



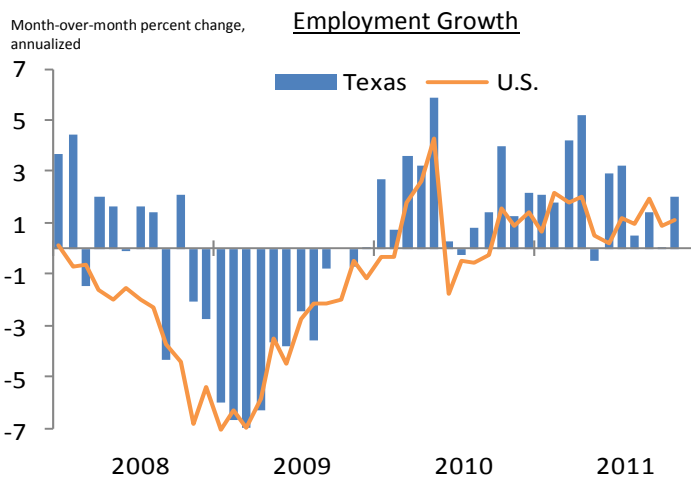
January 2012

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy grew at a moderate pace in November, with employment expanding at a 2.0 percent annual rate. Texas existing-home sales increased, but single-family housing permits and housing starts fell. Texas exports held steady. Manufacturing activity weakened slightly in December, according to the Texas Manufacturing Outlook Survey's production index.

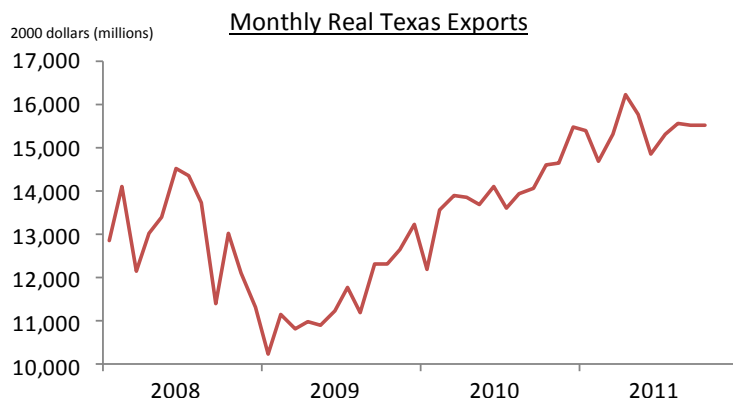
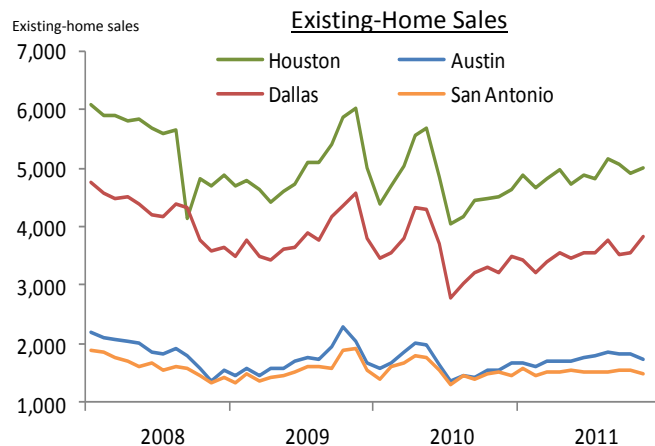


Texas gained 17,900 jobs in November after adding 400 jobs in October. Current Texas employment stands at 10.63 million.

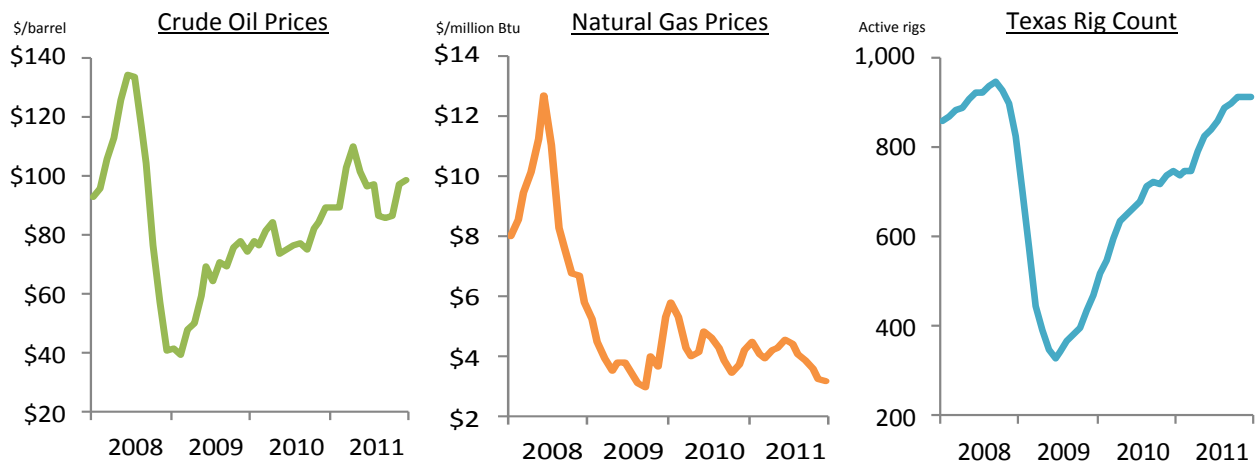
The Texas unemployment rate declined to 8.1 percent in November, down from 8.4 percent in October. The Texas rate is still lower than the U.S. rate, which was 8.6 percent in November.

Texas existing-home sales increased by 1.1 percent in November and are up 9.5 percent year over year. Sales in Houston and Dallas were up from October levels, while sales in Austin and San Antonio fell.

Texas single-family housing construction permits fell 3.0 percent from October to November. Housing starts in Texas fell 22.5 percent in November. Starts were down 1.7 percent from November of last year. Home inventories remained at 6.9 months of available supply.



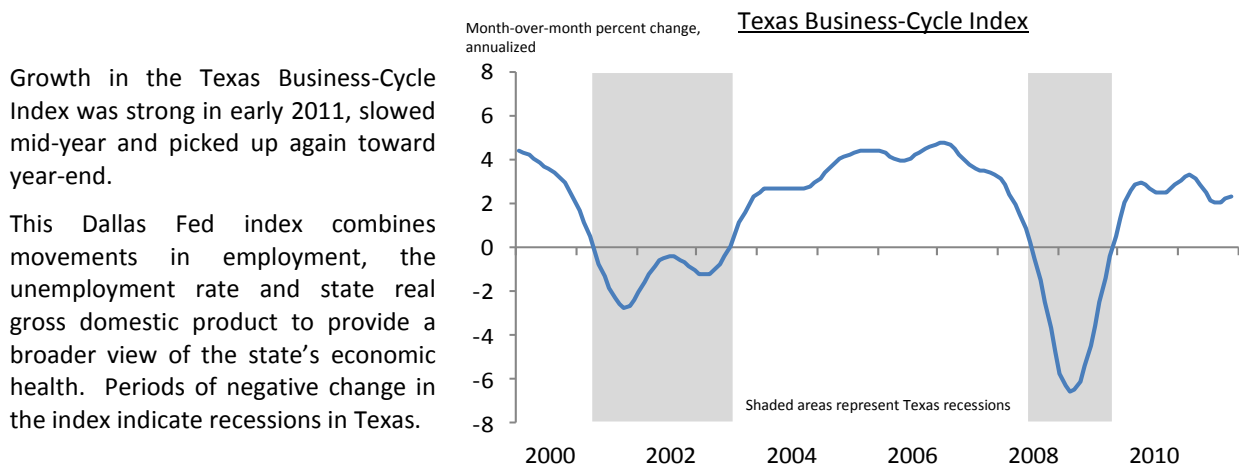
Monthly real Texas exports held steady in October after decreasing 0.4 percent in September. The October level of real exports was 6.2 percent higher than a year earlier.



West Texas Intermediate crude oil prices edged up 1.4 percent to \$98.57 per barrel in December. The price was up 10.7 percent year over year.

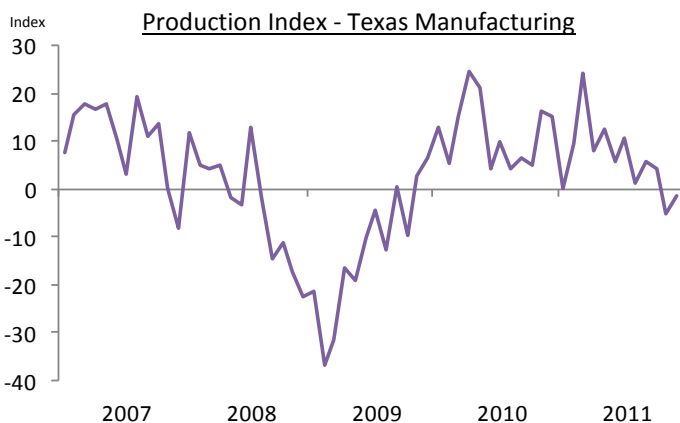
Natural gas prices declined to \$3.16 per million Btu in December, down 2.5 percent from November. The price was 25.5 percent lower than in December 2010.

The Texas rig count decreased by two rigs to 912 in December, but it was up 22.2 percent from a year earlier.



Growth in the Texas Business-Cycle Index was strong in early 2011, slowed mid-year and picked up again toward year-end.

This Dallas Fed index combines movements in employment, the unemployment rate and state real gross domestic product to provide a broader view of the state's economic health. Periods of negative change in the index indicate recessions in Texas.



Texas factory activity weakened slightly in December, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, posted a second negative reading but moved up from -5.1 to -1.3. This suggests a slowing of the pace of decline.

The Dallas Fed 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 Business-Cycle 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.