



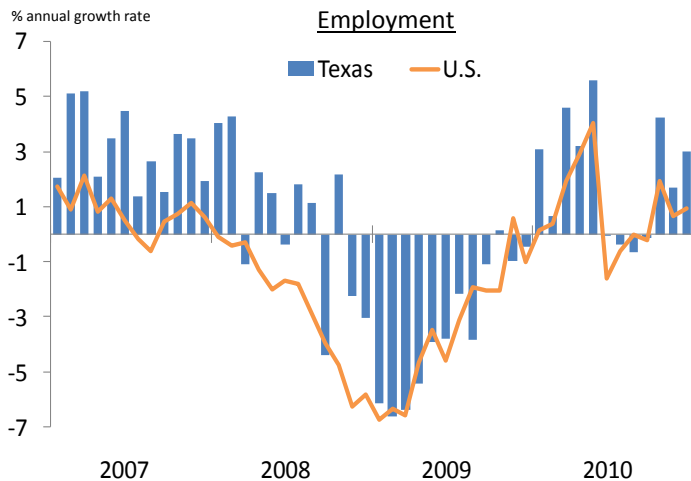
FEBRUARY 2011

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to expand at a moderate pace, with solid employment growth in December. Conditions in the Texas housing market were mixed; single-family housing permits and existing-home sales rose in December, but housing starts fell. Real Texas exports rose for the fourth consecutive month in November. The Texas Manufacturing Outlook Survey suggested production was unchanged from December to January.



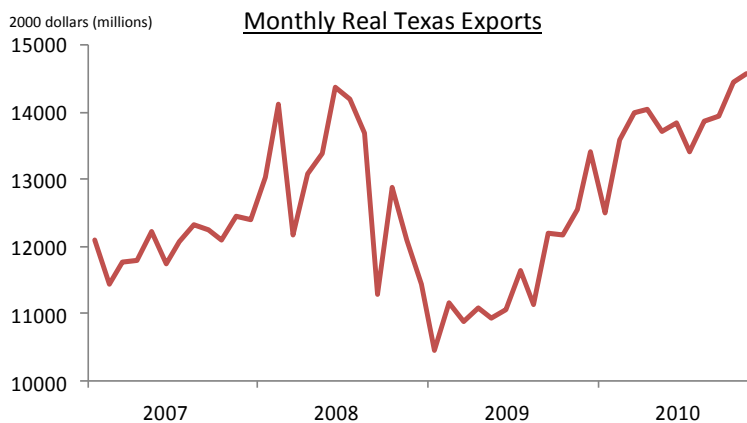
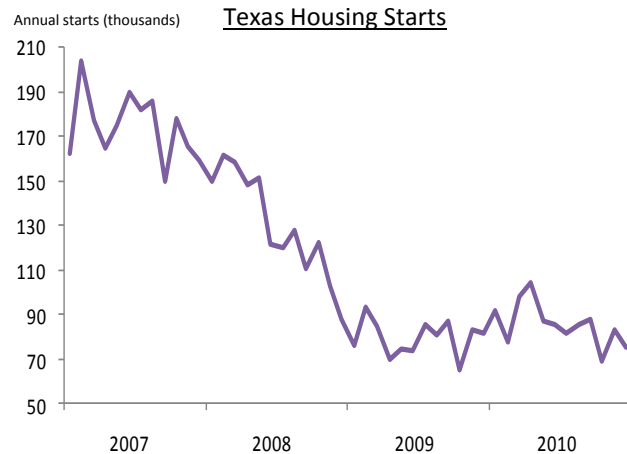
Texas gained 25,800 jobs in December after adding 14,600 in November. Current Texas employment stands at 10.4 million.

The Texas unemployment rate edged up from 8.2 percent in November to 8.3 percent in December. The Texas rate remains below the U.S. rate, which was 9.4 percent in December.

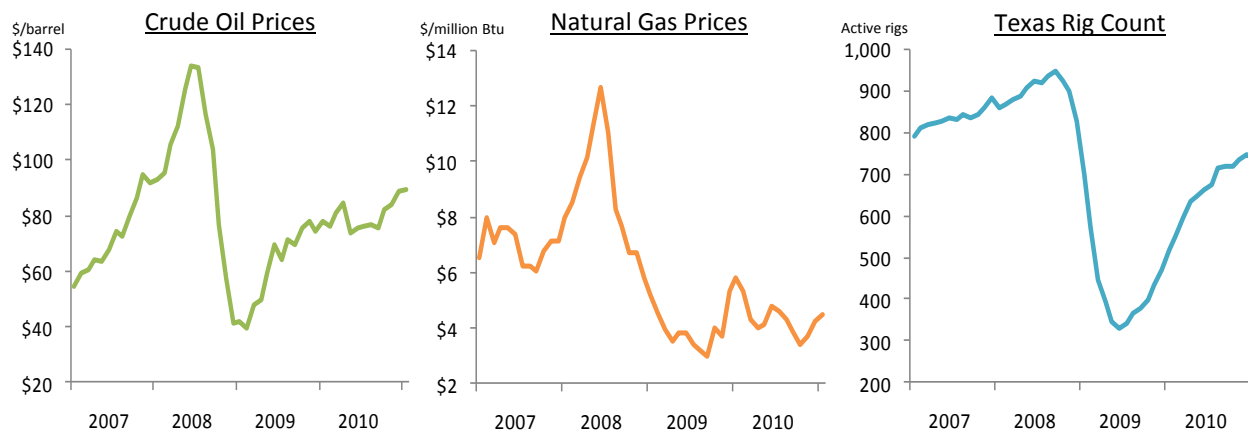
Texas housing starts fell 9.1 percent in December after rising 19.4 percent in November.

Texas single-family housing permits edged up 2.8 percent from November to December, marking the fifth consecutive month of increase in the number of building permits issued.

Existing-home sales in Texas were up 3.6 percent in December, but sales are 6 percent below last year's level. The supply of housing inventory in Texas was 7.9 months in December, unchanged from November.



Monthly real Texas exports ticked up 0.9 percent in November after rising 3.6 percent in October. The November level of real exports was 16 percent higher than a year earlier.



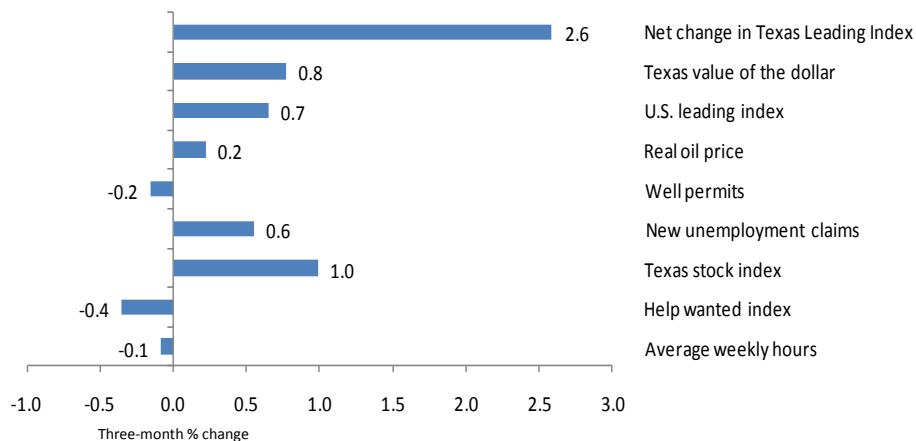
West Texas Intermediate crude oil prices ticked up 0.4 percent to \$89.42 per barrel in January. The price was up 14 percent year-over-year.

Natural gas prices rose to \$4.49 per million Btu in January, up 5.9 percent from December. The price was 23 percent lower than January 2010.

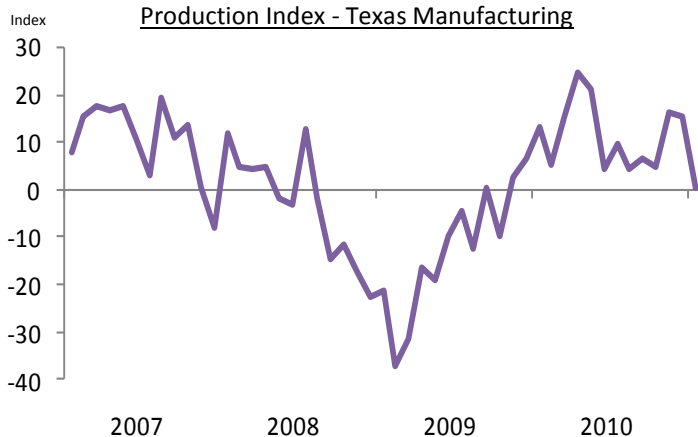
The rig count for Texas fell by 10 rigs in January. The rig count was 736, up 42 percent from a year earlier.

Texas Leading Index Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 2.6 percent from September through November.



Production Index - Texas Manufacturing



The Texas Manufacturing Outlook Survey's production index, a key measure of state manufacturing conditions, came in at zero in January, suggesting output was unchanged from December. Other measures of current activity signaled continued growth in manufacturing, albeit at a slower pace.

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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