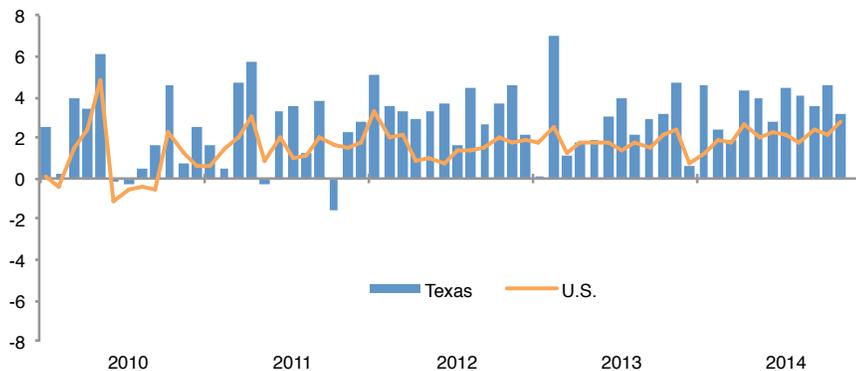


FEDERAL RESERVE BANK OF DALLAS • JANUARY 2015

**Summary** The Texas economy continues to expand, with employment growing at a 3.2 percent annual rate in November. Texas existing-home sales, single-family permits and housing starts all fell in November. Texas exports declined in October and November. Manufacturing activity rose at a faster pace in December than in November, according to the Texas Manufacturing Outlook Survey.

## Employment Growth

Month-over-month percent change, annualized\*



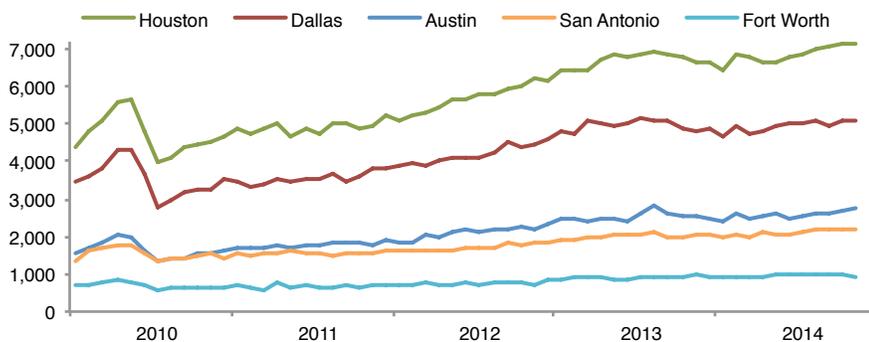
\*Seasonal and other adjustments.

▶ Texas employment grew at a 3.2 percent annualized pace in November, outperforming the nation's 2.8 percent increase. Texas gained 30,700 jobs in November after adding 44,000 jobs in October. Current Texas employment stands at 11.7 million, according to the payroll survey (CES).

▶ The Texas unemployment rate fell to 4.9 percent in November. The Texas rate continues to be lower than the U.S. rate, which remained at 5.8 percent in November.

## Existing-Home Sales

Existing-home sales, seasonally adjusted



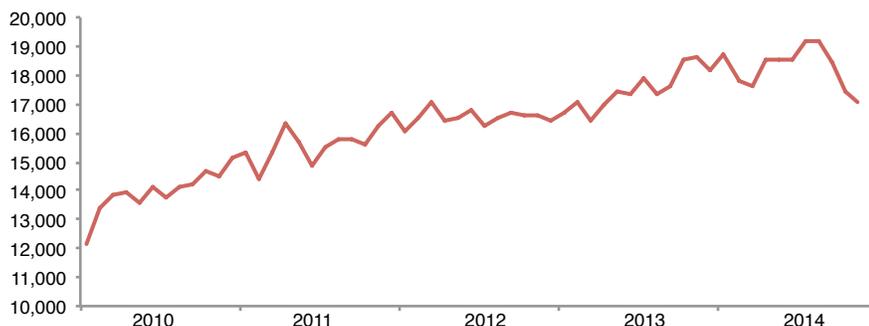
▶ Texas existing-home sales declined 0.3 percent in November, but sales are up 7.6 percent year over year. Sales in most Texas major metro areas were down in November compared with October levels.

▶ Single-family housing construction permits fell 4.4 percent in November after rising 2.2 percent in October and are up 5.6 percent year over year. Texas housing starts, which include single-family and multifamily starts, declined 12.2 percent in November, following a 0.6 percent increase in October and are down 14.7 percent from last year's levels.

▶ Home inventories edged down to 3.4 months of available supply in November and are below their year-ago level of 3.7 months.

## Monthly Texas Exports

Real 2000 dollars (millions)\*



\*Seasonal and other adjustments by Federal Reserve Bank of Dallas.

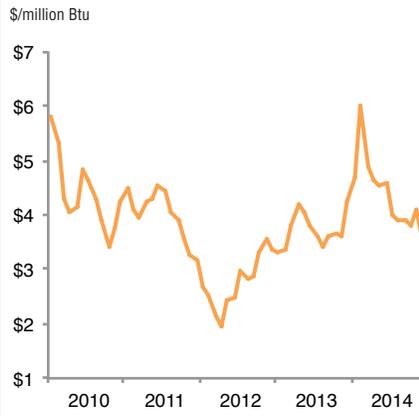
▶ Monthly Texas exports fell 2.4 percent in November, following a 5.2 percent decline in October. November exports were 8.6 percent lower than year-earlier levels.

### Crude Oil Prices



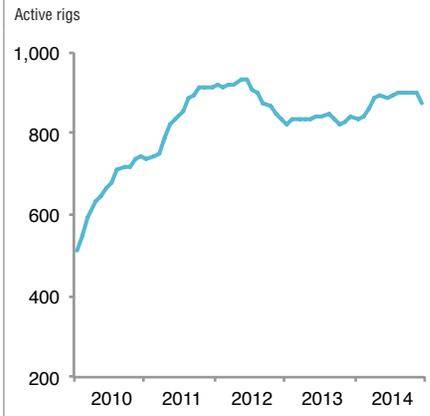
► The West Texas Intermediate crude oil price fell sharply from \$75.79 per barrel in November to \$59.28 in December and was down 39.4 percent year over year.

### Natural Gas Prices



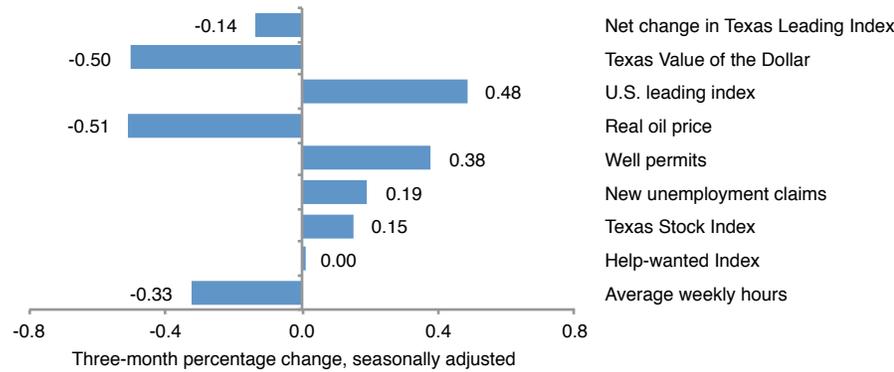
► Natural gas prices fell to \$3.40 per million Btu in December, a 17.3 percent decline from the November level. The price was 19.8 percent lower than in December 2013.

### Texas Rig Count



► The Texas rig count dropped from 904 in November to 872 in December and was up 3.4 percent from last year's level.

### Texas Leading Index with Components



► The Texas Leading Index, which uses key economic indicators to forecast employment growth, edged down 0.14 percent from August to October, despite half of its components rising during the period.

### Production Index –Texas Manufacturing



► Texas factory activity increased again in December, according to business executives responding to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose strongly from 6 to 15.8, indicating output grew at a faster pace in December than in November.

► The Dallas Fed conducts the monthly Texas Manufacturing Outlook Survey to obtain a timely assessment of the state's factory activity.

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

SOURCES: **Employment:** Bureau of Labor Statistics' Current Employment Statistics (CES) and Texas Workforce Commission; **housing:** Multiple Listing Service, U.S. Census Bureau and Bank of Tokyo-Mitsubishi UFJ; **exports:** U.S. Census Bureau and World Institute for Strategic Economic Research; **energy:** *Wall Street Journal* and Baker Hughes; **Texas Leading Index:** Federal Reserve Bank of Dallas; **Texas Manufacturing Production Index:** Federal Reserve Bank of Dallas.

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