

# Texas Economic Activity Index

Comerica Bank

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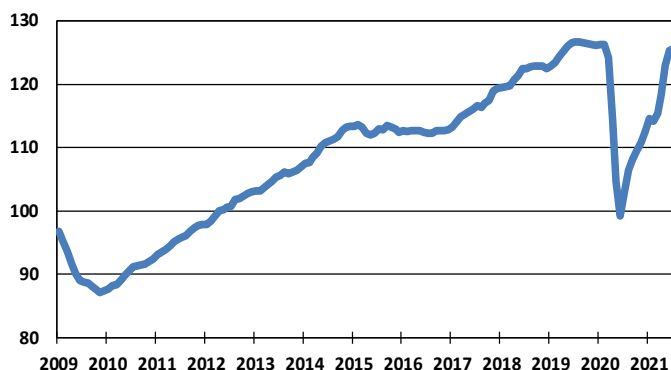
September 22, 2021

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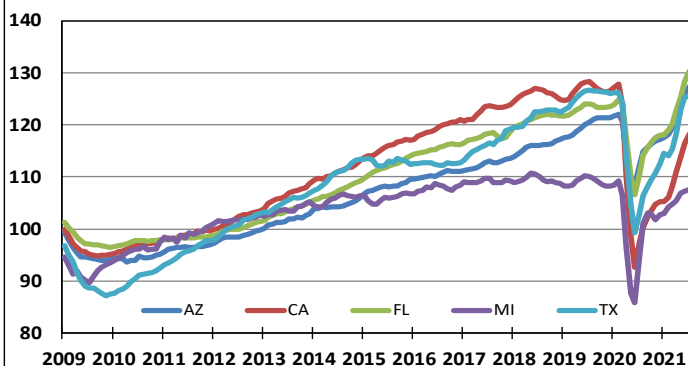
	Value	% Change
July 2021	125.6	0.2
June 2021 (Revised)	125.3	1.9

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

Texas Index Historical Values



5 State Index Historical Values



## Comerica Bank's Texas Index Inches Higher

Comerica Bank's Texas Economic Activity Index increased in July to 125.6. July's index reading was 26.6 percent above the recent low of 99.2 set in June 2020. The index averaged 112.1 points for all of 2020, 13.5 points below the average for 2019. June's index reading was revised to 125.3.

Our Texas Economic Activity Index increased by a modest 0.2 percent in July after a strong 1.9 percent gain in June. The level of the index in July, at 125.6, is slightly below the pre-COVID reading of 126.2 from February 2020. The index is now up for the fifth consecutive month, and for the twelfth month out of the last thirteen. In July, seven out of nine sub-components saw gains. They were nonfarm employment, unemployment insurance claims (inverted), housing starts, house prices, drilling rig count, total state trade and hotel occupancy. Industrial electricity demand and state sales tax revenues were down in July. Weak auto sales, held back by lack of dealer inventory, are weighing on sales tax revenues for Texas and likely all other states. New COVID cases in Texas have declined noticeably after peaking in early September. We expect businesses in the state to continue to operate unrestricted through the remainder of this year. Crude oil prices have trended up slightly since late August, pushed in part by back-to-back storms which impacted coastal Texas and Louisiana. However, supply side threats are matched against a cooling Chinese economy and the potential drag on global oil demand. The state's drilling rig count has improved through mid-September. Higher natural gas prices through the third quarter are helping profitability for the state's energy sector.

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Indicator	Jul-20	Mar-21	Apr-21	May-21	Jun-21	Jul-21
Nonfarm Payroll Employment (Thousands)	11,907	12,439	12,480	12,536	12,574	12,639
Percent Change		0.4%	0.3%	0.4%	0.3%	0.5%
Continuing UI Claims (Weekly Average)	1,251,678	326,835	312,468	279,049	235,622	200,199
Percent Change		-5.3%	-4.4%	-10.7%	-15.6%	-15.0%
Housing Starts (Annualized Rate)	195,386	244,196	240,609	245,799	242,781	253,140
Percent Change		2.4%	-1.5%	2.2%	-1.2%	4.3%
House Price Index (2012=100)	150.4	162.5	165.2	168.1	171.5	175.2
Percent Change		1.3%	1.6%	1.8%	2.0%	2.1%
Industrial Electricity Sales (Millions, KwHr)	9,236	9,147	9,035	9,422	10,007	9,681
Percent Change		-8.7%	-1.2%	4.3%	6.2%	-3.2%
Texas Rotary Rig Count (Total)	118	186	198	219	237	255
Percent Change		5.9%	6.3%	10.7%	8.3%	7.7%
Total Trade (Millions, 2012 USD, Annualized Rate)	406,288	529,517	540,277	556,066	575,432	593,710
Percent Change		1.7%	2.0%	2.9%	3.5%	3.2%
Hotel Occupancy Index (2012=100)	65.4	85.8	93.4	100.2	102.0	102.4
Percent Change		8.6%	8.8%	7.3%	1.8%	0.4%
Sales Tax Revenue (Millions, 2012 USD)	2,466	2,484	2,585	2,785	2,859	2,844
Percent Change		1.2%	4.1%	7.7%	2.7%	-0.5%
<b>Total Index</b>	102.9	115.4	118.2	123.0	125.3	125.6
Percent Change		1.1%	2.4%	4.1%	1.9%	0.2%
<b>(Seasonally Adjusted, 3-Month Moving Average)</b>						

## 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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