

# Houston Economic Indicators

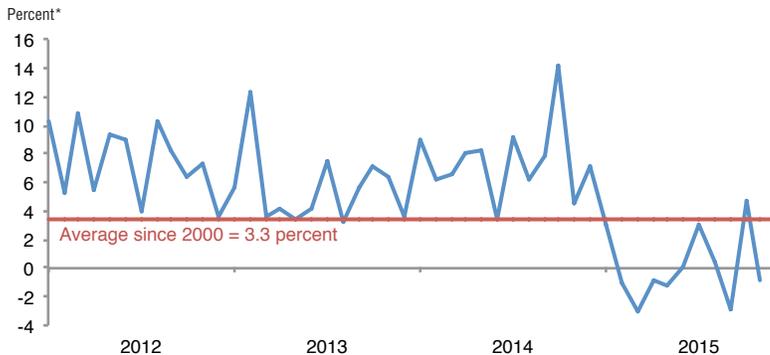
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## Summary

Houston is trading water as oil-related losses abate and the region gets help from health, construction, and refining and petrochemicals. The outlook remains very soft.

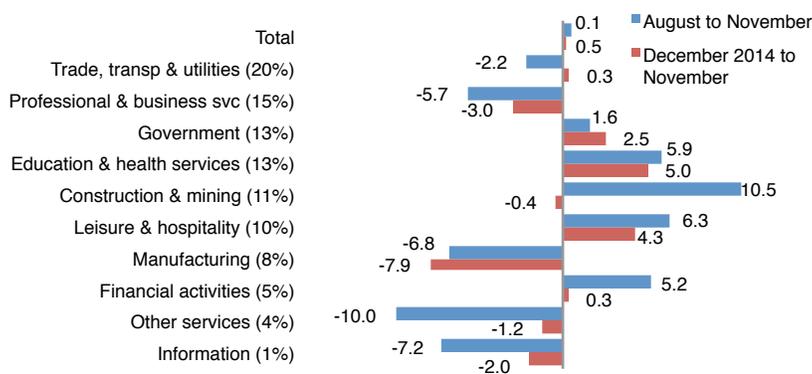
### Houston Business-Cycle Index



\*Annualized month-over-month growth rate.

► The Houston Business-Cycle Index growth rate declined to 0.8 percent from October to November after climbing to 4.7 percent the prior month as the region's economy continues to drift sideways. This marks the sixth month of negative growth in 2015, but those declines have not been consistent enough to indicate a regional recession.

### Employment Growth



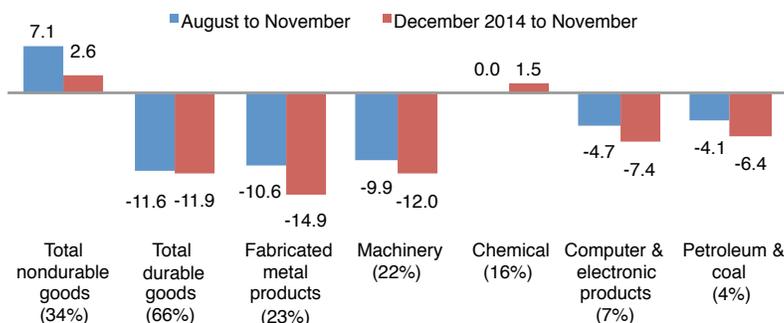
► Houston-area jobs grew slightly from August to November, led by a surge in construction employment. Professional and business services experienced the greatest number of job losses, shedding 6,800.

► The region added a net 3,600 jobs over the year through November. Manufacturing was far and away the loss leader (off 19,000 jobs), while education and health services led gains (up 16,400).

► The November unemployment rate climbed to 4.8 percent, its highest level since August 2014. The unemployment rates for the U.S. and Texas were 5 percent and 4.6 percent, respectively.

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

### Manufacturing Employment

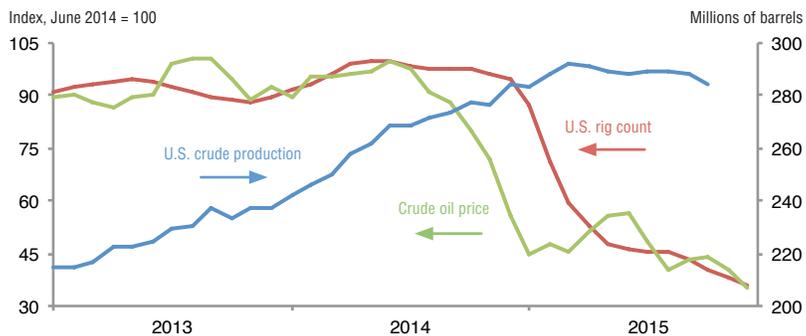


► Job losses in durable goods manufacturing continued over the three months ending in November as the persistent decline in oil drilling cut into fabricated metal products and machinery manufacturing demand. In contrast, nondurable goods saw growth accelerate toward the end of 2015.

NOTES: Growth rates are seasonally adjusted and annualized. Numbers in parentheses are percent shares of manufacturing employment.

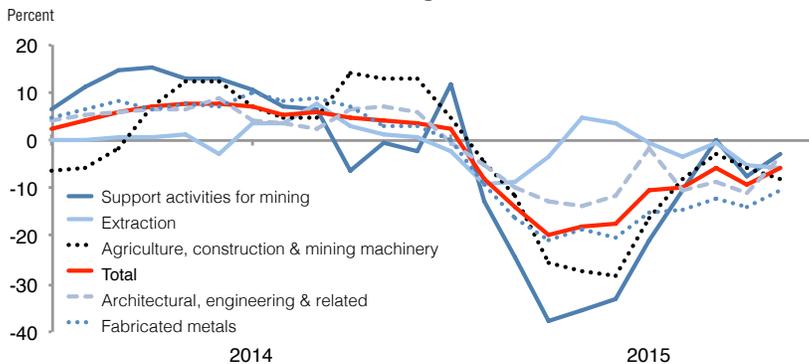
## Oil & Gas

### Rig Counts and Production



NOTES: Rig count and crude production are seasonally adjusted. The rig count and nominal oil price are indexed to June 2014.

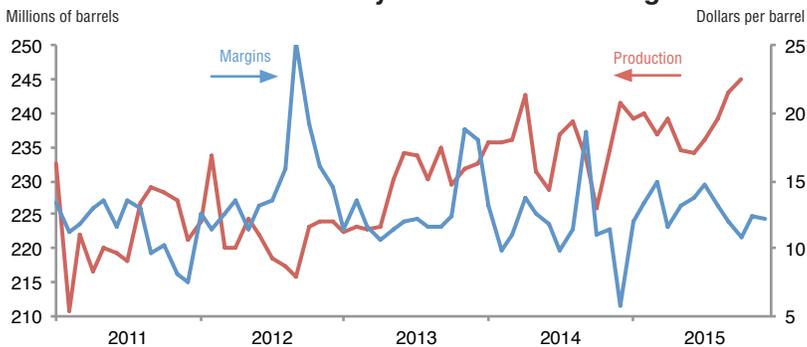
### Selected Mining-Related Jobs



NOTE: Data show three-month annualized percent changes.

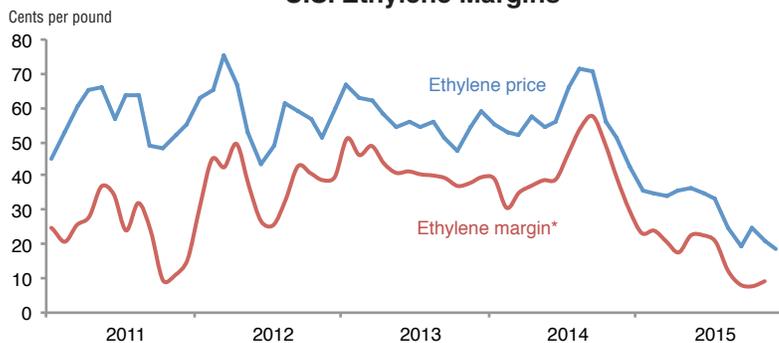
## Refining and Petrochemicals

### Gulf Coast Refinery Production and Margins



NOTE: Data are seasonally adjusted.

### U.S. Ethylene Margins



\*Based on Gulf Coast ethane feedstock prices.

► U.S. crude production was 8.4 million barrels lower in October (the most recent estimate) than at its March peak. High production levels and robust global inventories kept downward pressure on prices and drilling activity through December, with both down about 65 percent since prices last peaked in June 2014.

► Price and drilling declines continue to take a toll on related jobs. Core energy jobs (extraction, support, selected manufacturing and selected professional services) fell an annualized 11.7 percent from December 2014 to November (-31,800 jobs). From August to November, core energy job losses slowed to an annualized 6 percent (-4,100).

► In October, output from Gulf Coast refiners was a strong 245 million barrels—its highest level since August 2008. October margins were \$10.75 per barrel, rising to \$12.20 in December.

► Retail consumers paid \$1.78 per gallon across the Gulf Coast. On-highway diesel averaged \$2.91 in the region.

► Ethylene prices and margins have fallen as the tumbling price of oil has lowered costs—primarily for foreign producers. Domestic commodity chemical margins are under pressure from the strong U.S. dollar.

► Construction continues on new chemical plants, several of which are expected to be completed in 2016.

NOTE: Starting in February, the *Houston Economic Indicators* release date will be changed to the second Monday after monthly Houston-area employment data are released.

SOURCES: **Houston Business-Cycle Index:** Dallas Fed; **employment growth:** Bureau of Labor Statistics (BLS) and adjustments by the Dallas Fed; **manufacturing employment:** BLS and adjustments by the Dallas Fed; **oil and gas:** Energy Information Agency (EIA), BLS and adjustments by the Dallas Fed; **refining and petrochemicals:** EIA, Pace Consultants Inc. and Polymerupdate.

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