



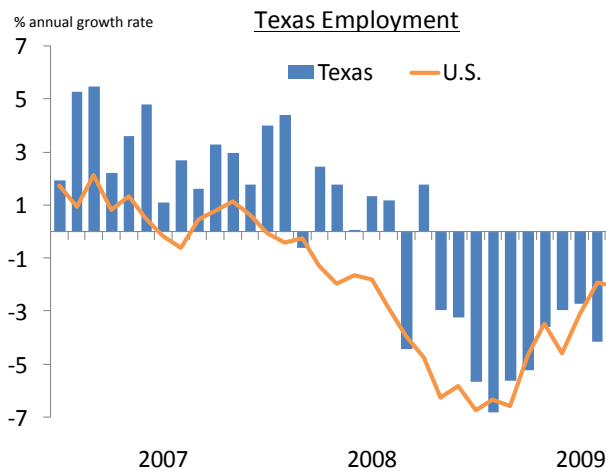
MARCH 2010

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Texas employment expanded slightly in January, and export growth continued in the fourth quarter of 2009. The energy sector continues to improve as prices pick up. Texas house prices edged up in the fourth quarter of 2009, and housing starts rose nearly 9 percent in January. Texas factory activity expanded further in February.



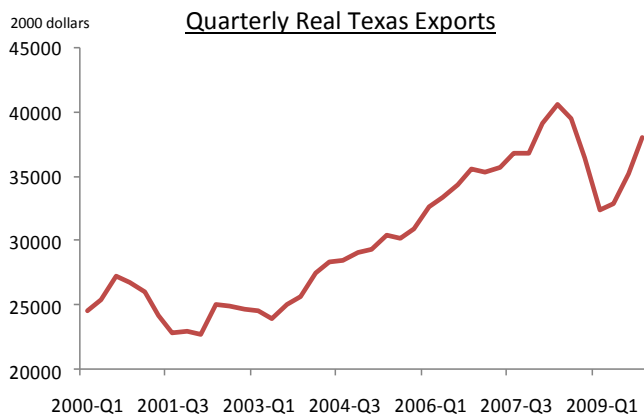
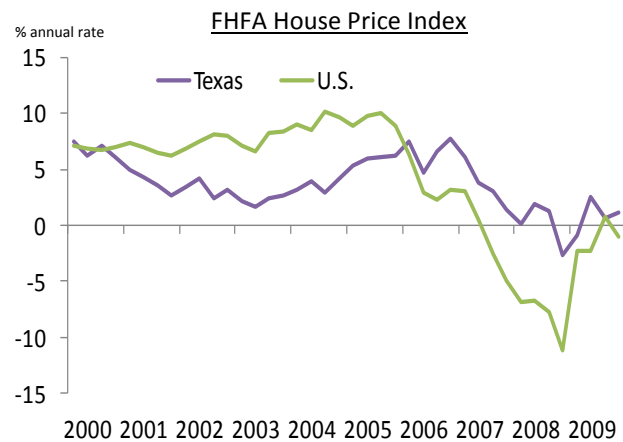
Texas gained 4,300 jobs in January after losing 16,000 in December. Current Texas employment stands at 10.23 million.

The January Texas unemployment rate was unchanged from December at 8.2 percent. The Texas rate remains below the U.S. rate, which was 9.7 percent in January.

The House Price Index (purchase-only) for Texas published by the Federal Housing Finance Agency (FHFA) edged up at an annual rate of 1.1 percent in the fourth quarter of 2009.

Texas single-family housing permits fell 2.1 percent in January but remain 31 percent higher than the year-ago level. Texas existing-home sales fell 5.4 percent in January.

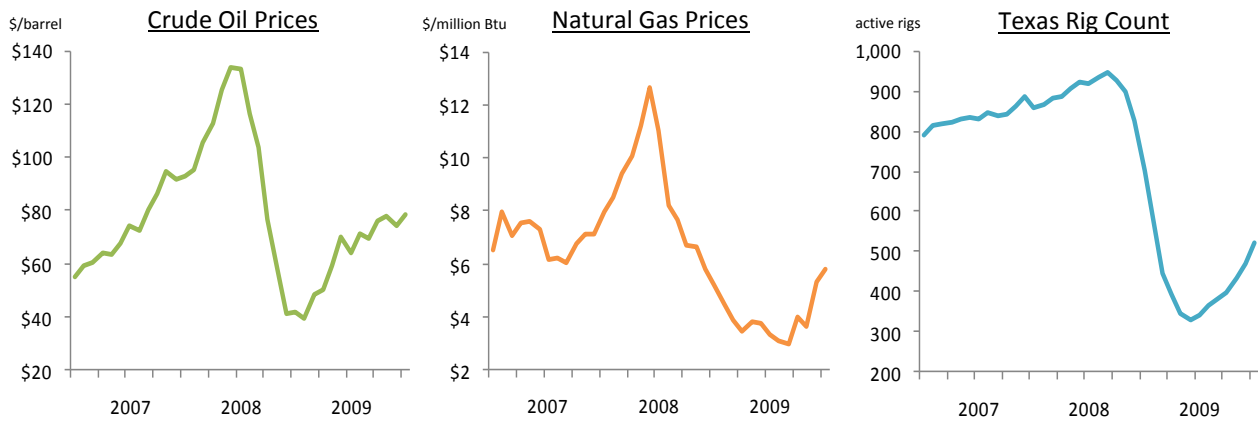
Housing starts in Texas rose 8.9 percent in January. Texas had a 6.9 months' supply of housing inventory in January, unchanged from December.



Real Texas exports rose 8.0 percent in the fourth quarter of 2009, after rising 7.2 percent in the third quarter.

Exports to Mexico, Texas' largest export partner, rose 6.6 percent in the fourth quarter. Exports to Asia and Canada also rose, while exports to the European Union fell 1.3 percent.

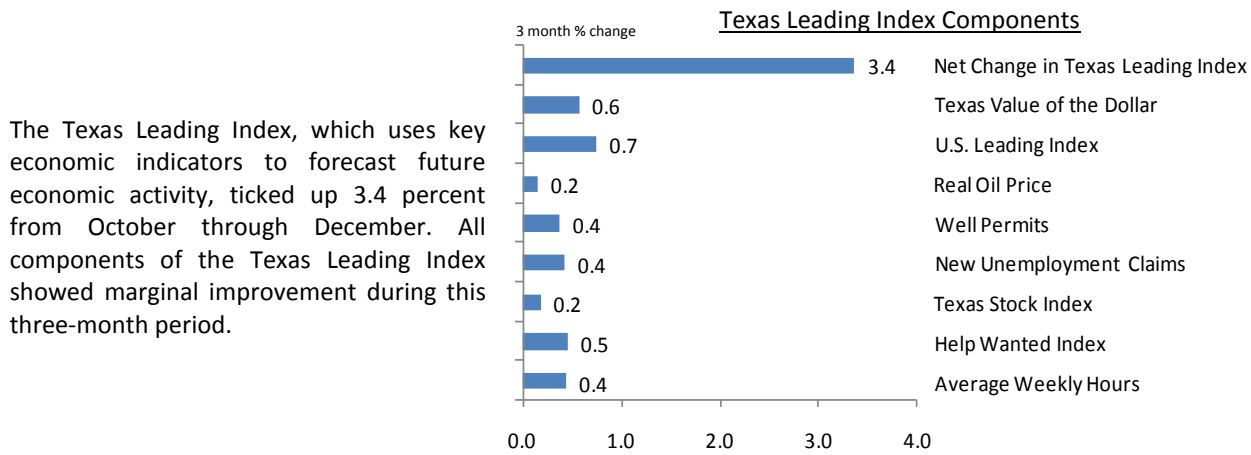
Monthly real Texas exports rose 6.7 percent in December. The December level of real exports is 17.5 percent higher than a year ago.



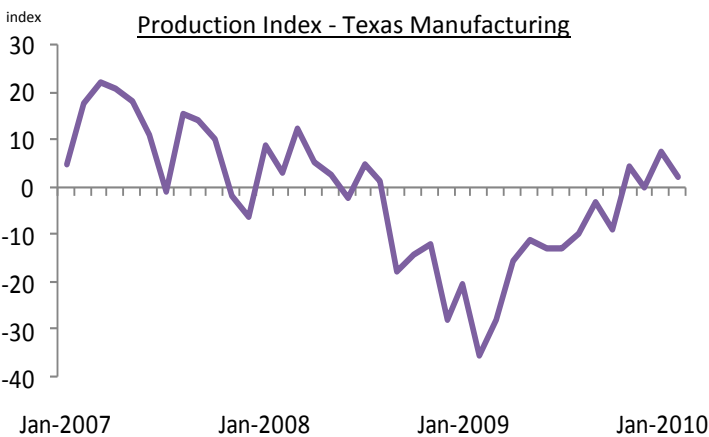
West Texas intermediate crude oil prices rose 5.3 percent to \$78.22 per barrel in January. Oil prices have been on the rise since bottoming out in February 2009, and the January price was up 87 percent year-over-year.

Natural gas prices rose to \$5.81 per million Btu in January, up 9.0 percent from December. After plummeting to \$2.91 in September 2009, natural gas prices have been inching back up. The January price is 11 percent higher than a year ago.

The rig count for Texas increased by 49 rigs in January and has been steadily increasing since June 2009. These upticks came after nine months of steep decline, which was caused by falling energy prices. Despite the increases, the current rig count is 26 percent below its year-ago level.



The Texas Leading Index, which uses key economic indicators to forecast future economic activity, ticked up 3.4 percent from October through December. All components of the Texas Leading Index showed marginal improvement during this three-month period.



The Federal Reserve Bank of Dallas conducts the monthly Texas Manufacturing Outlook Survey to obtain a timely assessment of the state's factory activity.

Texas factory activity continued to expand in February. The production index edged downward from its January reading but remained positive, suggesting slower growth in output.

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 with seasonal adjustments by Federal Reserve Bank of Dallas; U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ; Multiple Listing Service. 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.