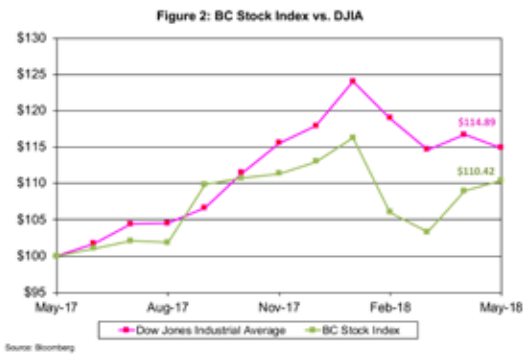


ALL INDEXES SHOW ECONOMIC GROWTH

The Brazoria County Index of Leading Economic Indicators increased over the last year to 125.64, which is 4.00 percent above the previous year. The Leading Economic Index, which is designed to forecast the economic performance of the county over the next three to six months, has been above the six-month moving average for the last twelve months. This is significant because if the leading economic index is consistently above the six-month moving average the county is likely entering into or currently experiencing a period of positive economic growth (Figure 1).



Two of the three leading economic indicators increased in the month of May. The largest annual increase in the index was in the Brazoria County Stock Index. The stock index, which is made up of the six largest publicly traded companies within the county, increased



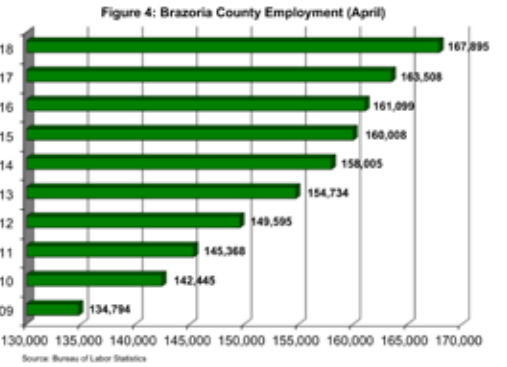
10.42 percent over the last year. Comparatively the Dow Jones Industrial Average increased 14.89 percent over this same time period (Figure 2). Houston-The Woodlands-Sugarland Average Weekly Manufacturing Hours increased in May to 46.00 hours per week compared to 45.10 hours per week last year, which represents an increase of 2.00 percent. The indicator to decrease was Brazoria County New Single Family Building Permits, which decreased 16.56 percent over the last year from 326 to 272 permits.

CURRENT ECONOMIC INDICATORS

The Brazoria County Index of Current Economic Indicators, which is designed to provide information about the current status of the economy, increased over the last year to 246.12. The index is 2.07 percent above the previous month and 12.87 percent higher than last



year. All four of the current economic indicators increased in the month of April. The largest increase in the index was in Brazoria County Hotel/Motel Tax Receipts, which increased 41.79 percent over the last year (Figure 3). The county recorded employment of 167,895 in April, which is the largest number of individuals ever employed in the county (Figure 4). Sales Tax Receipts of \$2,813,563 was the highest ever reported in the month of April and the Houston-Galveston-Brazoria CPI increased by 2.39%. The Brazoria County Current



Economic Index has been above the six-month moving average for ten of the last twelve months. This is significant because if the current economic index is consistently above the six-month moving average then the county is likely experiencing a period of economic growth (Figure 5).



LAGGING ECONOMIC INDICATORS

The Brazoria County Index of Lagging Economic Indicators is used to confirm the growth or slowdown in the economy. The lagging economic index is 7.49 percent above the previous year. There were 95 foreclosure notices filed in April compared to 58 filed last year. The significant increase in foreclosure notices is due to the grace period expiring for those flooded by Harvey. The unemployment rate in the county was 4.42 percent compared to 5.06 percent in April of last year. The lagging economic index has been above the six-month moving average for the last twelve months, which indicates the economy has been experiencing a period of economic growth (Figure 6).



BRAZORIA COUNTY, TEXAS BUSINESS CYCLE INDICATORS

JULY 2018

Brazoria County Economic Indices:	May 2018	Apr 2018	Mar 2018	Feb 2018	Jan 2018
Leading Economic Index (2003 = 100)	125.64	125.52	124.19	124.85	126.62
Current Economic Index (2003=100)	-	246.12	241.12	239.32	237.55
Lagging Economic Index (2003 = 100)	-	145.00	146.15	144.43	144.70

Brazoria County Leading Economic Index	May 2018	Apr 2018	May 2017	Apr-2018 to May-2018	May-2017 to May-2018
Leading Economic Index (2003 = 100)	125.64	125.52	120.80	0.09%	4.00%
Components:					
Brazoria County Stock Index (12/31/2003 = 100)	208.56	205.77	188.88	1.35%	10.42%
New Single Family Building Permits (Seasonally Adjusted)	254	257	258	-1.31%	-1.80%
<i>New Single Family Building Permits (Unadjusted)</i>	272	259	326	5.02%	-16.56%
Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Seasonally Adjusted)	45.45	45.35	43.72	0.22%	3.96%
<i>Houston-The Woodlands-Sugarland Avg. Wkly. Mfg. Hrs. (Unadjusted)</i>	46.00	47.20	45.10	-2.54%	2.00%

*(Data for the Leading Index is one month behind due to the lag in obtaining building permits.)

Brazoria County Current Economic Index	Apr 2018	Mar 2018	Apr 2017	Mar-2018 to Apr-2018	Apr-2017 to Apr-2018
Current Economic Index (2003 = 100)	246.12	241.12	218.05	2.07%	12.87%
Components:					
Sales Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	1,296,502	1,258,458	1,272,912	3.02%	1.85%
<i>Sales Tax Receipts (Current \$'s, Unadjusted)</i>	2,813,563	3,215,527	2,606,749	-12.50%	7.93%
Household Employment (Seasonally Adjusted)	164,715	163,009	161,286	1.05%	2.13%
<i>Household Employment (Unadjusted)</i>	167,895	166,653	163,508	0.75%	2.68%
Hotel/Motel Tax Receipts (Constant 1982-1984 \$'s, Seasonally Adjusted)	3,223,428	3,138,666	2,508,165	2.70%	28.52%
<i>Hotel/Motel Tax Receipts (Current \$'s, Unadjusted)</i>	8,240,635	8,016,400	5,811,743	2.80%	41.79%
Houston-Galveston-Brazoria County CPI	225.12	224.91	219.85	0.09%	2.39%

** (Data for the Current Index is two months behind due to the lag in obtaining the data for employment and sales tax receipts.)

Brazoria County Lagging Economic Index	Apr 2018	Mar 2018	Apr 2017	Mar-2018 to Apr-2018	Apr-2017 to Apr-2018
Lagging Economic Index (2003 = 100)	145.00	146.15	134.89	-0.79%	7.49%
Components:					
Brazoria County Foreclosure Notices (Seasonally Adjusted)	90	48	72	87.60%	24.40%
<i>Brazoria County Foreclosure Notices (Unadjusted)</i>	95	61	58	55.74%	63.79%
Prime Rate Charged By Banks	4.75	4.50	4.00	5.56%	18.75%
Unemployment Rate (Adjusted)	4.63%	4.87%	5.27%	-4.82%	-12.08%
<i>Unemployment Rate (Unadjusted)</i>	4.42%	4.82%	5.06%	-8.30%	-12.65%

*** (Data for the Lagging Index is two months behind due to lag in obtaining unemployment data.)