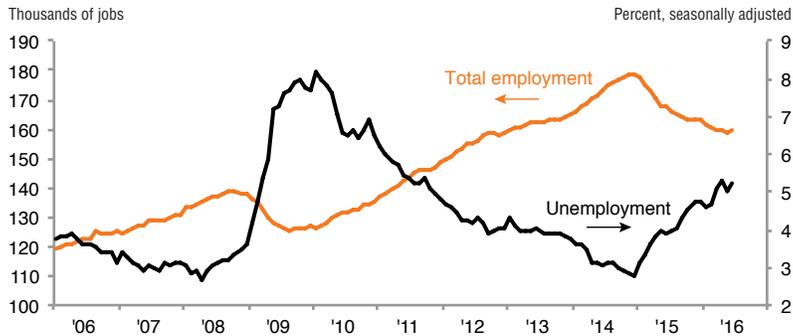


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Summary The Permian Basin economy remains sluggish, although job losses have paused. The stable job market has also brought steadiness to the housing market. While average weekly wages have fallen, Midland’s wages are still above the state average and Odessa’s are just slightly below.

Labor Market

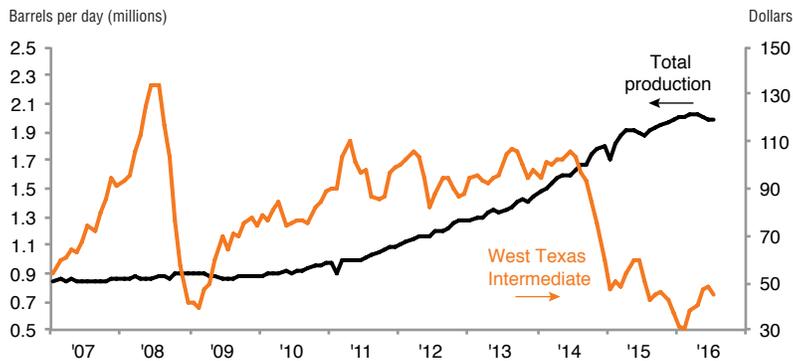


SOURCES: Bureau of Labor Statistics; Dallas Fed.

- ▶ In June, total nonfarm employment stood at 159,500, up 500 from May.
- ▶ The Permian Basin unemployment rate stood at 5.2 percent in June, up from 5.0 percent in May. The unemployment rate remains above the Texas rate of 4.5 percent and the U.S. rate of 4.9 percent.

Energy

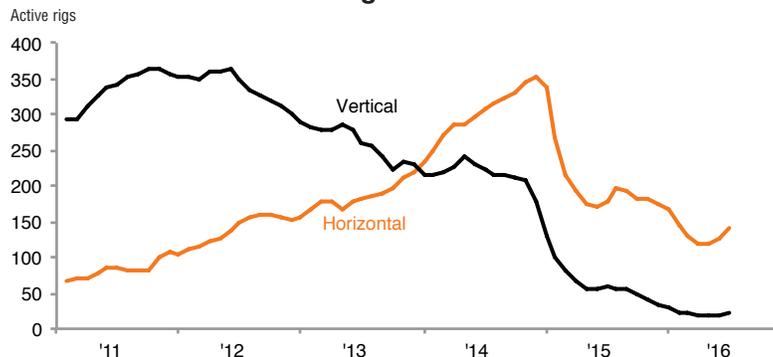
Oil Production and Spot Price



SOURCES: Energy Information Administration; World Bank.

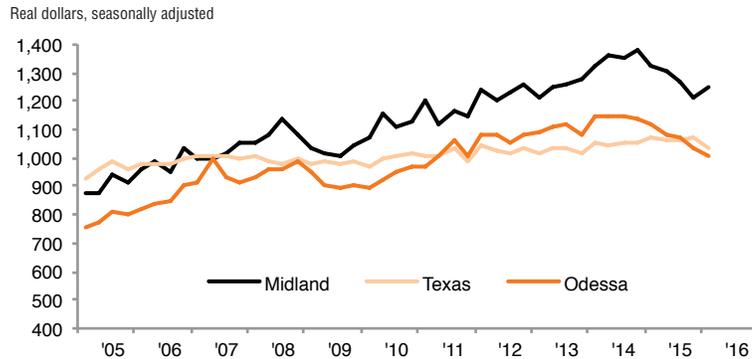
- ▶ After rising for four consecutive months, the West Texas Intermediate crude oil price fell to \$44.69 in July. (See www.dallasfed.org/research/energy for more information.)
- ▶ Production levels in the region had remained resilient throughout the energy downturn. However, production peaked in April and has since been trending down.
- ▶ Both horizontal (139) and vertical (22) rig counts were up in July for the second consecutive month. Horizontal rigs are expected to lead any recovery in rig counts due to their increased efficiency and production capability.

Rig Count



SOURCE: Baker Hughes Inc.

Private Sector Average Weekly Wages

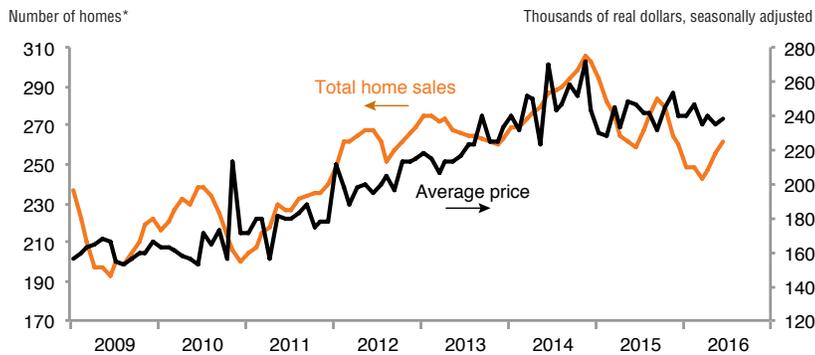


SOURCE: Texas Comptroller of Public Accounts.

▶ Despite the energy downturn, average weekly wages in Midland are still above the state average of \$1,035. Wages stood at \$1,252 in first quarter 2016 (the latest data available). They have fallen 9.4 percent since peaking in fourth quarter 2014 at \$1,381. Odessa's average weekly wages were \$1,007 in the first quarter. Odessa's wages have fallen 12.5 percent since their peak of \$1,150 in second quarter 2014.

Housing

Home Sales and Median Home Price



*Six-month moving average for Midland and Odessa, seasonally adjusted.

SOURCE: Texas A&M University Real Estate Center.

▶ Permian Basin home sales totaled 262 in June, compared with 256 in May. The average price stood at \$238,631, up slightly from \$234,488 in May.

▶ Permits for new single-family home construction in Midland–Odessa peaked in early 2014 but have been trending down since. However, the construction decline has slowed and permits have remained steady throughout 2016.

Single-Family Housing Permits



*Seasonally adjusted; indexed on six-month moving average.

SOURCE: Texas A&M University Real Estate Center.

NOTES: Data are for the Midland–Odessa metropolitan statistical area (Martin, Midland and Ector counties), except for energy data, which cover the 55 counties in West Texas and southern New Mexico that make up the Permian Basin region. Data may not match previously published numbers due to revisions.

CONTACT: Questions regarding *Permian Basin Economic Indicators* can be addressed to Marycruz De León at marycruz.deleon@dal.frb.org.

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