



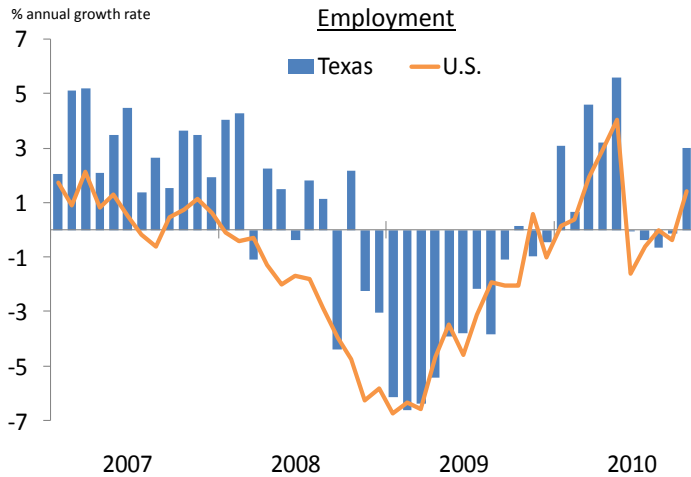
DECEMBER 2010

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to recover at a moderate pace, with solid employment growth in October. House prices edged up in the third quarter, and existing-home sales continue to rise. Quarterly real Texas exports were fairly flat after increasing for five consecutive quarters, and the Texas Manufacturing Outlook Survey suggested broad-based growth in Texas factory activity in November.



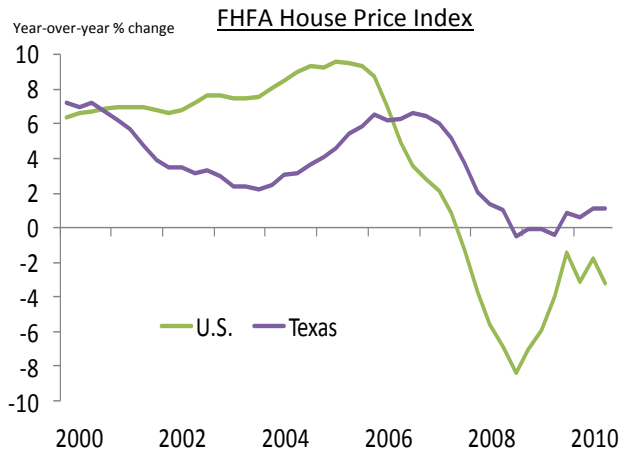
Texas gained 25,500 jobs in October after losing 1,300 in September. Current Texas employment stands at 10.37 million.

The Texas unemployment rate remained at 8.1 percent in October. The Texas rate continues to be below the U.S. rate, which was 9.6 percent in October.

The house price index (purchase-only) for Texas published by the Federal Housing Finance Agency (FHFA) edged up 0.1 percent in the third quarter of 2010 and is up 1.1 percent from the previous year.

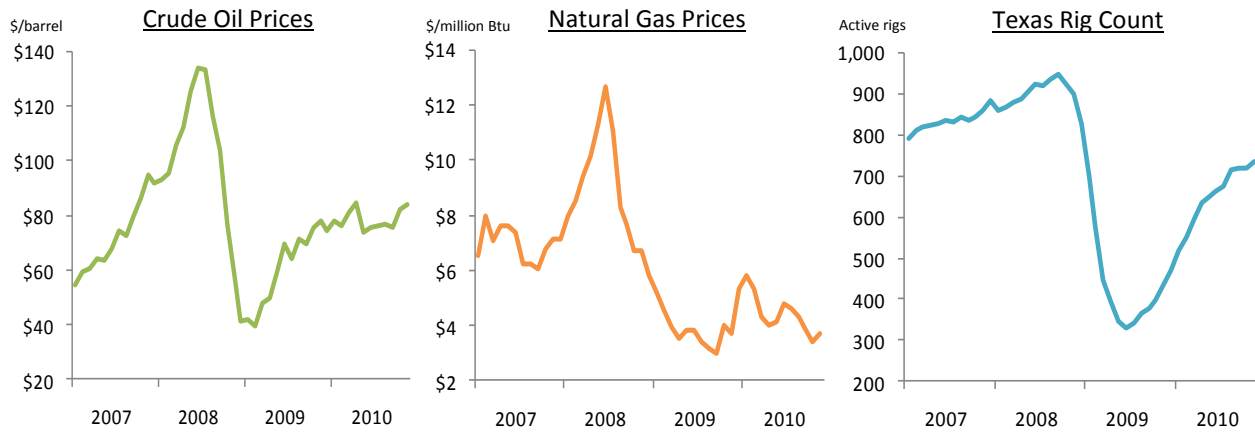
Existing-home sales in Texas rose for the third month in a row, ticking up 1.3 percent in October. However, sales are 24 percent below last year's level.

Texas single-family housing permits climbed 4.6 percent from September to October, although housing starts fell 22.1 percent.



Quarterly real Texas exports edged up 0.2 percent in the third quarter of 2010. The third-quarter level of real exports was 18 percent higher than a year earlier.

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



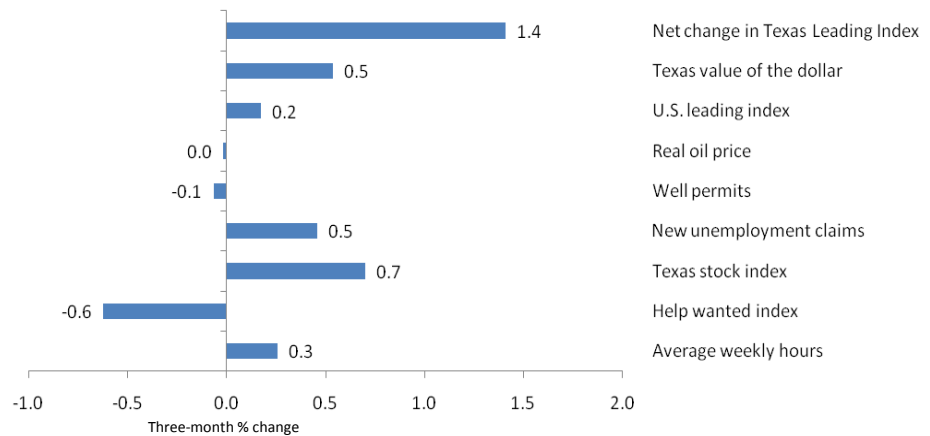
West Texas Intermediate crude oil prices increased 2.7 percent to \$84.14 per barrel in November. The November price was up 8 percent year-over-year.

Natural gas prices rose to \$3.73 per million Btu in November, up 8.8 percent from October. The November price was 1 percent higher than a year ago.

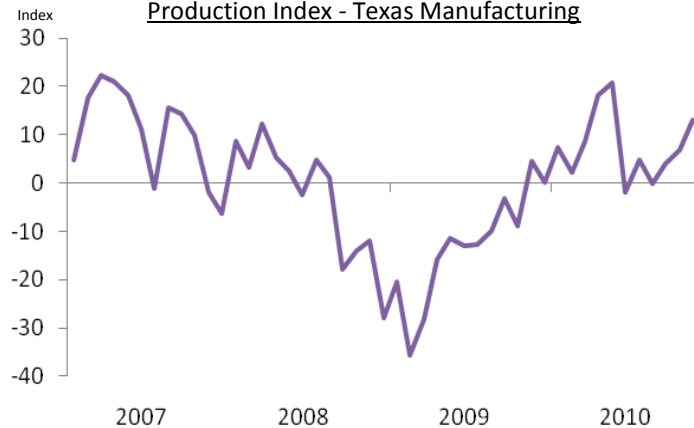
The rig count for Texas rose by 17 rigs in November, continuing a trend of steady growth. The November rig count was 734, up 70 percent from a year ago.

Texas Leading Index Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 1.4 percent from July through September.



Production Index - Texas Manufacturing



The Texas Manufacturing Outlook Survey's production index, a key measure of state manufacturing conditions, was positive for the third consecutive month in November and came in at a reading of 13, up from 7 in October.

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: 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.

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.