

FEDERAL RESERVE BANK OF DALLAS • DECEMBER 21, 2015

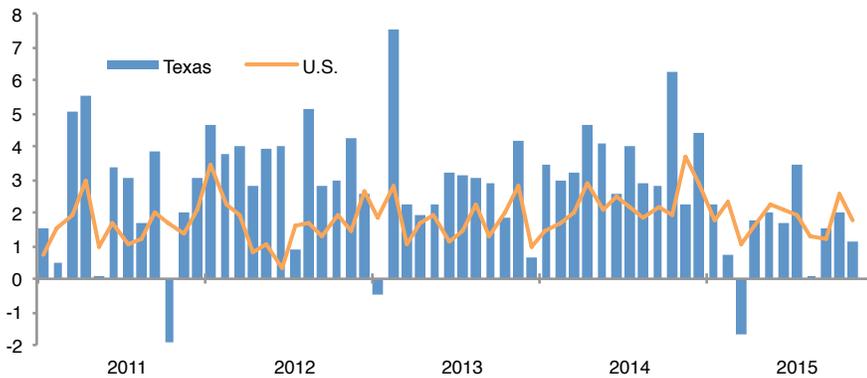
Summary

The Texas economy expanded modestly in November. Payroll employment increased during the month; however, unemployment continued to edge up. Housing starts declined in November, and exports fell in October.

The employment forecast held steady, and the estimated value of the Texas Leading Index inched down in November following October's increase.

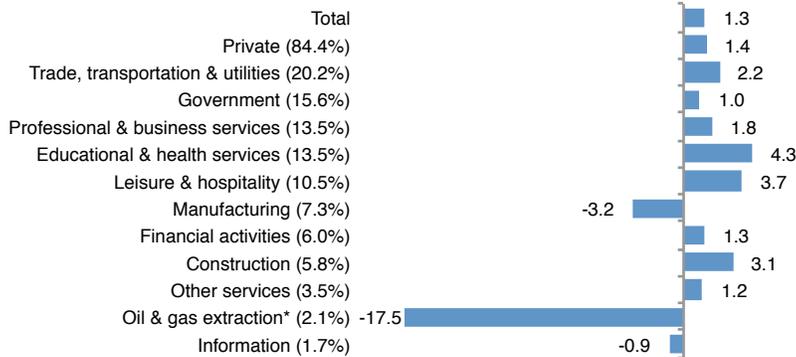
Employment

Month/month percent change*



*Seasonally adjusted annualized rate.

Employment Growth by Sector

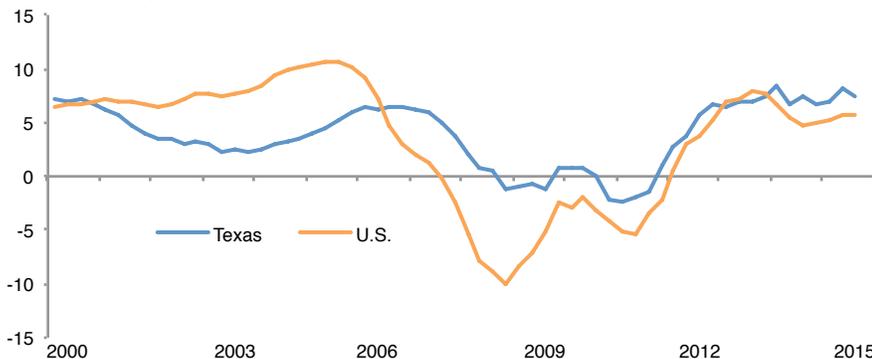


*Includes support activities for mining.

NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector, December 2014–November 2015. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

House Price Index

Year/year percent change*



*Seasonally adjusted.

► Texas employment grew an annualized 1.1 percent in November—slower than the nation's 1.8 percent increase. Texas gained 11,100 jobs in November after adding 19,500 in October. Texas employment stands at 11.9 million, according to the Current Employment Statistics payroll survey.

► The Texas unemployment rate edged up in November from 4.4 to 4.6 percent. The state's reading continues to be lower than the U.S. rate, which came in at 5.0 percent.

► The Dallas Fed's Texas Employment Forecast remained at 1.3 percent this month (December over December). The Texas employment forecast is available at the [Dallas Fed website](#).

► Employment has grown at a 1.3 percent annualized rate year to date (through November). The educational and health services sector recorded the fastest pace of increase at 4.3 percent, followed by leisure and hospitality, and construction. Employment in the oil and gas extraction and manufacturing sectors continued to decline year to date.

► The Federal Housing Finance Agency purchase-only House Price Index for Texas rose 1.7 percent in third quarter 2015 and was up 7.5 percent from year-ago levels, likely due to solid demand and low inventories.

► Texas housing starts, including single-family and multifamily units, fell 14.8 percent in October after dipping 6.8 percent in September. Starts are down 12.5 percent year over year. Single-family housing construction permits inched up 0.8 percent in October after increasing 7.9 percent the previous month and were up 7.2 percent year over year.

Crude Oil Prices

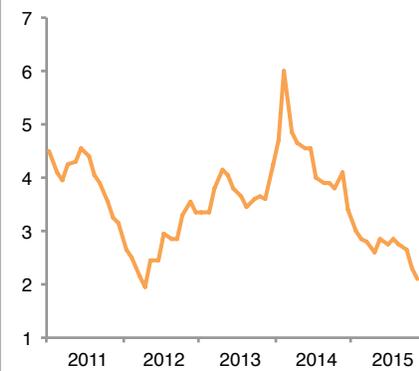
Dollars/barrel



► West Texas Intermediate crude oil fell from \$46.23 per barrel in October to \$42.65 in November. The price was 43.7 percent lower year over year.

Natural Gas Prices

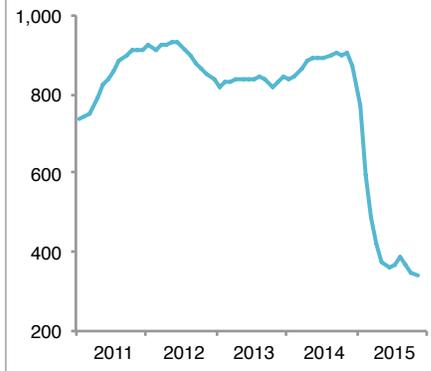
Dollars/million Btu



► The price of natural gas slipped to \$2.08 per million Btu in November, down 10.3 percent from the October level and 49.4 percent lower than November 2014.

Texas Rig Count

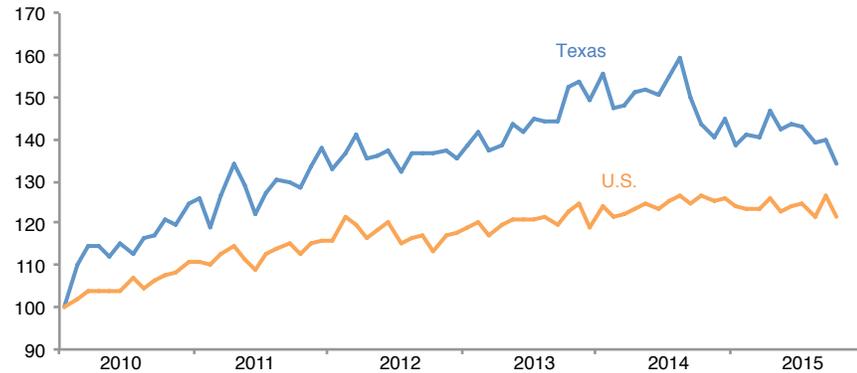
Active rigs



► The Texas rig count dropped for the third consecutive month, declining from 349 in October to 339 in November. The rig count is 62.5 percent below last year's level.

Exports

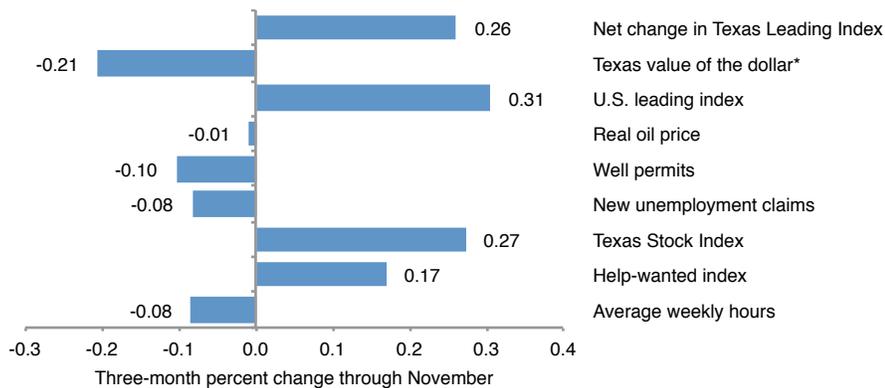
Index, January 2010 = 100*



*Seasonally adjusted.

► Texas exports declined 3.8 percent in October following a 0.5 percent uptick in September. October exports were 6.6 percent lower than a year ago. The weakness in Texas exports is a result of lower oil prices, sluggish global demand and a strong dollar.

Texas Leading Index with Components



*Estimated November value.

NOTE: Data are seasonally adjusted.

► The Texas Leading Index, which uses key economic indicators to forecast employment growth, edged down 0.2 percent in November. The three-month net change (September to November) was 0.26 percent. Rising new unemployment claims and a decline in average weekly hours, oil prices and well permits depressed the index estimate, while increases in the U.S. leading index, the stock prices of Texas-based companies and the help-wanted index contributed positively.

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

SOURCES: **Employment:** Bureau of Labor Statistics, Texas Workforce Commission and adjustments by the Dallas Fed; **house price index:** Federal Housing Finance Agency; **crude oil and natural gas prices:** *Wall Street Journal*; **Texas rig count:** Baker Hughes; **exports:** Census Bureau, WISERTrade and adjustments by the Dallas Fed; **Texas Leading Index with components:** Dallas Fed.

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