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Jesse Thompson (Regional Business Economist, The Federal Reserve, Bank of Dallas, Houston Branch) spoke at TABB- Houston, Texas Association of Business Brokers January 26th luncheon, with a focus in oil.

The U.S. and Texas economies have been doing a lot better than Houston's – in part due to “other cities being involved in the national economy,” says Thompson.

Thompson sheds light on how Oil Field Services are effecting Houston's economy and job growth – in not only the oil fields, but also in retail!

Below are a few bulletin points from Thompson concerning the Retail Market. REDNews' upcoming March issue will be focused on retail!

- Retail sales respond well to high oil prices. Retail sales will probably go up mid-2017, but first the retail market must wait on wage growth to grow before seeing retail growth
- Population growth will keep increasing even in “midst of oil bust,” says Thompson
- Retail will go up if population growth goes up. “Might even get enough population density to justify the rail,” jokes Thompson. “Not that I have an opinion on that!”

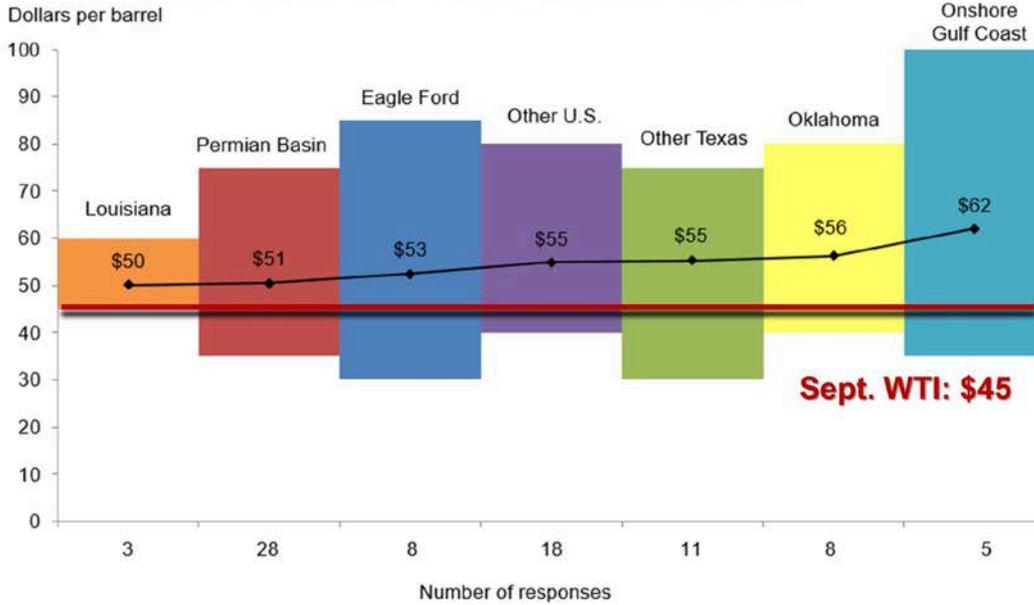
Below are a few bulletin points from his lecture.

- “Signs are pointing to an end to the recession,” says Thompson
- “Oil Field Services always come back quickly,” says Thompson
- \$50 WTI oil price would help people go back to work, but \$55+ would help the whole system to grow. “But there's a supply curve, and it will be volatile,” says Thompson
- TX dollar value decreasing can help importing, but not so much exporting
- A lot of trucks will be used for importing. Infrastructure investment would help with congestion (Check out REDNews upcoming March issue for an exclusive on Texas Central's high-speed rail!)
- Jobs in the health market are “incredibly stable,” says Thompson
- Multi-Family market is “well-over supplied,” says Thompson, but supply is not meeting the high demands in Houston Home Sales

Thompson ended his lecture with saying, “The only question is: what will recovery look like?”

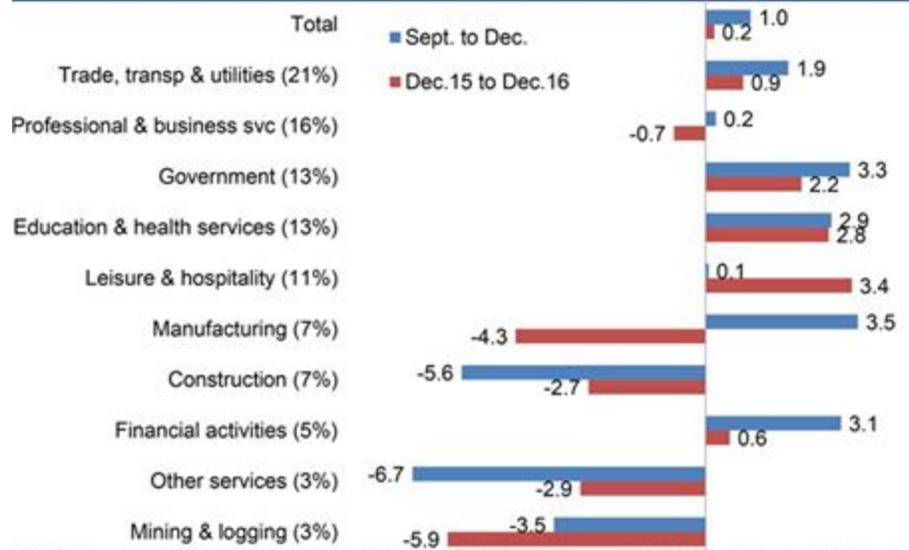
Survey: Need WTI~\$50 to drill

In the top two areas in which your firm is active:
What WTI oil price does your firm need to profitably drill a new well?



NOTES: Line depicts the mean and bars depict the range of responses. Sixty-three exploration and production firms answered this question. Other U.S. includes Bakken, Kansas and Gulf of Mexico, among other responses.
SOURCE: Federal Reserve Bank of Dallas.

Employment



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry subsector. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.
 SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.