



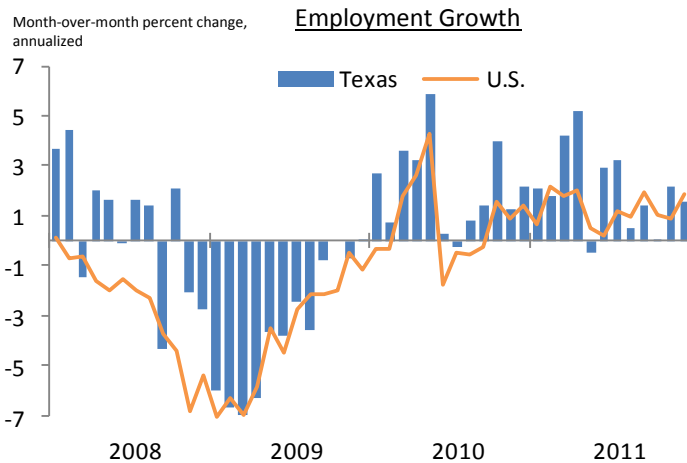
February 2012

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to expand at a moderate pace. Texas employment grew at a 1.5 percent annual rate in December and expanded 2 percent in 2011. Housing indicators suggest that the sector continues to heal, and energy activity remains strong. Growth in Texas exports resumed and Texas manufacturing activity increased in January, according to the Texas Manufacturing Outlook Survey.



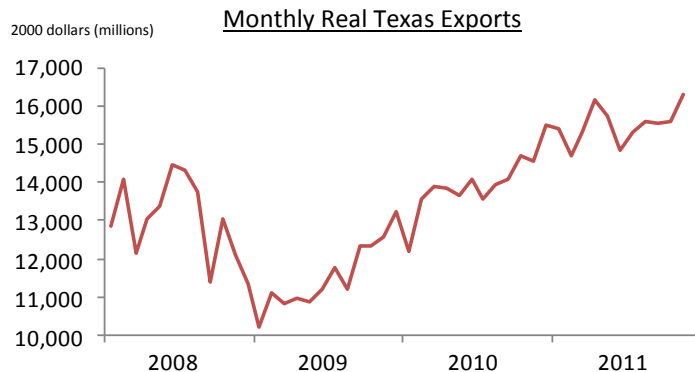
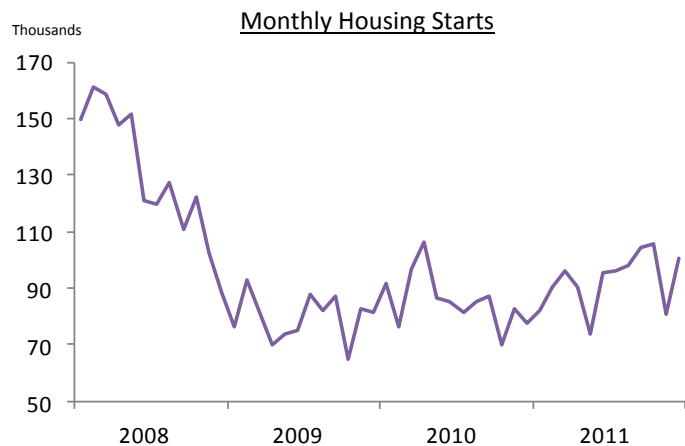
Texas gained 13,600 jobs in December after adding 18,700 jobs in November. Current Texas employment stands at 10.65 million.

The Texas unemployment rate declined to 7.8 percent in December, down from 8.1 percent in November. The Texas rate is still lower than the U.S. rate, which was 8.5 percent in December.

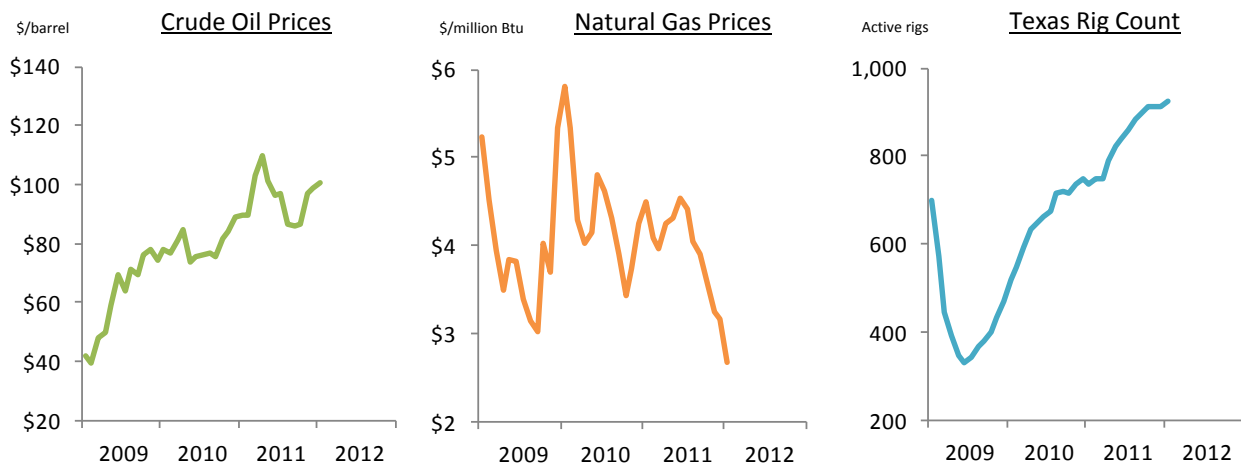
Texas housing starts increased to 100,490 units in December after a dip in November. Starts are up 30 percent from December 2010.

Texas single-family housing construction permits rose 0.2 percent from November to December and are up 6.6 percent from a year ago.

Existing-home sales increased 2.2 percent in December and are up 8.7 percent year over year. Home inventories in Texas declined to 6.6 months of available supply.



Monthly real Texas exports increased 4.5 percent in November after holding steady for two months. The November level of real exports was 11.9 percent higher than a year earlier.

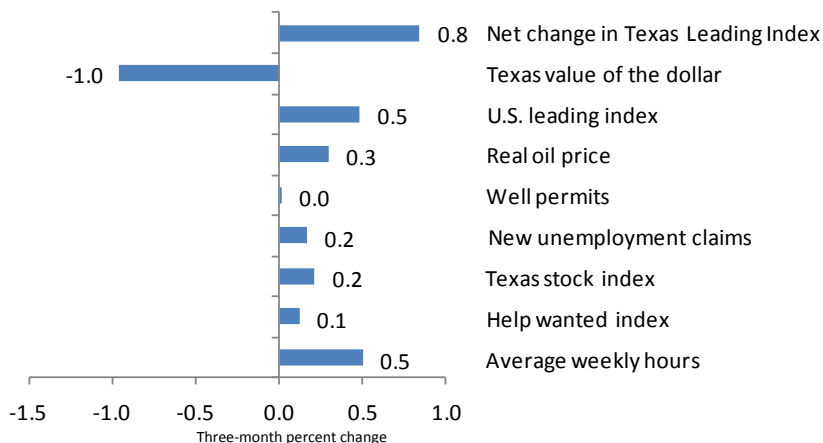


West Texas Intermediate crude oil prices edged up 1.8 percent to \$100.33 per barrel in January. The price was up 12.2 percent year over year.

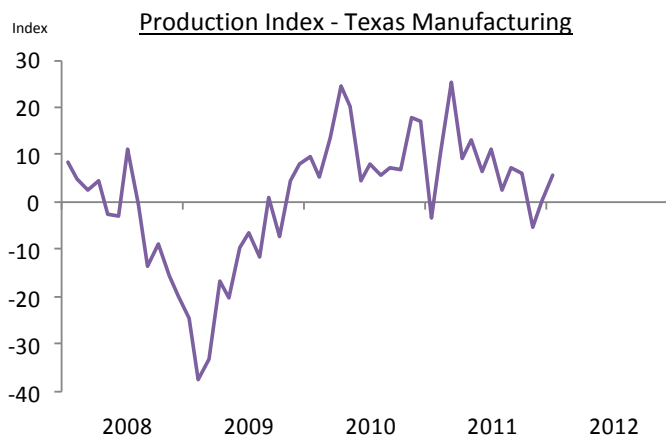
Natural gas prices declined to \$2.68 per million Btu in January, down 15.2 percent from December. The price was 40.3 percent lower than in January 2011.

The Texas rig count increased by 11 rigs to 923 in January and was up 25.4 percent from a year earlier.

Texas Leading Index Components



The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 0.8 percent from September to November.



Texas factory activity increased in January, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 0.2 to 5.8, suggesting growth resumed.

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 Leading Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted. Texas Manufacturing Production Index: Federal Reserve Bank of Dallas. Data are seasonally adjusted.

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