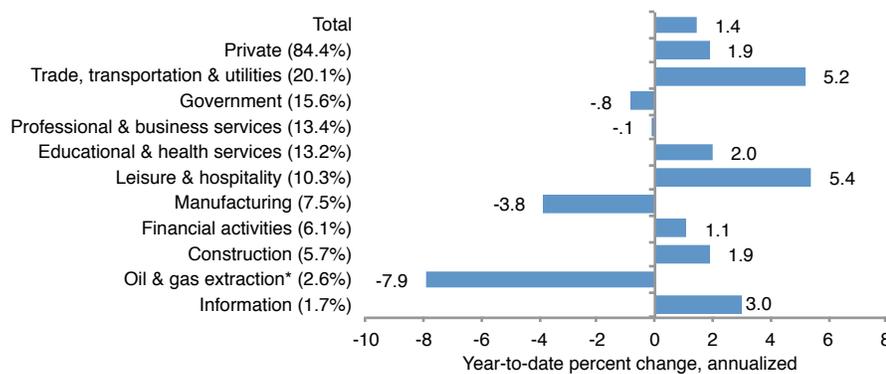


FEDERAL RESERVE BANK OF DALLAS • MARCH 30, 2015

Summary

The Texas economy continues to expand, with employment growing at a 1.3 percent annual rate in February. Texas existing-home sales and housing starts ticked up in February, while single-family permits dipped. Texas exports declined in January after rising in December. The Texas Leading Index edged down for the fifth consecutive month in January, suggesting moderating employment growth ahead.

Employment Growth by Sector



*Includes support activities for mining.

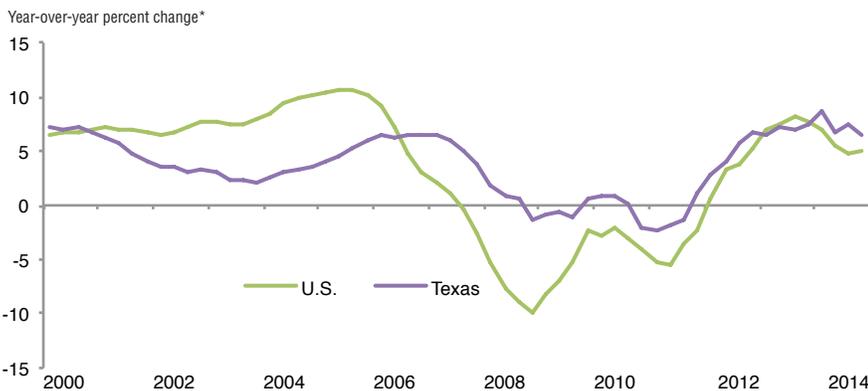
NOTES: Seasonal and other adjustments by the Federal Reserve Bank of Dallas. Figures in parentheses represent share of total employment.

► Texas employment grew at a 1.3 percent annualized pace in February, slower than the nation's 2.5 percent increase. Texas gained 12,800 jobs in February after adding 15,100 jobs in January. Current Texas employment stands at 11.7 million, according to the payroll survey (CES).

► Employment in the leisure and hospitality and trade, transportation and utilities sectors increased by over 5 percent year to date, while job growth in the oil and gas sector, which saw the fastest pace of increase last year, fell 7.9 percent.

► The Texas unemployment rate fell to 4.3 percent in February. The Texas rate continues to be lower than the U.S. rate, which came in at 5.5 percent in February.

House Price Index



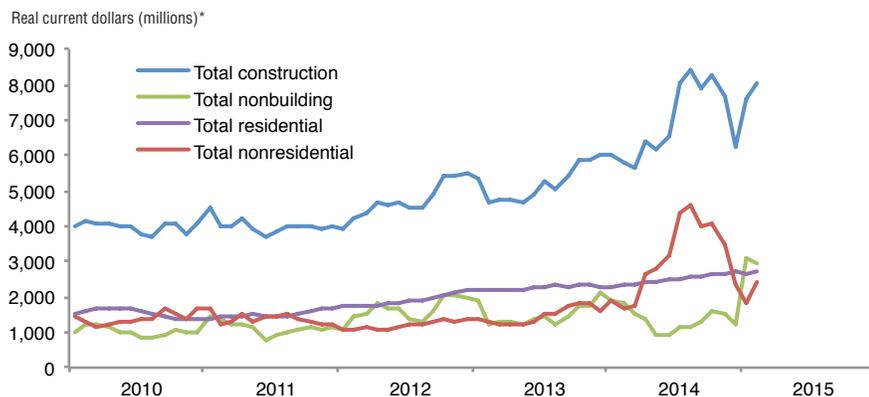
*Seasonally adjusted.

► The Federal Housing Finance Agency purchase-only house price index for Texas rose 1.2 percent in fourth quarter 2014, and prices were up 6.5 percent from last year's levels.

► Single-family housing construction permits fell 2.0 percent in February, following a 1.8 percent decline in January. Texas housing starts, which include single-family and multi-family starts, rose 3.6 percent in February, following an 8.0 percent drop in January.

► Texas existing-home sales ticked up 0.5 percent in February and were nearly flat year over year. Home inventories edged down to 3.3 months of available supply in February and were below their year-ago level of 3.6 months.

Construction Contract Values



*Five-month moving average; seasonal and other adjustments by the Federal Reserve Bank of Dallas.

► The five-month moving average of total Texas construction contract values rose 6.7 percent in February to \$8,068 million and was up 39.0 percent year over year. The increase in February was due to an increase in nonresidential construction.

Crude Oil Prices

Dollars/barrel



► The West Texas Intermediate crude oil price fell from \$48.42 per barrel for the week ending March 10 to \$43.39 for the week ending March 17 and was down 56.6 percent year over year.

Natural Gas Prices

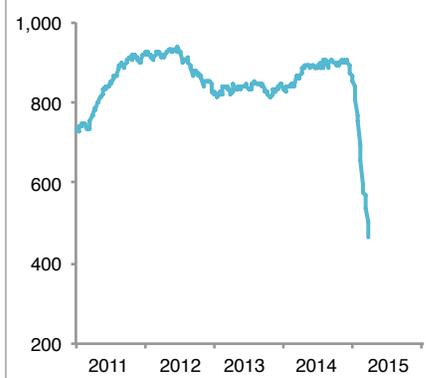
Dollars/million Btu



► Natural gas prices rose to \$2.78 per million Btu for the week ending March 17, a 1.0 percent increase from its March 10 level. The price was 37.4 percent lower than year-earlier levels.

Texas Rig Count

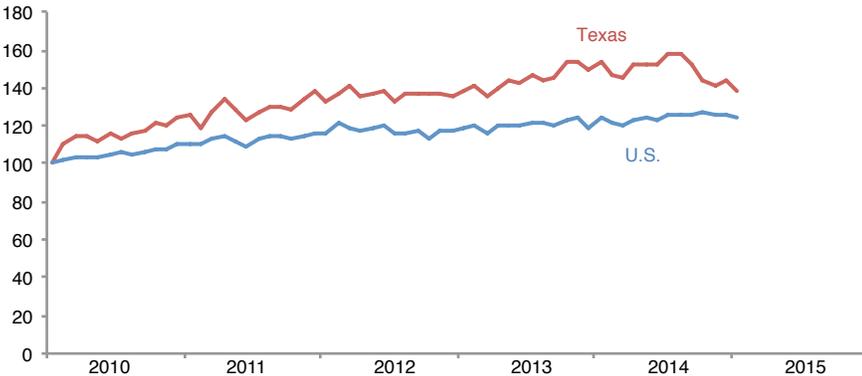
Active rigs



► The Texas rig count dropped from 501 in the week ending March 10 to 465 during the week ending March 17 and was down 45.8 percent from last year's level.

Monthly Exports

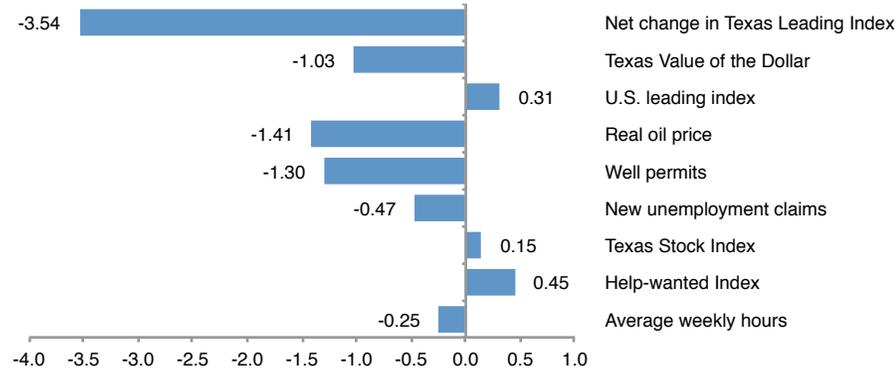
Index, January 2010 = 100*



*Seasonal and other adjustments by the Federal Reserve Bank of Dallas.

► Texas monthly exports fell 4.5 percent in January, following a 2.7 percent rise in December. January exports were 10.7 percent lower than year-earlier levels.

Texas Leading Index with Components



NOTE: Three-month percent change, seasonally adjusted.

► The Texas Leading Index, which uses key economic indicators to forecast employment growth, fell 3.5 percent from November to January, with more than half of its components dropping during the period. Texas' value of the dollar, new unemployment claims and average weekly hours declined along with the index's energy-related components—oil prices and well permits—while the U.S. Leading Index and help-wanted components rose during the period.

NOTE: Data may not match previously published numbers due to revisions.

SOURCES: **Employment:** Bureau of Labor Statistics' Current Employment Statistics (CES) and Texas Workforce Commission; **unemployment:** Bureau of Labor Statistics and Federal Reserve Bank of Dallas; **housing:** Federal Finance Housing Agency (FHFA), Census Bureau, Multiple Listing Service and Bank of Tokyo-Mitsubishi UFJ; **construction:** F.W. Dodge; **energy:** *Wall Street Journal* and Baker Hughes; **exports:** U.S. Census Bureau and World Institute for Strategic Economic Research; **Texas Leading Index:** Federal Reserve Bank of Dallas.

Questions can be addressed to Emily Gutierrez at emily.gutierrez@dal.frb.org. Texas Economic Indicators can be found online at www.dallasfed.org/research/indicators/index.cfm.