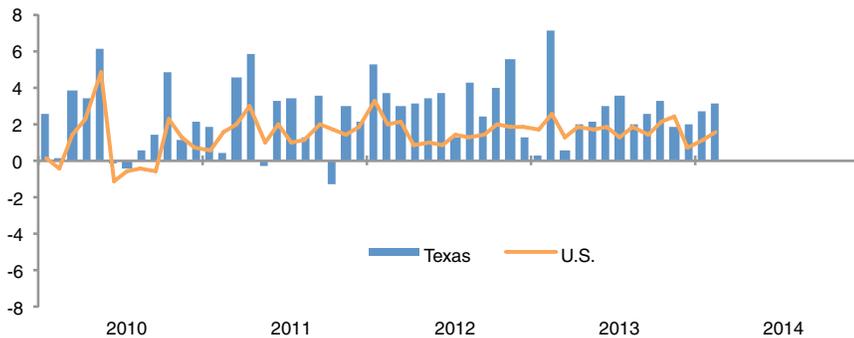


**Summary** The Texas economy continues to expand, with employment growing at a 3.1 percent annual rate in February. Texas single-family construction permits and existing-home sales increased in February, while housing starts declined. Texas exports ticked up in January. March manufacturing activity increased at a stronger pace than in February, according to the Texas Manufacturing Outlook Survey.

## Employment Growth

Month-over-month percent change, annualized

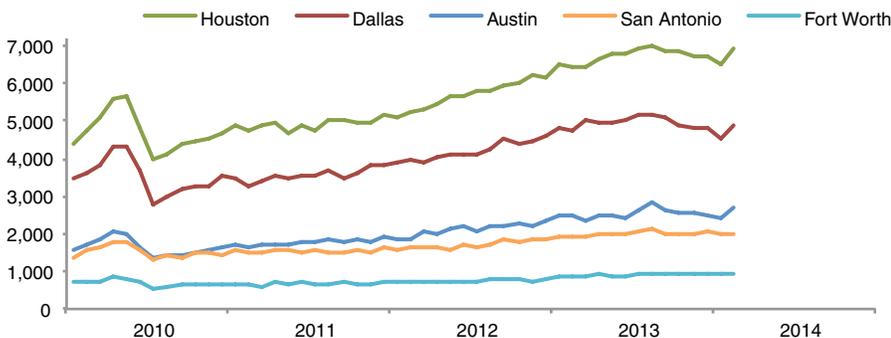


▶ Texas gained 28,700 jobs in February after adding 25,800 jobs in January. Current Texas employment stands at 11.37 million, according to the payroll survey (CES).

▶ The Texas unemployment rate held steady at 5.7 percent in February. The Texas rate remains lower than the U.S. rate, which was 6.7 percent in February.

## Existing-Home Sales

Existing-home sales, seasonally adjusted



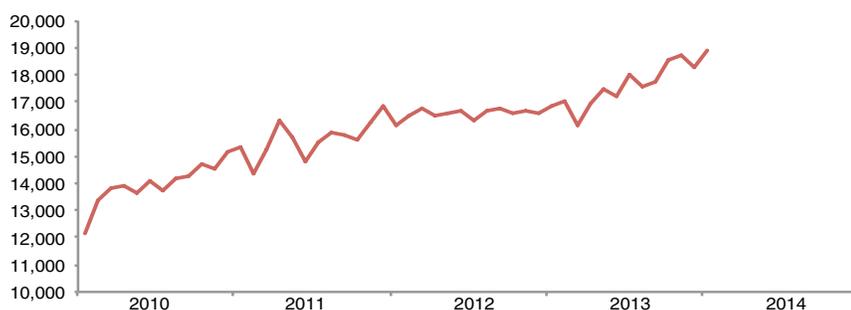
▶ Existing-home sales increased 5.5 percent in February and are up 4.7 percent year over year. Sales in Austin, Dallas, Houston and San Antonio were up from their January levels, while sales in Fort Worth declined.

▶ Single-family housing construction permits rose 5.3 percent in February after rising 3.5 percent in January and are up 12.9 percent year over year. Texas housing starts, which include single-family and multifamily starts, declined 2 percent in February after plummeting 11.4 percent in January and are down 1.4 percent from last year.

▶ Single-family home inventories held steady at 3.6 months of available supply in February and are down 20 percent from their year-ago level.

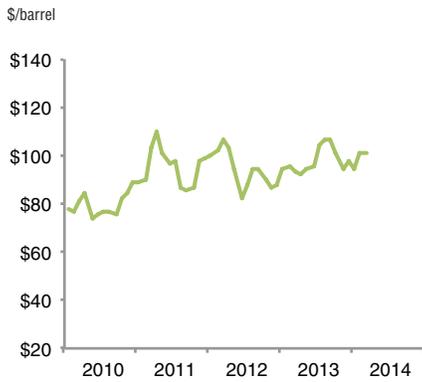
## Monthly Texas Exports

Real 2000 dollars (millions)



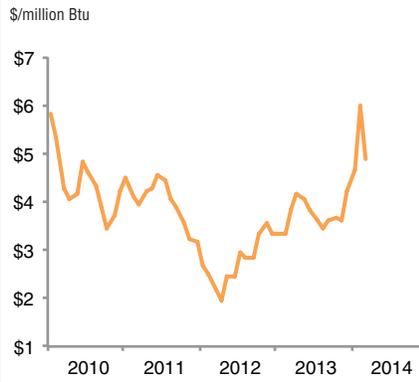
▶ Monthly Texas exports rose 3.2 percent from December to January after decreasing 2.1 percent from November to December. January exports were 12.2 percent higher than at the same time last year.

### Crude Oil Prices



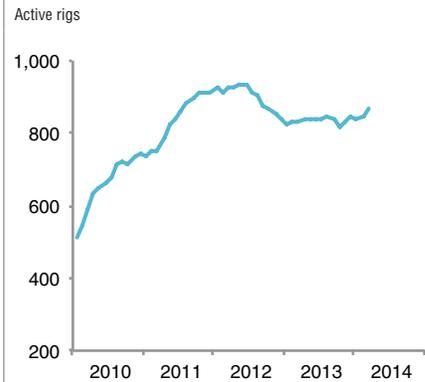
► The West Texas Intermediate crude oil price decreased slightly to \$100.79 per barrel in March but was up 8.4 percent year over year.

### Natural Gas Prices



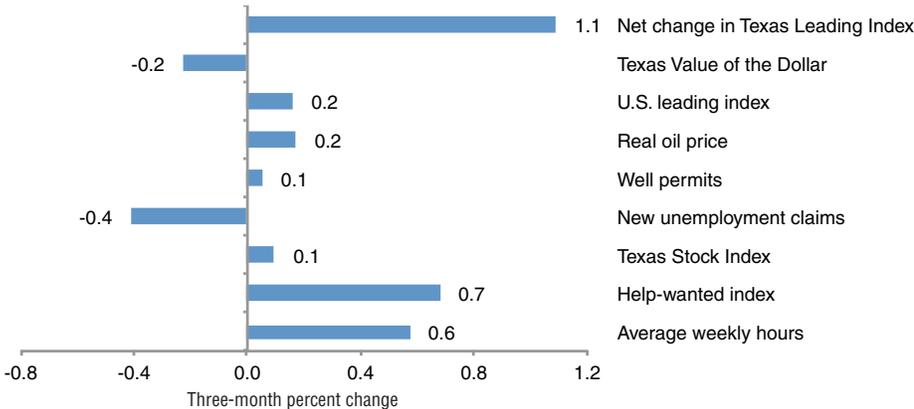
► Natural gas prices fell to \$4.88 per million Btu in March, an 18.3 percent decrease from the February level. The price was 27.7 percent higher than in March 2013.

### Texas Rig Count



► The Texas rig count rose to 864 in March from 844 in February and was up 3.7 percent year over year.

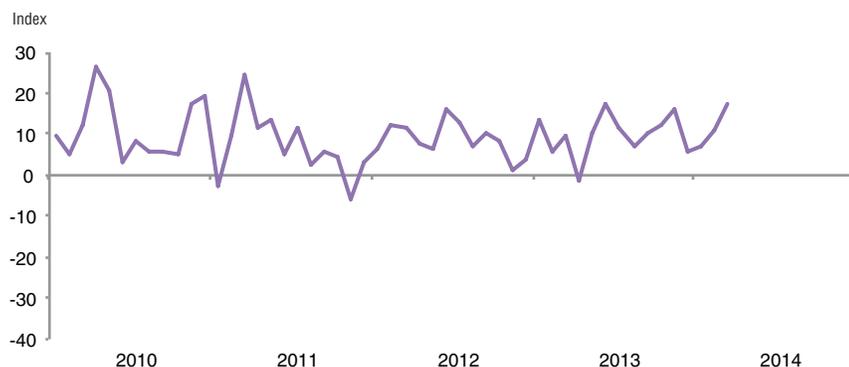
### Texas Leading Index with Components



► The Texas Leading Index, which uses key economic indicators to forecast employment growth, rose 1.1 percent from December to February.

► The Texas Leading Index is used to generate a state employment forecast. The most recent forecast suggests job growth of 2.8 percent in 2014.

### Production Index - Texas Manufacturing



► Texas factory activity increased for the eleventh month in a row in March, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 10.8 to 17.1, indicating output grew at a stronger pace than in February.

► 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); Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas. Housing: Federal Housing Finance Agency; Multiple Listing Service; U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ. All housing data are seasonally adjusted.

Exports: U.S. Census Bureau; World Institute for Strategic Economic Research; seasonal and other adjustments by Federal Reserve Bank of Dallas.

Energy: *Wall Street Journal*; Henry Hub; Baker Hughes.

Texas Leading Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

Texas Manufacturing Production Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

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