



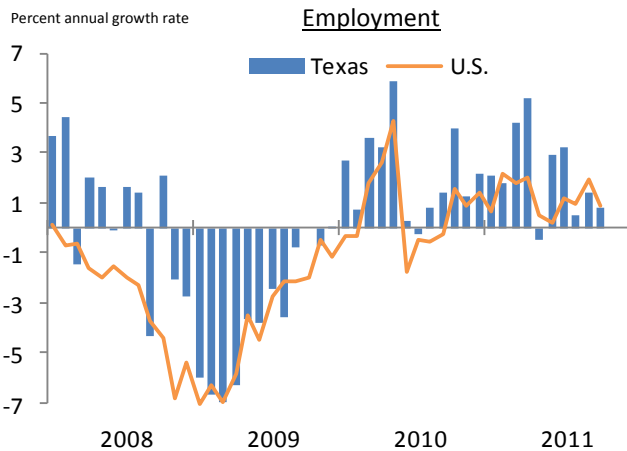
DECEMBER 2011

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

Growth in the Texas economy slowed moderately, with employment expanding at a 0.8 percent annual rate in October. Texas home prices fell, but single-family housing permits, housing starts and existing-home sales all rose. Texas exports increased slightly in the third quarter. Manufacturing activity contracted in November, according to the Texas Manufacturing Outlook Survey's production index.



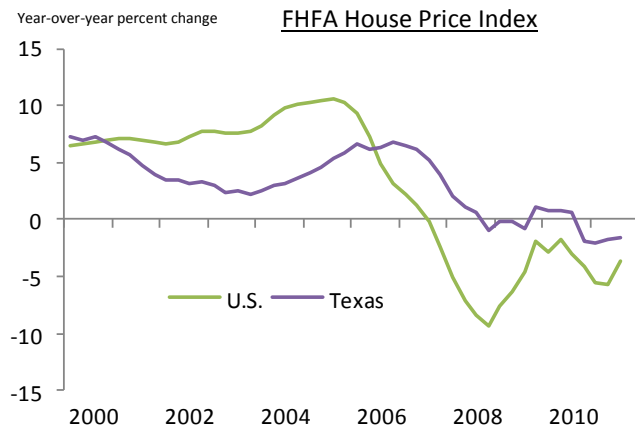
Texas gained 7,100 jobs in October after adding 12,100 jobs in September. Current Texas employment stands at 10.6 million.

The Texas unemployment rate declined to 8.4 percent in October. The Texas rate is still lower than the U.S. rate, which was 9.0 percent in October.

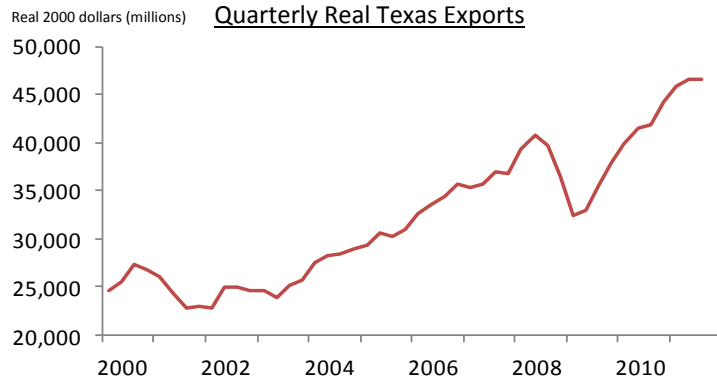
The house price index (purchase only) for Texas published by the Federal Housing Finance Agency (FHFA) edged down 0.4 percent in the third quarter and is down 1.6 percent from the previous year.

Texas single-family housing permits rose 3.2 percent from September to October. Housing starts in Texas rose 4.1 percent in October. October starts were up 53 percent from last year.

Texas existing-home sales increased by 0.4 percent in October and are up 9.2 percent year over year. Home inventories declined to 6.9 months.

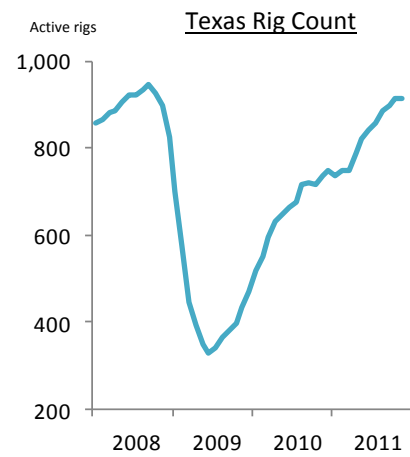
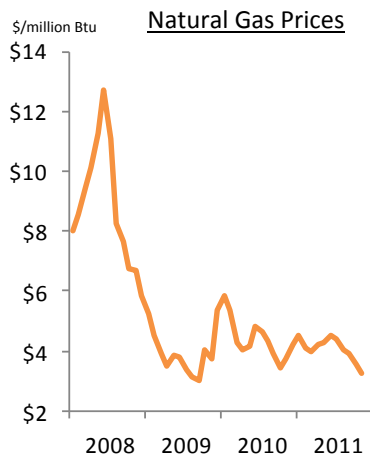


Quarterly Real Texas Exports



Quarterly real Texas exports rose 0.1 percent in the third quarter. The level of real exports was 11.4 percent higher than a year earlier.

Exports to Mexico, Texas' largest export partner, fell 2 percent in the third quarter. Exports to the rest of Latin America, Canada and the European Union rose 0.8 percent, 3.8 percent and 5.9 percent, respectively. Exports to Asia declined 0.1 percent.



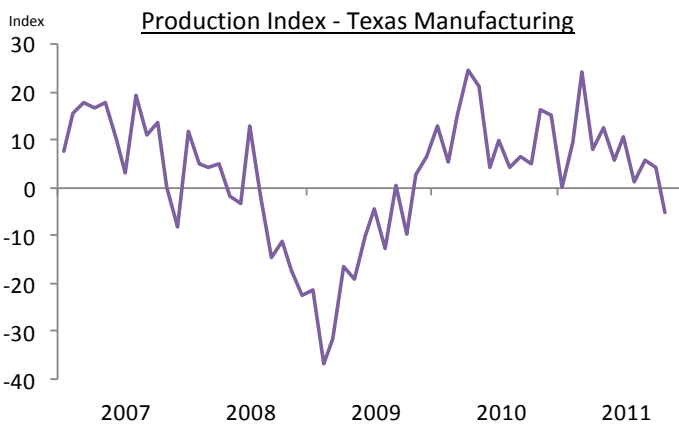
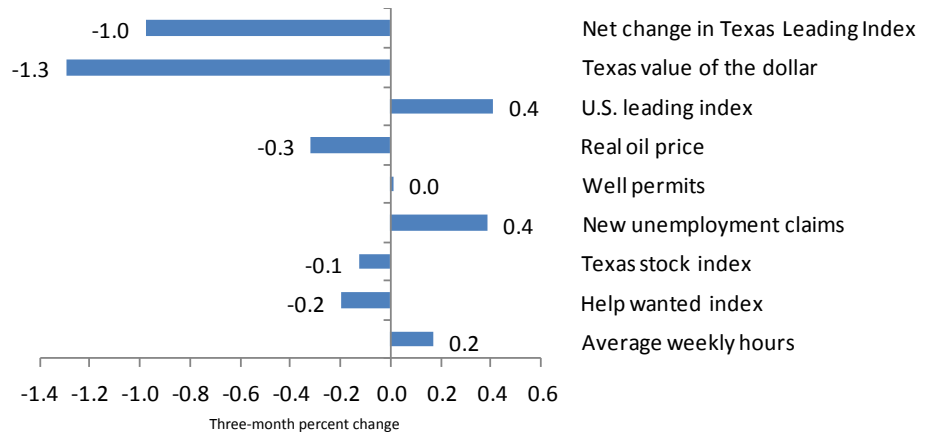
West Texas Intermediate crude oil prices rose 12.5 percent to \$97.21 per barrel in November. The price was up 15.5 percent year over year.

Natural gas prices declined to \$3.24 per million Btu in November, down 9.2 percent from October. The price was 13.1 percent lower than in November 2010.

The Texas rig count remained the same at 914 in November. Rig count was up 24.5 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, declined 1 percent from August to October.



Texas factory activity decreased in November, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, dipped from 4.1 to -5.1, registering its first negative reading in two years.

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.