



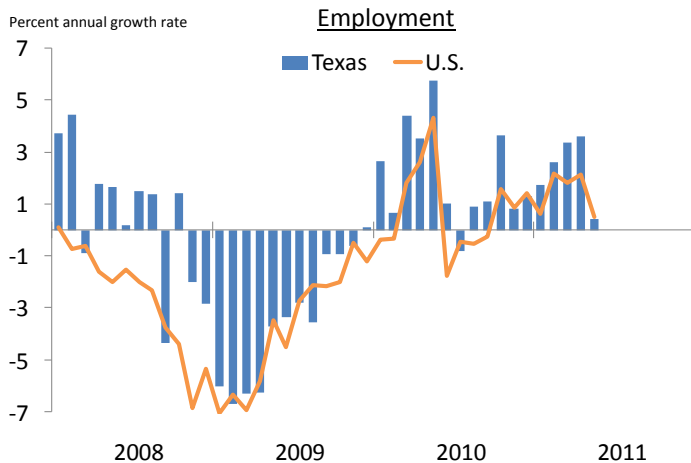
JULY 2011

# Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

## Summary

Texas job growth slowed abruptly in May after steadily increasing in prior months. Texas housing market indicators showed weakness, with declines in construction and sales in May. Oil prices moved down in May and June, while natural gas prices edged up. Texas manufacturing continued to expand in June but at a slower pace, with the Texas Manufacturing Outlook Survey's production index falling from 13 to 6.

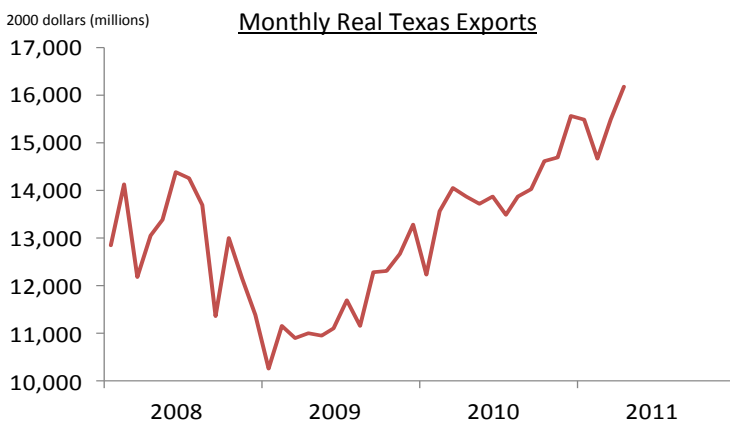
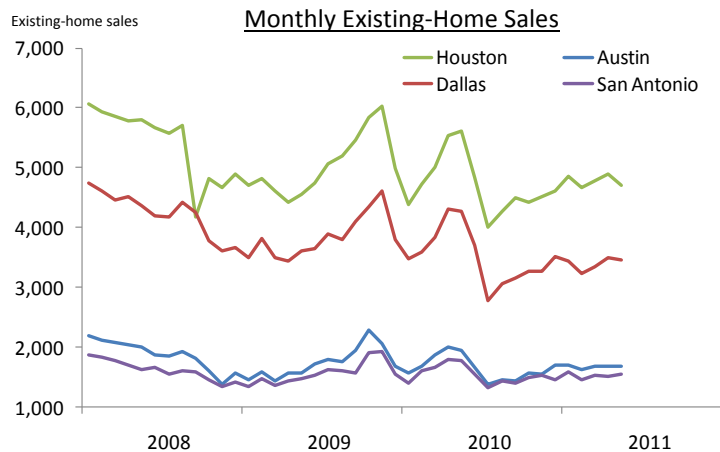


Texas gained 3,800 jobs in May after adding 30,900 in April. Current Texas employment stands at 10.52 million.

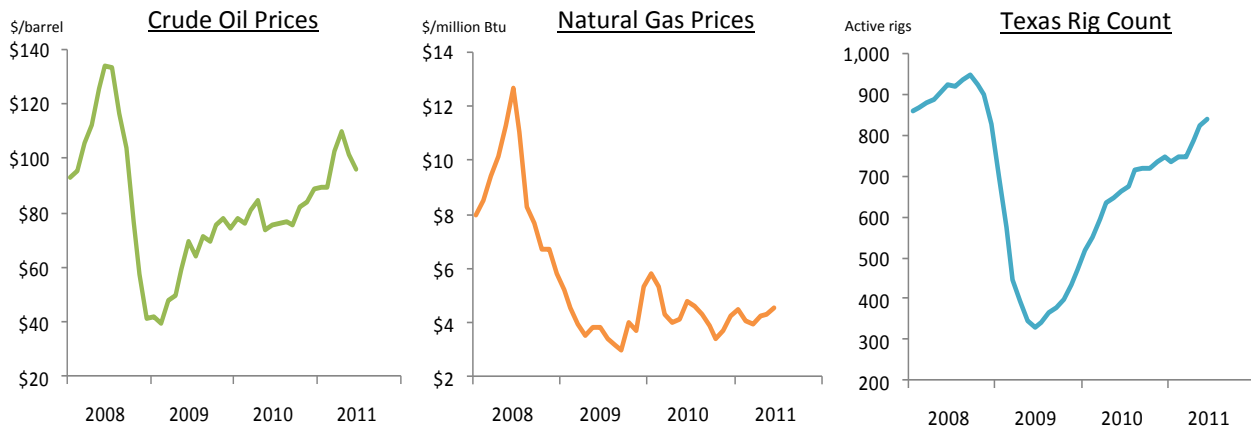
The Texas unemployment rate was 8.0 percent in May, unchanged from April. The Texas rate remains below the U.S. rate, which edged up to 9.1 percent in May.

Texas total existing-home sales fell 2.6 percent in May. Sales in Houston and Dallas were down from April levels, while sales in San Antonio rose.

Texas single-family housing permits edged down 1.3 percent in May. Housing starts in Texas fell 14.5 percent after slipping 8.1 percent in April. Starts were down 13 percent from last year.



Monthly real Texas exports rose 4.6 percent in April after increasing 5.5 percent in March. The April level of real exports was 17 percent higher than a year earlier.



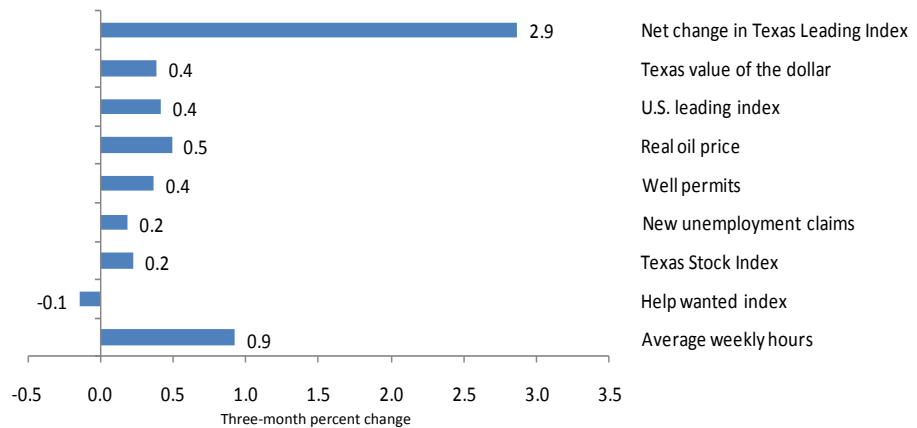
West Texas Intermediate crude oil prices fell 5 percent to \$96.29 per barrel in June. The price was up 28 percent year-over-year.

Natural gas prices edged up to \$4.53 per million Btu in June, up 5.4 percent from May. The price was 6 percent lower than in June 2010.

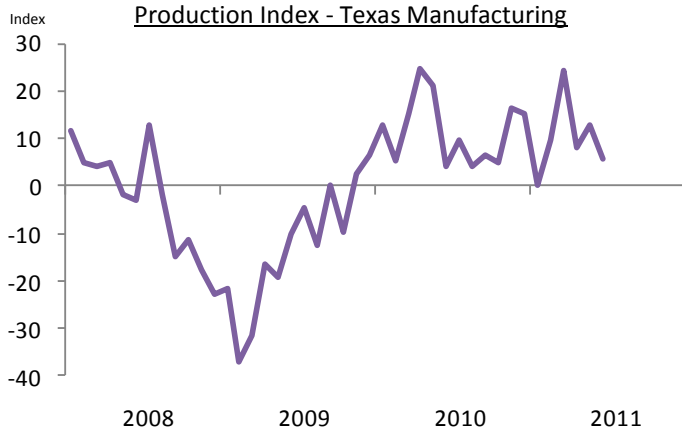
The rig count for Texas increased by 18 rigs to 839 in June. The rig count was up 27 percent from a year earlier.

### Texas Leading Index Components

The Dallas Fed's Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 2.9 percent from February through April.



### Production Index - Texas Manufacturing



Texas factory activity expanded in June, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, remained positive but fell from 13 to 6, suggesting output growth slowed in June.

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.

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