

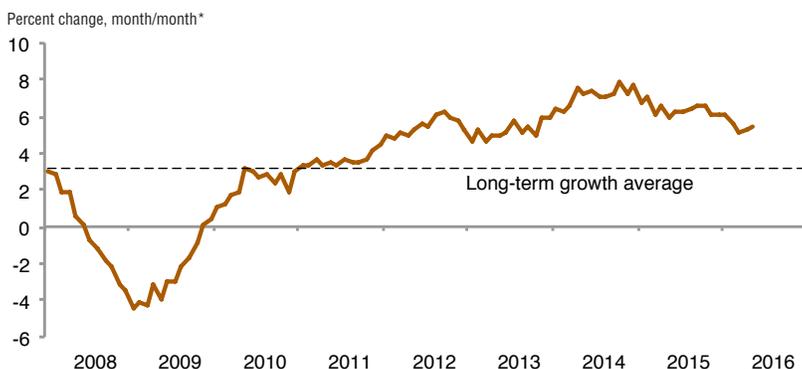
San Antonio Economic Indicators

DALLAS FED

FEDERAL RESERVE BANK OF DALLAS • JUNE 23, 2016

Summary The San Antonio economy picked up in May. The San Antonio Business-Cycle Index accelerated to its fastest pace in four months, and job growth was the fastest of any of Texas' major metro areas. The local unemployment rate continued to fall, suggesting further tightening in labor markets. San Antonio continues to weather the fallout from the energy sector, and job growth year to date is well above the state average.

San Antonio Business-Cycle Index



*Seasonally adjusted, annualized rate.

SOURCE: Dallas Fed.

► The San Antonio Business-Cycle Index expanded at a 5.4 percent annualized pace in May, its second consecutive month of acceleration. Strong job gains and a falling unemployment rate account for this recent uptick. After showing signs of slowing early in the year, growth in the local economy appears to be holding steady at a good rate, well above its long-term average.

Business-Cycle Index Components

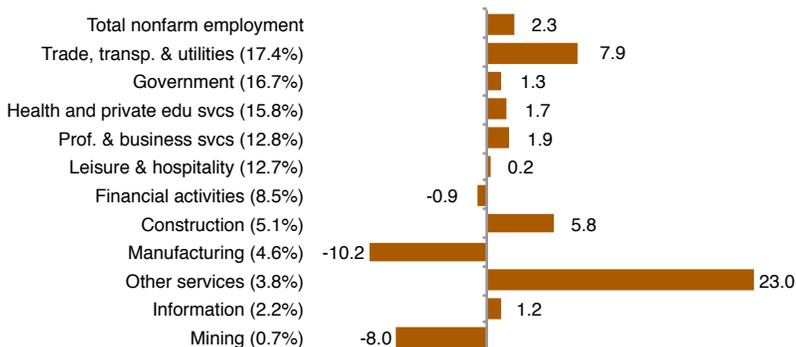
	San Antonio	Texas	U.S.
Annualized job growth (May)	4.7%	0.4%	0.3%
Unemployment rate (May)	3.5%	4.4%	4.7%
Year-over-year change in real retail sales (2015:Q4)*	1.3%	1.4%	1.6%
Year-over-year change in real wages paid (2015:Q4)*	10.0%	2.6%	4.3%

*Most recent data available for San Antonio.

SOURCES: Bureau of Labor Statistics; Bureau of Economic Analysis; Texas Comptroller of Public Accounts; adjustments by the Dallas Fed.

► Indicators of the San Antonio economy were strong in May. Job growth stepped up to its highest rate since January at 4.7 percent, far faster than the modest gains in the state and nation. Local labor markets remain tight as the May jobless rate fell to 3.5 percent. The most recent data available on real retail sales and wages paid for San Antonio show softening in retail sales growth, much as in the broader economy. However real wages paid in the metro area climbed substantially, further contributing to the gains in the index.

Employment Growth by Sector

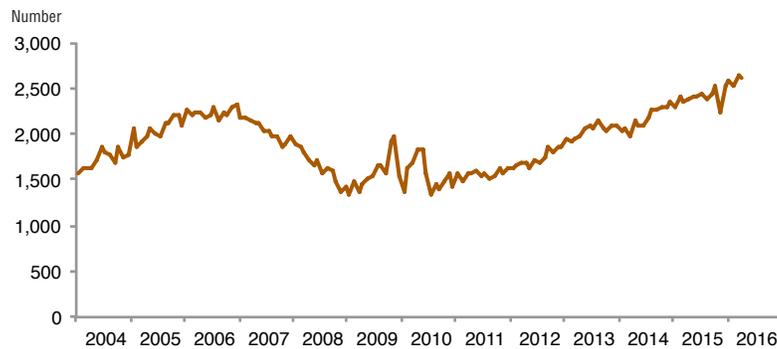


NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for March-May 2016. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

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

► Job growth in San Antonio increased to a 2.3 percent annualized rate over the three months through May. Jobs in other services, which includes automotive maintenance and personal care services, rose strongly. Trade, transportation and utilities also grew, largely from continued hiring in retail. Construction hiring increased, with particularly strong expansion in May following recent hail storms and other inclement weather. Other areas such as government, health care and business services saw moderate growth. Leisure and hospitality remained weak but showed signs of improvement in the food services sector. Manufacturing turned sharply negative after broad-based declines in durable and nondurable goods production. Mining continued to contract but at a lesser pace than earlier in the year.

Existing-Home Sales



NOTE: Seasonally adjusted.

SOURCE: Multiple Listing Service.

► Sales for existing homes in San Antonio slipped slightly in April but remain near all-time highs. Year to date, total sales are up 10.3 percent compared with the first four months of last year. Meanwhile, local inventories remain tight at 3.7 months' supply, near the state average of 3.6 months. The median home price dipped slightly in April after rising to an all-time high of \$202,554 in March.

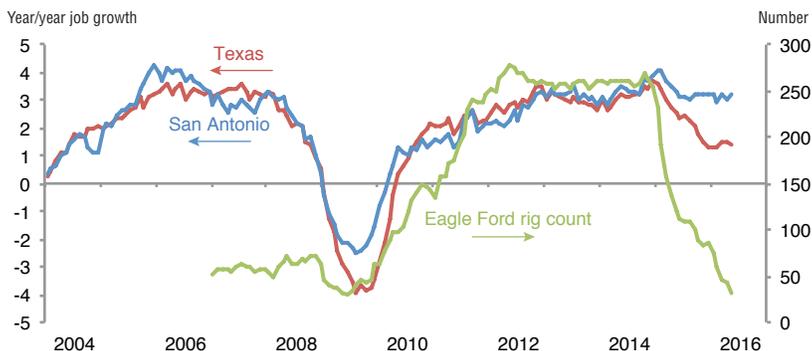
Stock Indexes



SOURCES: Bloomberg; Standard and Poor's.

► The San Antonio Stock Index rose strongly by 5.9 percent from May 20 to June 20, faster than the 1.5 percent rise in the S&P 500 over this time. Stock prices of energy companies rose overall, particularly for services firms. Communications and retail firms also saw some increase, while manufacturing and IT firms dipped over this time.

Job Growth and Eagle Ford Rig Count



NOTE: Eagle Ford rig count data not available prior to 2007.

SOURCES: Bureau of Labor Statistics; Baker Hughes; Dallas Fed.

► Since the beginning of 2016, the Eagle Ford drilling rig count has declined by 63 percent and is down nearly 90 percent from its most recent peak in mid-2014. Despite this, year-over-year job expansion in San Antonio has been minimally affected, continuing to climb at a robust 3.2 percent in May. In contrast, energy-producing areas of the state, such as the counties in Eagle Ford and Permian Basin as well as Houston, continue to reel from ongoing declines in energy.

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

Questions regarding *San Antonio Economic Indicators* can be addressed to Christopher Slijk at christopher.slijk@dal.frb.org.

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