



CBER Economic Indexes for Nevada and Southern Nevada

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CBER's Indexes of Nevada Economic Activity



Coincident Index Components

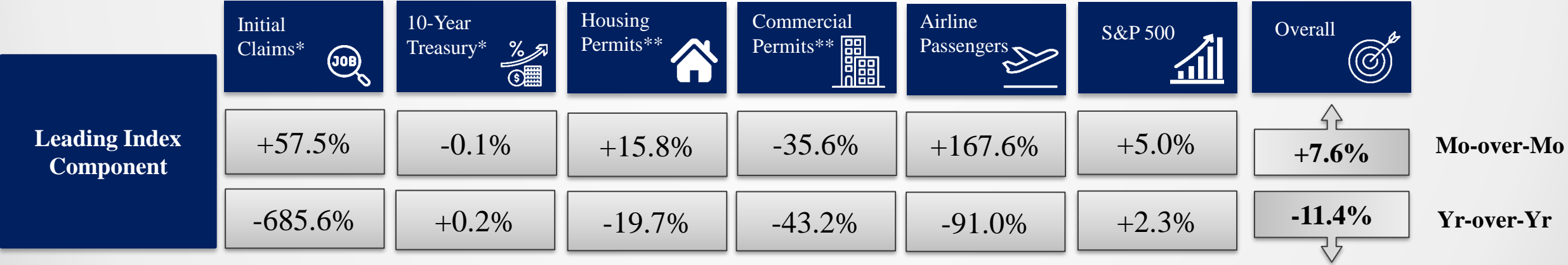
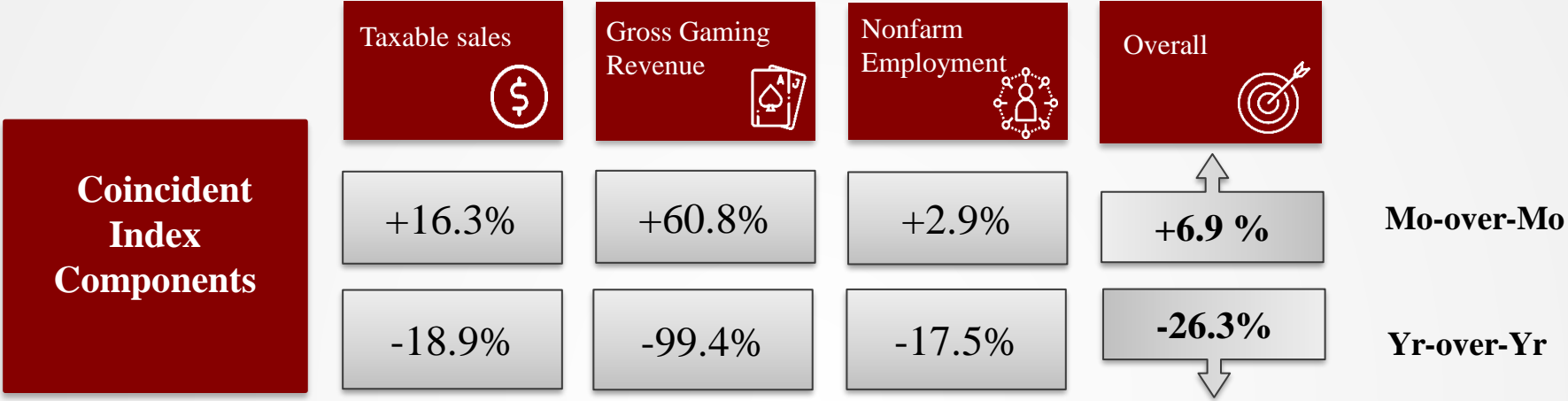
- Nevada Taxable Sales
- Nevada Gross Gaming Revenue
- Nevada Nonfarm Employment

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 May 2020



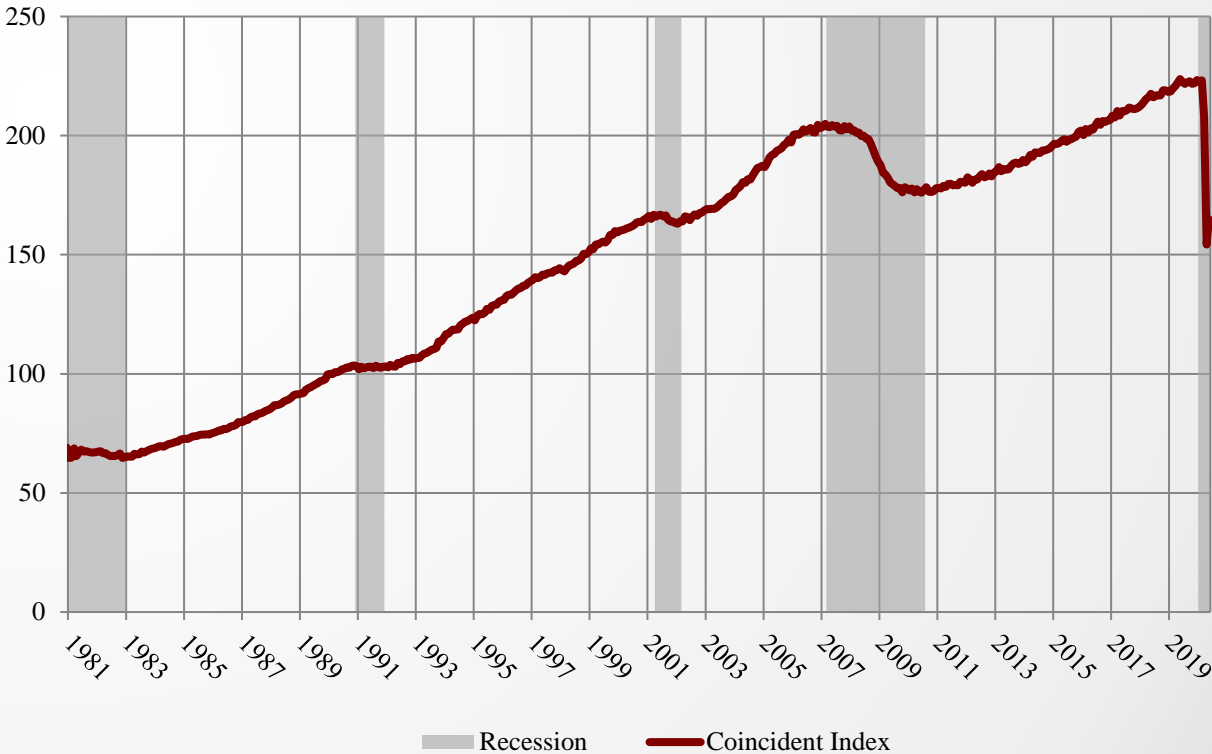
* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.
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The CBER Nevada coincident index increased month-over-month and decreased year-over-year

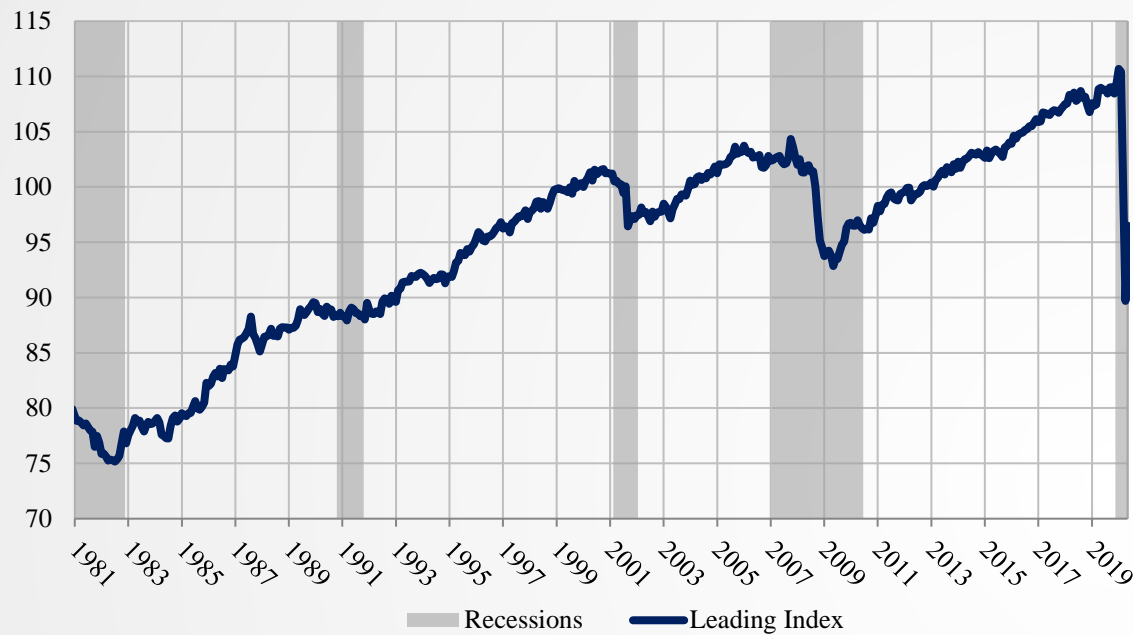
The CBER Nevada coincident index experienced a 6.9 percent month-over-month increase in May. This striking increase reflects increases in taxable sales, gaming revenue, and nonfarm employment, as all three items moved higher by 16.3, 60.8, and 2.9 percent, respectively, from April 2020. Of course, this also comes after the dramatic month-over-month decreases in these data series in April.

On a year-over-year basis, the index dropped dramatically by 26.3 percent. This significant decrease reflected the significant downward surge in taxable sales, gaming revenue, and nonfarm employment, decreasing by 18.9, 99.4, and 17.5 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	4,407,240,095	16.3%	-18.9%
Gaming Revenue (SA)	6,535,360	60.8%	-99.4%
Nonfarm Employment (SA)	1,174,579	2.9%	-17.5%
Index and % Change	164.9	6.9%	-26.3%



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



Date	Index	Mo-over-Mo	Yr-over-Yr
May-19	109.0	0.1%	0.4%
Jun-19	108.8	-0.2%	0.9%
Jul-19	108.8	0.0%	0.8%
Aug-19	108.4	-0.3%	-0.2%
Sep-19	109.0	0.5%	0.9%
Oct-19	109.0	0.0%	0.8%
Nov-19	108.4	-0.5%	1.0%
Dec-19	109.4	0.9%	2.4%
Jan-20	110.7	1.2%	2.9%
Feb-20	110.4	-0.2%	2.8%
Mar-20	99.6	-9.8%	-7.4%
Apr-20	89.7	-9.9%	-17.6%
May-20	96.5	7.6%	-11.4%

The CBER Nevada leading index experienced a significant increase of 7.6 percent on a month-over-month basis. On the positive side, the initial claims for unemployment (inverted), housing permits, Nevada passengers, and S&P 500 increased by 57.5, 15.8, 167.6, and 5.0 percent, respectively, from April. The ten-year real Treasury yield and commercial permits decreased by 0.1 and 35.6 percent, respectively. The leading index recovered some of the huge month-over-month loss it experienced in April.

On a year-over-year basis, the leading index decreased by 11.4 percent. The ten-year real Treasury yield and S&P 500 increased by 0.2 and 2.3 percent, respectively, from May 2019. On the negative side, the initial claims for unemployment (inverted), housing permits, commercial permits, and Nevada passengers plummeted by 685.6, 19.7, 43.2, and 91.0, respectively, from last year.



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 indexed 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

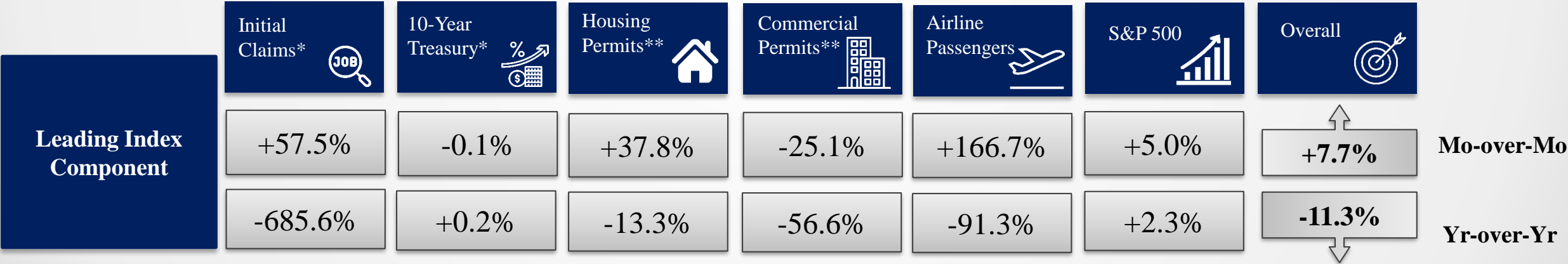
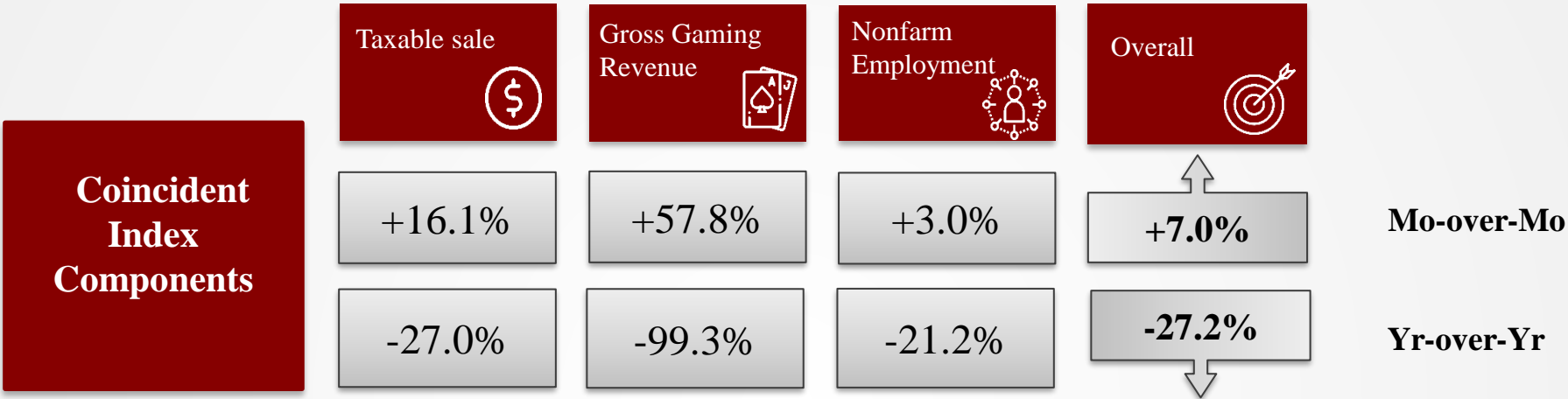
Tourism Index

- 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 May 2020



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

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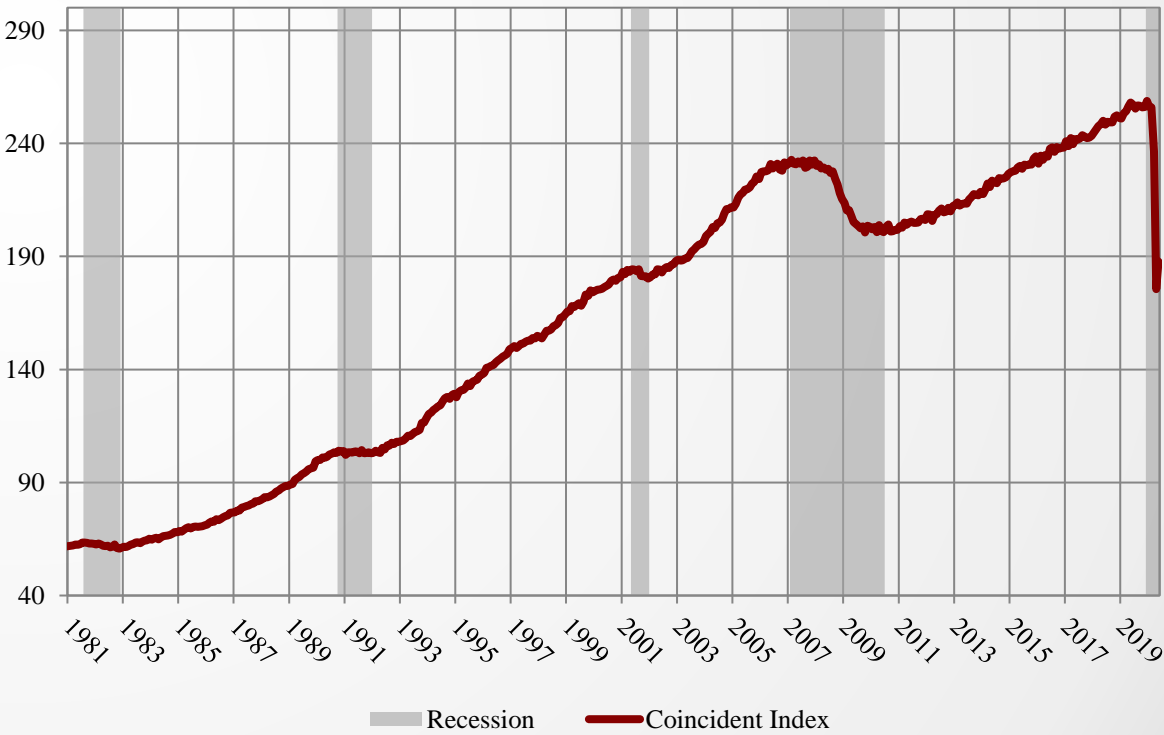
Southern Nevada Coincident Index in May 2020

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

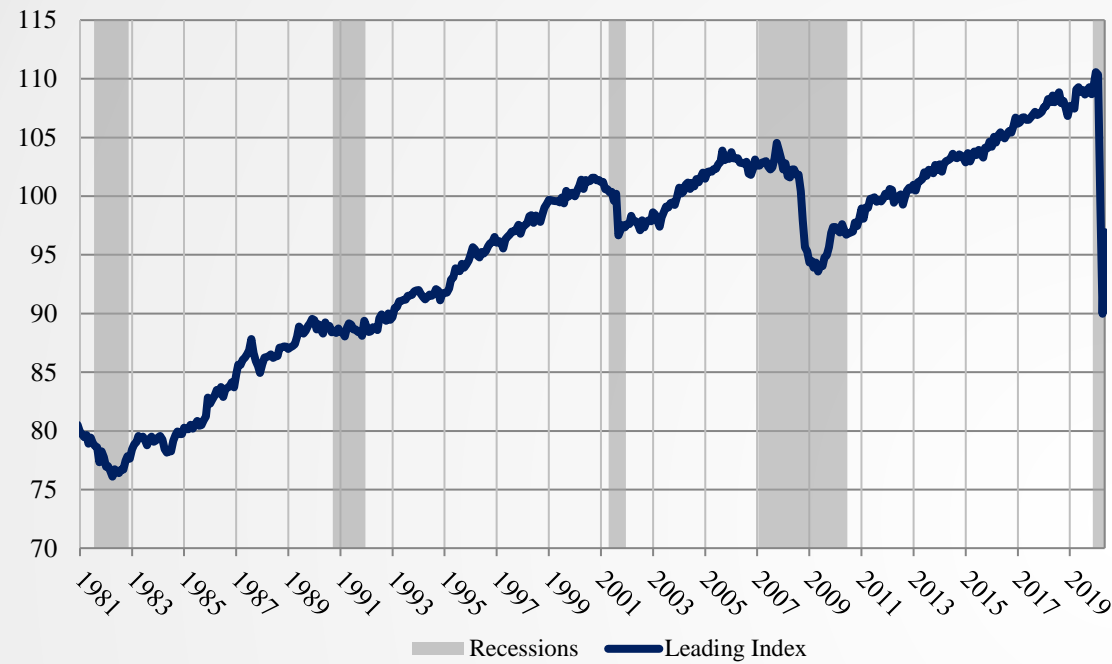
The CBER Southern Nevada coincident index increased by 7.0 percent in May on a month-over-month basis. This increase resulted from monthly gains in taxable sales, gaming revenue, and nonfarm employment, up by 16.1, 57.8, and 3.0 percent, respectively, from April. Once again, the increase reverses partly the huge month-over-month decrease in the index in April.

The Southern Nevada coincident index significantly decreased year-over-year, dropping by 27.2 percent from last year. This decrease reflected dramatic losses in taxable sales, gaming revenue, and nonfarm employment, down by 27.0, 99.3 and 21.2 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
Taxable Sales (SA)	2,933,564,455	16.1%	-27.0%
Gaming Revenue (SA)	6,523,614	57.8%	-99.3%
Nonfarm Employment (SA)	818,738	3.0%	-21.2%
Index and % Change	187.7	7.0%	-27.2%



The CBER Southern Nevada leading index increased on a month-over-month basis and decreased on a year-over-year basis.

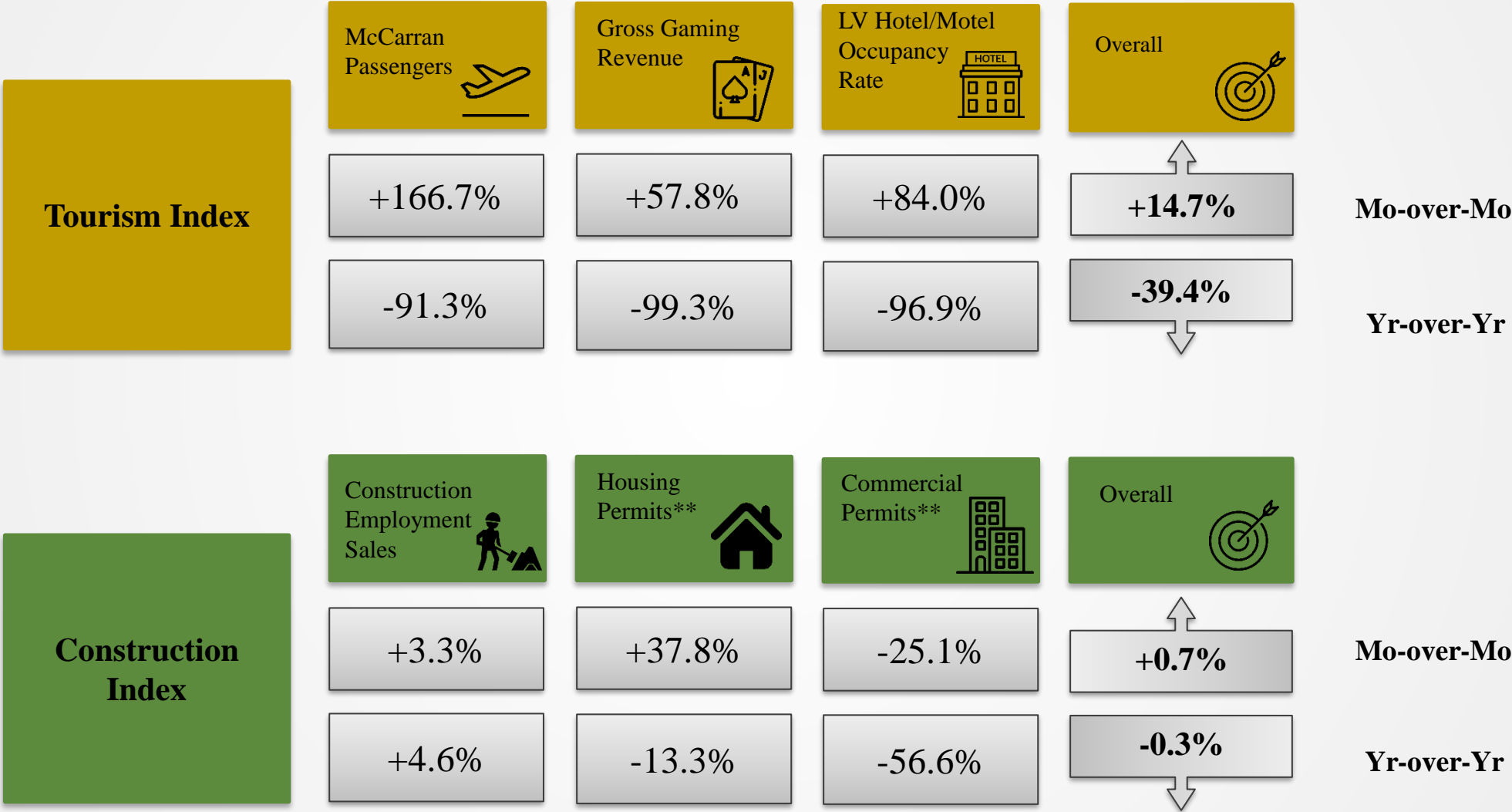


Date	Index	Mo-over-Mo	Yr-over-Yr
May-19	109.3	0.2%	0.7%
Jun-19	108.9	-0.4%	0.8%
Jul-19	109.0	0.1%	0.5%
Aug-19	108.7	-0.4%	-0.2%
Sep-19	109.0	0.3%	1.0%
Oct-19	109.3	0.2%	1.1%
Nov-19	108.7	-0.6%	1.0%
Dec-19	109.6	0.8%	2.5%
Jan-20	110.6	0.9%	2.7%
Feb-20	110.3	-0.2%	2.4%
Mar-20	99.5	-9.8%	-7.4%
Apr-20	90.0	-9.6%	-17.5%
May-20	96.9	7.7%	-11.3%

The CBER Southern Nevada leading index experienced a large month-over-month gain of 7.7 percent. On the positive side, initial claims for unemployment (inverted), housing permits, Nevada passengers, and S&P 500 increased by 57.5, 37.8, 166.7, and 5.0 percent, respectively, from April. The ten-year real Treasury yield and commercial permits decreased by 0.1 and 25.1 percent, respectively. Once again, the increase in the index partly reversed the huge month-over-month decrease experienced in April.

On a yearly basis, the CBER Southern Nevada leading index significantly dropped by 11.3 percent. The ten-year real Treasury yield and S&P 500 increased by 0.2 and 2.3 percent, respectively, from May 2019. On the negative side, the initial claims for unemployment (inverted), housing permits, commercial permits, and Nevada passengers declined by 685.6, 13.3, 56.6, and 91.3, respectively, from the prior year.

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



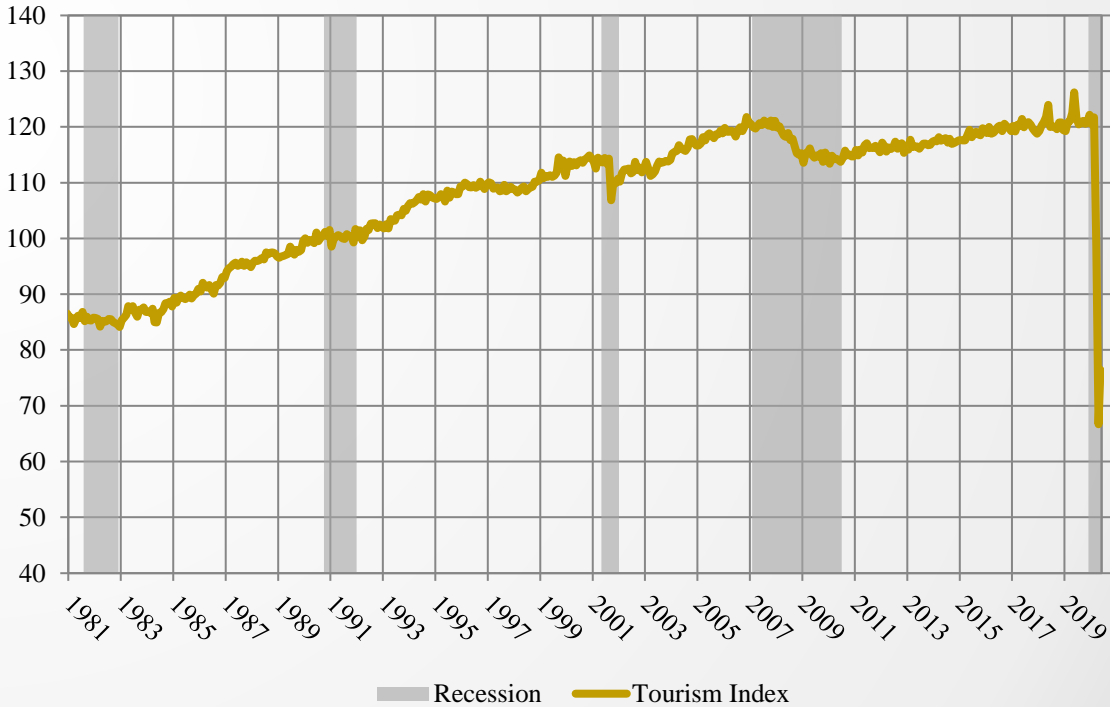
* Inverted ** Data are partly forecasted as Clark County Service's permit reports have not been available since December 2017.
Icons are made by 1) www.freepik.com 2) Payungkead and Retinaicons from www.flaticon.com

The CBER Southern Nevada tourism index jumped higher month-over-month and dropped year-over-year.

The CBER Southern Nevada tourism index substantially increased by 14.7 percent month-over-month in May. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate experienced large increases of 166.7, 57.8, and 84.0 percent, respectively. The month-over-month increase reserved partly the month-over-month decrease in April.

On an annual basis, the Southern Nevada tourism index also exhibited a substantial loss of 39.4 percent. McCarran airport passenger volume, gross gaming revenue, and the Las Vegas hotel/motel occupancy rate fell dramatically by 91.3, 99.3, and 96.9 percent, respectively.

Series	Latest Period	Mo-over-Mo	Yr-over-Yr
McCarran Passengers (SA)	416,691	166.7%	-91.3%
Gaming Revenue (SA)	6,523,614	57.8%	-99.3%
LV Hotel/Motel Occupancy Rate (SA)	0.032	84.0%	-96.9%
Index and % Change	76.5	14.7%	-39.4%

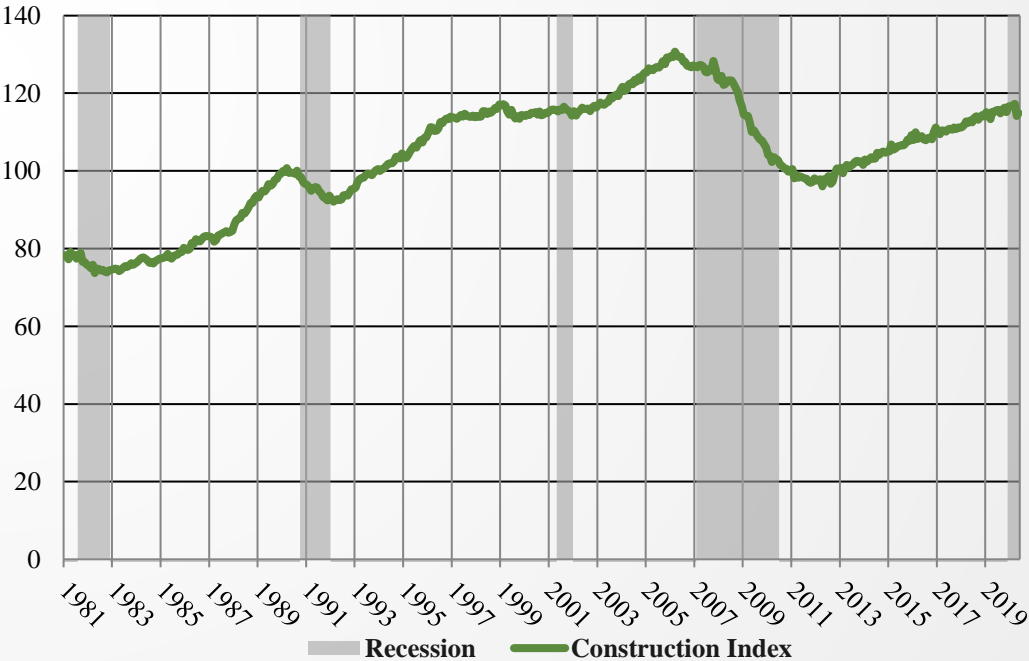


The CBER Southern Nevada construction index increased month-over-month and decreased year-over-year.

The Southern Nevada construction index ticked upwards on a month-over-month basis by 0.7 percent from April. Construction employment and housing permits increased by 3.3 and 37.8 percent, respectively, from the prior month. On the negative side, commercial permits remained negative, dropping by 25.1 percent from the previous month. We note that unlike the other indexes, the construction index does not yet appear to be affected by the COVID-19 recession.

The Southern Nevada construction index decreased slightly by 0.3 percent from the previous year. On the positive side, construction employment increase by 4.6 percent. On the negative side, housing permits and commercial permits decreased by 13.3 and 56.6 percent, respectively, from last year.

Series	Latest Period	Month-over-Month	Year-over-Year
Construction Employment (SA)	72,675	3.3%	4.6%
Housing Permits (SA)	896	37.8%	-13.3%
Commercial Permits (SA)	20	-25.1%	-56.6%
Index and % Change	114.9	0.7%	-0.3%



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
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