



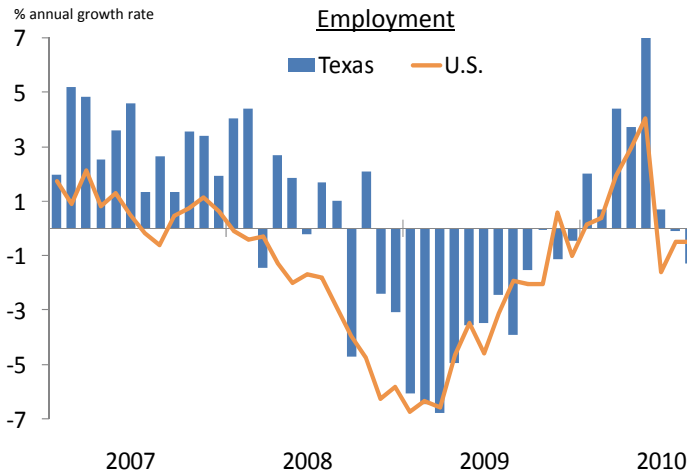
OCTOBER 2010

# Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

## Summary

The Texas economy continues to recover at a moderate pace, although employment weakened in August. Housing starts and existing-home sales rose in August after three months of decline. Monthly Texas exports edged down in July but remained significantly above last year's level. Texas factory activity rose slightly in September, according to the Texas Manufacturing Outlook Survey.



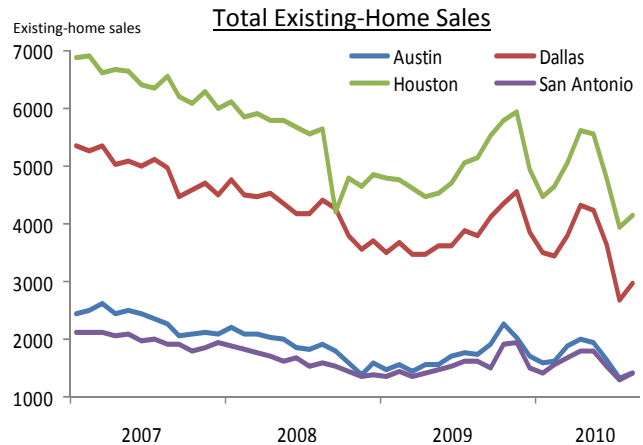
Texas lost 11,300 jobs in August, largely due to the release of temporary government Census workers. However, private-sector employment was up 14,700 jobs in August. Current Texas employment stands at 10.36 million.

The Texas unemployment rate edged up from 8.2 percent in July to 8.3 percent in August. The Texas rate remains below the U.S. rate, which was 9.6 percent in August.

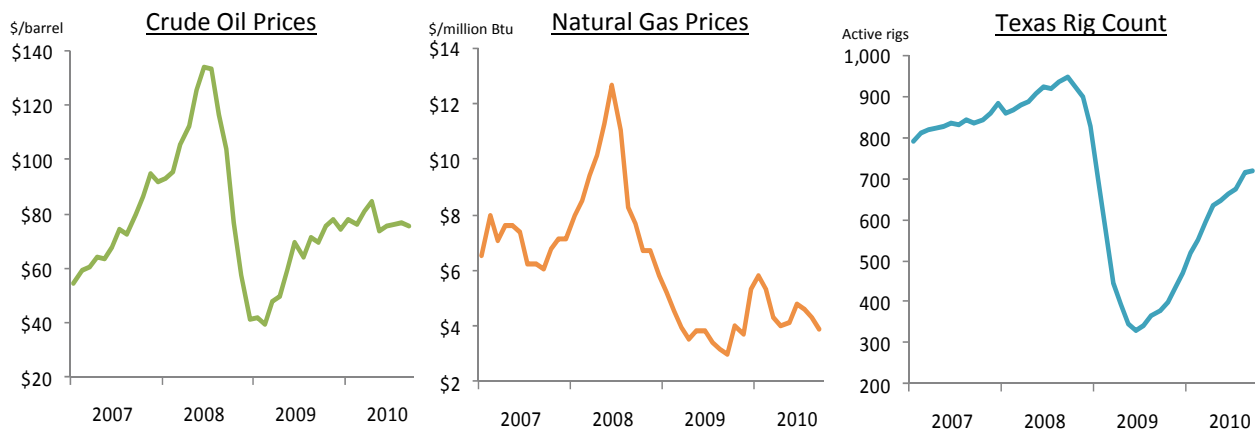
Texas existing-home sales rose 7.4 percent in August. Sales in Houston and Austin rose 5 and 6 percent, respectively, while sales in Dallas and San Antonio were up more than 10 percent from their July levels.

Housing starts also increased in August, ticking up 7.5 percent from July. Texas single-family housing permits edged down 1.0 percent, and the August level was down 23 percent from a year earlier.

The supply of housing inventory in Texas was 7.6 months in August, unchanged from July.



Monthly real Texas exports edged down 3.2 percent in July after climbing 0.6 percent in June. The July level of real exports was 15 percent higher than a year earlier.

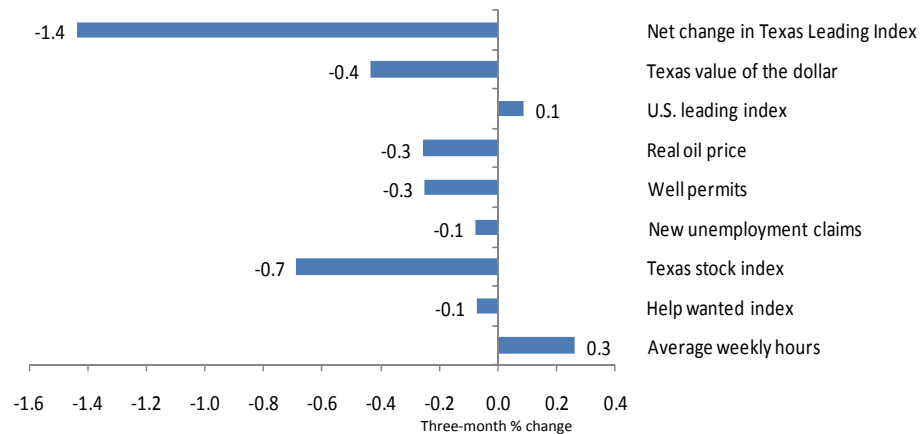


West Texas Intermediate crude oil prices edged down 2.0 percent to \$75.31 per barrel in September. The September price was up 8 percent year-over-year.

Natural gas prices fell to \$3.90 per million Btu in September, down 9.5 percent from August. Despite the recent decline, the September price was 30 percent higher than a year ago.

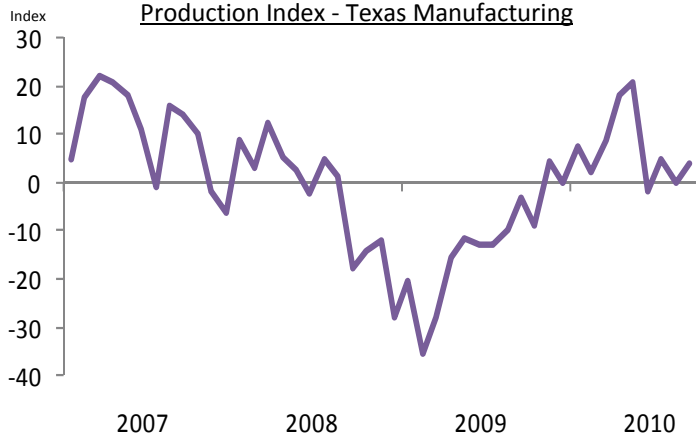
The rig count for Texas increased by seven rigs in September and has been steadily growing for over a year. The September rig count was 720, up from 380 last year.

#### Texas Leading Index Components



The Texas Leading Index, which uses key economic indicators to forecast future economic activity, edged down 1.4 percent from May through July.

#### Production Index - Texas Manufacturing



The Texas Manufacturing Outlook Survey's production index, a key measure of state manufacturing conditions, edged back into positive territory in September following a near-zero reading in August.

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: Multiple Listing Service; U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ. 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.

Texas Economic Indicators is released on the first Wednesday of every month. Questions can be addressed to Emily Kerr at [emily.kerr@dal.frb.org](mailto:emily.kerr@dal.frb.org).