



AUGUST 2012

Texas Economic Indicators

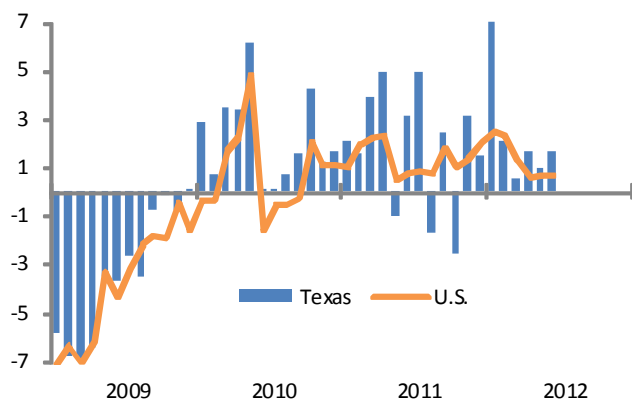
FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to expand, with employment growing at a 1.7 percent annual rate in June. Texas existing-home sales rose in June, while single-family construction permits and housing starts fell. Texas exports rose in May after two months of declines. Manufacturing activity increased again in July, according to the Texas Manufacturing Activity Outlook Survey, although the production index suggested slightly slower output growth.

Month-over-month percent change, annualized

Employment Growth



Texas gained 14,900 jobs in June after adding 8,600 jobs in May. Current Texas employment stands at 10.74 million.

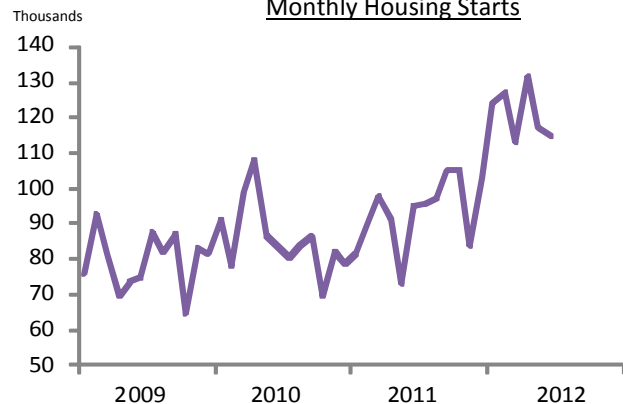
The Texas unemployment rate edged up to 7.0 percent from 6.9 percent in June. The Texas rate remains lower than the U.S. rate, which held steady at 8.2 percent in June.

Texas housing starts fell 2.3 percent in June after falling 10.9 percent in May. There were 114,560 starts in June, up 21 percent from last year.

Texas single-family housing construction permits fell 2.1 percent in June after two months of increases. Texas existing-home sales rose 1.8 percent in June.

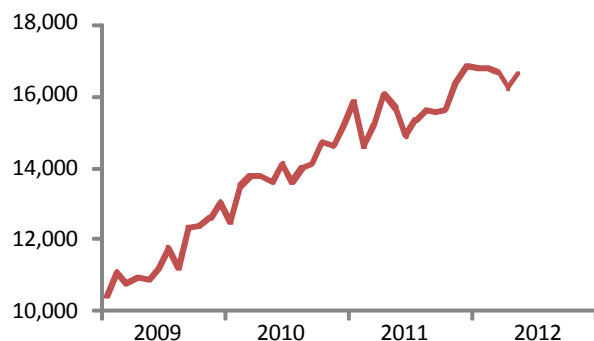
Home inventories edged down to 5.7 months of available supply in June, pushing further below the six-month-supply marker signaling a tight market and rising prices.

Monthly Housing Starts

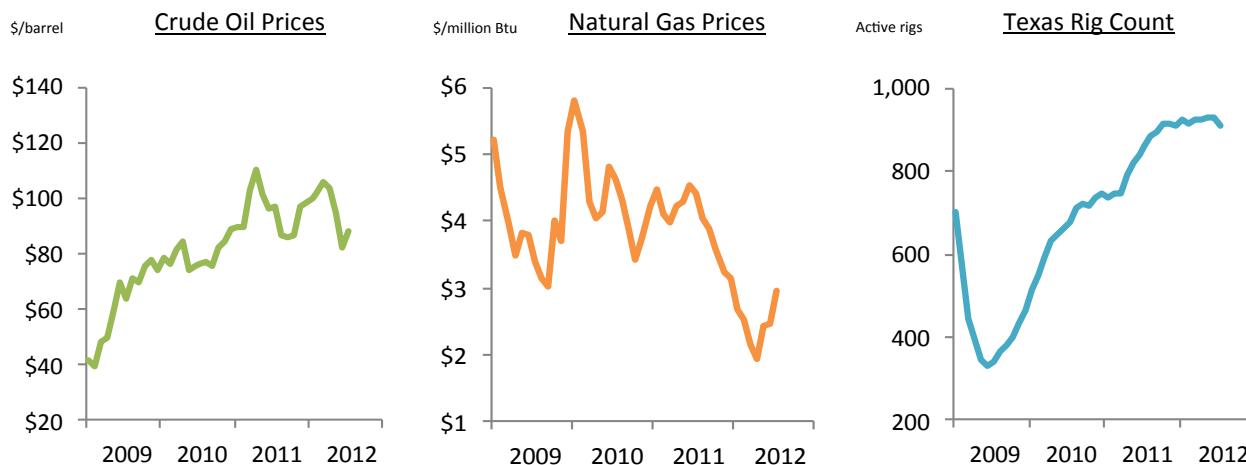


2000 dollars (millions)

Monthly Texas Exports



Monthly Texas exports rose 2.4 percent from April to May. May exports were 6.2 percent higher than in May 2011.



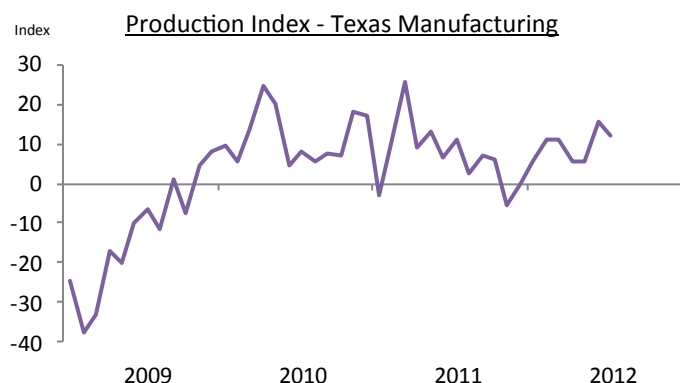
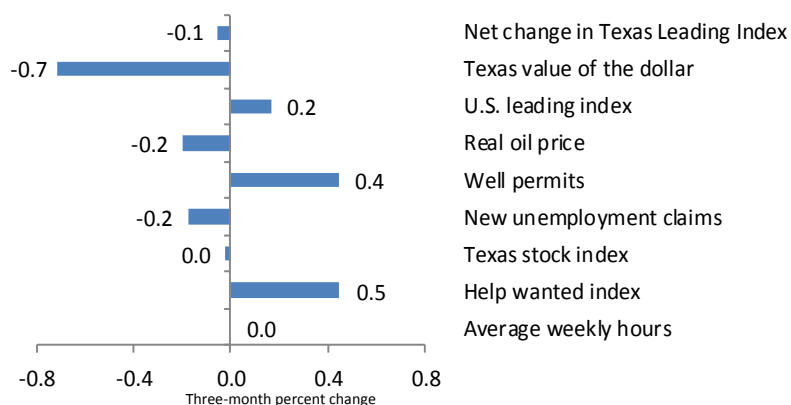
West Texas Intermediate crude oil prices rose 6.7 percent to \$87.93 per barrel in July. The price was down 9.5 percent year over year.

Natural gas prices increased to \$2.96 per million Btu in July, up 20.3 percent from June. The price was 33 percent lower than in July 2011.

The Texas rig count fell to 910 in July from 932 in June and was down 6.1 percent from a year earlier.

Texas Leading Index with Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, fell 0.1 percent from March to May.



Texas factory activity continued to increase in July, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, fell from 15.5 to 12, suggesting slightly slower output 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: 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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