

THE ECONOMY AT A GLANCE

HOUSTON



GREATER HOUSTON
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Making Houston Greater.

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Several events occurred over the past two months that are important to Houston’s growth:

- President Trump signed a trade agreement with China bringing a truce to the two-year trade war.
- The president also signed the United States-Mexico-Canada Agreement (USMCA), ending the uncertainty plaguing the fate of the North American trading block.
- The United Kingdom left the European Union, paving the way for the Brits to pursue their own trade and investment agreements.
- The Federal Open Market Committee of the U.S. Federal Reserve System voted not to change interest rates. The decision signaled the Fed’s view that the U.S. economy is not at risk of a recession.
- The Organization of Petroleum Exporting Countries (OPEC) agreed to production cuts, which briefly boosted the global price of crude, but couldn’t agree to a second round of cuts, which led to a price collapse.
- And the World Health Organization (WHO) declared the coronavirus a “global health emergency.”

This issue of *Glance* examines the potential impact of those events on Houston.

CORONAVIRUS

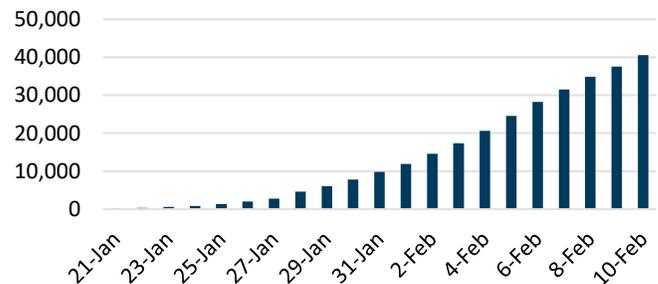
The WHO declared the coronavirus a health emergency on January 31. By then, more than 7,700 cases and 170 deaths

had been confirmed in China, with 82 cases in another 18 countries. Beijing attempted to contain the virus, closing factories, cancelling public gatherings, limiting travel, and quarantining the 60 million residents of Hubei Province.

That may have been too little, too late. By February 10, China had reported 40,235 infections and 909 deaths. That equates to a 2.3 percent mortality rate, *i.e.*, for every 1,000 people infected, 23 have died from the disease.

Though the number of deaths from the coronavirus now exceeds that of the Severe Acute Respiratory Syndrome, SARS had a higher mortality rate, 9.6 percent. Put another way, once infected, a person is four times more likely to dies from SARS than from the coronavirus.

CORONAVIRUS, CONFIRMED CASES, GLOBAL



Source: World Health Organization

The SARS outbreak reduced global growth by \$40 billion in ‘03, according to the Asian Development Bank. That equaled 0.1 percent of global GDP that year.

But much has changed since ‘03.

- China accounted for 4.3 percent of global output then. It accounts for 15.8 percent today.
- Global supply chains weren’t as well developed in ‘03. Factories in South Korea and Japan that source components from China have already reduced production runs or shut down altogether.
- And 17 years ago, China had no middle class and limited the travel of its citizens. Today, Asian countries accustomed to legions of Chinese tourists are reporting empty beaches, vacant hotel rooms and a dearth of customers in their restaurants and shops.

Growth in the world's second largest economy began to slow well before the coronavirus outbreak. The International Monetary Fund (IMF) forecasts China to expand 6.0 percent in '20, down from 10.5 percent a decade ago. Measures to combat the virus (quarantines, factory closures) will pull that even lower. Analysts estimate that China's growth will slow to between 3.0 and 5.0 percent in Q1 and Q2, but once the virus subsides and factories rush to fill orders, growth will rebound in Q3 and Q4.

China's slowdown should have a marginal impact on U.S. growth. Only 12.1 percent of U.S. GDP is tied to international trade, while a much smaller portion is tied to trade with China.

The consensus among economists is that the U.S. GDP will grow around 2.0 percent this year. To reduce that to zero, the outbreak would need to eliminate \$435 billion in U.S. output. Factories that source from China may endure shortages and U.S. consumers may face higher prices on goods produced there, but those impacts will be minimal and short-lived.

Potential Houston Impact

Until the ban on flights from China is lifted, Chinese tourists won't be visiting Houston. They spent \$158 million here in '18, according to Houston First. To put that in perspective, total visitor spending topped \$18.4 billion that year.

The trade war had already depressed commerce between Houston and Beijing. Though a truce has been reached, measures to control the virus' spread will delay trade returning to previous levels.

China's demand for crude has slipped by 1.0 to 3.0 million barrels per day, according to various estimates. The prices for West Texas Intermediate and Brent have fallen 21 to 23 percent as a result. Lower crude prices will translate to fewer U.S. wells drilled. Lower prices will also reduce cash flows. Some firms will struggle to service their debts, potentially leading to an uptick in bankruptcies.

There's also the worry factor. Ninety percent of the economic damage from a pandemic stems from people's fears of associating with others, according to The World Bank. That's already happening in Houston. Merchants and restaurants in Chinatown have reported slower customer traffic since news of the coronavirus made headlines.

Bottom line: If the coronavirus pandemic remains outside the U.S., the overall impact on Houston will be negligible. The few sectors affected will recover once the outbreak is

contained and normal trade, travel and business patterns resume.

U.S. CHINA TRADE DEAL

On January 15, President Donald Trump and China's Vice Premier Liu He signed phase one of a U.S.-China trade deal.¹ The deal halts a trade war between the world's two largest economies. At its peak, the U.S. levied tariffs on \$370 billion in Chinese imports. China had placed tariffs on \$110 billion in U.S. exports.

The agreement calls for Beijing to purchase an additional \$200 billion in U.S. goods and services over the next two years, allow U.S. auto makers and financial firms easier access to Chinese markets, and provide greater protection for U.S. intellectual property. China, which the U.S. Department of Treasury had designated a "currency manipulator," has also agreed to market-based exchange rates.

AGREED INCREASES IN U.S. EXPORTS TO CHINA - \$ BILLIONS

	Year 1	Year 2	Total
Manufactured Goods	\$32.9	\$44.8	\$77.7
Agricultural Products	12.5	19.5	32.0
Energy*	18.5	33.9	52.4
Services	12.8	25.1	37.9
Total	\$76.7	\$123.3	\$200.0

* Includes liquified natural gas, crude oil, refined products and coal
Source: Office of the United States Trade Representative

Washington has agreed to suspend tariffs on \$160 billion in Chinese-made electronics and reduce tariffs from 15 percent to 7.5 percent on an additional \$120 billion in imports. A 25 percent tariff will remain on \$250 billion in Chinese imports. Beijing will maintain duties on \$100 billion in U.S. imports. These tariffs will be addressed in phase two of negotiations slated for later this year.

The deal is seen by many as a win for President Trump leading up to the November elections. During the '16 campaign, he described China's business relationship with the U.S. as "the greatest theft in the history of the world" and vowed to deal harshly with China if elected.

The deal also eases the economic uncertainty overhanging U.S. businesses who postponed investment and hiring decisions pending clarity on the direction of U.S. trade policy.

The trade war has shifted the dialogue on China, with many now accepting that Washington should challenge Beijing

¹ Formally known as the "Economic and Trade Agreement between the Government of the United States of America and the Government of the People's Republic of China."

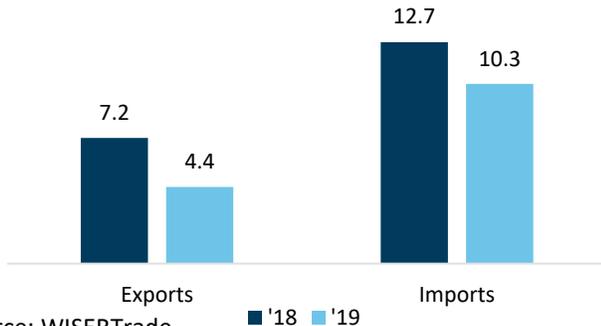
on its worst practices, like Chinese firms forcing U.S. firms to relinquish their technology as a condition of any joint venture. The deal partially addresses those concerns.

The agreement didn't address the issue of Beijing's subsidizing certain industries, or the role of China's state-owned enterprise in the economy. The U.S. sees both practices as giving the Chinese an unfair advantage. Those issues will also be dealt with in phase two of the negotiations. However, don't expect any progress before November.

Potential Houston Impact

The squabble reduced Houston-China trade last year, exports falling 38.9 percent, imports falling 18.9 percent. Brazil now ranks as Houston's #2 trading partner, a position China held four of the past five years. China now ranks #3. Mexico is #1.

HOUSTON TRADE W/ CHINA, \$ BILLIONS



China, needing to replace coal-fired power plants with cleaner-burning natural gas, looked to Houston firms to supply the country with liquefied natural gas. Discussions were suspended during the trade dispute.

Houston will eventually see an increase in exports to the Asian nation. The 86-page agreement lists over 500 goods, commodities and services the Chinese will purchase. Chemicals, industrial machinery, liquefied natural gas (LNG), crude oil and petroleum products are included. And the easing of tensions should allow for progress to be made in talks to supply LNG to China.

FOMC AND INTEREST RATES

The Federal Open Market Committee (FOMC) of the U.S. Federal Reserve System voted not to change interest rates at its January 28 meeting. The Fed's decisions signaled it's not worried about a U.S. slowdown. Chairman Jerome Powell noted that he's "keeping an eye on the corona virus," but he sees no need to act yet to offset any drag it may have on U.S. growth.

Potential Houston Impact

Three engines drive Houston's growth—oil and gas, the global economy, and U.S. growth. With energy sputtering, and the coronavirus casting a shadow on global growth, the U.S. economy may have the strongest influence over Houston's economy in the coming months. The Fed's signaling that it sees continued strength in the U.S. economy bodes well for the region.

KEY U.S. GROWTH INDICATORS

Indicator	Data Point	Trend
Real GDP Growth Rate	2.1% (Q4/19)	↔
Unemployment Rate*	3.6% (Jan '20)	↓
Monthly Job Growth*	225,000 (Jan '20)	↑
Consumer Price Index	2.3% (Dec to Dec)	↑
Effective Federal Funds Rate	1.55% (Jan '20)	↔

* Seasonally adjusted

Source: U.S. Bureau of Labor Statistics, U.S. Bureau of Economic Analysis, Board of Governors of the U.S. Federal Reserve System.

US-MEXICO-CANADA AGREEMENT

President Trump signed the United States-Mexico-Canada Agreement on January 29. The USMCA replaces the North American Free Trade Agreement (NAFTA), which governed US-Mexico-Canada trade since '94.

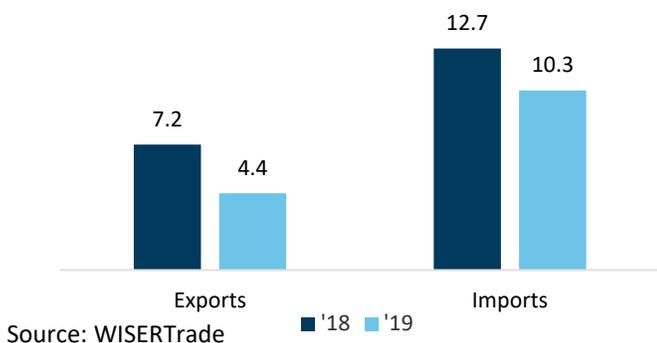
The agreement calls for vehicles made in North America to include a larger share of North American-made parts, for Canada to open its markets to U.S. dairy products, for Mexico to allow for more transparent union elections, and for its auto industry to show greater concern for the environment. The agreement will add \$68 billion to U.S. GDP and create 176,000 jobs over the next six years, according to U.S. International Trade Commission. That equates to a 0.3 percent increase in GDP and 0.2 percent increase in total employment from current levels.

During the presidential campaign, then-candidate Trump referred to NAFTA as "one of the worst trade deals in history." As president, he threatened to withdraw from NAFTA if an agreement more favorable to the U.S. couldn't be negotiated. President Trump's signing of the USMCA ends two years of uncertainty which has plagued businesses with ties to Mexico and Canada.

Potential Houston Impact

The deal will provide a small boost to the local economy. Houston's exports to Mexico fell 9.3 percent last year. That's due to weakness in Mexico's economy as much as uncertainty over trade policy. Preliminary data suggest the country slipped into recession last year. Mexican president Andrés Manuel López Obrador's anti-business rhetoric has sapped investor confidence. Capital investment has fallen in five of the last six quarters.

HOUSTON TRADE W/MEXICO, \$ BILLIONS



Obrador has also begun to chip away at his predecessor’s energy reforms, halting further joint ventures between Petróleos Mexicanos (PEMEX) and the private sector. He’s also placed a hiatus on Mexico’s competitive oil and gas auctions which allowed U.S. firms to explore for oil and gas after having been barred from doing so for over 70 years. Mexico’s energy reforms once held great promise for Houston’s oil and gas industry, but now that hope has faded.

Houston’s trade with Canada didn’t suffer from the uncertainty, however. Exports ticked up last year (\$4.1 billion in ’19 vs. \$3.5 billion in ’18) as did imports (\$1.5 billion vs. \$1.2 billion). The USMCA should boost those numbers.

BREXIT

The United Kingdom (UK) quit the European Union (EU) on January 31, ending nearly a half century of economic and political integration. The exit also ends four years of chaos that brought about the downfall of two UK Prime Ministers, David Cameron and Theresa May, neither of whom were able to negotiate a Brexit strategy palatable to the House of Commons. Boris Johnson, elected Prime Minister in July ’19, managed to force a deal through that decoupled the UK from the EU.

When the UK joined the EU in ’73, then known as the European Economic Community, it hoped to benefit from unfettered access to the large continental market and the heady growth occurring there. But the Brits began to question their membership when the EU evolved from an economic to a political union.

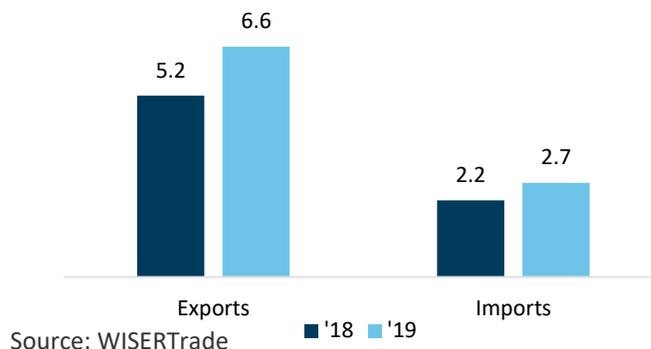
The UK left the political union on January 31. The island nation has until December 31, 2020 to negotiate a free trade agreement with the EU before leaving the economic union. At that point, the UK can sign trade and investment agreements with other countries.

Potential Houston Impact

Houston should benefit from the UK’s newfound freedom. The UK ranks second in the value of foreign investment in the U.S. Houston already hosts 169 British firms. The UK

also ranks ninth among Houston’s trading partners. Imports and exports were up in ’19. UK trade representatives have already called on Houston community and businesses leaders seeking ways to establish closer ties come January 1, 2021.

HOUSTON TRADE W/THE UK, \$ BILLIONS

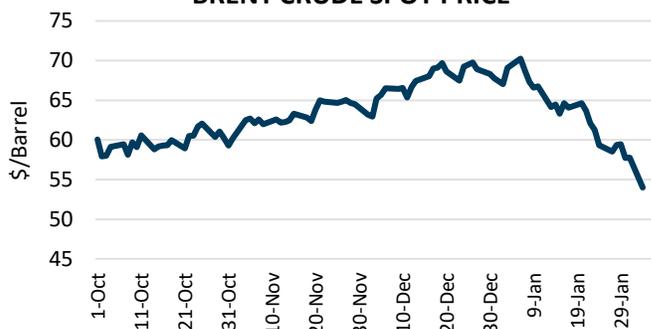


OPEC PRODUCTION CUTS

The Organization of Petroleum Exporting Countries (OPEC), Russia and 10 non-OPEC producers agreed on December 6 to hold an additional 500,000 barrels per day off the global market. The agreement helped lift oil prices prior to the initial public offering for the Saudi Arabian Oil Company (Saudi Aramco). The company’s shares commenced trading on December 11 at an initial valuation of \$1.88 billion.

OPEC’s cuts, the U.S. drone attack on Iranian general Qassem Suleimani, and Iran’s reprisal on the Al Asad in Iraq, briefly sent Brent crude prices above \$70 per barrel and West Texas Intermediate (WTI) above \$63 per barrel. If not for the outbreak of the coronavirus and the ensuing drop in consumption, OPEC’s actions would have been a boon to U.S. energy producers.

BRENT CRUDE SPOT PRICE



Source: U.S. Energy Information Administration

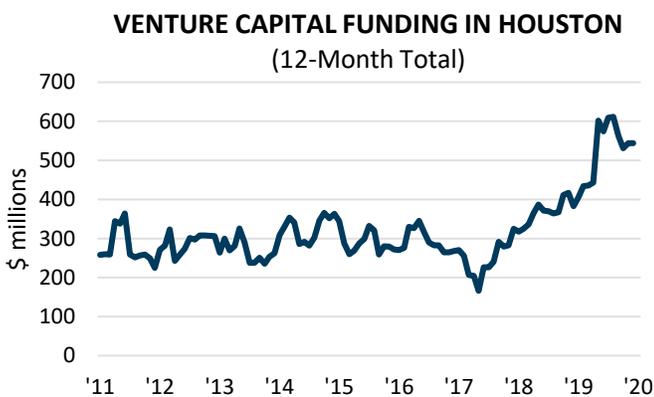
The cartel and its allies have struggled to reach a consensus on how to respond to the slump in demand associated with the coronavirus. Saudi Arabia has proposed cutting additional 600,000 barrels a day, but Russia has been reluctant to back the proposal. Without additional cuts, oil prices will likely continue falling. On February 10, the spot price for WTI closed at \$49.57 per barrel. Brent closed at \$53.27.

Potential Houston Impact

As noted earlier, lower prices will translate to fewer wells drilled and weaker cash flows. Some firms will struggle to service their debt, leading to an uptick in bankruptcies. Energy, which has struggled the past five years, may have an even greater drag on Houston's growth.

VENTURE CAPITAL UPDATE

Houston startups received \$543.9 million in venture capital (VC) funding in '19, a 42.2 percent increase from '18 and the highest on record for the Houston region, according to a Partnership analysis of Pitchbook data. The tally marks a third-straight year of growth for VC funding in Houston. The region has doubled its VC investment since '16, when startups received \$267.5 million.



Source: Partnership Analysis of Pitchbook Data

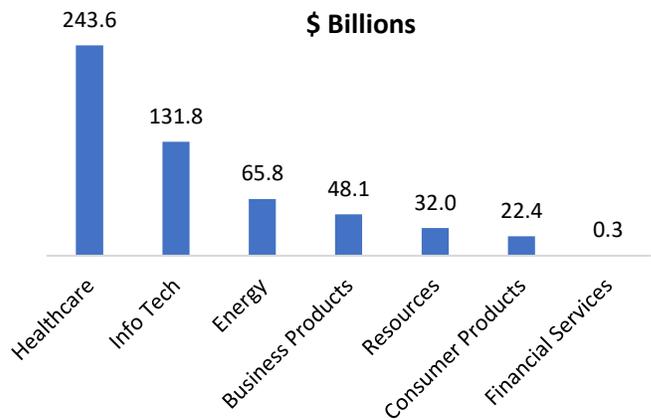
On a 12-month basis, VC investment averaged \$524.7 million in '19, with activity peaking at \$611.5 million in the 12 months from September '18 to August '19, the best yearlong span on record for Houston. While funding was up, activity was slightly down, with 87 deals reported in '19 compared to 92 deals in '18.

Health care garnered the most investment dollars, with life science and digital health startups generating \$243.6 million across 26 deals. Half that came from Houston's largest deal of '19, a \$121 million series B funding to the immunology firm Allovir.

Information Tech generated \$131.8 million across 26 deals, while energy-focused technology startups generated \$65.8 million in 10 deals.

The Business-to-Business (B2B) Products and Services sector drew 48.1 million across 11 deals. Notably, the B2B and IT sectors include several companies offering energy-related services.

'19 HOUSTON VC FUNDING BY SECTOR



Source: Partnership analysis of Pitchbook data

Breaking down the investments by maturity, later stage VC showed the greatest uptick in '19 with investments totaling \$255.8 million, twice the previous year's tally of \$120.2 million. Early stage investment grew to \$224.7 million, a 21.9 percent increase, while Seed and Angel funding fell to \$63.4 million, an 18.7 percent decline.

EMPLOYMENT UPDATE

Metro Houston created 88,000 jobs, a 2.8 percent increase, in the 12 months ending December '19, according to the Texas Workforce Commission (TWC). The level of reported job growth is not supported by other economic indicators.

- The Houston Purchasing Managers Index (PMI), a short-term leading indicator for regional economic activity, registered 47.4 in December. Readings below 50 signal contraction in the economy.
- Metro Houston's construction starts totaled \$16.1 billion in the 12 months ending November '19, down 21.1 percent from \$20.4 billion for the comparable period in '18.
- Retail sales in the nine-county region totaled \$30.7 billion in Q2/19, the latest quarter for which data is available, up only 1.3 percent from \$30.3 billion in Q2/18.

TWC typically overestimates job growth in an expansion and underestimates losses in a contraction. That was the case in '18, when TWC originally reported metro Houston created 108,300 jobs in the 12 months ending December '18, only to revise that down to 73,300 jobs several months later. Likewise, TWC first estimated the region created 23,200 jobs in '15, only to adjust that to a loss of 2,500 jobs in a later report.

The Partnership expects that Houston employment data for '19 will be adjusted downward when the TWC releases its benchmark revisions on March 13. Those revisions will be covered in depth in a future issue of *Glance*.

SNAPSHOT – KEY ECONOMIC INDICATORS



Building Permits — City of Houston building permits totaled \$7.3 billion for the 12 months ending December '19, up 19.1 percent from \$6.1 billion for the same period in '18, according to the latest data released by the city's Public Works Department. Commercial permits rose 36.7 percent to \$4.5 billion while residential permits decreased 1.3 percent to \$2.8 billion.



Business-Cycle Index — The Houston Business-Cycle Index rose an annual 3.2 percent in December from the three months prior. The reading suggests that the broader Houston economy expanded at a healthy pace in the final months of '19. In contrast, an index of 11 leading indicators for Houston was essentially flat to down slightly in the second half of '19.



Construction — Metro Houston construction starts totaled \$16.6 billion in the 12 months ending December '19, down 19.9 percent from \$20.7 billion for the comparable period in '18, according to the latest data from Dodge Data & Analytics. Nonresidential activity fell 27.4 percent to \$6.8 billion, while residential activity decreased 13.7 percent to \$9.8 billion. The 12-month total peaked at \$30.9 billion in February '15, the height of the chemical plant construction boom.



Crude Oil — The closing spot price for a barrel of West Texas Intermediate (WTI), the U.S. benchmark for light, sweet crude, averaged \$57.51 per barrel during January '20, up 10.7 percent from \$51.37 for the same month in '19. The U.S. Energy Information Administration forecasts WTI will average \$59.25 in '20.



Home Sales — Houston-area realtors sold 86,239 single-family homes in '19, a record for the region. Sales of all property types (single-family, townhomes, condos, duplexes, high rises, and individual lots) totaled 102,593, also a record for Houston.



Inflation — The cost of consumer goods and services as measured by the Consumer Price Index for All Urban Consumers (CPI-U) rose 2.3 percent nationwide from December '18 to December '19,

according to the U.S. Bureau of Labor Statistics. Core inflation (all items less the volatile food and energy categories) also increased 2.3 percent since December '18.



Natural Gas — In January '20, Henry Hub natural gas spot prices averaged \$2.02 per million British thermal units (MMBtu). In January '19, monthly natural gas prices averaged \$3.01 per MMBtu, 35 percent higher than the same month a year earlier. EIA forecasts natural gas will average \$2.33 per MMBtu in '20.



Purchasing Managers Index — The Houston Purchasing Managers Index (PMI) registered 47.4 in December '19, up slightly from 46.9 in November '19. Readings below 50 signal contraction in the economy. The December reading marks the second consecutive month of below-50 readings for Houston.



Rig Count — Baker Hughes reports 790 drilling rigs were working in the U.S. during the first week of January '20. That's down 259 rigs, or 24.7 percent, from the same week in February last year.

Patrick Jankowski, Elizabeth Balderrama, Josh Pherigo, Roel Martinez and Berina Suljic contributed to this issue of Houston: The Economy at a Glance.

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The Key Economic Indicators table is **updated whenever any data change** — typically, six or so times per month. If you would like to receive these updates by e-mail, usually accompanied by commentary, click [here](#).

HOUSTON ECONOMIC INDICATORS

A Service of the Greater Houston Partnership

2/11/2020

	Month	MONTHLY DATA			YEAR-TO-DATE TOTAL or YTD AVERAGE*		
		Most Recent	Year Earlier	% Change	Most Recent	Year Earlier	% Change
ENERGY							
U.S. Active Rotary Rigs	Dec '19	804	1,077	-25.3	943 *	1,032 *	-8.6
Spot Crude Oil Price (\$/bbl, West Texas Intermediate)	Dec '19	59.88	49.52	20.9	56.98 *	64.94 *	-12.3
Spot Natural Gas (\$/MMBtu, Henry Hub)	Dec '19	2.22	4.04	-45.0	2.57 *	3.17 *	-18.9
UTILITIES AND PRODUCTION							
Houston Purchasing Managers Index	Dec '19	47.4	53.3	-11.1	53.4 *	56.6 *	-5.7
Nonresidential Electric Current Sales (Mwh, CNP Service Area)	Dec '19	4,985,681	4,686,253	6.4	61,845,541	60,003,399	3.1
CONSTRUCTION							
Total Building Contracts (\$, Houston MSA)	Dec '19	1,750,257,000	1,316,281,000	33.0	16,616,121,000	20,734,355,000	-19.9
Nonresidential	Dec '19	790,023,000	770,189,000	2.6	6,779,126,000	9,333,310,000	-27.4
Residential	Dec '19	960,234,000	546,092,000	75.8	9,836,995,000	11,401,045,000	-13.7
Building Permits (\$, City of Houston)	Nov '19	415,340,269	511,616,836	-18.8	7,252,942,611	6,090,369,066	19.1
Nonresidential	Nov '19	262,669,446	271,094,206	-3.1	4,464,898,236	3,265,293,624	36.7
<i>New Nonresidential</i>	Nov '19	107,846,485	164,791,941	-34.6	1,990,172,370	1,262,824,752	57.6
<i>Nonresidential Additions/Alterations/Conversions</i>	Nov '19	154,822,961	106,302,265	45.6	2,474,725,866	2,002,468,872	23.6
Residential	Nov '19	152,670,823	240,522,630	-36.5	2,788,044,375	2,825,075,442	-1.3
<i>New Residential</i>	Nov '19	130,310,859	212,572,587	-38.7	2,391,912,990	2,320,261,027	3.1
<i>Residential Additions/Alterations/Conversions</i>	Nov '19	22,359,964	27,950,043	-20.0	396,131,385	504,814,415	-21.5
HOME SALES							
Property Sales	Nov '19	7,577	7,423	2.1	93,751	90,654	3.4
Median Sales Price (Single-Family Detached)	Nov '19	240,900	235,000	2.5	242,722 *	235,920 *	2.9
Active Listings	Nov '19	42,139	40,075	5.2	42,783 *	38,567 *	10.9
EMPLOYMENT (Houston-The Woodlands-Sugar Land MSA)							
Nonfarm Payroll Employment	Dec '19	3,225,700	3,137,700	2.8	3,167,367 *	3,084,700 *	2.7
Goods Producing (Natural Resources/Mining/Const/Mfg)	Dec '19	560,000	539,700	3.8	553,608 0	529,175 *	4.6
Service Providing	Dec '19	2,665,700	2,598,000	2.6	2,613,758 0	2,555,525 *	2.3
Unemployment Rate (%) - Not Seasonally Adjusted							
Houston-Sugar Land-Baytown MSA	Nov '19	3.6	3.8		3.7 *	4.3 *	
Texas	Nov '19	3.3	3.5		3.5 *	3.9 *	
U.S.	Nov '19	3.3	3.5		3.7 *	3.9 *	
FOREIGN TRADE (Houston-Galveston Customs District)							
Total Trade (\$000,000)	Dec '19	N 21,473	19,041	12.8	237,002	234,024	1.3
Exports (\$000,000)	Dec '19	N 14,870	11,936	24.6	151,840	141,442	7.4
Imports (\$000,000)	Dec '19	N 6,603	7,105	-7.1	85,162	92,582	-8.0
TRANSPORTATION							
Port of Houston Authority Shipments (Short Tons)	July '19	4,158,566	4,109,102	1.2	28,665,244	27,366,817	4.7
Air Passengers (Houston Airport System)	Sep '19	4,337,636	4,359,095	-0.5	44,460,724	43,421,375	2.4
Domestic Passengers	Sep '19	3,532,749	3,550,109	-0.5	35,471,047	34,505,604	2.8
International Passengers	Sep '19	804,887	808,986	-0.5	8,989,677	8,915,771	0.8
Air Freight (metric tons)	Sep '19	41,139	45,166	-8.9	79,657	78,454	-6.6
CONSUMERS							
New Car and Truck Sales (Units, Houston MSA)	Dec '19	23,396	22,354	4.7	292,606	303,417	-3.6
Cars	Dec '19	6,851	6,161	11.2	82,117	87,979	-6.7
Trucks/SUVs	Dec '19	16,545	16,193	2.2	210,489	215,438	-2.3
Total Retail Sales (\$000,000, Houston MSA, NAICS Basis)	Q1/19	28,824.4	29,296.0	-1.6	28,824.4	29,296.0	-1.6
Consumer Price Index for All Urban Consumers ('82-'84=100)							
Houston-Galveston-Brazoria CMSA	Dec '19	228.8	226.6	1.0	228.9 *	226.1 *	1.2
United States	Dec '19	257.0	251.2	2.3	255.7 *	251.1 *	1.8
Hotel Performance (Houston MSA)							
Occupancy (%)	Q2/19	65.6	65.6		64.6 *	67.2 *	
Average Room Rate (\$)	Q2/19	104.36	110.12	-3.5	105.49 *	109.24 *	-3.4
Revenue Per Available Room (\$)	Q2/19	68.47	79.83	-3.5	68.11 *	73.45 *	-7.3

N = New Since Previous Issue

R = Revised

SOURCES

Rig Count

Spot WTI, Spot Natural Gas

Houston Purchasing Managers Index

Electricity

Building Construction Contracts

City of Houston Building Permits

MLS Data

Employment

Foreign Trade

Aviation

New Car and Truck Sales

Retail Sales

Consumer Price Index

Hotels

Baker Hughes, a GE company

U.S. Energy Information Administration

Institute for Supply Management - Houston, Inc.

CenterPoint Energy

Dodge Data and Analytics

Building Permit Department, City of Houston

Houston Association of Realtors

Texas Labor Market Information

U.S. Census Bureau

Houston Airport System

TexAuto Facts Report, InfoNation, Inc., Sugar Land TX

State Comptroller's Office

U.S. Bureau of Labor Statistics

CBRE Hotels



HOUSTON MSA NONFARM PAYROLL EMPLOYMENT (000)

	Nov '19	Oct '19	Nov '18	Change from		% Change from	
				Oct '19	Nov '18	Oct '19	Nov '18
Total Nonfarm Payroll Jobs	3,223.1	3,204.1	3,137.6	19.0	85.5	0.6	2.7
<i>Total Private</i>	<i>2,797.3</i>	<i>2,783.0</i>	<i>2,716.5</i>	<i>14.3</i>	<i>80.8</i>	<i>0.5</i>	<i>3.0</i>
<i>Goods Producing</i>	<i>559.9</i>	<i>561.1</i>	<i>542.5</i>	<i>-1.2</i>	<i>17.4</i>	<i>-0.2</i>	<i>3.2</i>
<i>Service Providing</i>	<i>2,663.2</i>	<i>2,643.0</i>	<i>2,595.1</i>	<i>20.2</i>	<i>68.1</i>	<i>0.8</i>	<i>2.6</i>
<i>Private Service Providing</i>	<i>2,237.4</i>	<i>2,221.9</i>	<i>2,174.0</i>	<i>15.5</i>	<i>63.4</i>	<i>0.7</i>	<i>2.9</i>
Mining and Logging	87.6	88.2	81.3	-0.6	6.3	-0.7	7.7
Oil & Gas Extraction	39.8	40.0	36.8	-0.2	3.0	-0.5	8.2
Support Activities for Mining	44.0	44.5	42.8	-0.5	1.2	-1.1	2.8
Construction	231.3	231.8	226.8	-0.5	4.5	-0.2	2.0
Manufacturing	241.0	241.1	234.4	-0.1	6.6	0.0	2.8
Durable Goods Manufacturing	154.4	154.7	149.8	-0.3	4.6	-0.2	3.1
Nondurable Goods Manufacturing	86.6	86.4	84.6	0.2	2.0	0.2	2.4
Wholesale Trade	174.8	171.7	172.0	3.1	2.8	1.8	1.6
Retail Trade	312.6	303.9	314.5	8.7	-1.9	2.9	-0.6
Transportation, Warehousing and Utilities	161.7	157.5	154.7	4.2	7.0	2.7	4.5
Utilities	17.1	17.1	16.8	0.0	0.3	0.0	1.8
Air Transportation	19.9	19.8	19.9	0.1	0.0	0.5	0.0
Truck Transportation	29.7	29.9	28.1	-0.2	1.6	-0.7	5.7
Pipeline Transportation	10.8	10.8	11.1	0.0	-0.3	0.0	-2.7
Information	29.8	29.8	31.7	0.0	-1.9	0.0	-6.0
Telecommunications	12.9	12.9	13.4	0.0	-0.5	0.0	-3.7
Finance & Insurance	105.6	105.4	103.4	0.2	2.2	0.2	2.1
Real Estate & Rental and Leasing	62.4	63.3	60.9	-0.9	1.5	-1.4	2.5
Professional & Business Services	528.7	530.6	502.3	-1.9	26.4	-0.4	5.3
Professional, Scientific & Technical Services	253.9	253.4	231.7	0.5	22.2	0.2	9.6
Legal Services	26.7	26.6	26.2	0.1	0.5	0.4	1.9
Accounting, Tax Preparation, Bookkeeping	25.9	25.8	25.9	0.1	0.0	0.4	0.0
Architectural, Engineering & Related Services	78.1	78.1	71.5	0.0	6.6	0.0	9.2
Computer Systems Design & Related Services	35.0	34.8	33.3	0.2	1.7	0.6	5.1
Admin & Support/Waste Mgt & Remediation	228.1	230.1	223.3	-2.0	4.8	-0.9	2.1
Administrative & Support Services	215.2	217.3	211.1	-2.1	4.1	-1.0	1.9
Employment Services	83.0	85.0	83.8	-2.0	-0.8	-2.4	-1.0
Educational Services	64.0	63.7	62.1	0.3	1.9	0.5	3.1
Health Care & Social Assistance	348.4	345.1	337.3	3.3	11.1	1.0	3.3
Arts, Entertainment & Recreation	34.3	34.3	33.7	0.0	0.6	0.0	1.8
Accommodation & Food Services	294.3	296.8	288.0	-2.5	6.3	-0.8	2.2
Other Services	120.8	119.8	113.4	1.0	7.4	0.8	6.5
Government	425.8	421.1	421.1	4.7	4.7	1.1	1.1
Federal Government	30.6	30.0	29.5	0.6	1.1	2.0	3.7
State Government	87.7	87.3	86.8	0.4	0.9	0.5	1.0
State Government Educational Services	51.5	51.2	50.9	0.3	0.6	0.6	1.2
Local Government	307.5	303.8	304.8	3.7	2.7	1.2	0.9
Local Government Educational Services	216.4	212.9	214.7	3.5	1.7	1.6	0.8

SOURCE: Texas Workforce Commission