



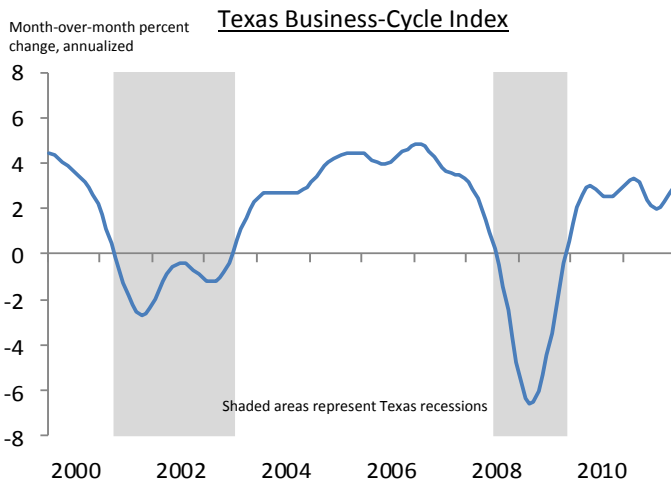
MARCH 2012

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to experience gradual but broad-based improvement. Housing continues to improve. Exports rose in the fourth quarter of 2011, and the energy sector remains strong. Texas manufacturing activity expanded at a faster pace in February, according to the Texas Manufacturing Outlook Survey.



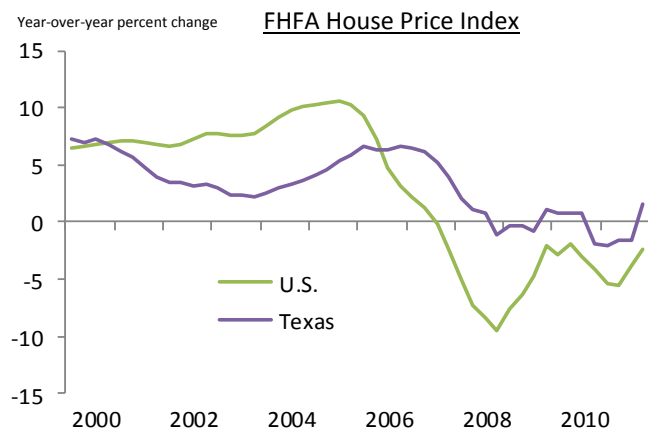
Growth in the Dallas Fed's Texas Business-Cycle Index was strong in early 2011, weakened mid-year but regained momentum by year-end. The index increased 2.9 percent in December.

The index combines movements in employment, the unemployment rate and state real gross domestic product to provide a broader view of the state's economic health. Periods of negative change in the index indicate recessions in Texas, shown as the shaded areas on the chart.

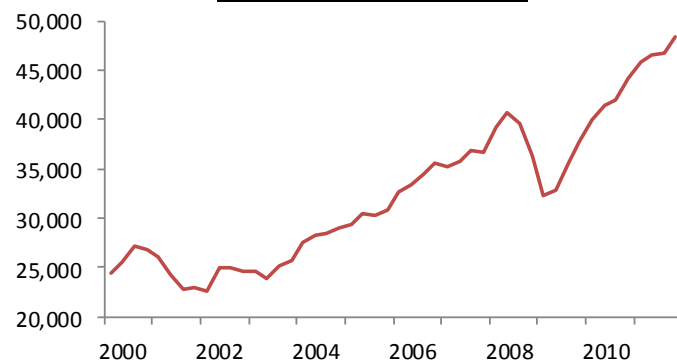
The house price index (purchase only) for Texas published by the Federal Housing Finance Agency (FHFA) rose 1.2 percent in the fourth quarter of 2011 and is up 1.5 percent from the previous year.

Existing-home sales increased 0.7 percent in January and are up 5 percent year over year.

Texas single-family housing construction permits rose 12.9 percent from December to January. Texas housing starts grew 16.3 percent in January after strong growth in December.

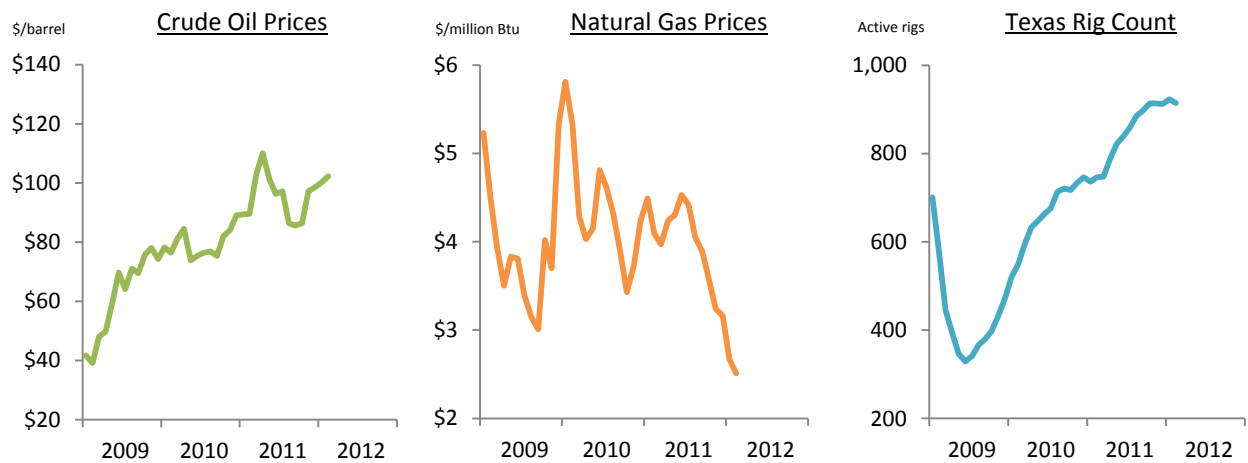


Quarterly Real Texas Exports



Quarterly real Texas exports increased 3.4 percent in the fourth quarter of 2011 after holding steady in the third quarter.

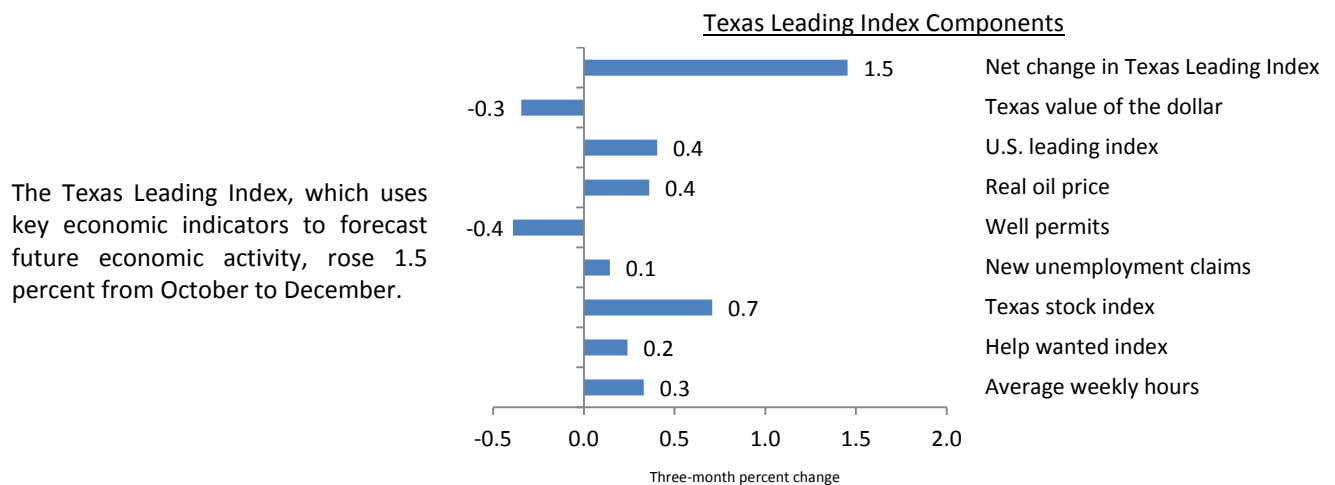
Exports to Mexico, Texas' largest export partner, fell 2.2 percent in the fourth quarter. Exports to Asia, the European Union and Canada rose 8.3 percent, 5.5 percent and 3 percent, respectively.



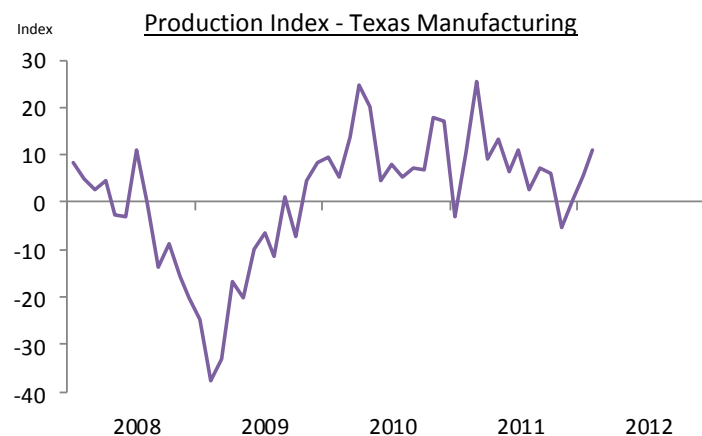
West Texas Intermediate crude oil prices edged up 2 percent to \$102.25 per barrel in February. The price was up 14.1 percent year over year.

Natural gas prices declined to \$2.51 per million Btu in February, down 6 percent from January. The price was 38.6 percent lower than in February 2011.

The Texas rig count decreased by 9 rigs to 914 in February but was up 22.5 percent from a year earlier.



The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 1.5 percent from October to December.



Texas factory activity continued to increase in February, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 5.8 to 11.2, suggesting a pickup in the pace of growth.

The Dallas Fed 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: Texas Business-Cycle Index: Federal Reserve Bank of Dallas.
 Housing: FHFA; 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. Data are seasonally adjusted.
 Texas Manufacturing Production Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.