

## Texas Economic Activity Index

	<u>Value</u>	<u>% Change</u>
<b>February 2019</b>	<b>136.8</b>	<b>0.2</b>
<b>January 2019 (Revised)</b>	<b>136.5</b>	<b>0.5</b>

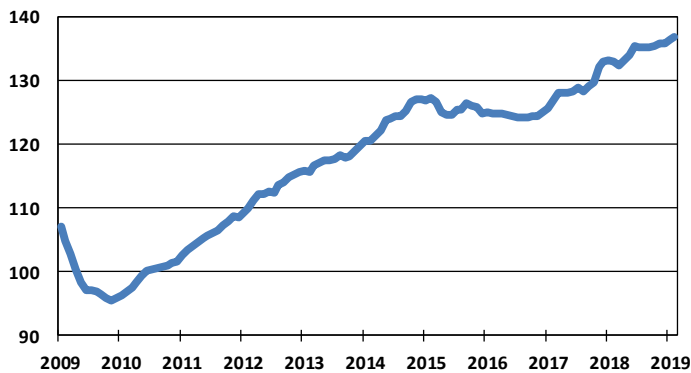
*\*All data has been adjusted for seasonality and changes in price.*

## Comerica Bank's Texas Index Increases

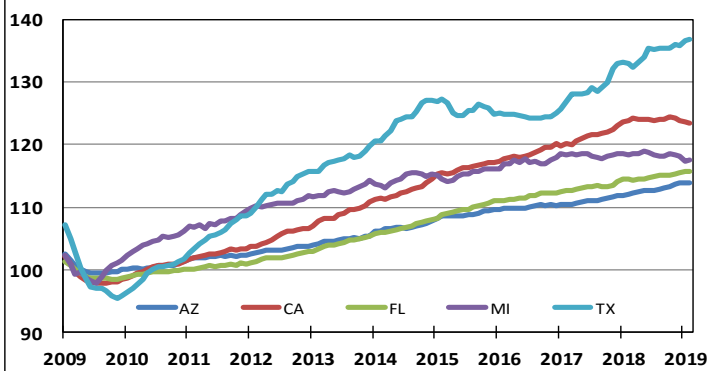
Comerica Bank's Texas Economic Activity Index grew 0.2 percent in February to 136.8. February's index reading is 41 points, or 43 percent, above the index cyclical low of 95.5. The index averaged 134.5 points for all of 2018, 5.6 points above the average for 2017. January's index reading was revised to 136.5.

The Comerica Bank Texas Economic Activity Index increased again in February after reversing a one-month slide in December. For the year ending in February, the Texas index is up by 2.9 percent, still-positive, but well below the 5.4 percent year-ago gain from last August. We expect Texas to continue to show above-average growth in 2019, but it will not be as strong as it was in 2018. In February, five out of nine index components were positive. They were nonfarm employment, house prices, industrial electricity demand, hotel occupancy and state sales tax revenues. The negatives came from unemployment insurance claims (inverted), housing starts, rig count and total state trade. The rig count was the biggest drag for the month. We expect strong crude oil prices this spring to help level out the Texas rig count. The count slid from around 535 active rigs through the second half of 2018, to 491 rigs at the end of March. Major oil companies continue to buy into the Permian Basin shale production as shown by the competition for Anadarko Petroleum by Occidental and Chevron. The larger companies will add to the stability of the region, which has undergone explosive growth due to the development of shale reservoirs. We expect economic conditions in West Texas to show consistent improvement as more infrastructure, permanent housing facilities, retail space and government offices are built to accommodate a permanent gain in the workforce.

Texas Index Historical Values



5 State Index Historical Values



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# Texas Economic Activity Index



Indicator	Feb-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19
<b>Nonfarm Payroll Employment (Thousands)</b>	12,365	12,571	12,592	12,616	12,631	12,650
<i>Percent Change</i>		<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Continuing UI Claims (Weekly Average)</b>	134,547	112,330	110,976	111,892	115,215	116,511
<i>Percent Change</i>		<b>-2.8%</b>	<b>-1.2%</b>	<b>0.8%</b>	<b>3.0%</b>	<b>1.1%</b>
<b>Housing Starts (Annualized Rate)</b>	172,630	169,253	167,549	176,495	187,314	186,907
<i>Percent Change</i>		<b>-3.8%</b>	<b>-1.0%</b>	<b>5.3%</b>	<b>6.1%</b>	<b>-0.2%</b>
<b>House Price Index (Jan 2000=100)</b>	171.0	171.8	172.3	173.0	173.9	174.7
<i>Percent Change</i>		<b>0.2%</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>
<b>Industrial Electricity Sales (Millions, KwHr)</b>	9,460	9,220	9,186	9,193	9,206	9,301
<i>Percent Change</i>		<b>0.4%</b>	<b>-0.4%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>1.0%</b>
<b>Texas Rotary Rig Count (Total)</b>	478	531	529	518	524	511
<i>Percent Change</i>		<b>3.0%</b>	<b>-0.3%</b>	<b>-2.1%</b>	<b>1.2%</b>	<b>-2.4%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	537,444	592,165	596,869	581,292	575,802	575,297
<i>Percent Change</i>		<b>0.8%</b>	<b>0.8%</b>	<b>-2.6%</b>	<b>-0.9%</b>	<b>-0.1%</b>
<b>Hotel Occupancy Index (2009=100)</b>	122.1	117.5	117.5	118.5	119.1	119.2
<i>Percent Change</i>		<b>0.0%</b>	<b>0.1%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.1%</b>
<b>Sales Tax Revenue (Millions, 2012 USD)</b>	2,459	2,564	2,587	2,543	2,554	2,565
<i>Percent Change</i>		<b>0.2%</b>	<b>0.9%</b>	<b>-1.7%</b>	<b>0.4%</b>	<b>0.4%</b>
<b>Total Index</b>	132.9	135.4	135.9	135.8	136.5	136.8
<i>Percent Change</i>		<b>0.1%</b>	<b>0.4%</b>	<b>-0.1%</b>	<b>0.5%</b>	<b>0.2%</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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