



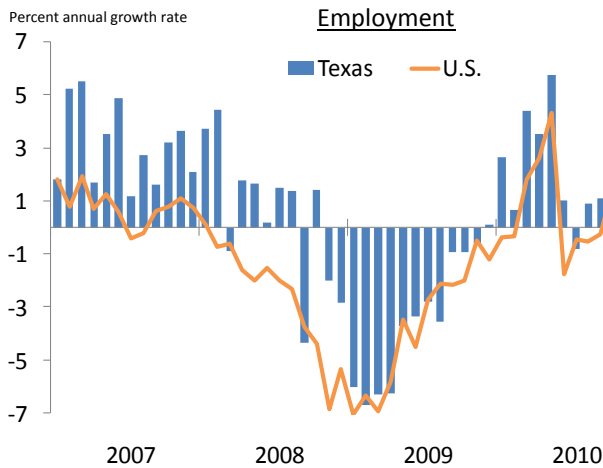
JUNE 2011

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Texas job growth continues to pick up pace, with employment expanding at a 4.2 percent annual rate in April. Texas housing market indicators were mixed in April, with existing-home sales rising again. Real Texas exports increased in the first quarter and were up 15 percent from 2010. Texas manufacturing continued to expand in May, with the Texas Manufacturing Outlook Survey's production index rising from 8 to 13.



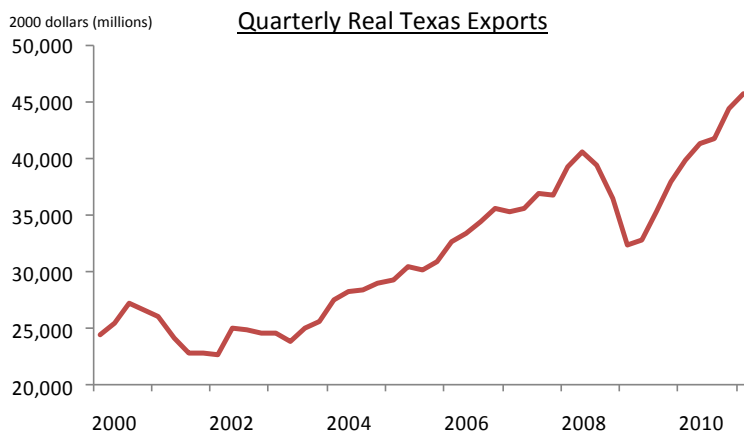
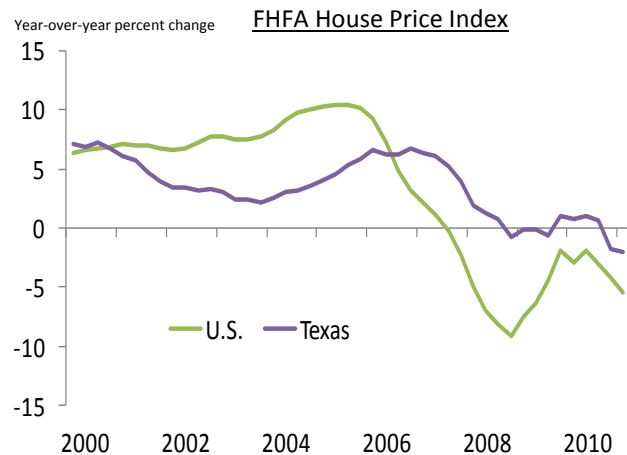
Texas gained 35,700 jobs in April after adding 29,000 in March. Current Texas employment stands at 10.52 million.

The Texas unemployment rate was 8.0 percent in April, down slightly from 8.1 percent in March. The Texas rate remains below the U.S. rate, which was 9.0 percent in April.

The house price index (purchase only) for Texas published by the Federal Housing Finance Agency (FHFA) edged down 0.2 percent in the first quarter of 2011 and is down 2 percent from the previous year.

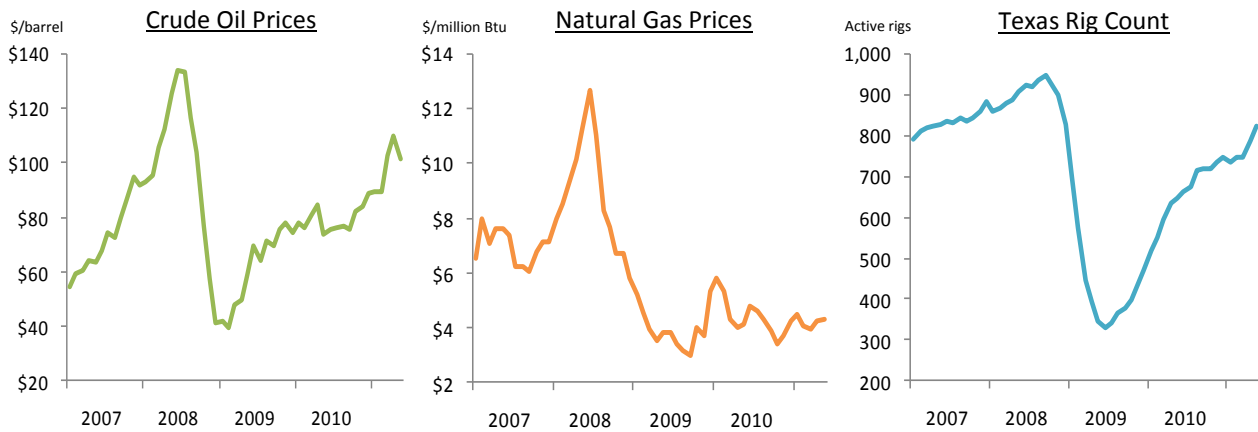
Texas existing-home sales rose 4.0 percent in April. The supply of housing inventory in Texas remained at 7.8 months.

Texas housing starts fell 10.7 percent in April after rising 4.7 percent in March. Starts were down 21 percent from last year. Texas single-family housing permits edged up 3.4 percent from March to April.



Quarterly real Texas exports rose 3.0 percent in the first quarter of 2011. The first-quarter level of real exports was 15 percent higher than a year earlier.

Exports to Mexico, Texas' largest export partner, rose 5.2 percent in the first quarter. Exports to Canada and Latin America rose 2.4 and 3.7 percent, respectively, while exports to Asia and the European Union fell.



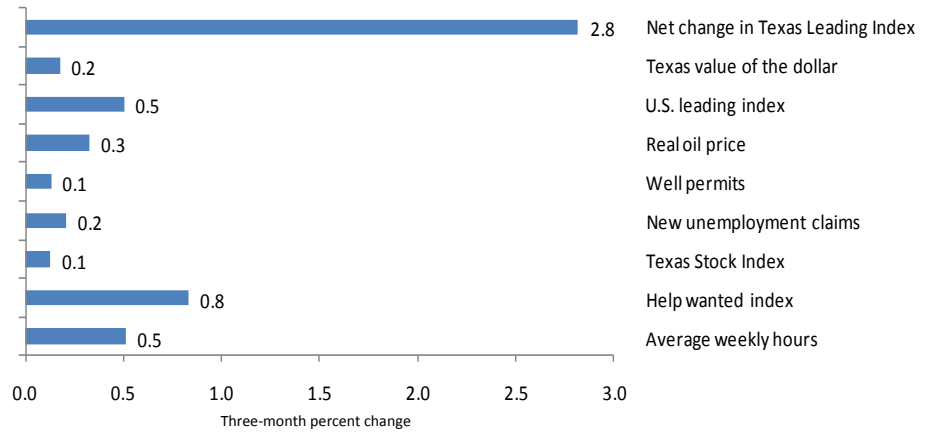
West Texas Intermediate crude oil prices fell 8.7 percent to \$101.27 per barrel in May. The price was up 37 percent year-over-year.

Natural gas prices edged up to \$4.29 per million Btu in May, up 1.2 percent from April. The price was 3 percent higher than in May 2010.

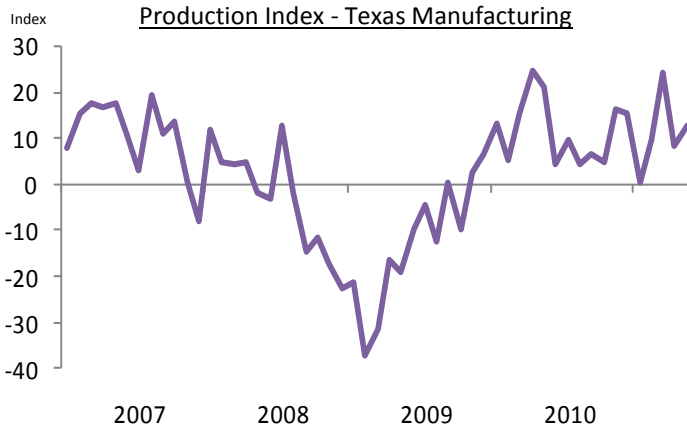
The rig count for Texas increased by 33 rigs to 822 in May. The rig count was up 27 percent from a year earlier.

Texas Leading Index Components

The Dallas Fed's Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 2.8 percent from January through March.



Production Index - Texas Manufacturing



Texas factory activity increased in May, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 8 to 13.

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; 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.

Questions can be addressed to Emily Kerr at emily.kerr@dal.frb.org. Texas Economic Indicators is released on the first Wednesday of every month and can be found online at www.dallasfed.org/research/indicators/index.cfm.