



SEPTEMBER 2012

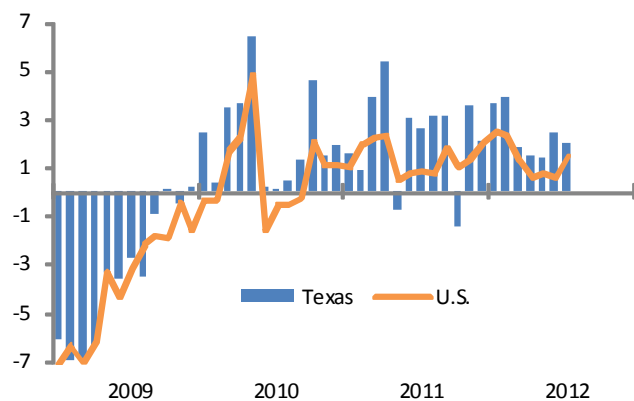
# Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

## Summary

The Texas economy continues to expand, with employment growing at a 2.0 percent annual rate in July. Texas house prices rose in the second quarter, and single-family construction permits and housing starts increased in July. Texas exports ticked down in the second quarter. Manufacturing activity increased again in August, according to the Texas Manufacturing Outlook Survey, although growth softened.

Month-over-month percent change, annualized **Employment Growth**



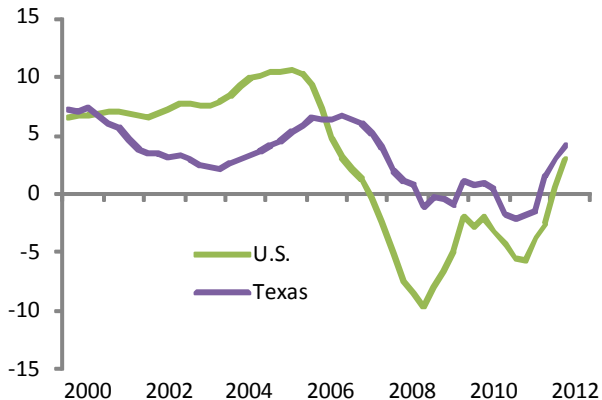
Texas gained 18,200 jobs in July after adding 21,900 jobs in June. Current Texas employment stands at 10.82 million.

The Texas unemployment rate edged up to 7.2 percent in July from 7.0 percent in June. The Texas rate remains lower than the U.S. rate, which was 8.3 percent in July.

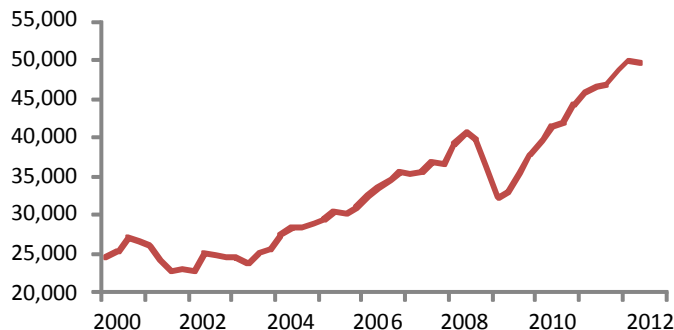
The house price index (purchase only) for Texas published by the Federal Housing Finance Agency (FHFA) rose 1.8 percent in the second quarter and is up 3 percent from last year.

Texas single-family housing construction permits rose 3.2 percent in July after a 2.3 percent decrease in June. Texas housing starts increased 2.2 percent and Texas existing-home sales rose 2.6 percent in July. Home inventories edged down to 5.5 months of available supply in July, pushing further below the six-month-supply marker, signaling a tight market and rising prices.

Year-over-year percent change **FHFA House Price Index**

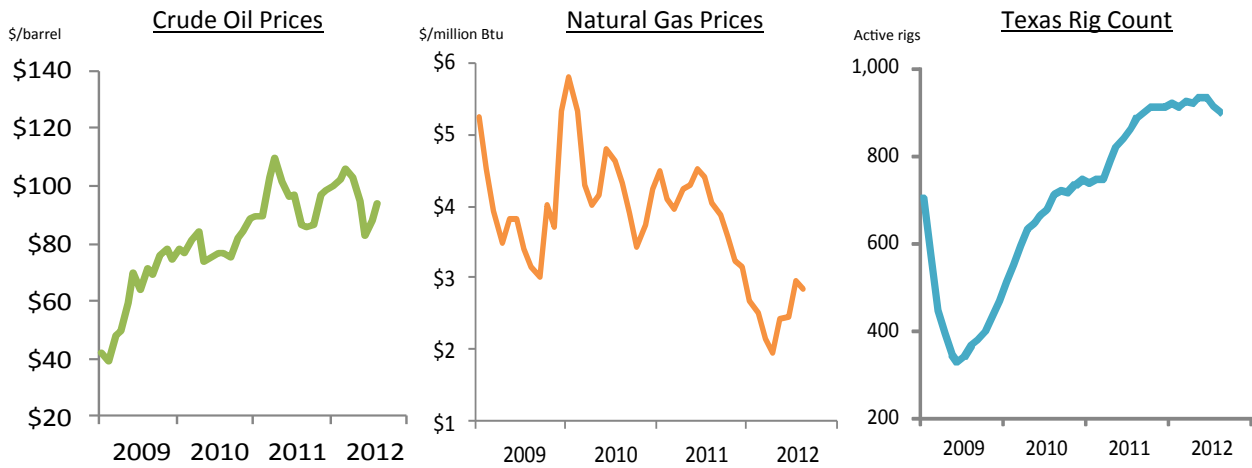


Real 2000 dollars (millions) **Quarterly Real Texas Exports**



Quarterly Texas exports edged down 0.5 percent in the second quarter. The second-quarter level of exports was 6.3 percent higher than a year earlier.

Exports to Latin America excluding Mexico jumped 14.9 percent, while exports to Canada rose 2.0 percent. Exports to Mexico, Asia and the European Union fell 4.4 percent, 3.7 percent and 4.0 percent, respectively.



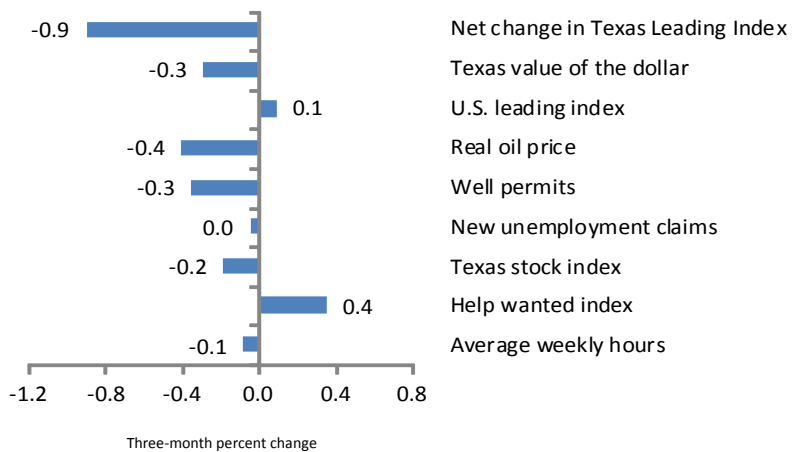
West Texas Intermediate crude oil prices rose 7.1 percent to \$94.16 per barrel in August. The price was up 9.1 percent year over year.

Natural gas prices decreased to \$2.84 per million Btu in August, down 4.1 percent from July. The price was 29.9 percent lower than in August 2011.

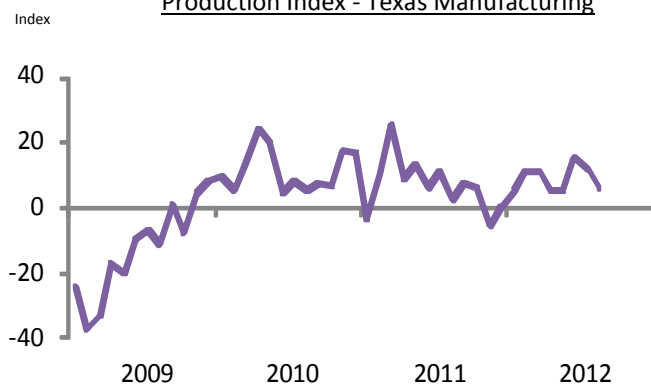
The Texas rig count fell to 901 in August from 910 in July but was up 1.8 percent from a year earlier.

**Texas Leading Index with Components**

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, fell 0.9 percent from May to July.



**Production Index - Texas Manufacturing**



Texas factory activity increased but at a slower pace in August, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, fell from 12 to 6.4, suggesting softer 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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