

## Texas Economic Activity Index

	<u>Value</u>	<u>% Change</u>
<b>March 2019</b>	<b>137.2</b>	<b>0.2</b>
<b>February 2019 (Revised)</b>	<b>136.9</b>	<b>0.3</b>

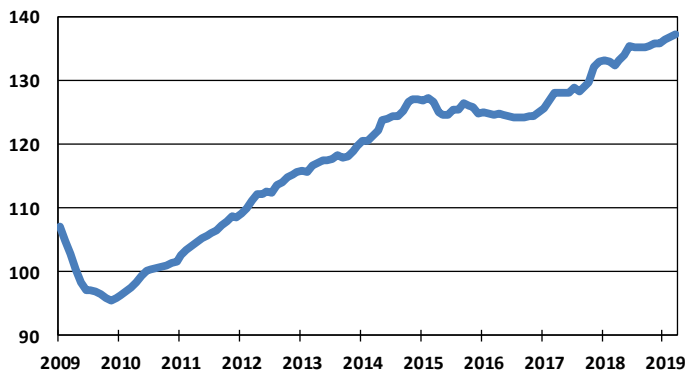
*\*All data has been adjusted for seasonality and changes in price.*

## Comerica Bank's Texas Index Up Again

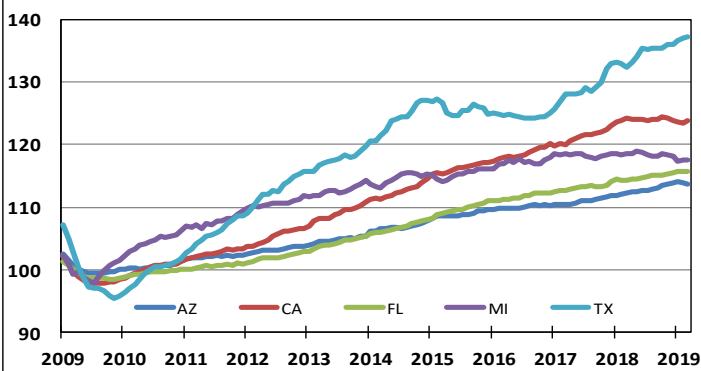
Comerica Bank's Texas Economic Activity Index grew 0.2 percent in March to 137.2. March's index reading is 42 points, or 44 percent, above the index cyclical low of 95.5. The index averaged 134.5 points for all of 2018, 5.6 points above the average for 2017. February's index reading was revised to 137.2.

The Comerica Bank Texas Economic Activity Index ticked up in March, registering its third consecutive monthly gain. The last time that the Texas Index declined was in July 2018. Over the last 12 months, the headline index is up 3.6 percent. The year-over-year gain appears to be on an improving trend after bottoming out in late 2018. In March, six out of nine index components were positive. They were nonfarm payrolls, house prices, industrial electricity demand, total state trade, hotel occupancy and state sales tax revenue. The negative factors were unemployment insurance claims (inverted), housing starts and the rig count. The strong performance of the Texas Index over the past two-and-a-half years indicates that the state has good momentum both in and out of the energy industry. Energy is a key economic driver for the state, but the majority of Texas economic activity is not directly related to the energy sector. We expect the state to continue to attract businesses and to attract new workers. We estimate population growth for the state to be around 1.4 percent this year, about double the national average pace. Strong demographic momentum will remain a tailwind for the state's non-energy economy and spur growth in "people" industries. An example of that growth is seen in DFW Airport's recent announcement that it will add a sixth terminal with 24 new gates as early as 2025.

Texas Index Historical Values



5 State Index Historical Values



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# Texas Economic Activity Index



Indicator	Mar-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
<b>Nonfarm Payroll Employment (Thousands)</b>	12,391	12,592	12,616	12,631	12,650	12,672
<i>Percent Change</i>		<b>0.2%</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.2%</b>
<b>Continuing UI Claims (Weekly Average)</b>	130,049	110,976	111,892	115,215	116,511	116,982
<i>Percent Change</i>		<b>-1.2%</b>	<b>0.8%</b>	<b>3.0%</b>	<b>1.1%</b>	<b>0.4%</b>
<b>Housing Starts (Annualized Rate)</b>	175,666	167,549	176,495	187,314	186,907	181,301
<i>Percent Change</i>		<b>-1.0%</b>	<b>5.3%</b>	<b>6.1%</b>	<b>-0.2%</b>	<b>-3.0%</b>
<b>House Price Index (Jan 2000=100)</b>	171.3	172.4	173.0	174.0	174.5	174.6
<i>Percent Change</i>		<b>0.3%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.1%</b>
<b>Industrial Electricity Sales (Millions, kWh)</b>	8,896	9,187	9,193	9,208	9,309	9,458
<i>Percent Change</i>		<b>-0.4%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>1.1%</b>	<b>1.6%</b>
<b>Texas Rotary Rig Count (Total)</b>	498	529	518	525	512	503
<i>Percent Change</i>		<b>-0.3%</b>	<b>-2.0%</b>	<b>1.3%</b>	<b>-2.4%</b>	<b>-1.8%</b>
<b>Total Trade (Millions, 2012 USD, Annualized Rate)</b>	546,942	596,869	581,292	575,802	575,297	583,820
<i>Percent Change</i>		<b>0.8%</b>	<b>-2.6%</b>	<b>-0.9%</b>	<b>-0.1%</b>	<b>1.5%</b>
<b>Hotel Occupancy Index (2009=100)</b>	121.5	117.5	118.6	119.1	119.3	119.4
<i>Percent Change</i>		<b>0.1%</b>	<b>0.9%</b>	<b>0.5%</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Sales Tax Revenue (Millions, 2012 USD)</b>	2,435	2,588	2,546	2,556	2,565	2,579
<i>Percent Change</i>		<b>0.9%</b>	<b>-1.6%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.6%</b>
<b>Total Index</b>	132.4	135.9	135.9	136.5	136.9	137.2
<i>Percent Change</i>		<b>0.4%</b>	<b>0.0%</b>	<b>0.4%</b>	<b>0.3%</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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