



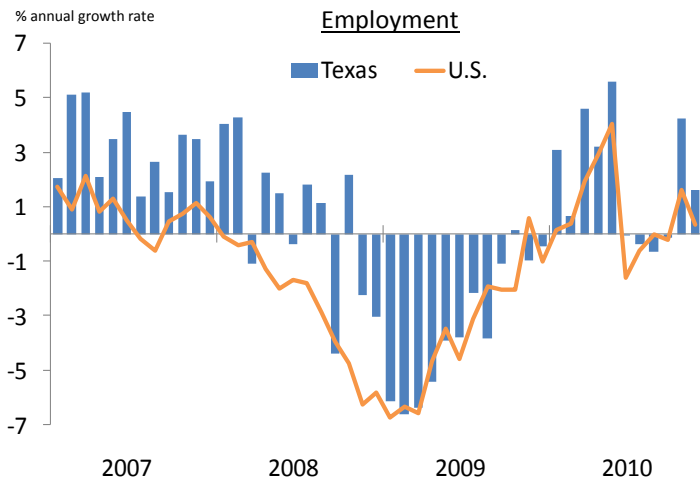
JANUARY 2011

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Texas employment expanded for the second month in a row in November, and the Texas housing market showed signs of strengthening. Single-family housing permits and housing starts rose in November, although existing-home sales flattened out. Real Texas exports rose for the third consecutive month in October and remained well above last year's level. The Texas Manufacturing Outlook Survey suggested continued growth in December.



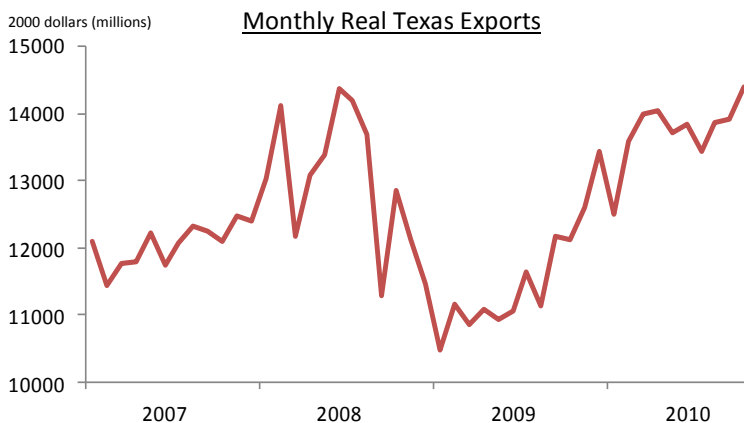
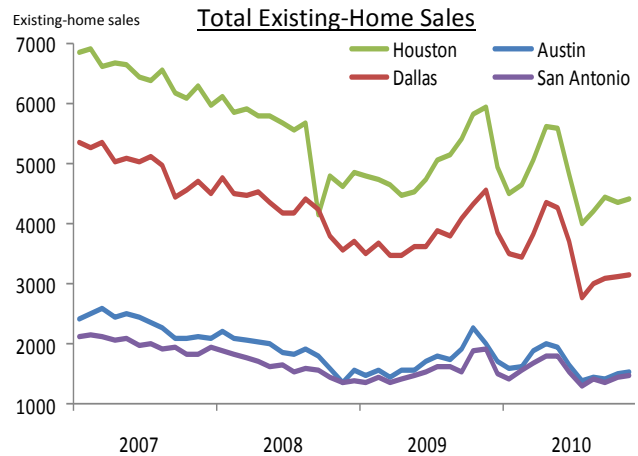
Texas gained 14,000 jobs in November after adding 35,800 in October. Current Texas employment stands at 10.4 million.

The Texas unemployment rate edged up from 8.1 percent in October to 8.2 percent in November. The Texas rate remains below the U.S. rate, which was 9.8 percent in November.

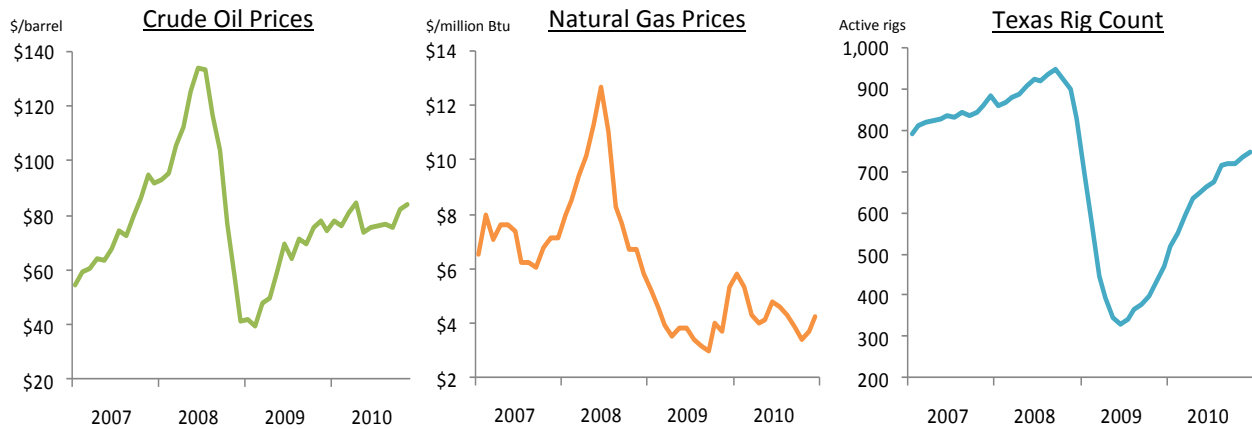
Texas existing-home sales were flat in November, but sales in the four largest metro areas rose slightly.

Housing starts in Texas increased 19.9 percent in November, although the year-over-year level was nearly unchanged. Texas single-family housing permits rose as well, climbing 5.8 percent from October to November.

The supply of housing inventory in Texas was 7.9 months in November, up from 7.8 months in October. The November level is the highest Texas has seen since December 1993.



Monthly real Texas exports rose 3.5 percent in October after ticking up 0.4 percent in September. The October level of real exports was 19 percent higher than a year earlier.



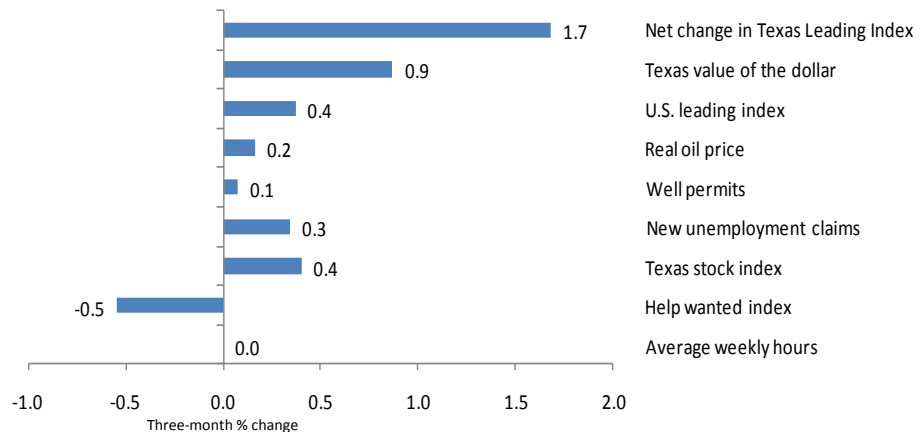
West Texas Intermediate crude oil prices increased 5.8 percent to \$89.04 per barrel in December. The December price was up 20 percent year-over-year.

Natural gas prices rose to \$4.24 per million Btu in December, up 13.7 percent from November. The December price was 20 percent lower than a year ago.

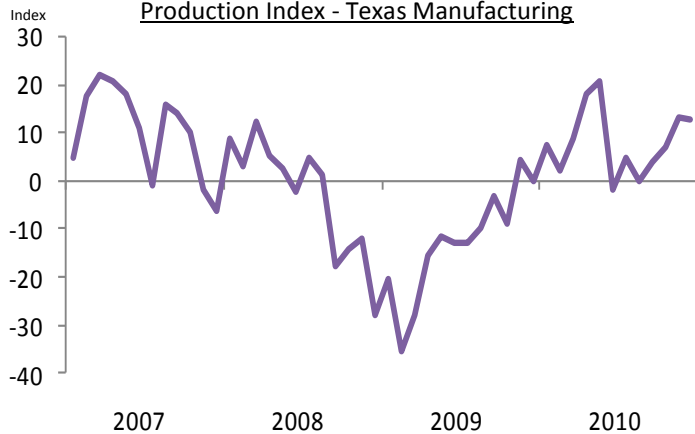
The rig count for Texas rose by 12 rigs in December, continuing a trend of steady growth. The December rig count was 746, up 59 percent from a year earlier.

Texas Leading Index Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 1.7 percent from August through October.



Production Index - Texas Manufacturing



The Texas Manufacturing Outlook Survey's production index, a key measure of state manufacturing conditions, was positive for the fourth consecutive month in December. The index came in at a reading of 12.8, down slightly from 13.1 in November.

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.

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