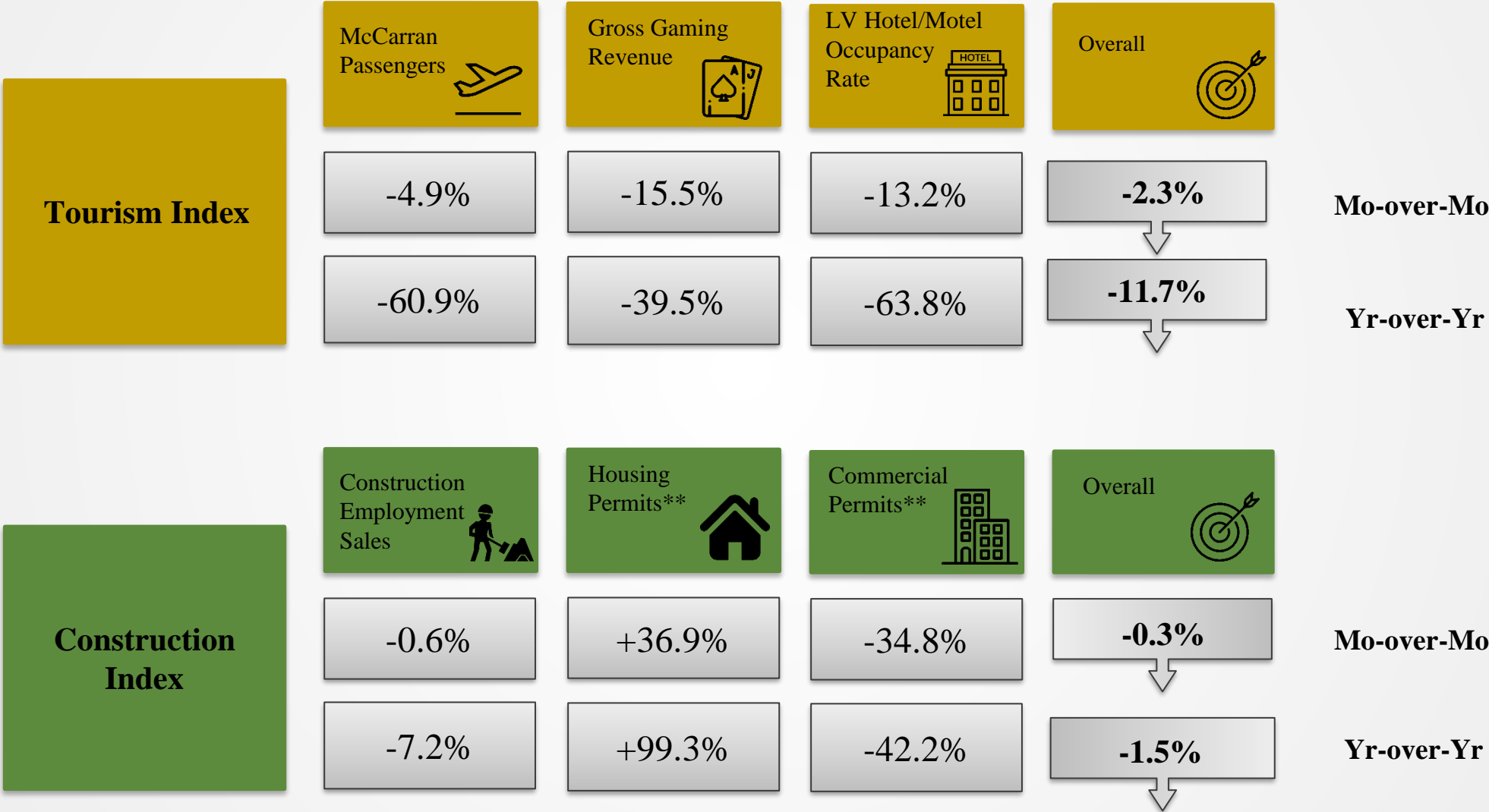


Date	Index	Mo-over-Mo	Yr-over-Yr
Dec-19	109.2	1.2%	2.6%
Jan-20	110.2	0.9%	2.3%
Feb-20	108.9	-1.2%	1.0%
Mar-20	100.5	-7.7%	-7.0%
Apr-20	91.6	-8.9%	-16.1%
May-20	98.0	7.0%	-10.3%
Jun-20	104.3	6.4%	-4.7%
Jul-20	106.6	2.2%	-2.2%
Aug-20	107.0	0.4%	-1.2%
Sep-20	108.0	0.9%	0.0%
Oct-20	107.8	-0.2%	-0.6%
Nov-20	109.0	1.1%	1.1%
Dec-20	109.1	0.0%	-0.1%

The CBER Southern Nevada leading index experienced no change month-over-month. On the positive side, the initial claims for unemployment insurance (inverted), housing permits, and the S&P 500 increased by 6.6, 36.9, and 3.7 percent, respectively, from November. Commercial permits and McCarran passengers decreased by 34.8 and 4.9 percent, respectively. The ten-year real Treasury yield (inverted) did not change.

On a yearly basis, the CBER Southern Nevada leading index decreased by 0.1 percent. The S&P 500 and housing permits increased by 15.8 and 99.3 percent, respectively, from December 2019. On the negative side, the initial claims for unemployment insurance (inverted), McCarran passengers, the ten-year real Treasury yield (inverted), and commercial permits declined by 214.4, 60.9, 0.1 and 42.2 percent, respectively, from the prior year.

Summary of CBER's Southern Nevada Tourism and Construction Indexes in December 2020



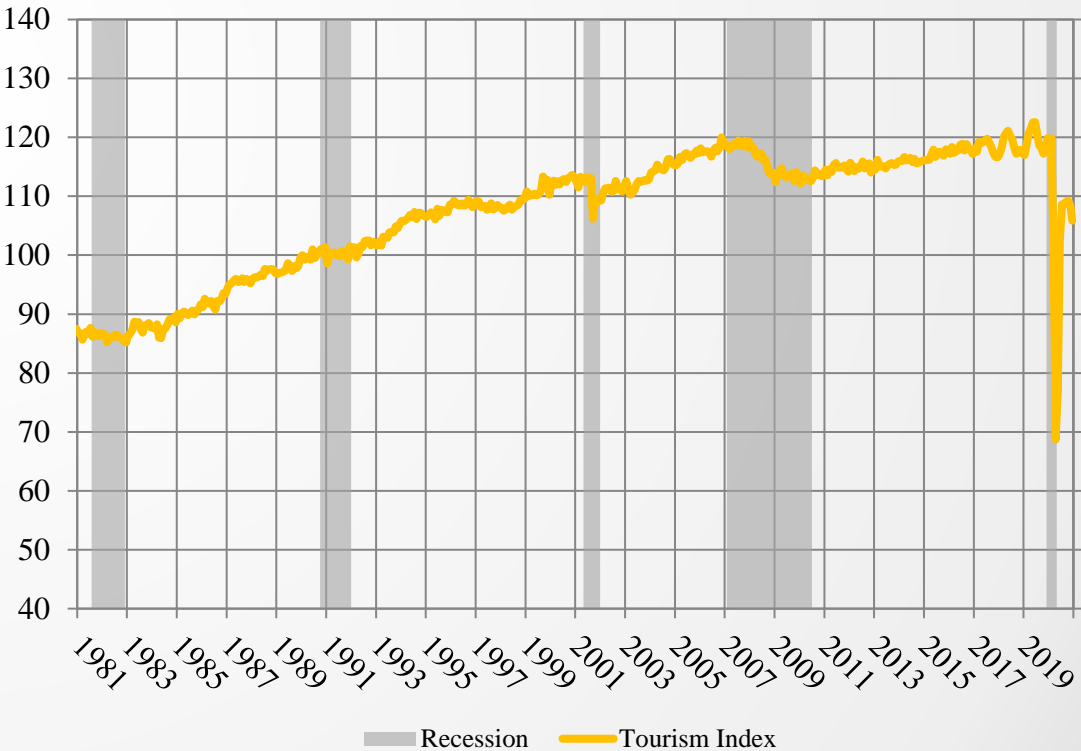
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The CBER Southern Nevada tourism index decreased month-over-month and year-over-year.

The CBER Southern Nevada tourism index decreased by 2.3 percent month-over-month in December. On the negative side, McCarran passengers, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate decreased by 4.9, 15.5 and 13.2 percent, respectively. We continue to note that the index recovered quickly, flattened in the summer months, and now turned down with the most recent data.

On an annual basis, the Southern Nevada tourism index exhibited a loss of 11.7 percent. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate fell considerably by 60.9, 39.5, and 63.8 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	1,642,617	-4.9%	-60.9%
Gaming Revenue (SA)	533,598,959	-15.5%	-39.5%
LV Hotel/Motel Occupancy Rate (SA)	0.328	-13.2%	-63.8%
Index and % Change	105.9	-2.3%	-11.7%

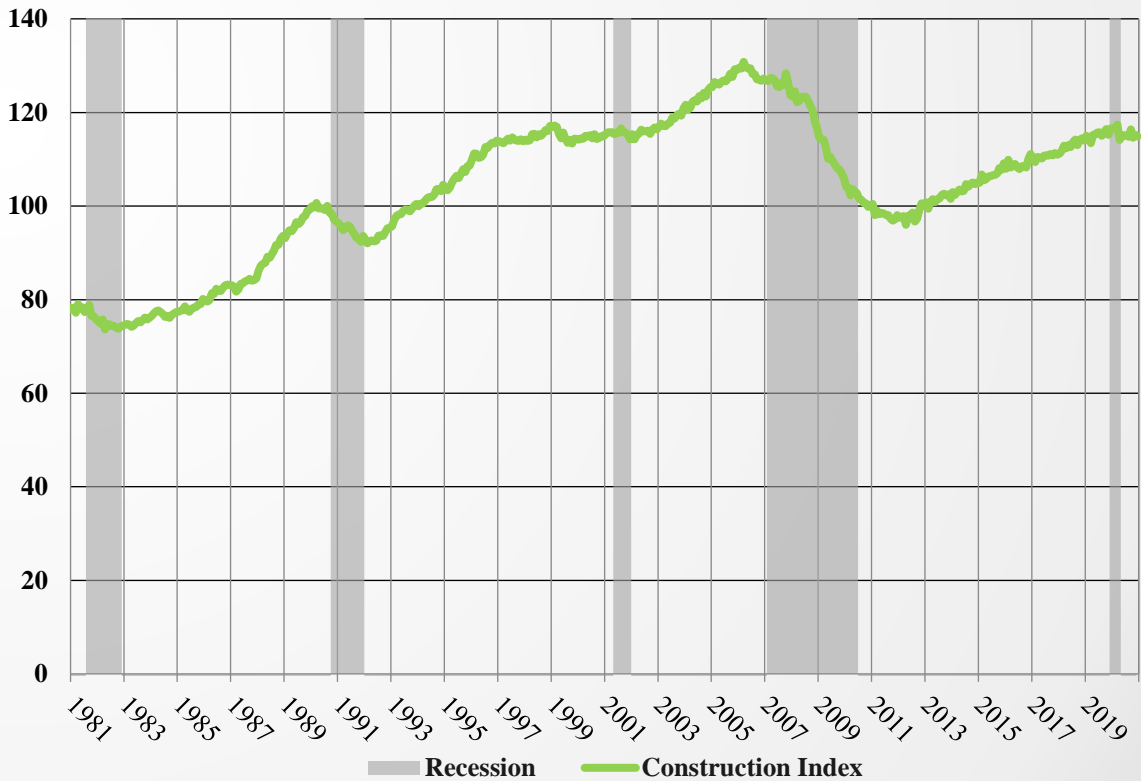


The CBER Southern Nevada construction index decreased month-over-month and year-over-year.

The construction index differs from the other indexes because construction was deemed an essential activity during the pandemic. The Southern Nevada construction index decreased by 0.3 percent from last month. Construction employment and commercial permits fell by 0.6 and 34.8 percent, respectively, from November. Housing permits increased by 36.9 percent in December.

The Southern Nevada construction index decreased by 1.5 percent from the previous year. Construction employment and commercial permits fell by 7.2 and 42.2 percent, respectively, from December 2019. On the positive side, housing permits increased by 99.3 percent.

Series	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	68,214	-0.6%	-7.2%
Housing Permits (SA)	2,003	+36.9%	+99.3%
Commercial Permits (SA)	24	-34.8%	-42.2%
Index and % Change	114.9	-0.3%	-1.5%



Sources

Nevada Indexes:

- Nevada Department of Taxation
- Nevada Gaming Control Board
- Nevada Department of Employment, Training and Rehabilitation
- U.S. Bureau of Labor Statistics
- Various Permitting Agencies
- Yahoo Finance
- Board of Governors of the Federal Reserve System
- Reno-Tahoe International Airport
- McCarran International Airport
- Federal Reserve Bank of St. Louis
- CBER, UNLV

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- McCarran International Airport
- Las Vegas Convention and Visitors Authority
- Federal Reserve Bank of St. Louis
- CBER, UNLV

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