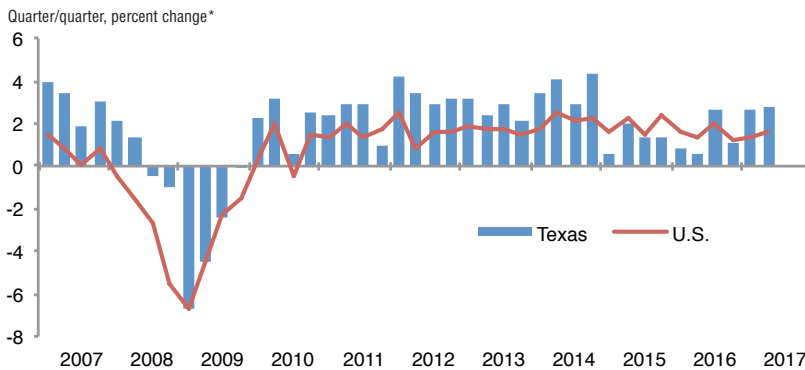


FEDERAL RESERVE BANK OF DALLAS • JULY 24, 2017

Summary Texas economic indicators strengthened in June. Employment growth accelerated and unemployment declined. Texas Business Outlook Survey headline indexes indicated continued growth, and the Texas Business-Cycle Index and Texas exports ticked up.

Employment

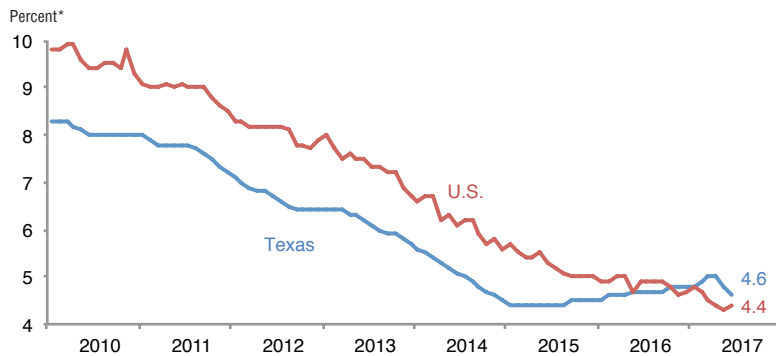
Employment Growth



*Seasonally adjusted, annualized rate.

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

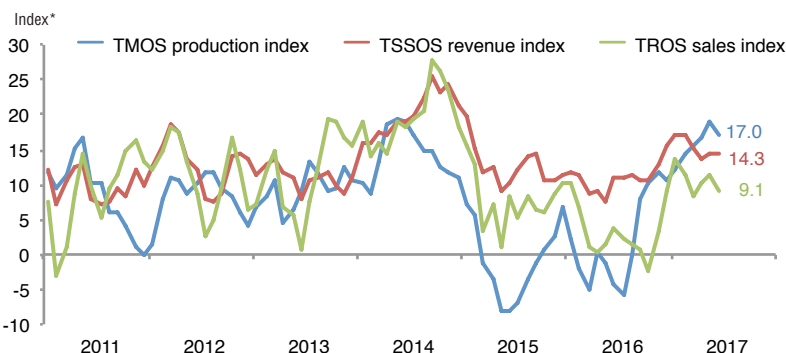
Unemployment Rate



*Seasonally adjusted.

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

Texas Business Outlook Survey Indexes



*Seasonally adjusted, three-month moving average.

NOTE: TMOS is the Texas Manufacturing Outlook Survey; TSSOS is the Texas Service Sector Outlook Survey; TROS is the Texas Retail Outlook Survey.

SOURCE: Dallas Fed.

► Texas employment expanded an annualized 3.6 percent in June, well above Texas' long-run average of 2.0 percent growth. Job growth in the second quarter was an annualized 2.8 percent, up from the first quarter's 2.7 percent increase.

► The Dallas Fed's Texas Employment Forecast suggests 2.8 percent job growth in 2017 (December/December).

► Payrolls in Dallas contracted in June, while employment in other major Texas metros expanded. Employment in all major Texas metros has expanded year to date.

► The Texas unemployment rate declined from 4.8 percent in May to 4.6 percent in June, while U.S. unemployment ticked up to 4.4 percent. The state's unemployment rate is at its lowest since mid-2016.

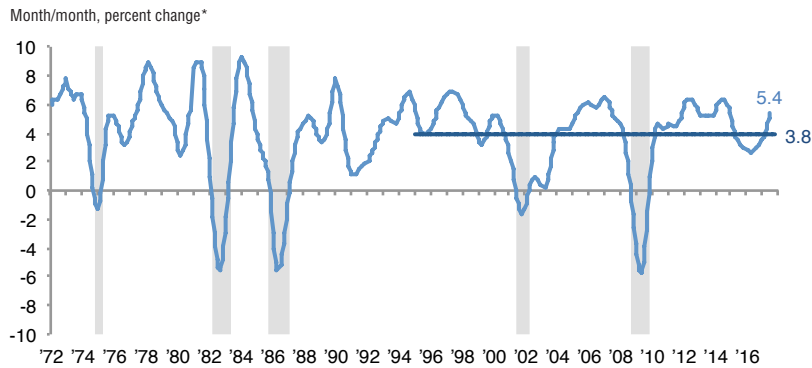
► The Dallas Fed's Texas Business Outlook Surveys indicated growth in June, although at a slower rate than in May across the manufacturing, services and retail sectors.

► Based on the three-month moving averages, the headline Texas Manufacturing Outlook Survey (TMOS) production index dipped to 17.0 in June after ticking up to 19.1 in May.

► The Texas Service Sector Outlook Survey (TSSOS) revenue index's three-month moving average was nearly unchanged at 14.3 in June following May's 14.4 reading.

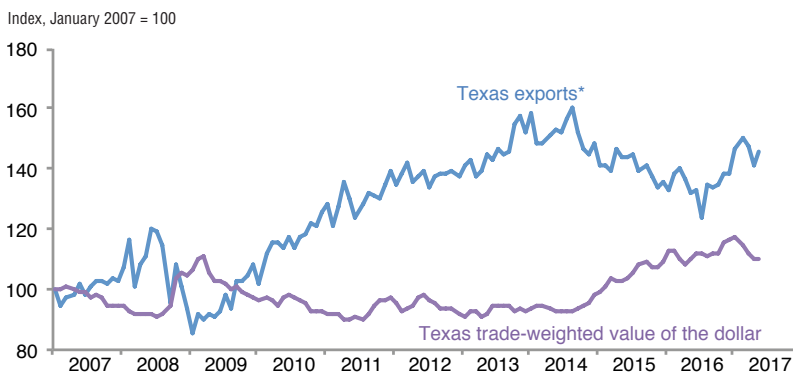
► The three-month moving average of the Texas Retail Outlook Survey (TROS) sales index slipped to 9.1 after climbing to 11.4 in May.

Texas Business-Cycle Index



►The Dallas Fed's Texas Business-Cycle Index suggests ongoing expansion in the state's economy. The index rose an annualized 5.4 percent in June following a 5.1 percent increase in May. Growth in the index has accelerated since mid-2016. The index is 3.9 percent above year-ago levels.

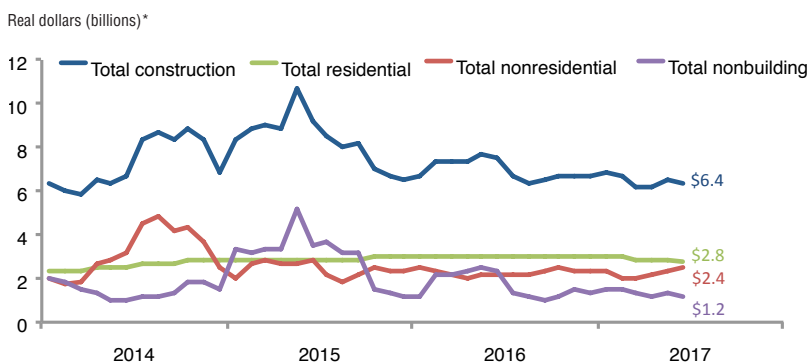
Exports



►Texas exports expanded 3.5 percent in May and have grown 5.8 percent year to date. U.S. exports rose 3.1 percent in May and have risen 1.0 percent this year.

►The Texas trade-weighted value of the dollar remained unchanged in May and was 0.4 percent below year-ago levels.

Construction



►The five-month moving average of Texas total construction contracts values dipped 1.6 percent in June to \$6.4 billion.

►Nonresidential construction contract values rose to \$2.4 billion in June, a 3.3 percent increase from May levels.

►Nonbuilding construction contract values declined 7.1 percent in June to \$1.2 billion, and residential construction contract values declined 3.2 percent to \$2.8 billion.

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

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