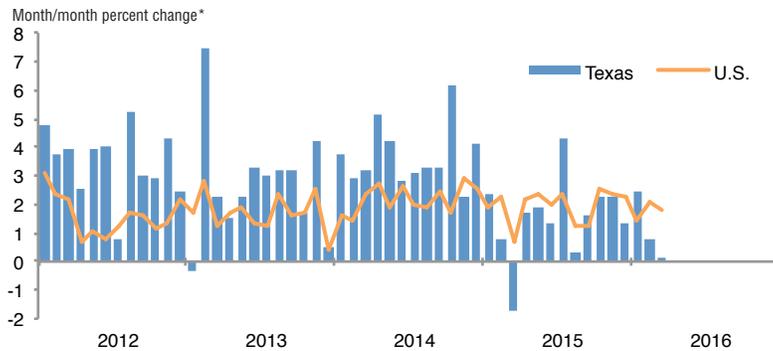


FEDERAL RESERVE BANK OF DALLAS • APRIL 18, 2016

Summary The Texas economy continued to slow in March. Payroll employment remained relatively flat during the month, and unemployment held steady. The Texas Manufacturing Outlook Survey production index climbed into positive territory. February exports surged, and the estimated value of the Texas Leading Index rose for the first time since October 2015.

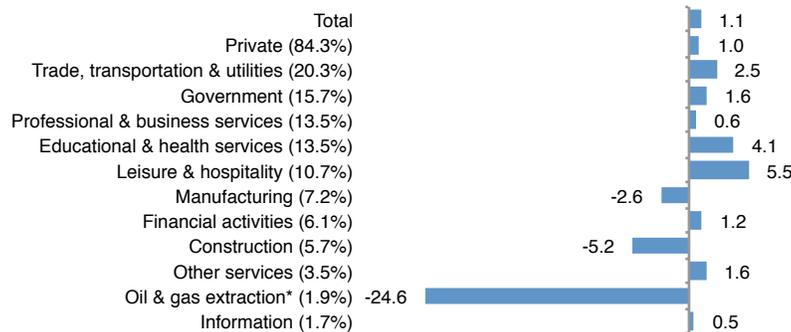
Employment



*Seasonally adjusted annualized rate.

SOURCE: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Employment Growth by Sector

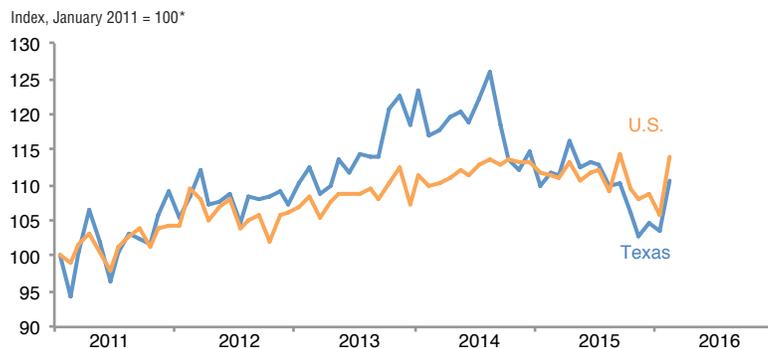


*Includes support activities for mining.

NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector, December 2015–March 2016. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

Exports



*Seasonally adjusted.

SOURCES: Census Bureau; WISERTrade; adjustments by the Dallas Fed.

► Texas employment grew at a 0.1 percent annualized pace in March, while the nation's grew at a 1.8 percent rate. Texas gained 520 jobs in March after adding 7,900 in February. Current Texas employment stands at nearly 12.0 million, according to the payroll survey (Current Employment Statistics).

► The Texas unemployment rate held steady in March at 4.3 percent. The state's reading continues to be lower than the U.S. rate, which ticked up to 5.0 percent.

► The Dallas Fed's Texas Employment Forecast reported a 2016 estimate of 1.0 percent growth (December over December), up from the 0.7 percent increase forecasted in March. The Texas Employment Forecast is available at the [Dallas Fed website](#).

► The leisure and hospitality sector recorded the fastest rate of increase at 5.5 percent in the first quarter, followed by educational and health services, and trade, transportation and utilities. Employment in goods-producing sectors contracted during the quarter, with oil and gas extraction posting the largest decline at 24.6 percent.

► Texas exports climbed 6.6 percent in February following a 1.2 percent dip in January. Recent pullback in the dollar's value and an uptick in oil prices may have contributed to expansion seen in Texas exports during the month. Still, February exports were 1.0 percent lower than a year ago, a result of low oil prices, weak global demand and a generally strong dollar.

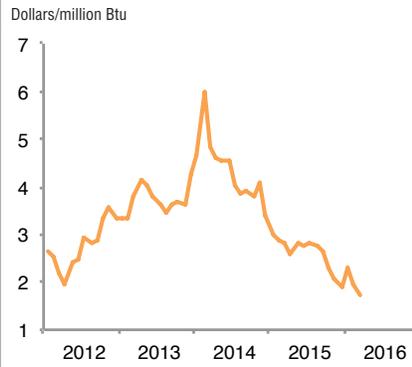
Crude Oil Prices



SOURCE: Wall Street Journal.

► West Texas Intermediate crude oil jumped from \$30.60 per barrel in February to \$37.80 in March. The price was 21.0 percent lower year over year.

Natural Gas Prices



SOURCE: Wall Street Journal.

► The price of natural gas dropped again to \$1.70 per million Btu in March, down 13.3 percent from February and 39.3 percent lower than March 2015.

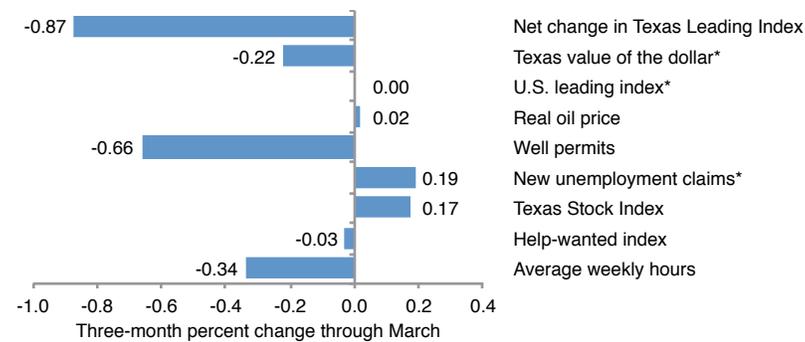
Texas Rig Count



SOURCE: Baker Hughes.

► The Texas rig count fell for the seventh consecutive month, declining from 244 in February to 218 in March. The rig count remains 55.7 percent below March 2015 levels.

Texas Leading Index with Components



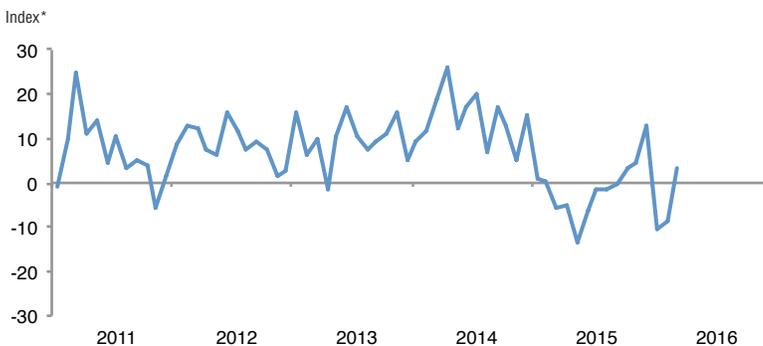
*Estimated March value.

NOTE: Seasonally adjusted.

SOURCE: Dallas Fed.

► The Texas Leading Index estimate, which uses key economic indicators to forecast employment growth, edged up 1.3 percent in March, and the three-month net change (January to March) was -0.87 percent. A decline in the Texas value of the dollar, well permits, the help-wanted index and average weekly hours depressed the index estimate; a dip in new unemployment claims and a moderate rise in real oil prices and stock prices of Texas-based companies contributed positively.

Manufacturing Outlook Survey Production Index



*Seasonally adjusted.

SOURCE: Dallas Fed.

► Texas factory output grew in March, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from -8.5 in February to 3.3 in March, suggesting that output expanded during the month following two consecutive months of decline.

► The Dallas Fed conducts the Texas 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.

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