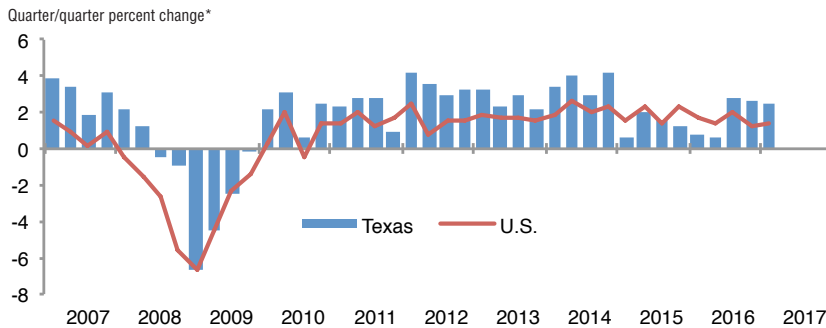


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Summary

The Texas economy continued to expand in March. Employment growth was an annualized 1.5 percent during the month. Exports picked up in February. Median home prices rose in February and existing-home inventories remained tight. The Texas Manufacturing Outlook Survey suggested continued growth in factory activity in April.

Employment



*Seasonally adjusted.

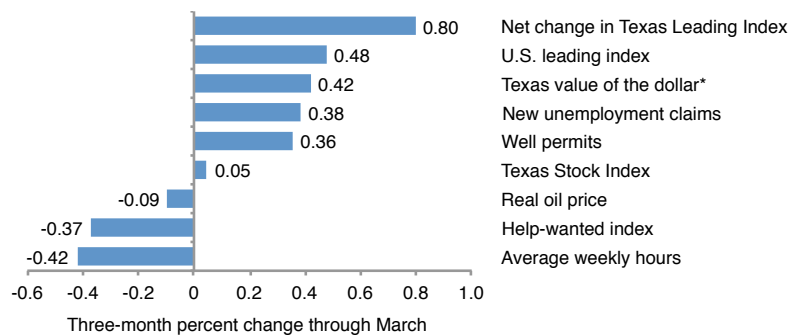
SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; adjustments by the Dallas Fed.

► Texas employment expanded an annualized 2.4 percent in first quarter 2017, slightly below the 2.6 percent growth in fourth quarter 2016. These figures exceed Texas' long-run 2.1 percent annual expansion pace.

► Employment growth was broad based across major metros during the first quarter. Fort Worth posted a 4.6 percent annualized increase, the fastest among the major metros. San Antonio employment edged up 0.7 percent, the slowest among the metros.

► The [Dallas Fed's employment forecast](#) suggests 2.4 percent growth in 2017.

Texas Leading Index with Components



*Estimated March value.

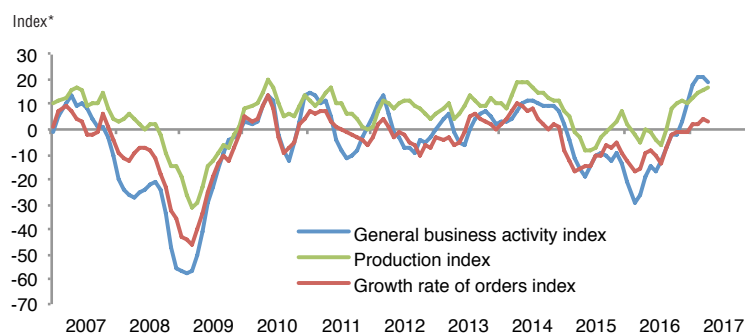
NOTE: Data are seasonally adjusted.

SOURCE: Dallas Fed.

► The [Texas Leading Index](#), a composite of eight indicators that tend to change direction before the overall economy does, sheds light on the future of the state's economy. The index rose for the second straight month in March, up 0.42 percent, and the three-month net change was 0.80 percent.

► The U.S. leading index was the largest positive contributor to the index during the three-month period, while average weekly hours was the largest negative contributor.

Texas Manufacturing Outlook Survey Indexes



*Seasonally adjusted; three-month moving average.

SOURCE: Dallas Fed.

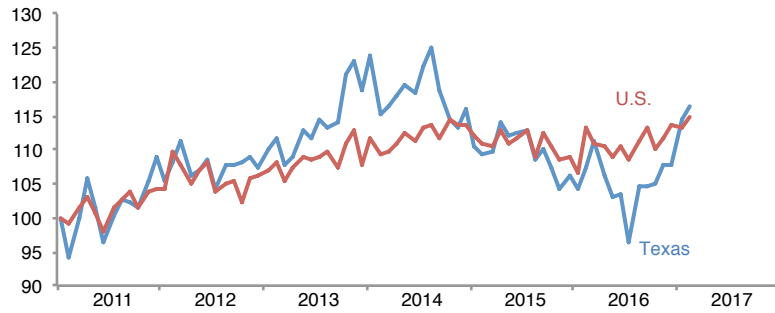
► The [Dallas Fed's Texas Manufacturing Outlook Survey](#) indicated continued growth in April. The production index, a key measure of state manufacturing conditions, dipped but remained positive at 15.4 in April. The index's three-month moving average rose to 16.9.

► Other measures of factory activity also indicated continued expansion. The three-month moving average of the growth rate of orders index was positive at 3.4.

► The three-month moving average of the business activity index was positive but dipped to 19.4.

Exports

Index, January 2011 = 100*



*Seasonally adjusted.

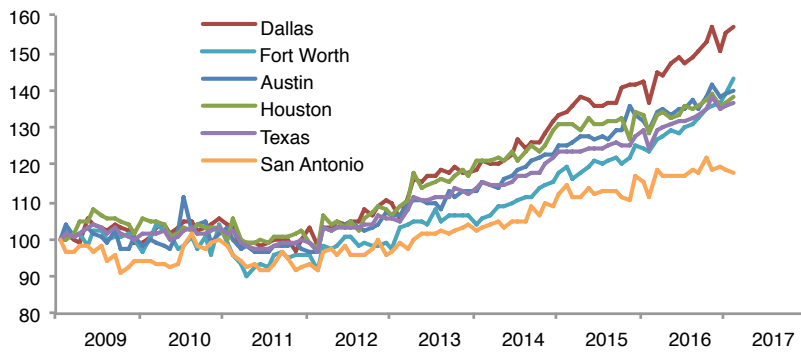
SOURCES: Census Bureau; WISERTrade; adjustments by the Dallas Fed.

► Texas exports rose 1.7 percent in February, compared with the nation's 1.4 percent increase. Year to date, exports have grown 7.9 percent in the state and 1.0 percent in the U.S.

Housing

Home Sales Prices

Index, January 2009 = 100*



*Seasonally adjusted; indexed on real median home sales prices.

SOURCES: Texas A&M Real Estate Center; Multiple Listing Service.

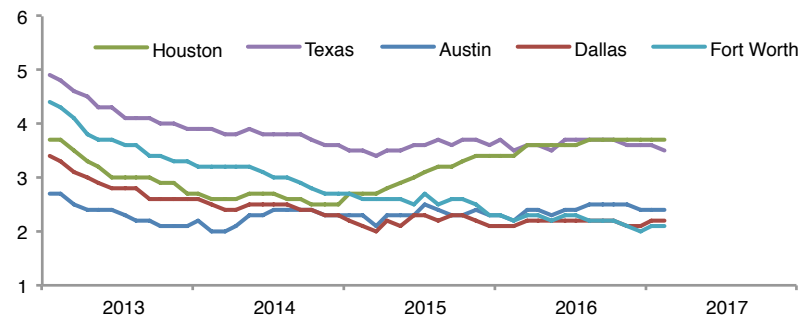
► The Texas real median home-sales price was \$220,244 in February—10.3 percent above year-ago levels. Austin, Dallas and Houston have median sales prices above the Texas figure, while Fort Worth and San Antonio have prices below the state median.

► Fort Worth's median home-sales price in February saw the fastest year-over-year increase among the major metros at 15.6 percent, followed by Dallas at 15.2 percent.

► Texas existing-home inventories remained tight at 3.5 months of supply in February. Inventories have been close to this level since late 2014. Generally, six months of supply is considered balanced. Inventories in some large Texas metros were more constrained at 2.4 months in Austin, 2.2 in Dallas and 2.1 in Fort Worth.

Existing-Home Inventories

Months of supply*



*Seasonally adjusted.

SOURCES: Texas A&M Real Estate Center; Multiple Listing Service.

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

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