



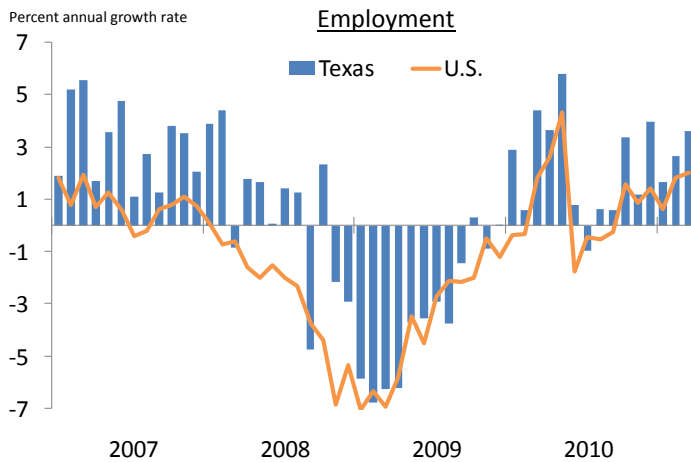
MAY 2011

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Texas job growth is gaining steam, with employment expanding at a 3.6 percent annual rate in March. Texas housing market indicators showed weakness in March, although existing-home sales rose. Real Texas exports fell in February but remained above year-ago levels. Rising oil prices are boosting the state's energy sector. Texas manufacturing continued to expand in April, albeit at a slower pace than in March.



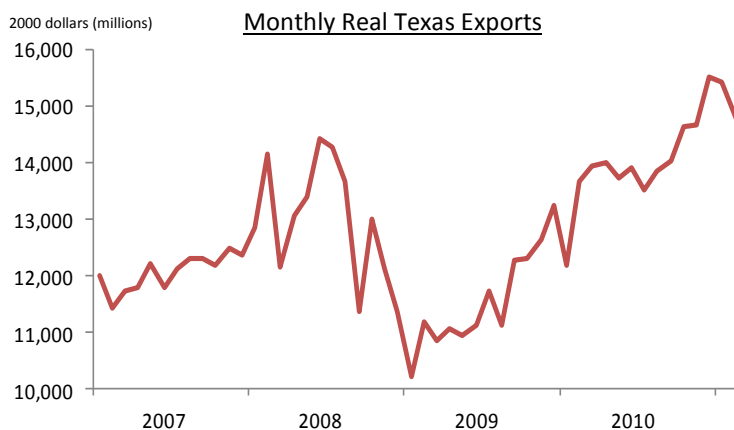
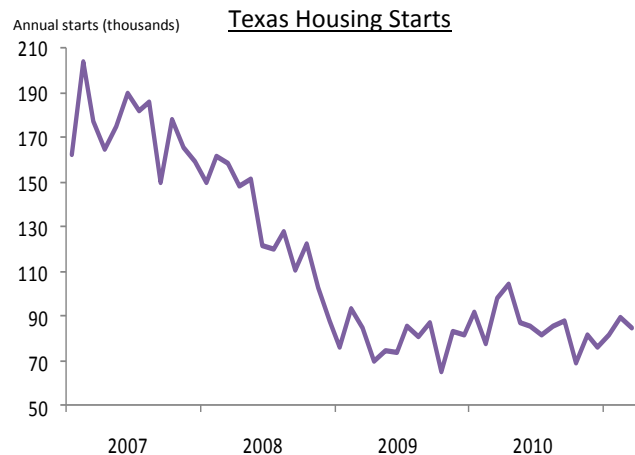
Texas gained 30,800 jobs in March after adding 22,800 in February. Current Texas employment stands at 10.51 million.

The Texas unemployment rate was 8.1 percent in March, down slightly from 8.2 percent in February. The Texas rate remains below the U.S. rate, which was 8.8 percent in March.

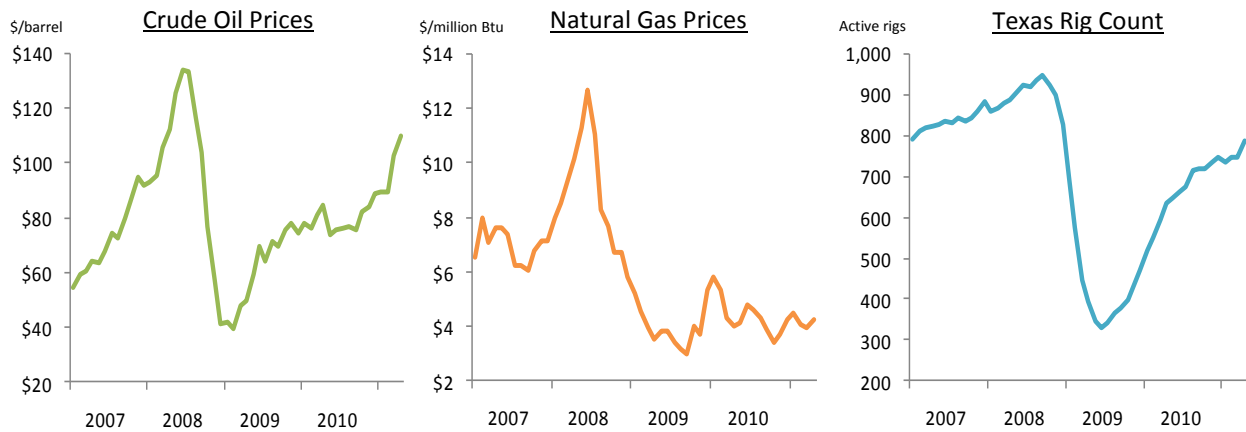
Housing starts in Texas fell 5.1 percent in March after rising 9.5 percent in February. Starts were down 14 percent from last year.

Texas single-family housing permits edged down 0.4 percent from February to March. The March permit level was 24 percent lower than the previous year.

Texas existing-home sales rose 6.4 percent in March. The supply of housing inventory in Texas was 7.5 months, down slightly from 7.6 months in February.



Monthly real Texas exports fell 4.1 percent in February after edging down 0.6 percent in January. The February level of real exports was 8 percent higher than a year earlier.



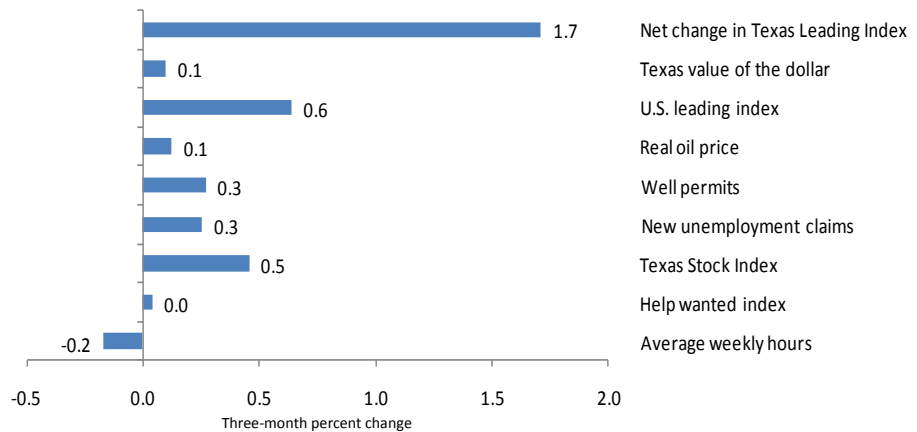
West Texas Intermediate crude oil prices rose 6.9 percent to \$110.04 per barrel in April. The price was up 30 percent year-over-year.

Natural gas prices rose to \$4.24 per million Btu in April, up 6.8 percent from March. The price was 5 percent higher than in April 2010.

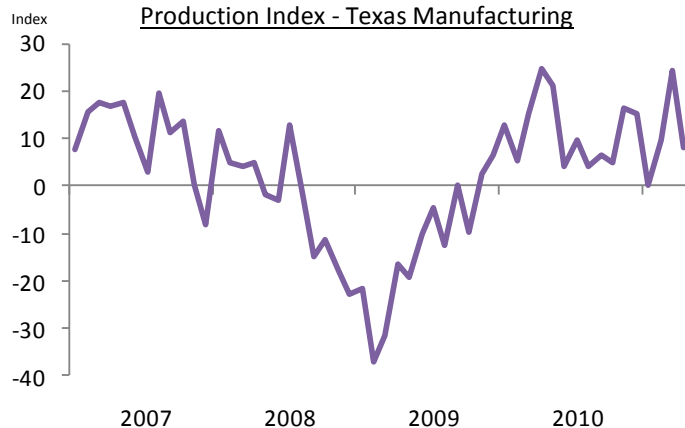
The rig count for Texas increased by 42 rigs to 789 in April. The rig count was up 25 percent from a year earlier.

Texas Leading Index Components

The Dallas Fed's Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 1.7 percent from December through February.



Production Index - Texas Manufacturing



Texas factory activity continued to expand in April, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, moved down from 24 to 8, suggesting slower growth in output

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.

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