

Texas Economic Indicators

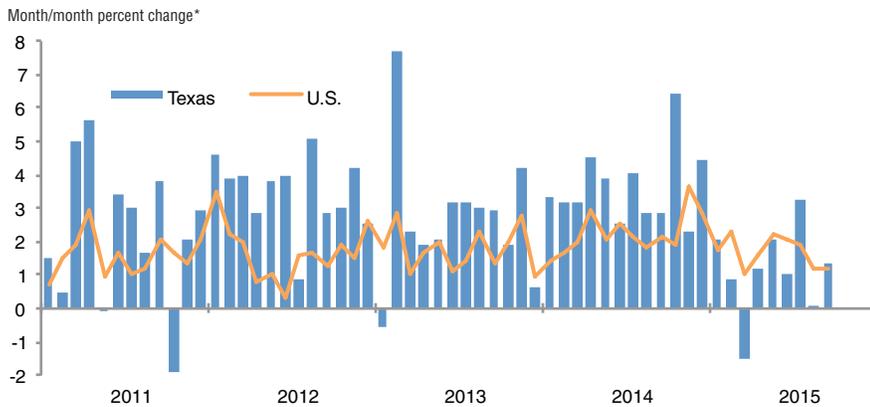
DALLAS FED

FEDERAL RESERVE BANK OF DALLAS • OCTOBER 19, 2015

Summary

The Texas economy expanded at a modest pace in September. Payroll employment increased during the month; however, unemployment ticked up. Housing starts climbed in August, while exports fell. The Texas Leading Index declined for the third consecutive month, but the employment forecast was unchanged.

Employment



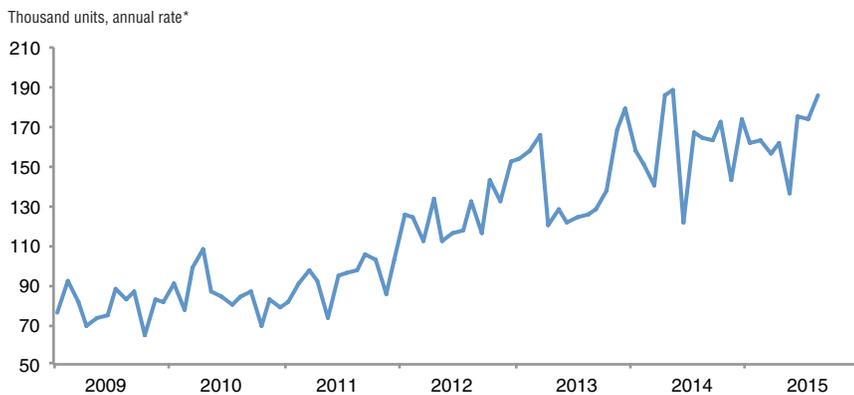
*Seasonally adjusted, annualized rate.

► Texas employment grew an annualized 1.3 percent in September, faster than the nation's 1.2 percent increase. Texas gained 13,200 jobs in September after adding 1,100 in August. Current Texas employment stands at 11.9 million, according to the Current Employment Statistics payroll survey.

► The Texas unemployment rate ticked up in September from 4.1 to 4.2 percent. The state's reading continues to be lower than the U.S. rate, which came in at 5.1 percent.

► The Dallas Fed's Texas Employment Forecast held steady at 1.0 percent from September to October (December over December). The Texas Employment Forecast is available at the [Dallas Fed website](#).

Housing Starts



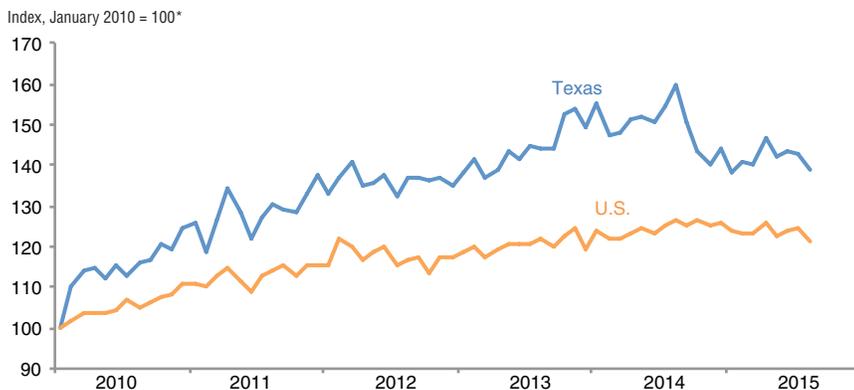
*Seasonally adjusted.

► Texas housing starts, including both single-family and multifamily units, increased 7.5 percent in August after falling 1.5 percent in July. Starts are up 12.8 percent year over year.

► Single-family housing construction permits fell 0.7 percent from July to August but were up 0.9 percent year over year.

► Existing-home sales rose 2.4 percent from July to August. Home inventories remained tight at 3.4 months' supply in August and were below their year-ago level of 3.5 months.

Exports



*Seasonally adjusted.

► Texas exports declined 2.6 percent in August following a 0.3 percent decrease in July. August exports were 12.8 percent lower than a year ago. The weakness in Texas exports is a result of lower oil prices, weaker global demand and a stronger dollar.

Crude Oil Prices

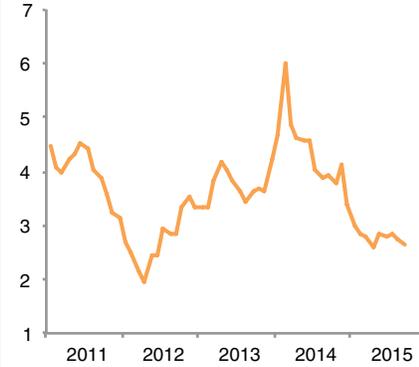
Dollars/barrel



► West Texas Intermediate crude oil rose from \$42.87 per barrel in August to \$45.48 in September. The price was 51.2 percent lower year over year.

Natural Gas Prices

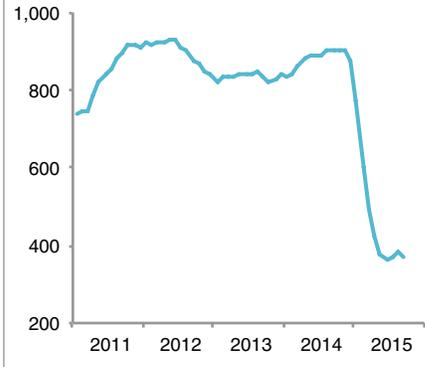
Dollars/million Btu



► The price of natural gas fell to \$2.65 per million Btu in September, down 4.0 percent from the August level and 32.4 percent lower than September 2014.

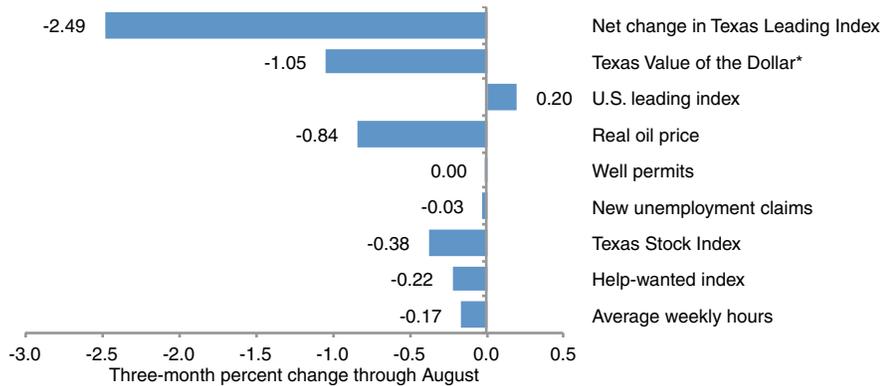
Texas Rig Count

Active rigs



► The Texas rig count fell after two months of consecutive increases, declining from 385 in August to 367 in September. The rig count remains 59.3 percent below last year's level.

Texas Leading Index with Components



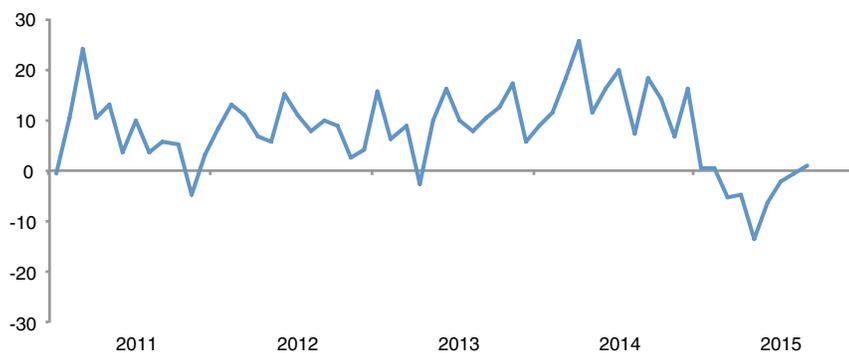
*Actual August value.

NOTE: Seasonally adjusted.

► The Texas Leading Index, which uses key economic indicators to forecast employment growth, edged down 1.4 percent in August, and the three-month net change (June to August) was -2.49 percent. Growth in the U.S. leading index continued to positively contribute to the Texas Leading Index. All other components, particularly changes in oil prices, the Texas Value of the Dollar and the stock prices of Texas-based companies, negatively affected the index.

Manufacturing Outlook Survey Production Index

Index*



*Seasonally adjusted.

► Texas factory output held steady for the second month in a row after several months of declines, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, changed little from -0.8 in August to 0.9 in September.

► The Dallas Fed conducts the manufacturing 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, Texas Workforce Commission and adjustments by the Dallas Fed; **housing starts:** Bank of Tokyo-Mitsubishi UFJ; **exports:** Census Bureau, WISERTrade and adjustments by the Dallas Fed; **energy:** *Wall Street Journal* and Baker Hughes; **Texas Leading Index:** Dallas Fed; **Manufacturing Outlook Survey Production Index:** Dallas Fed.

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