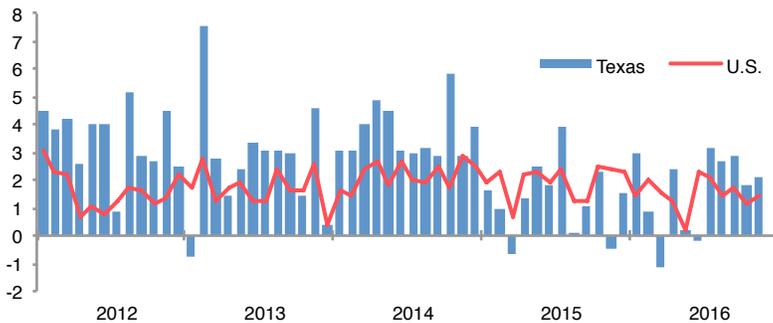


Summary The Texas economy expanded in November. Employment growth accelerated, and unemployment ticked down. Both the Texas Leading Index and the Texas Business-Cycle Index indicated a return to moderate economic growth. The energy sector saw mixed conditions, exports were flat, and the housing market expanded.

Employment

Month/month percent change*



*Seasonally adjusted, annualized rate.

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

- ▶ Texas employment grew 2.1 percent annualized in November, outpacing the nation's 1.5 percent growth rate.
- ▶ Of the major metros, Dallas expanded at the fastest pace at 4.3 percent (annualized), and others saw moderate growth.
- ▶ The Texas and U.S. unemployment rates both dropped to 4.6 percent.
- ▶ The Dallas Fed's [Texas Employment Forecast](#) for 2016 (December over December) increased in November to 1.6 percent job growth.

Texas Leading Index

Index, 1987 = 100



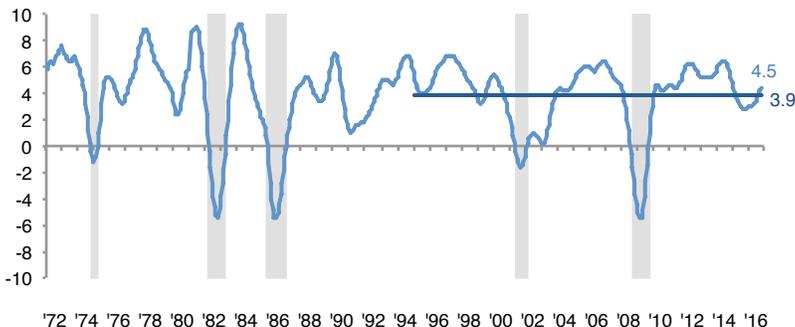
NOTE: Data are seasonally adjusted.

SOURCE: Dallas Fed.

- ▶ The Texas Leading Index, a composite of eight indicators that tend to change direction before the overall economy does, increased in October. The one-month net change was 0.65 percent, and the three-month net change was 0.13 percent.

Texas Business-Cycle Index

Month/month percent change, annual rate

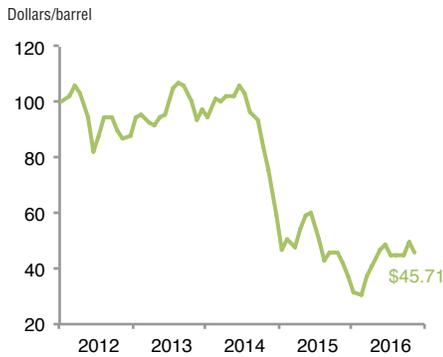


NOTES: Horizontal line is average from January 1995 to present. Shaded areas indicate Texas recessions.

SOURCE: Dallas Fed.

- ▶ The Dallas Fed's Texas Business-Cycle Index, which helps gauge the current state of the Texas economy, indicates that the economy is now expanding at a faster pace than its long-term average.
- ▶ The index grew at a 4.5 percent annualized pace in November and is 3.3 percent above year-ago levels.

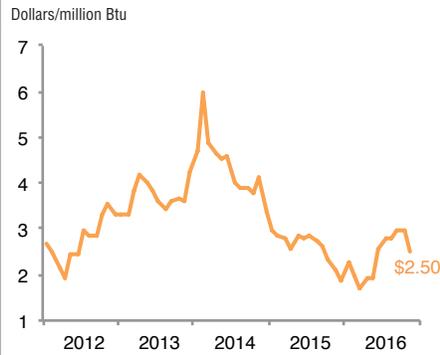
Crude Oil Prices



SOURCE: U.S. Energy Information Administration.

► The price of crude oil contracted 8.2 percent in November, reaching \$45.71. It is still 7.7 percent above year-ago levels.

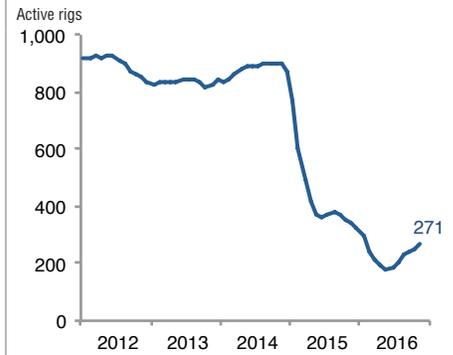
Natural Gas Prices



SOURCE: Wall Street Journal.

► Natural gas prices dropped 15.3 percent in November. They fell to \$2.50, but remained 20.2 percent above year-ago levels.

Texas Rig Count



SOURCE: Baker Hughes.

► Despite the decline in prices, 21 new rigs were added in November, bringing the active rig count to 271. This is still 20.1 percent below year-ago levels.

Exports



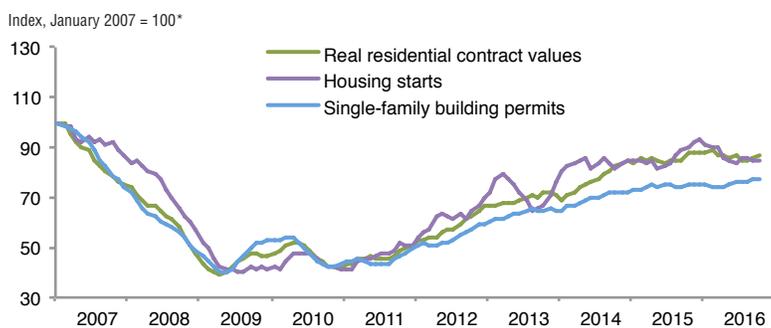
*Seasonally adjusted, real dollars.
SOURCES: Census Bureau; WISERTrade; Dallas Fed.

► Texas exports remained unchanged in October, while U.S. exports ticked down 3.0 percent.

► Texas exports continue to be hampered by low oil prices, weak global demand and a strong dollar.

► The Texas trade-weighted value of the dollar dipped slightly in October but was up from year-ago levels and far above its July 2011 record low.

Housing



*Seasonally adjusted, five-month moving average.
SOURCES: Bank of Tokyo-Mitsubishi UFJ; F.W. Dodge; Census Bureau.

► In October, indicators of the Texas housing market suggested expansion.

► Texas single-family building permits expanded 2.0 percent, while the five-month moving average was flat.

► The value of Texas residential construction contracts increased 13.8 percent, and the five-month moving average increased 1.9 percent.

► Housing starts ticked up 10.4 percent in October, though the five-month moving average dropped 1.0 percent.

► Existing-home sales expanded 1.6 percent in Texas, with the largest growth seen in San Antonio at 8.8 percent in October. Inventories remained tight at 3.7 months of supply.

NOTE: Data may not match previously published numbers due to revisions.
Questions can be addressed to Stephanie Gullo at stephanie.gullo@dall.frb.org.

More Dallas Fed economic updates: www.dallasfed.org/research/update/