

## Texas Economic Activity Index

	<u>Value</u>	<u>% Change</u>
<b>August 2018</b>	<b>135.8</b>	<b>0.0</b>
<b>July 2018 (Revised)</b>	<b>135.8</b>	<b>-0.1</b>

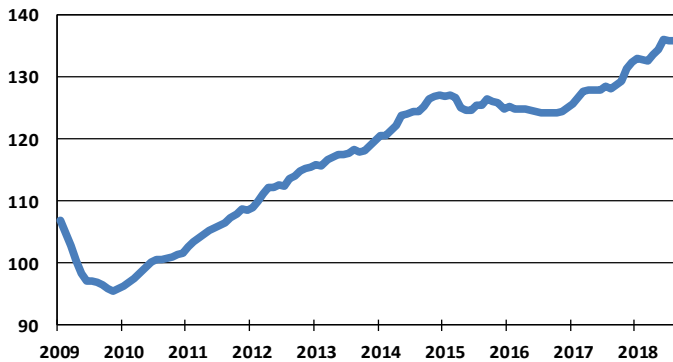
*\*All data has been adjusted for seasonality and changes in price.*

## Comerica Bank's Texas Index Unchanged

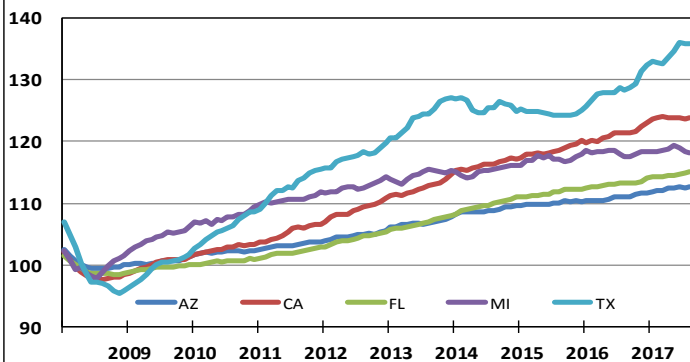
Comerica Bank's Texas Economic Activity Index was unchanged in August to 135.8. August's index reading is 40 points, or 42 percent, above the index cyclical low of 95.5. The index averaged 128.5 points for all of 2017, 3.9 points above the average for 2016. July's index reading was revised to 135.8.

The Comerica Bank Texas Economic Activity Index was unchanged in August. Revised data now show a small decline in the index level in July. Over the 12 months ending in August, the Texas Index is still up by 5.9 percent, consistent with very strong state-level GDP growth for Texas over the last year. The components of the Texas Index were mixed in August. The four positive components for the month were nonfarm employment, unemployment insurance claims (inverted), housing starts and total state trade. The four negative components were house prices, industrial electricity demand, the Texas rig count and hotel occupancy. The sales tax revenue sub-index was unchanged in August. The Texas economy grew strongly through the first half of 2018. Now it looks like growth is still very good, but easing. This is consistent with the cooling seen in our Michigan and California Indexes and is consistent with the pattern of U.S. GDP growth this year. Crude oil prices have declined to about \$66 per barrel at the end of October, from above \$76 per barrel early in the month. We look for cooler global oil demand growth in 2019 as economic growth in the U.S., Europe and China eases. Even so, we expect oil-related investment in West Texas to continue, including infrastructure and transportation-related projects.

Texas Index Historical Values



5 State Index Historical Values



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# Texas Economic Activity Index



Indicator	Aug-17	Apr-18	May-18	Jun-18	Jul-18	Aug-18
<b>Nonfarm Payroll Employment (Thousands)</b>	12,223	12,469	12,508	12,543	12,572	12,597
<b>Percent Change</b>		<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>
<b>Continuing UI Claims (Weekly Average)</b>	140,760	126,430	122,271	119,644	118,984	118,117
<b>Percent Change</b>		<b>-3.4%</b>	<b>-3.3%</b>	<b>-2.1%</b>	<b>-0.6%</b>	<b>-0.7%</b>
<b>Housing Starts (Annualized Rate)</b>	156,931	173,938	178,876	176,358	175,170	177,340
<b>Percent Change</b>		<b>-1.0%</b>	<b>2.8%</b>	<b>-1.4%</b>	<b>-0.7%</b>	<b>1.2%</b>
<b>House Price Index (Jan 2000=100)</b>	166.7	171.7	171.6	171.6	171.3	171.2
<b>Percent Change</b>		<b>0.1%</b>	<b>-0.1%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.1%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	9,670	8,888	8,999	9,058	9,154	8,982
<b>Percent Change</b>		<b>-0.1%</b>	<b>1.2%</b>	<b>0.7%</b>	<b>1.1%</b>	<b>-1.9%</b>
<b>Texas Rotary Rig Count (Total)</b>	447	536	561	565	534	510
<b>Percent Change</b>		<b>6.4%</b>	<b>4.6%</b>	<b>0.8%</b>	<b>-5.5%</b>	<b>-4.4%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	479,480	554,418	564,608	571,760	580,623	581,406
<b>Percent Change</b>		<b>2.0%</b>	<b>1.8%</b>	<b>1.3%</b>	<b>1.6%</b>	<b>0.1%</b>
<b>Hotel Occupancy Index (2009=100)</b>	115.8	120.9	120.9	120.8	119.8	118.9
<b>Percent Change</b>		<b>-0.5%</b>	<b>0.0%</b>	<b>-0.1%</b>	<b>-0.8%</b>	<b>-0.8%</b>
<b>Sales Tax Revenue (Millions, 2012 USD)</b>	2,333	2,480	2,496	2,573	2,556	2,556
<b>Percent Change</b>		<b>2.0%</b>	<b>0.7%</b>	<b>3.1%</b>	<b>-0.6%</b>	<b>0.0%</b>
<b>Total Index</b>	128.2	133.6	134.5	136.0	135.8	135.8
<b>Percent Change</b>		<b>0.8%</b>	<b>0.7%</b>	<b>1.1%</b>	<b>-0.1%</b>	<b>0.0%</b>

**(Seasonally Adjusted, 3-Month Moving Average)**

## Explanatory Note:

The Texas Economic Activity Index consists of nine variables, as follows: nonfarm payroll employment, continuing claims for unemployment insurance, housing starts, house price index, industrial electricity sales, Texas rotary rig count, total trade, hotel occupancy and sales tax revenue. All data are seasonally adjusted. Nominal values have been converted to constant dollar values. Total index levels are expressed in terms of three-month moving averages.

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