



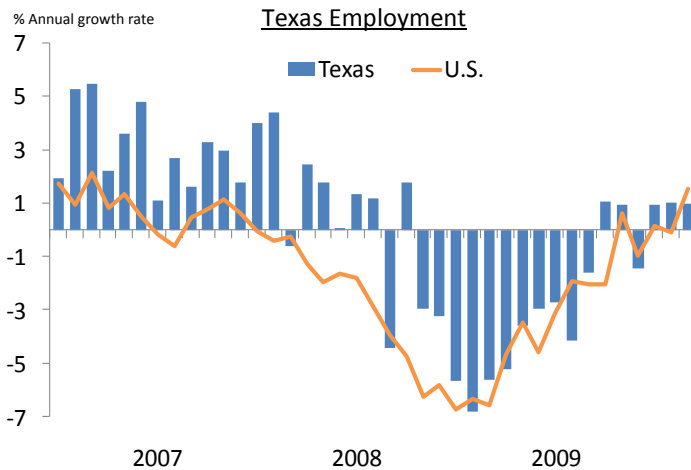
MAY 2010

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to pick up steam. Texas employment continued to expand in March as the state added jobs for the third straight month. Housing starts and existing-home sales increased, reflecting improvement in the Texas housing sector. Monthly real Texas exports rose in February and were up 22 percent from last year. Texas factory activity strengthened for the sixth month in a row in April.



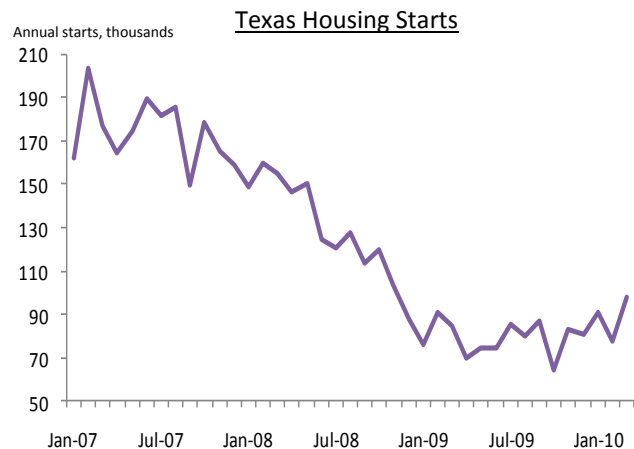
Texas gained 8,200 jobs in March after adding 8,600 in February. Current Texas employment stands at 10.25 million.

The March Texas unemployment rate was unchanged from February at 8.2 percent. The Texas rate remains below the U.S. rate, which was 9.7 percent in March.

Housing starts in Texas climbed 25.7 percent in March and were up 15 percent from March 2009.

Texas existing-home sales were up 11 percent from February. There was a 7.1 months' supply of housing inventory in Texas in March, unchanged from February.

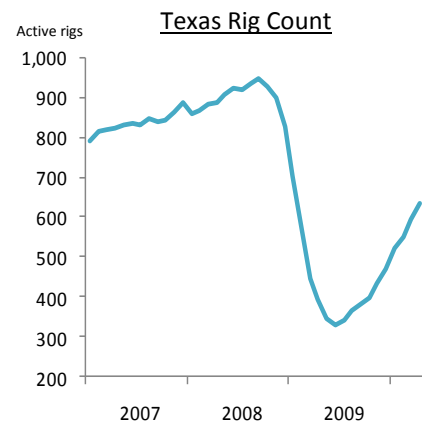
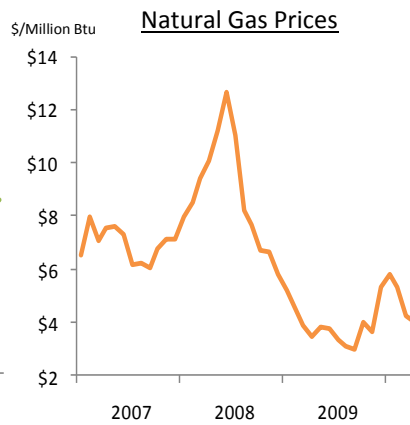
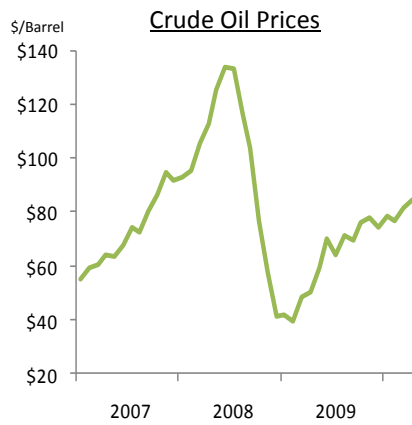
Texas single-family housing permits edged up 2 percent in March and were 43 percent higher than the year-ago level.



Monthly Real Texas Exports



Monthly real Texas exports rose 7.6 percent in February. The February level of real exports was 22 percent higher than a year ago.

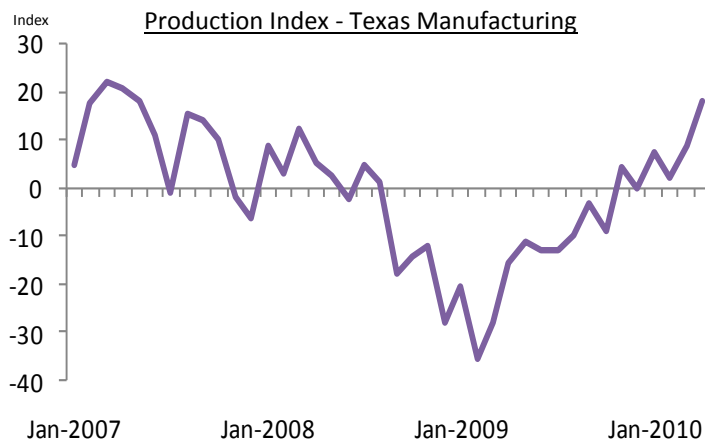
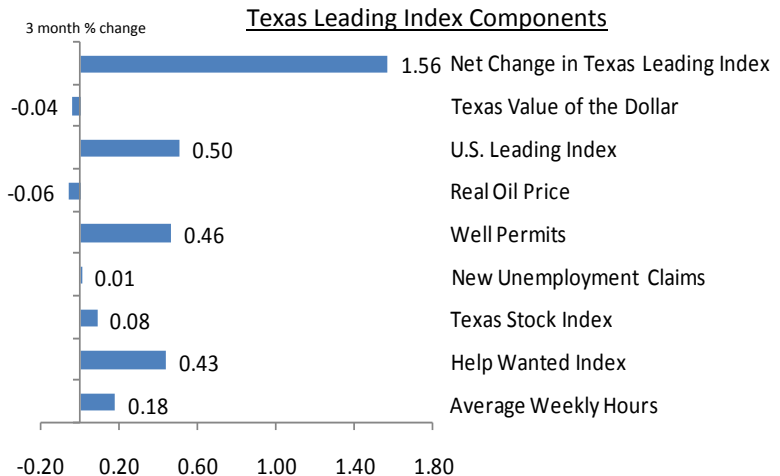


West Texas intermediate crude oil prices rose 4 percent to \$84.48 per barrel in April. Oil prices have recovered ground in the past year after bottoming out in February 2009, and the April price was up nearly 70 percent year-over-year.

Natural gas prices fell to \$4.03 per million Btu in April, down 6.1 percent from March. The April price was 15 percent higher than a year ago.

The rig count for Texas increased by 40 rigs in April and has been steadily growing since June 2009. The April rig count was 61 percent above its year-ago level.

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, ticked up 1.6 percent from December through February. Most components of the Texas Leading Index showed marginal improvement during this three-month period.



Texas factory activity strengthened for the sixth month in a row in April. The production index came in at 18, up from its March level of 9, with 40 percent of respondents noting increased output.

The Federal Reserve Bank of Dallas conducts the monthly Texas Manufacturing Outlook Survey to obtain a timely assessment of the state's factory activity.

Note: Data may not match previously published numbers due to data revisions.

Sources: Employment: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by Federal Reserve Bank of Dallas. Housing: U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ; Multiple Listing Service. All housing data are seasonally adjusted. Exports: U.S. Census Bureau; World Institute for Strategic Economic Research; seasonal and other adjustments by Federal Reserve Bank of Dallas. Energy: *Wall Street Journal*; Henry Hub; Baker Hughes. Texas Leading Index: Federal Reserve Bank of Dallas. Texas Manufacturing Production Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

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