

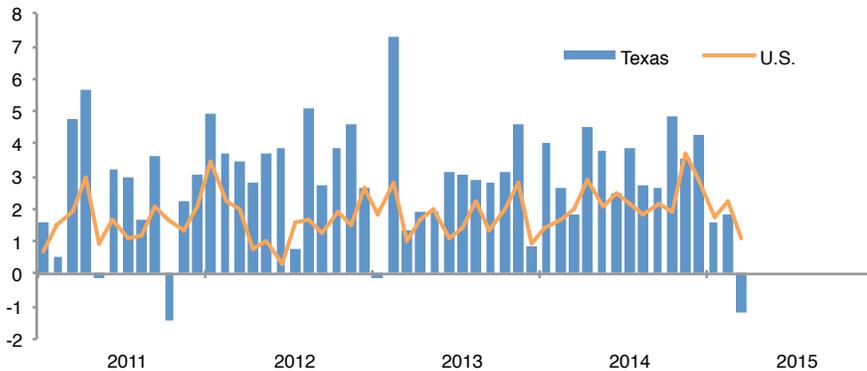
FEDERAL RESERVE BANK OF DALLAS • APRIL 20, 2015

## Summary

The Texas economy weakened in March. Employment growth was negative for the first time in more than two years, while unemployment continued to edge down. Monthly exports rose from January to February, while manufacturing activity fell in March, according to the Texas Manufacturing Outlook Survey.

### Employment

Month/month percent change, annualized\*

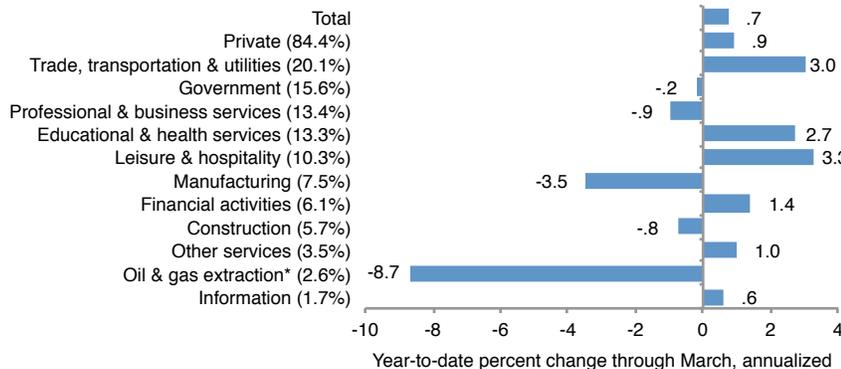


\*Seasonal and other adjustments by the Federal Reserve Bank of Dallas.

► Texas employment declined at a 1.2 percent annualized pace in March as the state shed 11,900 jobs. This was the first decline since January 2013, when employment contracted 0.1 percent and the state lost 900 jobs. Despite the March loss, Texas employment grew 0.7 percent on an annualized basis in the first quarter as the state added 21,100 jobs. As of March, Texas employment stood at 11.76 million, according to the payroll survey (CES).

► The Texas unemployment rate fell to 4.2 percent in March. The state reading continues to be lower than the U.S. rate, which came in at 5.5 percent.

### Employment Growth by Sector



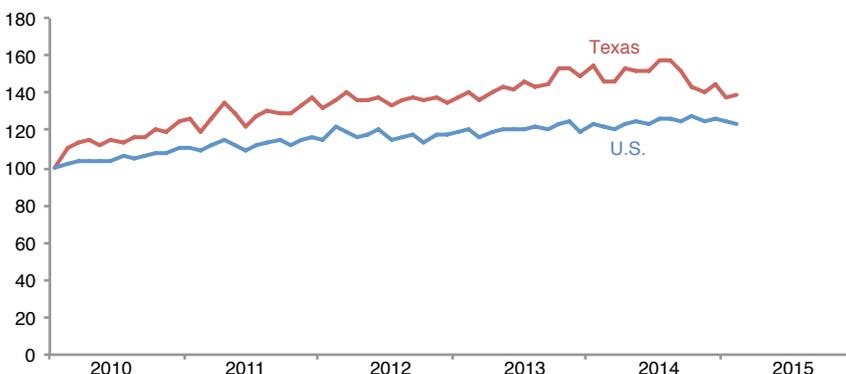
\*Includes support activities for mining.

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

► Overall employment growth was mixed during the first quarter. The leisure and hospitality sector recorded the fastest pace of increase at 3.3 percent, followed by trade, transportation and utilities, and education and health services. Employment in oil and gas extraction as well as manufacturing declined markedly during the quarter.

### Monthly Exports

Index, January 2010 = 100\*



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

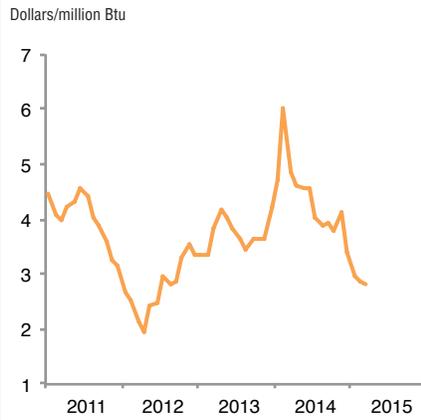
► Texas exports rose 1.3 percent in February following a 4.5 percent decline in January. February exports were 4.6 percent lower than a year ago.

### Crude Oil Prices



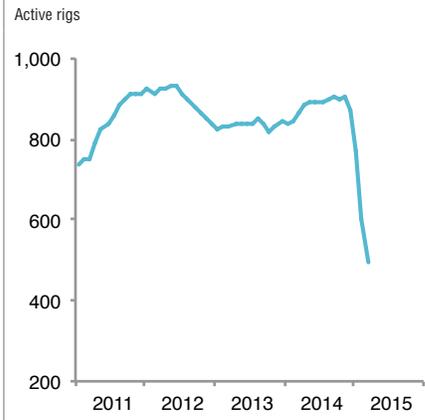
▶ West Texas Intermediate crude oil edged down from \$50.58 per barrel in February to \$47.82 in March. The price was 52.6 percent lower year over year.

### Natural Gas Prices



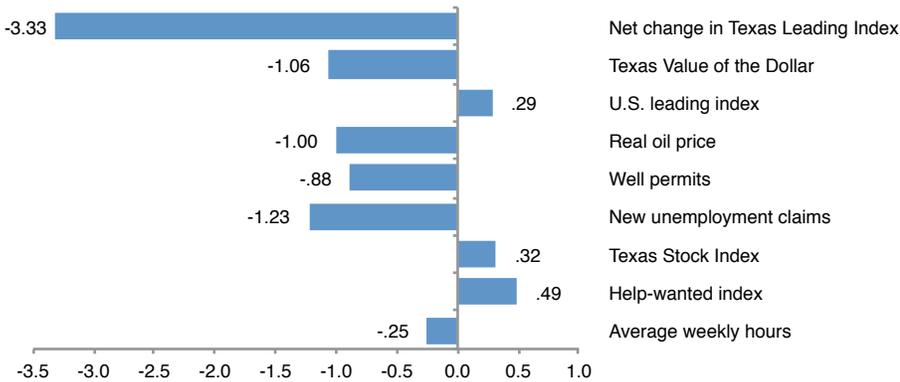
▶ Natural gas fell to \$2.80 per million Btu in March, a 1.8 percent decline from the February level. The price was 42.4 percent lower than in March 2014.

### Texas Rig Count



▶ The Texas rig count dropped sharply from 599 in February to 492 in March and was down 43.1 percent from last year's level.

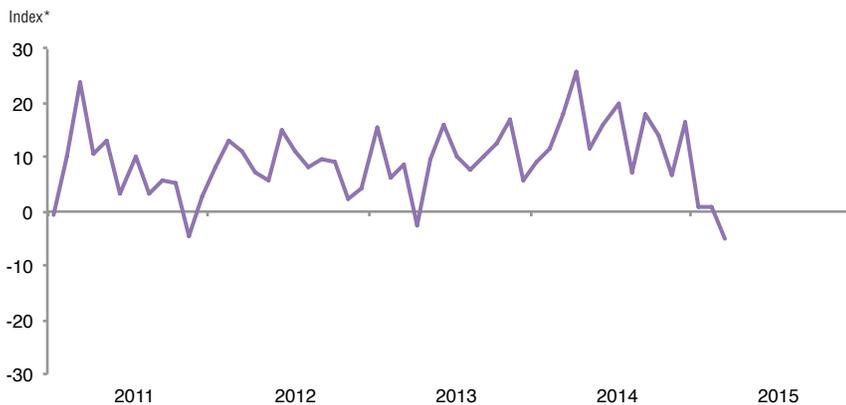
### Texas Leading Index with Components



NOTE: Three-month percent change through February, seasonally adjusted.

▶ The Texas Leading Index, which uses key economic indicators to forecast employment growth, declined 3.33 percent from December to February as the majority of its components fell. The Texas value of the dollar continued to increase, negatively impacting the leading index. New unemployment claims declined along with the index's energy-related components, such as oil prices and well permits, while the help-wanted index and Texas Stock Index components rose during the period.

### Manufacturing Outlook Survey Production Index



\*Seasonally adjusted.

▶ Texas factory activity slowed in March, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, fell from 0.7 to -5.2 in March, indicating output contracted during the month.

▶ The Dallas Fed conducts the outlook survey monthly to obtain a timely assessment of the state's factory activity.

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; **exports:** Census Bureau and WISERTrade; **energy:** *Wall Street Journal* and Baker Hughes; **Texas Leading Index:** Dallas Fed; **Manufacturing Outlook Survey Production Index:** Dallas Fed.

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