

San Antonio Economic Indicators

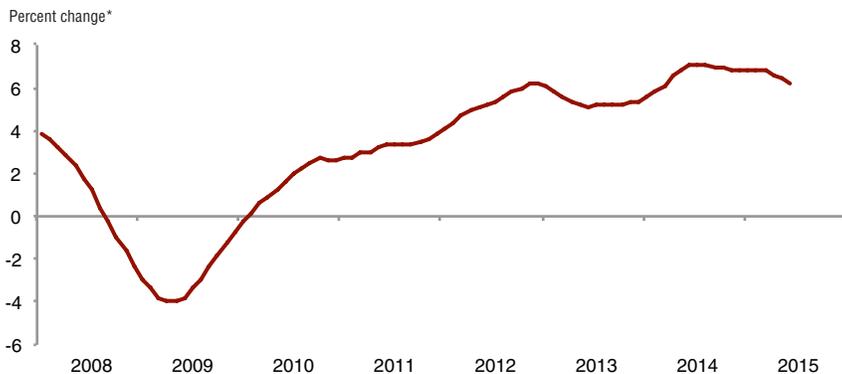
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Summary

The San Antonio economy moderated in June. Employment contracted at a 1 percent annualized rate, contrasting with state job growth of 1.8 percent. Nevertheless, the unemployment rate continued to tick down. San Antonio job growth fell slightly below the Texas rate in the second quarter but increased 2.4 percent versus 1.2 percent for the state over the first half of the year.

Business-Cycle Index

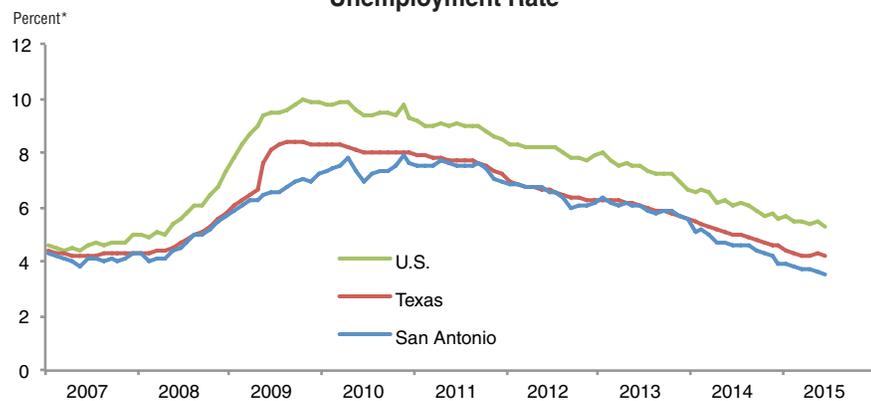


*Six-month, annualized rate, seasonally adjusted.

► Growth in the San Antonio Business-Cycle Index slowed to a 6.2 percent annualized pace over the first half of 2015. Much of this slowing can be attributed to the recent weakness in job growth, which was well below the 3.5 percent pace in the second half of last year. Even so, both job growth and business-cycle index growth remain above their long-term averages.

Employment

Unemployment Rate

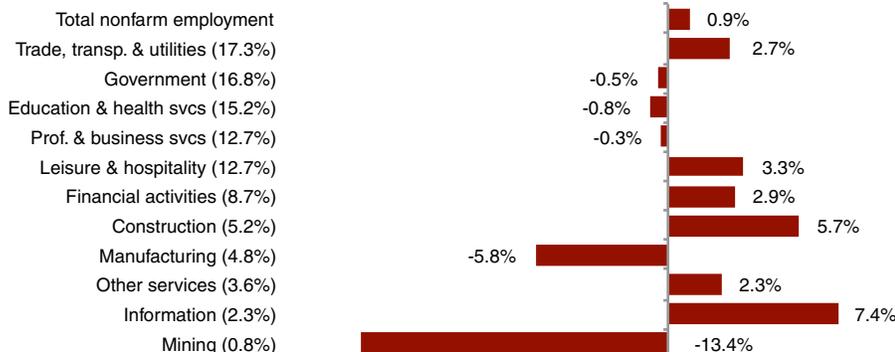


*Seasonally adjusted.

► The San Antonio unemployment rate continued its decline in June, falling 0.1 percentage points to 3.5 percent. This follows the pattern of the state and nation, which were at 4.2 percent and 5.3 percent for the month, respectively. The San Antonio decline was driven by an annualized 6.8 percent drop in the labor force, unlike in May, when it was driven by job growth.

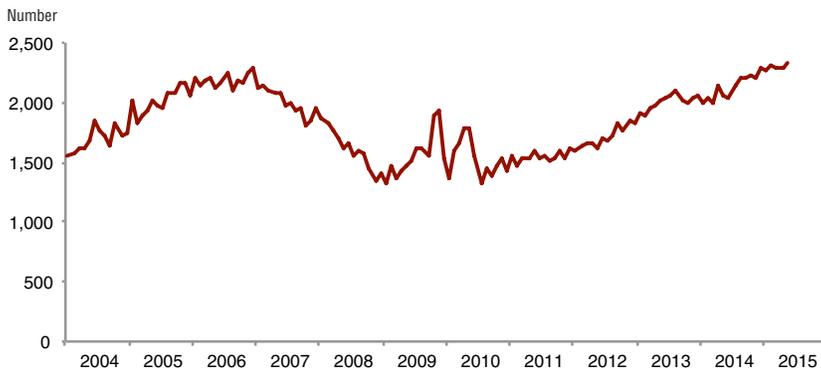
► San Antonio jobs grew at a modest 0.9 percent annualized rate in the second quarter. Growth was mixed across industries. The information services sector grew the fastest, although as a small part of the labor market, it added just 400 jobs over this time. Construction hiring slowed from its breakneck pace in the first quarter but continued to grow well above its historic pace of about 3.1 percent. Leisure and hospitality grew at a moderate pace, while hiring in retail trade picked up to a strong 5.7 percent. Mining employment again contracted sharply, while the manufacturing sector shed jobs at an accelerated rate, with nondurable goods manufacturing falling 4.6 percent after rising 12.6 percent in the first quarter.

Employment Growth (March-June)



NOTES: Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

Existing-Home Sales



NOTE: Seasonally adjusted.

► Home sales in San Antonio reached an all-time high of 2,340 in May. Real median home prices also rose to a new high of \$194,440. While construction employment was strong on a quarterly basis, industry jobs dropped sharply in June and help-wanted advertising for construction and maintenance workers fell 3.8 percent. This slowdown suggests that the San Antonio housing market may moderate in the near future before tighter housing markets again fuel further residential construction.

Stock Index

Index, July 1, 2014 = 100

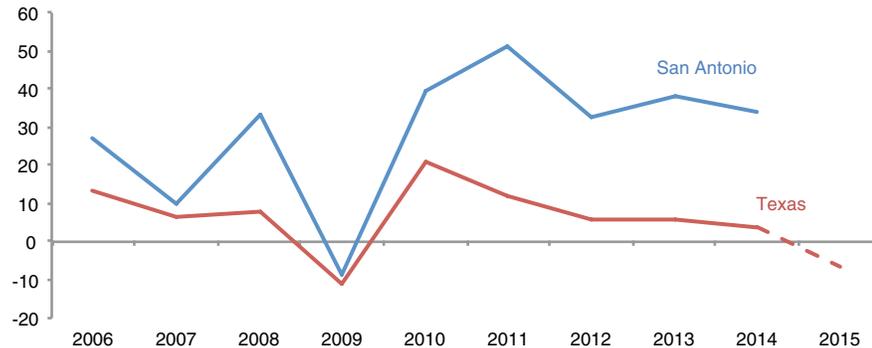


NOTE: Vertical lines denote period from June 19, 2015, to July 17, 2015.

► The San Antonio Stock Index climbed 1.9 percent from June 19 to July 17, more than the 0.7 percent increase in the S&P 500 over this time. Energy company performance continues to be mixed. The stock prices of local energy refining companies appreciated strongly in recent weeks, while the prices of companies in energy exploration, production and services continued to wane. Manufacturers and finance firms declined as well, while retail firms fared somewhat better.

International Exports

Percent change



NOTE: Data are inflation adjusted. Dashed line represents year-over-year growth in May 2015.

► San Antonio's international exports grew at a 34.4 percent rate in 2014 to reach \$25.8 billion. Since 2009, growth in manufactured goods exports from the area have risen sharply, far exceeding the state rate. This is particularly true of transportation equipment exports, which nearly doubled from 2012 to 2014. While state export growth has been exceptionally strong the past five years, the recent strength of the U.S. dollar has dampened growth so far this year. Texas manufacturing exports fell 6.6 percent year over year in the first quarter. State transportation equipment exports fared better, suggesting that San Antonio's export composition may reduce the negative effects of the strong dollar.

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

SOURCES: **San Antonio Business-Cycle Index:** Bureau of Labor Statistics (BLS), Texas Workforce Commission and Dallas Fed; **unemployment rate:** BLS and Dallas Fed; **employment:** BLS and Dallas Fed; **home sales:** Multiple Listing Service; **stock price indexes:** Bloomberg and Standard and Poor's; **exports:** International Trade Administration and WISERTrade.

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