



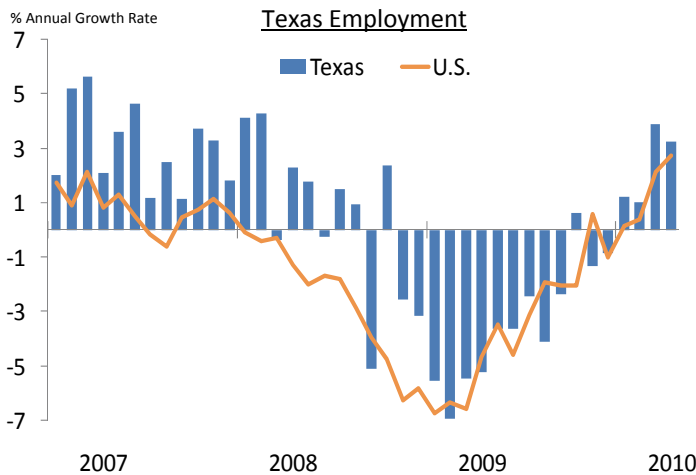
JUNE 2010

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Economic conditions are firming up in Texas, suggesting a recovery is underway. Texas employment expanded again in April; 78,700 jobs have been added since the start of 2010. House prices are up slightly from last year, and housing starts ticked up in April. Quarterly exports increased for the fourth consecutive quarter, and the rig count for Texas continued its upward trend. Texas manufacturing activity expanded again in May.



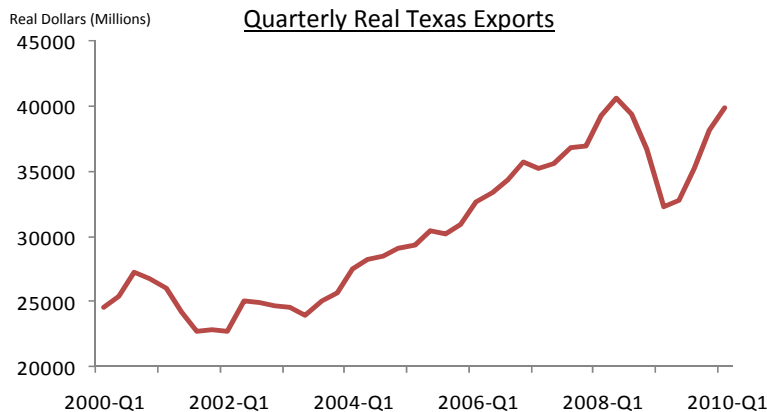
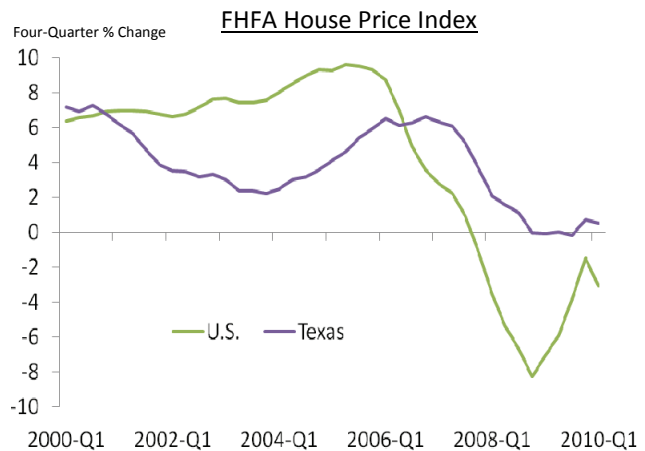
Texas gained 27,400 jobs in April after adding 32,600 in March. Current Texas employment stands at 10.28 million.

The April Texas unemployment rate edged up to 8.3 percent after remaining at 8.2 percent for the five previous months. The Texas rate continues to be below the U.S. rate, which was 9.9 percent in April.

The House Price Index (purchase-only) for Texas published by the Federal Housing Finance Agency (FHFA) edged down 0.1 percent in the first quarter of 2010, but is up 0.5 percent from the previous year.

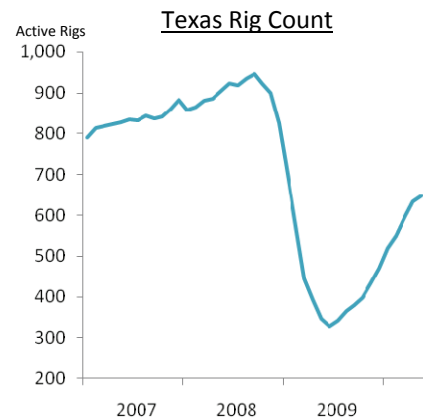
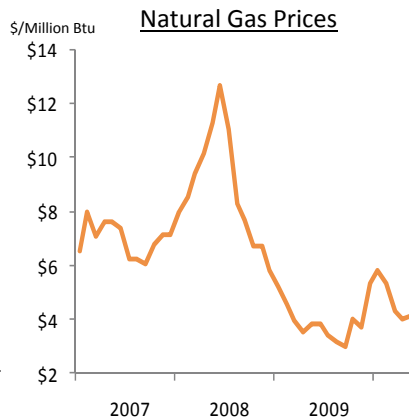
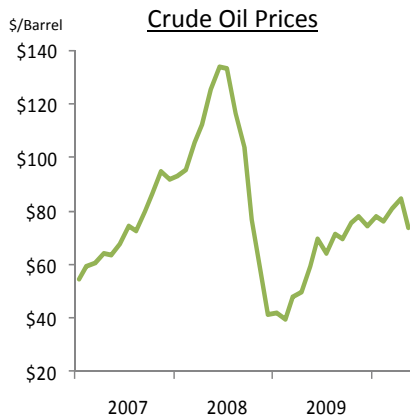
Housing starts in Texas climbed 5 percent in April and were up 50 percent from April of 2009. Existing home sales rose 8.3 percent in April.

Texas single-family housing permits edged down 4.6 percent in April, though they were 32 percent higher than the year-ago level.



Quarterly real Texas exports rose 4.3 percent in the first quarter of 2010. The first-quarter level of real exports was 23 percent higher than the first quarter of 2009.

Exports to Asia, Latin America and Canada rose in the first quarter, while exports to the European Union fell.

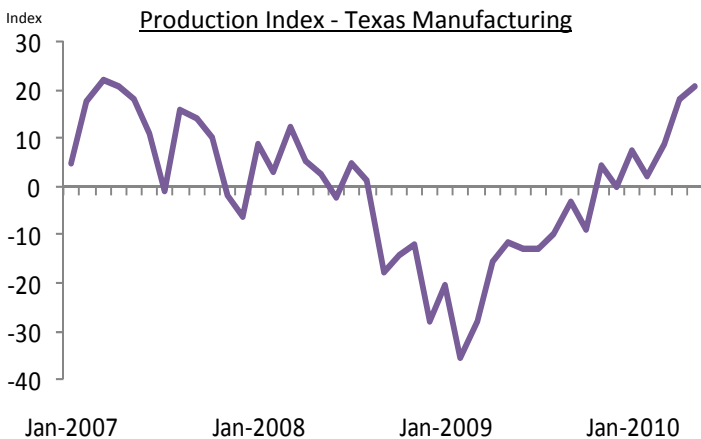
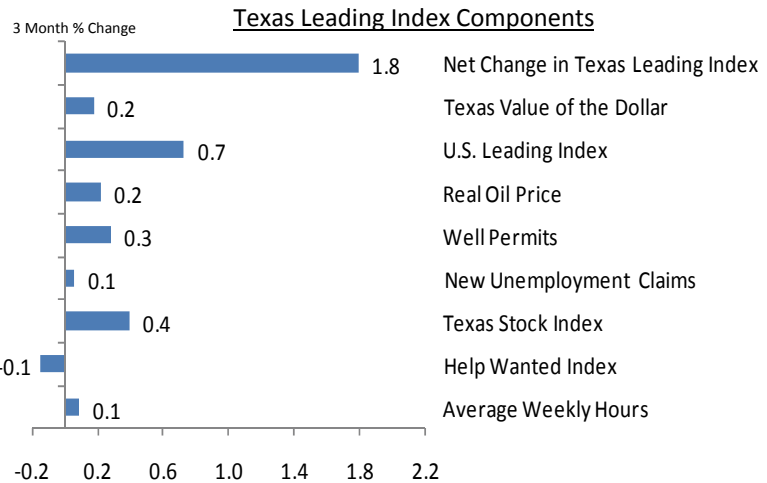


West Texas intermediate crude oil prices fell 12.6 percent to \$73.83 per barrel in May. Oil prices have recovered ground after bottoming out in February of 2009, and the May price was up 25 percent year over year.

Natural gas prices rose to \$4.15 per million Btu in May, up 3 percent from April. The May price was 8 percent higher than a year ago.

The rig count for Texas increased by 14 rigs in May and has been steadily growing since June of 2009. The May rig count was 647, which is 87 percent above its year-ago level.

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, ticked up 1.8 percent from January through March. Most components of the Texas Leading Index showed marginal improvement during this three-month period.



Texas factory activity continued to expand in May. The production index, a key indicator of state manufacturing conditions, rose to its highest level in three years.

The Federal Reserve Bank of Dallas 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: U.S. Census Bureau; Bank of Tokyo-Mitsubishi UFJ; Multiple Listing Service. 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. Texas Manufacturing Production Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

Questions regarding Texas Economic Indicators can be addressed to Emily Kerr at emily.kerr@dal.frb.org.