



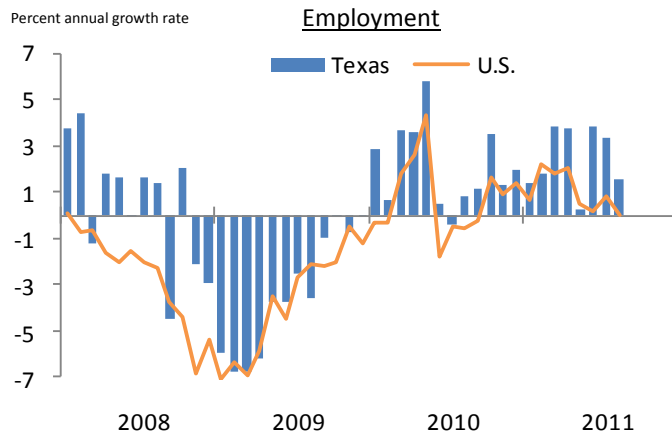
OCTOBER 2011

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy grew at a modest pace, with employment expanding at a 1.6 percent annual rate in August. Texas home sales rose in August along with single-family permits and housing starts. Texas exports inched up in July, and manufacturing activity increased in August, according to the Texas Manufacturing Outlook Survey's production index.

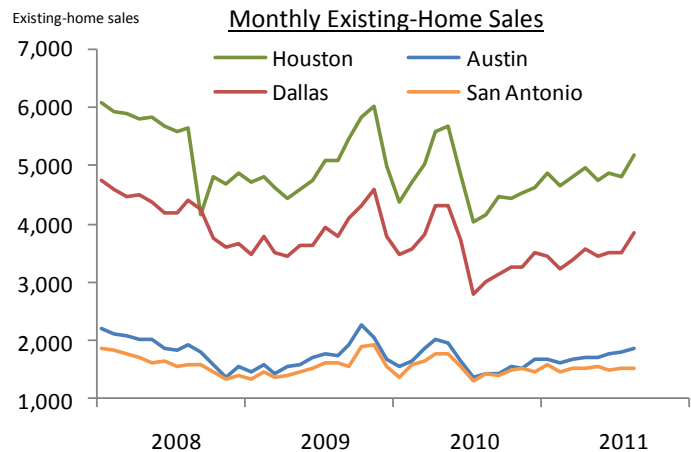


Texas gained 13,700 jobs in August after adding 29,300 in July. Current Texas employment stands at 10.6 million.

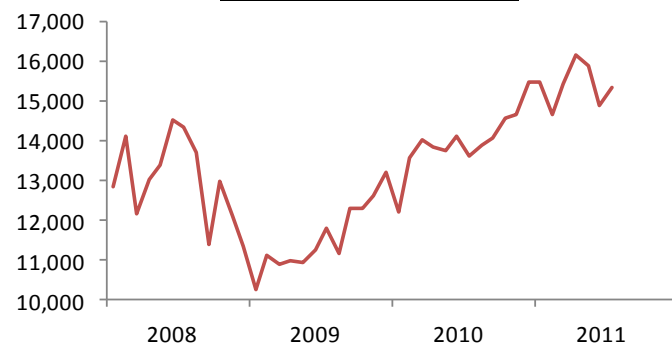
The Texas unemployment rate was 8.5 percent in August, up from 8.4 percent in July. The Texas rate remains below the U.S. rate, which was 9.1 percent in August.

Texas existing-home sales increased by 6.7 percent in August and are up 20.2 percent year over year. Sales in Houston, Dallas and Austin were up from July levels, while sales in San Antonio fell slightly.

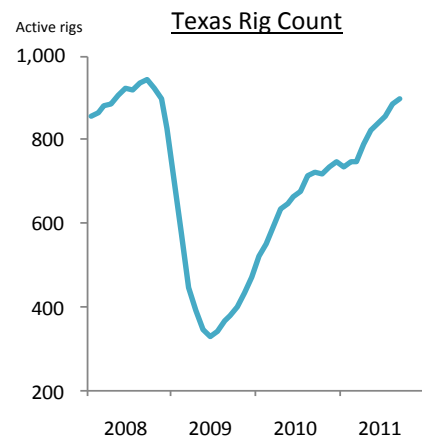
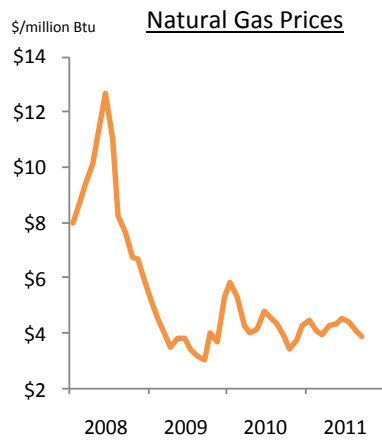
Texas single-family housing permits rose 12.8 percent from July to August. Housing starts in Texas edged up 0.4 percent in August after falling 0.8 percent in July. August starts were up 11.9 percent from last year.



Monthly Real Texas Exports



Monthly real Texas exports rose 3.0 percent in July after decreasing 6.2 percent in June. The July level of real exports was 12.6 percent higher than a year earlier.

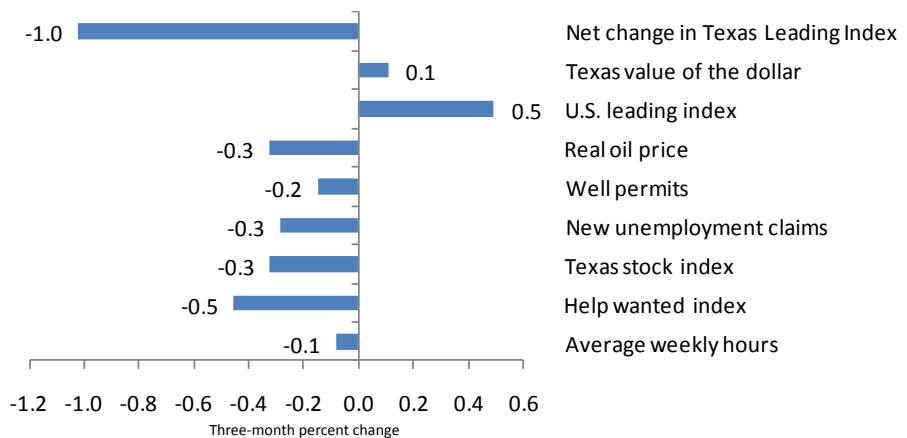


West Texas Intermediate crude oil prices fell 0.8 percent to \$85.61 per barrel in September. The price was up 13.7 percent year over year.

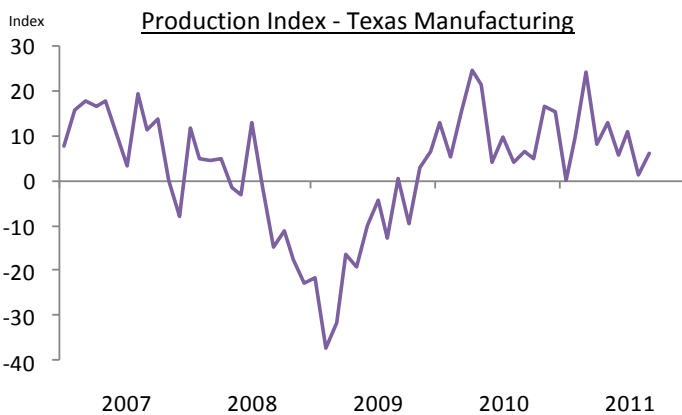
Natural gas prices declined to \$3.89 per million Btu in September, down 4.0 percent from August. The price was 0.3 percent lower than in September 2010.

The Texas rig count increased by 12 rigs to 897 in September. The rig count was up 24 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, edged down 1.0 percent from May through July.



Texas factory activity increased in September, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 1.1 to 5.9, suggesting growth picked up this month after stalling in August.

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.