



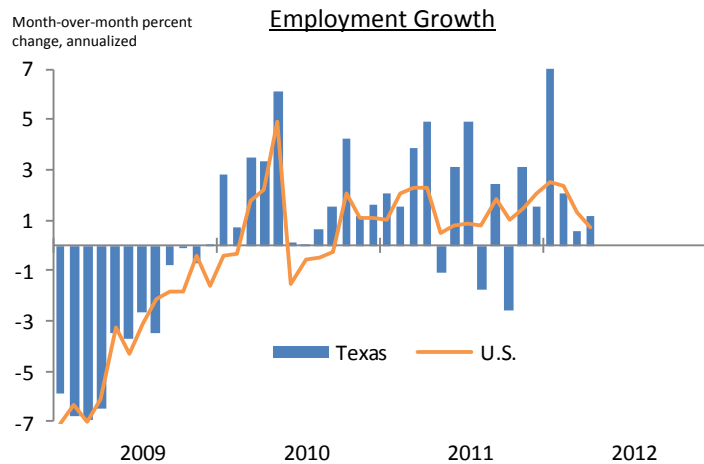
JUNE 2012

# Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

## Summary

The regional economy continues to expand, with employment growing at a 1.2 percent annual rate in April. Texas housing starts, permits, existing-home sales and house prices all rose. Exports ticked up in the first quarter, and energy activity remained strong. Growth in Texas manufacturing activity continued apace, according to the Texas Manufacturing Outlook Survey.



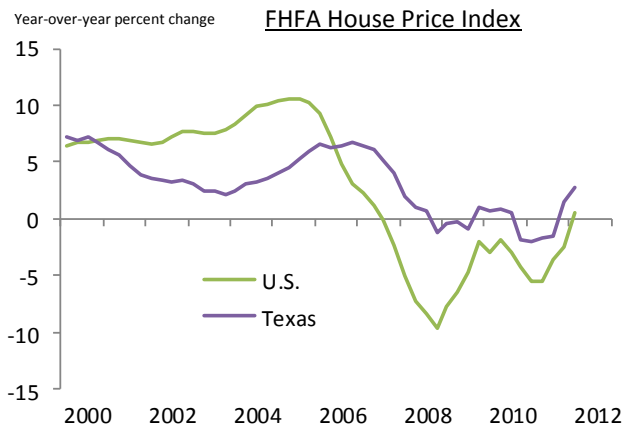
Texas gained 10,300 jobs in April after adding 5,100 jobs in March. Current Texas employment stands at 10.71 million.

The Texas unemployment rate declined to 6.9 percent in April from 7.0 percent in March. The Texas rate remains lower than the U.S. rate, which was 8.1 percent in April.

The house price index (purchase only) for Texas published by the Federal Housing Finance Agency (FHFA) rose 1 percent in the first quarter of 2012 and is up 2.8 percent from last year.

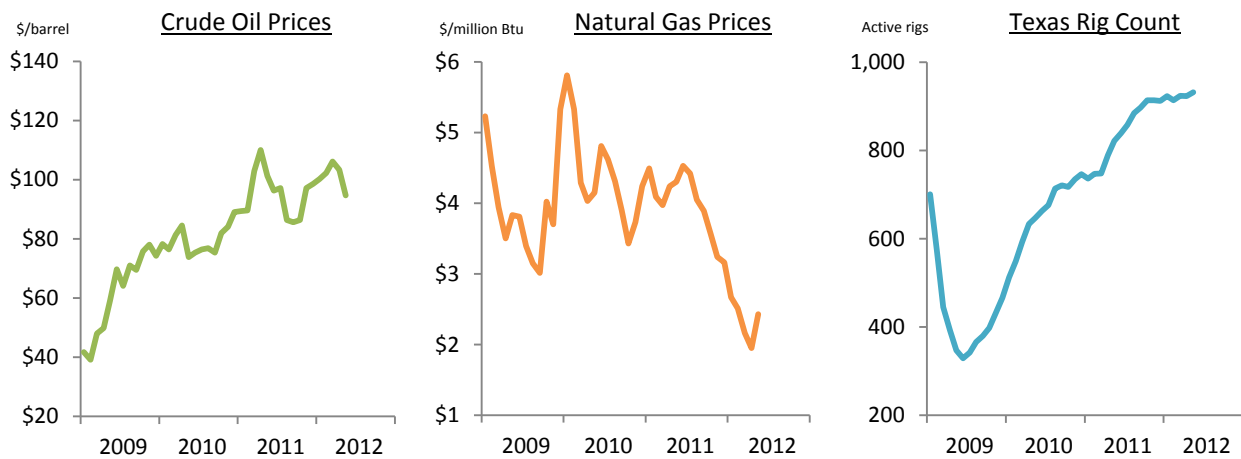
Texas existing-home sales increased 2.4 percent in April. Home inventories remain at 6 months of available supply.

Texas housing starts grew 16.3 percent in April after declining 13.4 percent in March. Texas single-family housing construction permits rose 20.5 percent from March to April.



Quarterly Texas exports edged up 3 percent in the first quarter of 2012. The first-quarter level of exports was 10 percent higher than a year earlier.

Exports to Mexico, Texas' largest export partner, jumped 13.5 percent, while exports to Canada rose 1.6 percent. Exports to the rest of Latin America, Asia and the European Union fell 10.2 percent, 2.6 percent and 2 percent, respectively.



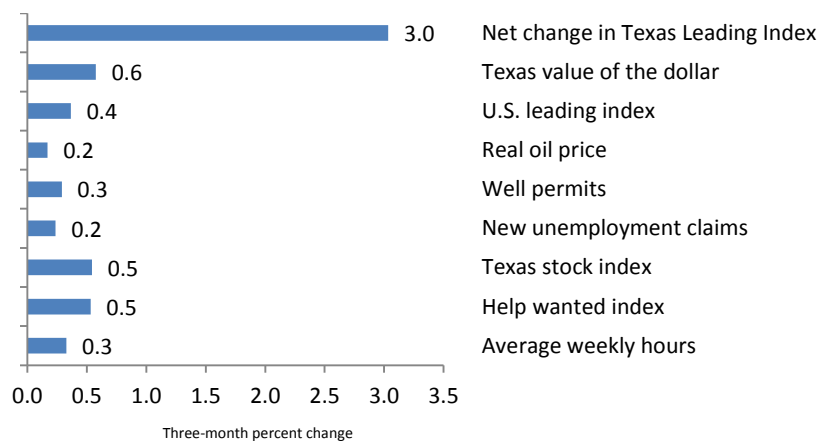
West Texas Intermediate crude oil prices fell 8.4 percent to \$94.70 per barrel in May. The price was down 6.5 percent year over year.

Natural gas prices rose to \$2.43 per million Btu in May, up 24.6 percent from April. The price was 43.5 percent lower than in May 2011.

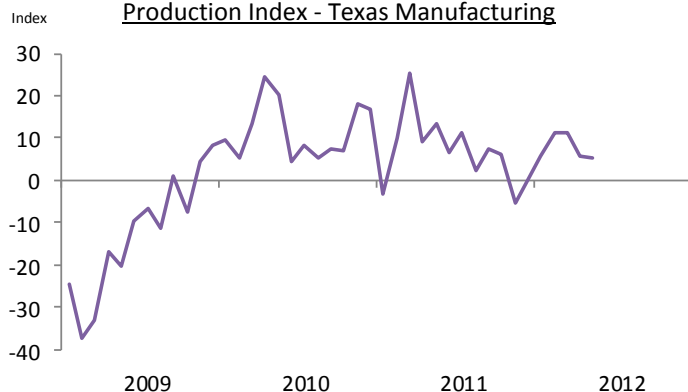
The Texas rig count increased by 9 rigs to 932 in May and was up 13.4 percent from a year earlier.

#### Texas Leading Index with Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 3 percent from January to March.



#### Production Index - Texas Manufacturing



Texas factory activity continued to increase in May, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, held steady at 5.5, suggesting growth continued at about the same pace as last month.

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:** Employment: Bureau of Labor Statistics; Texas Workforce Commission; seasonal and other adjustments by 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.

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