



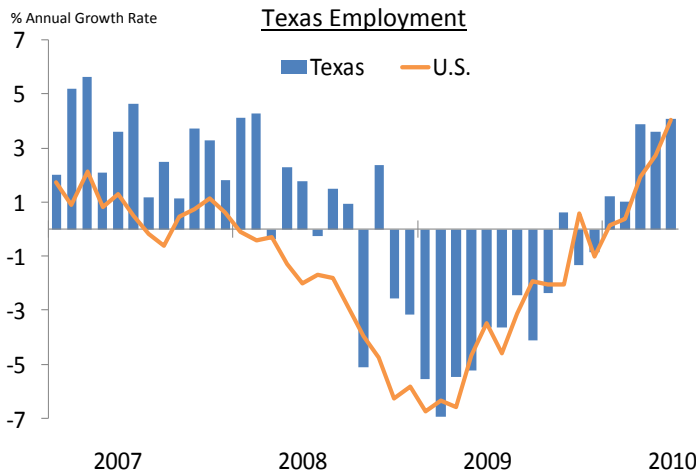
JULY 2010

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Texas continued to add jobs for the fifth consecutive month in May. Monthly exports for Texas expanded again in April, and existing-homes sales held steady in May, although housing starts and single-family housing permits were down from April. Texas manufacturing activity weakened in June, ending a seven-month streak of positive growth.

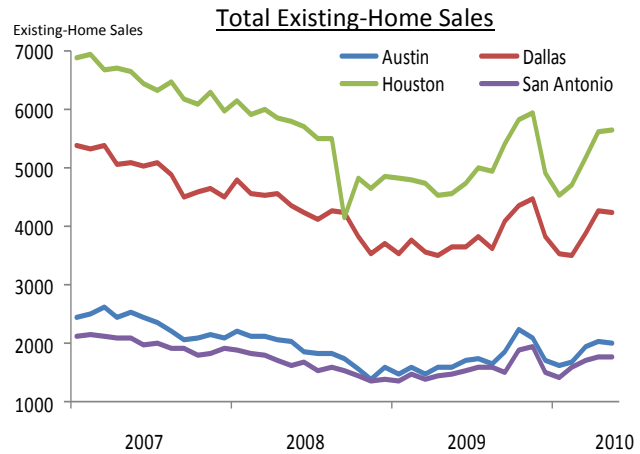


Texas gained 34,300 jobs in May after adding 30,400 in April. Current Texas employment stands at 10.32 million.

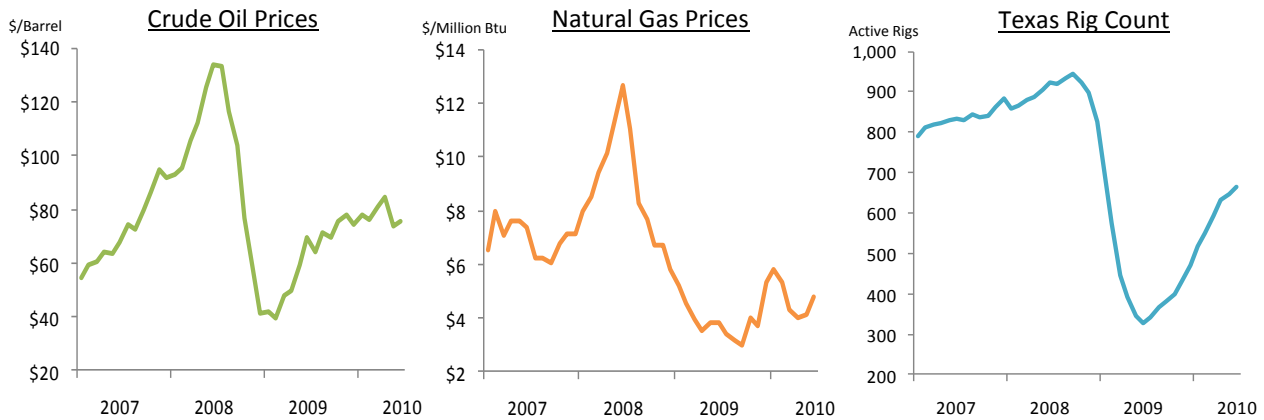
The May Texas unemployment rate remained at 8.3 percent. The Texas rate continues to be below the U.S. rate, which was 9.7 percent in May.

Texas existing-home sales were nearly flat in May. Sales in Austin, Dallas, Houston and San Antonio moved less than 1 percent from their April reading. For all of Texas, existing-home sales edged down 0.7 percent.

Housing starts in Texas dropped 17.3 percent in May, although they were up 16 percent from last year. Texas single-family housing permits fell 6.6 percent in May, yet they remained 11 percent higher than the year-ago level.



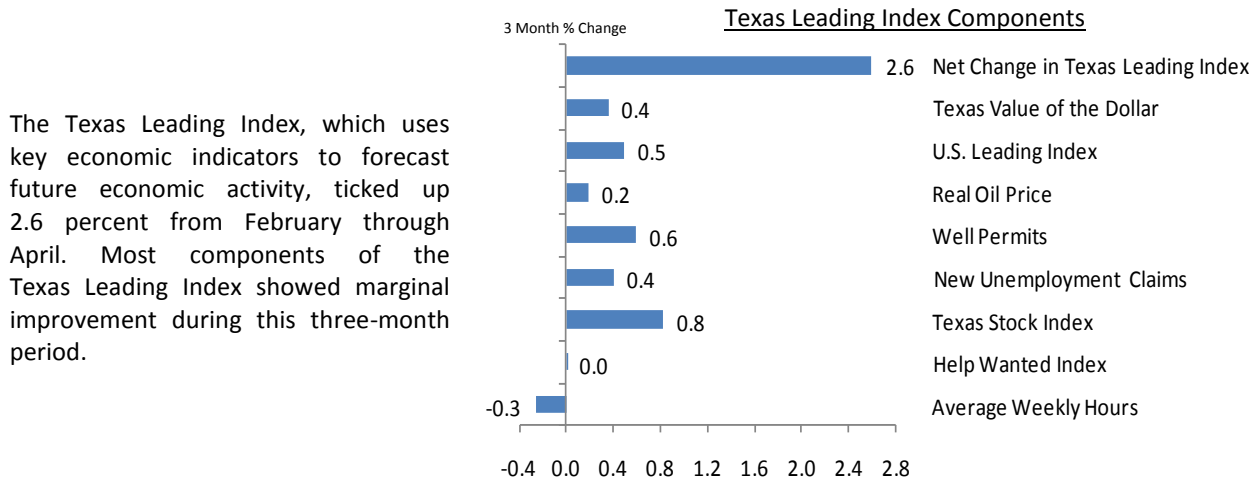
Monthly real Texas exports rose 0.5 percent in April after climbing 3.2 percent in March. The April level of real exports was 27 percent higher than a year ago.



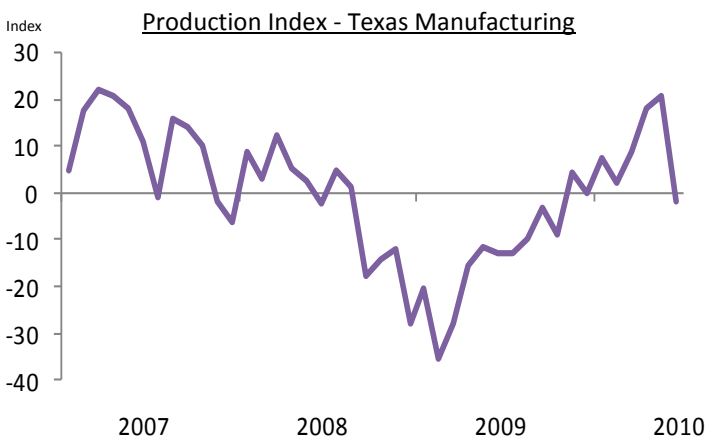
West Texas intermediate crude oil prices edged up 2 percent to \$75.35 per barrel in June. Oil prices have recovered ground after bottoming out in February of 2009, and the June price was up 8 percent year over year.

Natural gas prices rose to \$4.81 per million Btu in June, up 15.9 percent from May. The June price was 26 percent higher than a year ago.

The rig count for Texas increased by 17 rigs in June and has been steadily growing since June of 2009. The June rig count was 663, which is double its year-ago level.



The Texas Leading Index, which uses key economic indicators to forecast future economic activity, ticked up 2.6 percent from February through April. Most components of the Texas Leading Index showed marginal improvement during this three-month period.



The Texas Manufacturing Outlook Survey's production index, a key indicator of state manufacturing conditions, fell from 21 in May to -2 in June, abruptly ending a seven-month streak of positive readings.

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.