



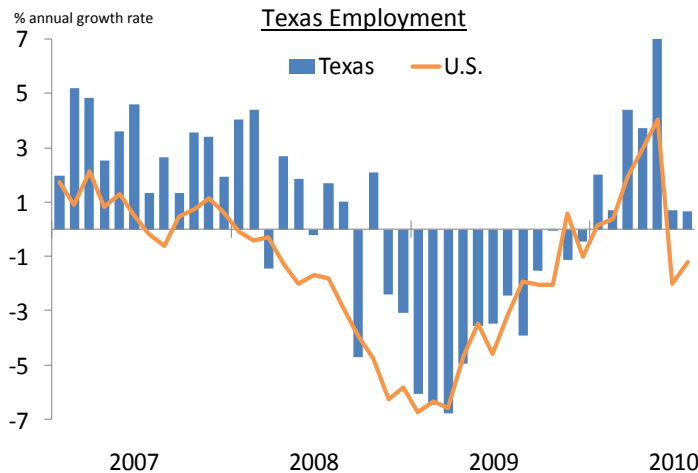
SEPTEMBER 2010

# Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

## Summary

Texas continued to add jobs for the seventh consecutive month in July. House prices edged up in the second quarter, although other measures for the state's housing market show continued weakness. Quarterly exports increased for the fifth quarter in a row and were up 26 percent from last year. Texas factory activity was unchanged in August, according to the Texas Manufacturing Outlook Survey.



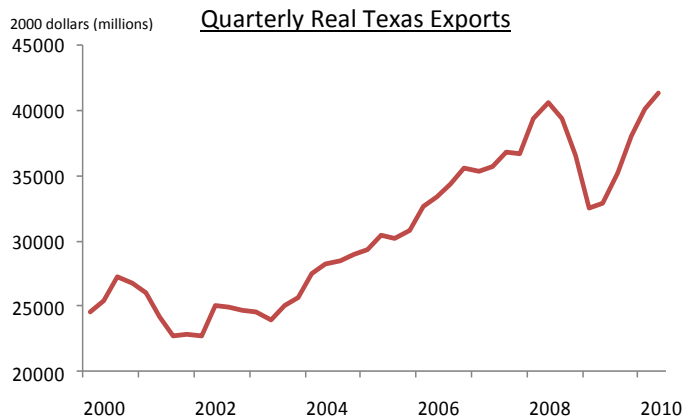
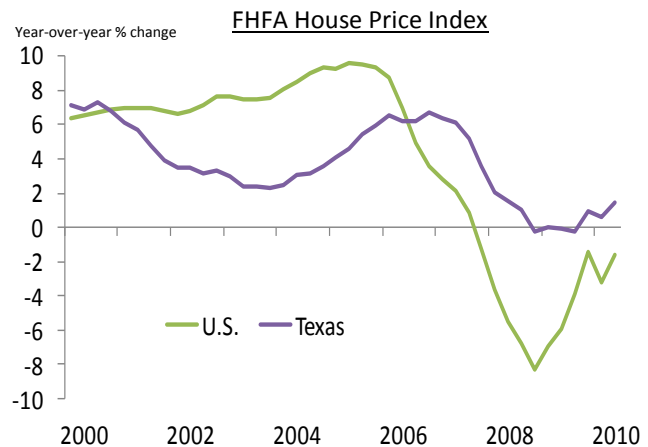
Texas gained 5,700 jobs in July after adding 6,000 in June. Current Texas employment stands at 10.38 million.

The Texas unemployment rate remained at 8.2 percent in July. The Texas rate continues to be below the U.S. rate, which was 9.5 percent in July.

The House Price Index (purchase-only) for Texas published by the Federal Housing Finance Agency (FHFA) edged up 1.0 percent in the second quarter of 2010 and is up 1.4 percent from the previous year.

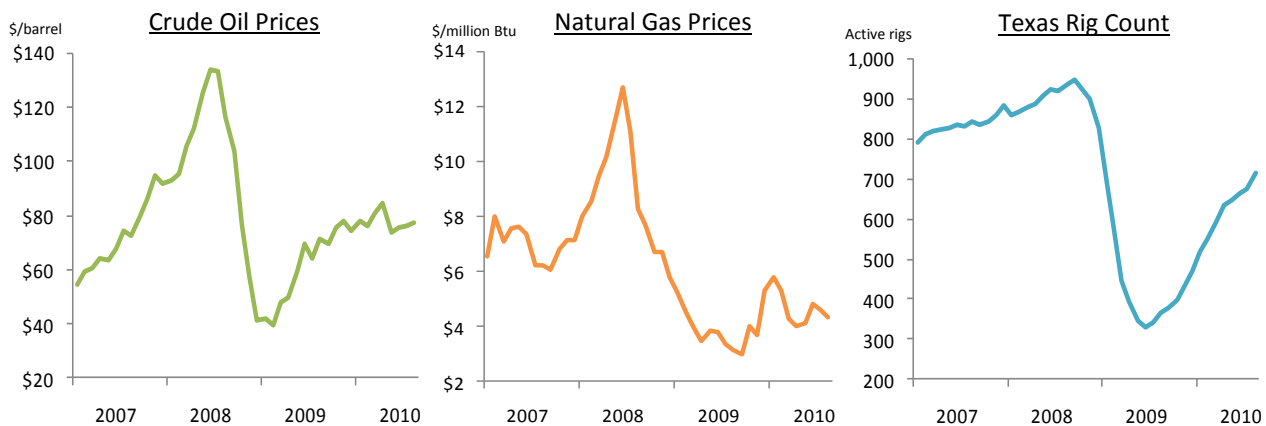
Texas existing-home sales fell 17.4 percent in July and were down 22 percent from a year earlier. Housing starts edged down 7.3 percent in July and Texas single-family housing permits fell 5.5 percent.

The supply of housing inventory in Texas was 7.6 months in July, up from 7.3 months in June.



Quarterly real Texas exports rose 3.0 percent in the second quarter of 2010. The second-quarter level of real exports was 26 percent higher than a year earlier.

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

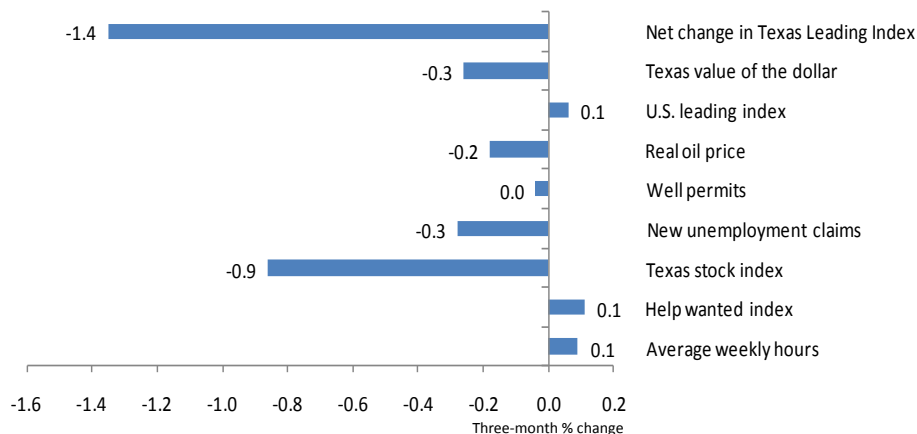


West Texas intermediate crude oil prices edged up 1.0 percent to \$77.17 per barrel in August. Oil prices have recovered ground after bottoming out in February of 2009, and the August price was up 9 percent year over year.

Natural gas prices fell to \$4.36 per million Btu in August, down 5.6 percent from July. The August price was 38 percent higher than a year ago.

The rig count for Texas increased by 38 rigs in August and has been steadily growing for over a year. The August rig count was 714, which is nearly double its year-ago level.

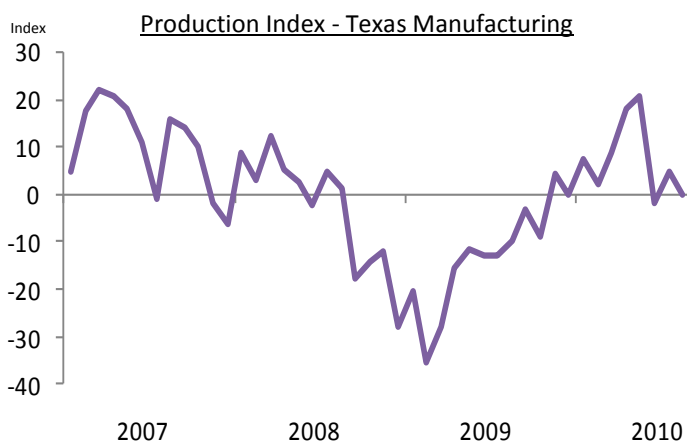
### Texas Leading Index Components



The Texas Leading Index, which uses key economic indicators to forecast future economic activity, edged down 1.4 percent from April through June.

The Texas Manufacturing Outlook Survey's production index, a key measure of state manufacturing conditions, came in at zero, posting a third consecutive month of little to no growth.

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: FHFA; 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.

Texas Economic Indicators is released on the first Wednesday of every month. Questions can be addressed to Emily Kerr at [emily.kerr@dal.frb.org](mailto:emily.kerr@dal.frb.org).