



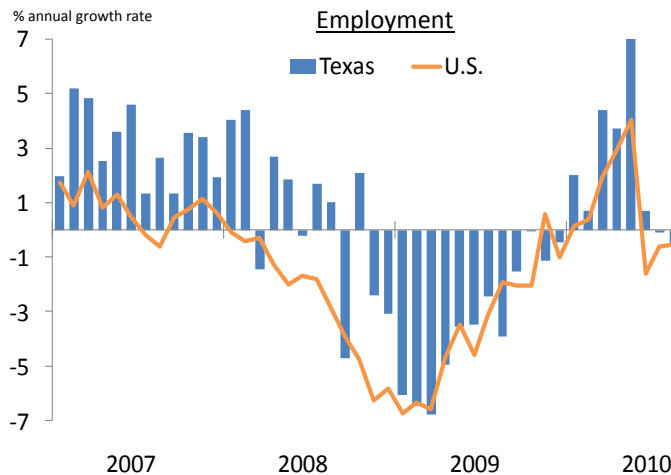
NOVEMBER 2010

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Texas employment expanded slightly in September, in line with the moderate recovery taking place in the state's economy. Some improvement was seen in the Texas housing market, as housing starts, single-family housing permits and existing-home sales increased from their August levels. Monthly real Texas exports edged up in August, and the Texas Manufacturing Outlook Survey indicated Texas factory activity increased in October.



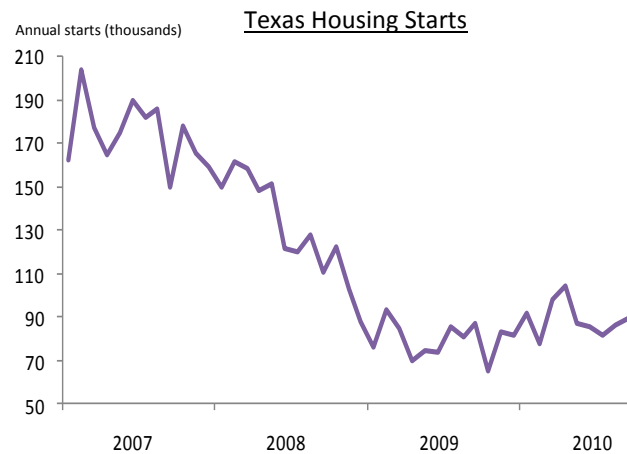
Texas gained 7,400 jobs in September after losing 5,400 in August. Current Texas employment stands at 10.37 million.

The Texas unemployment rate edged down from 8.3 percent in August to 8.1 percent in September. The Texas rate remains below the U.S. rate, which was 9.6 percent in September.

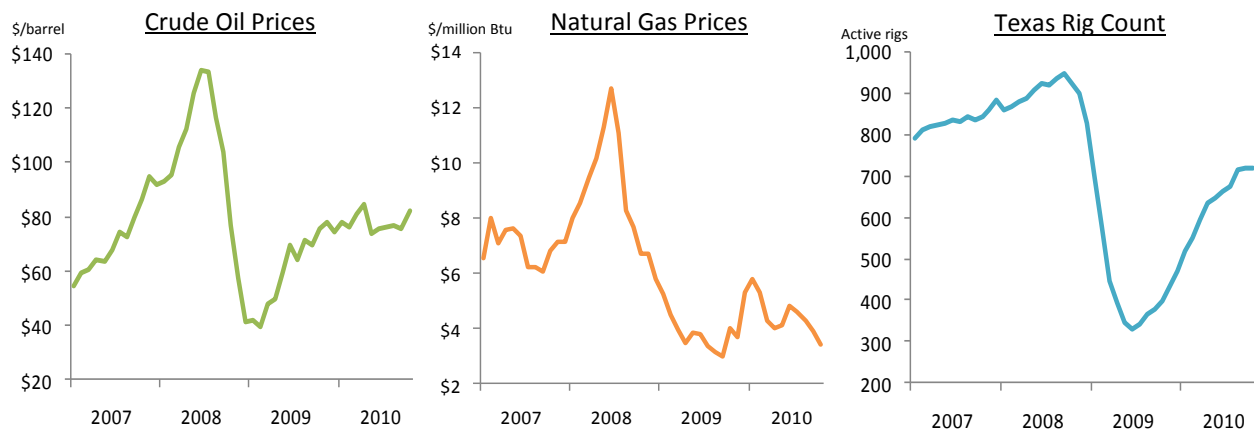
Texas housing starts edged up 3.5 percent in September after rising 6.2 percent in August.

Existing-home sales in Texas rose for the second month in a row, ticking up 3.1 percent in September. However, sales are 19 percent below last year's level.

Texas single-family housing permits climbed 4.2 percent from August to September, although the permit level was down 20 percent from last year. The supply of housing inventory in Texas was 7.7 months in September, the highest level in nearly 15 years.



Monthly real Texas exports edged up 2.3 percent in August after falling 3.3 percent in July. The August level of real exports was 24 percent higher than a year earlier.



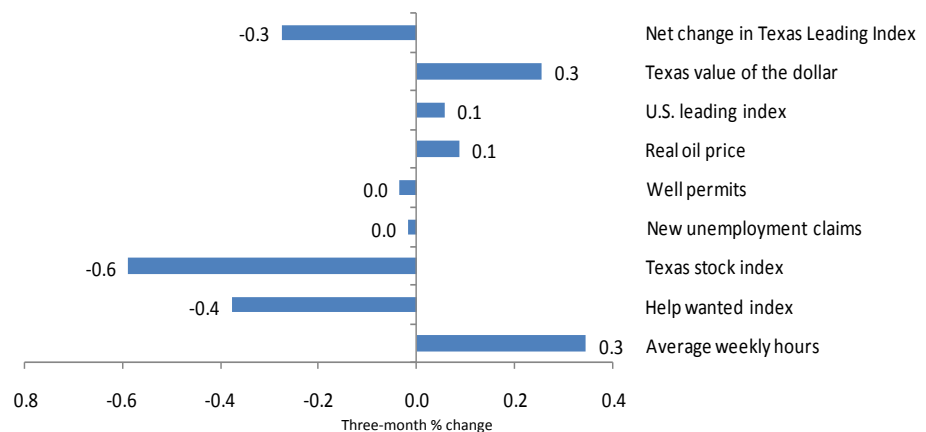
West Texas Intermediate crude oil prices increased 8.8 percent to \$81.90 per barrel in October. The October price was up 8 percent year-over-year.

Natural gas prices fell to \$3.43 per million Btu in October, down 12.1 percent from September. The October price was 15 percent lower than a year ago.

The rig count for Texas ticked down by three rigs in October after more than a year of steady growth. The October rig count was 717, up from 398 last year.

Texas Leading Index Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, edged down 0.3 percent from June through August.



Production Index - Texas Manufacturing



The Texas Manufacturing Outlook Survey's production index, a key measure of state manufacturing conditions, was positive for the second consecutive month and slightly higher than its September reading.

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.