



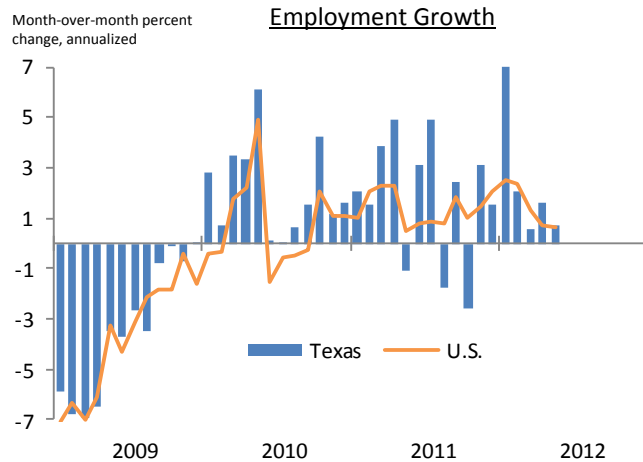
JULY 2012

Texas Economic Indicators

FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to expand, with employment growing at a 0.8 percent annual rate in May. Texas existing-home sales and single-family construction permits rose, while housing starts fell. Exports declined in April, and crude oil prices moved further down in June. Growth in Texas manufacturing activity surged in June, according to the Texas Manufacturing Outlook Survey.



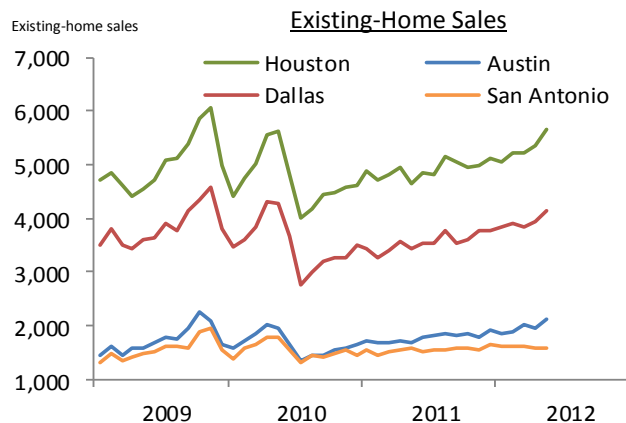
Texas gained 6,700 jobs in May after adding 14,400 jobs in April. Current Texas employment stands at 10.73 million.

The Texas unemployment rate held steady at 6.9 percent in May. The Texas rate remains lower than the U.S. rate, which was 8.2 percent in May.

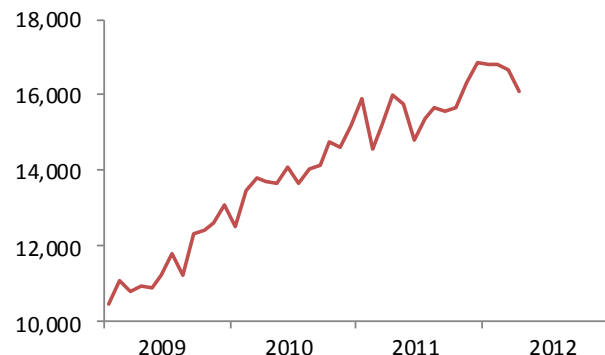
Texas existing-home sales increased 4.1 percent in May. Sales in Houston, Austin and Dallas rose while sales in San Antonio edged down.

Texas single-family housing construction permits rose 3.2 percent from April to May. Texas housing starts fell 12.9 percent in May after growing 15.2 percent in April.

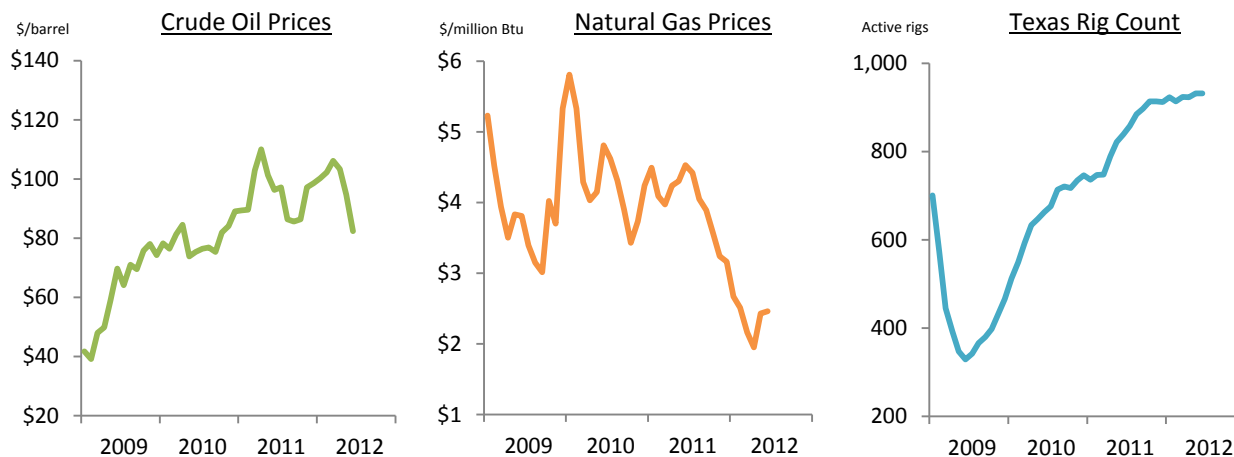
Home inventories declined to 5.8 months of available supply in May, pushing below the six-month-supply marker signaling a tight market and rising prices.



2000 dollars (millions) Monthly Texas Exports



Monthly Texas exports fell 3.4 percent from March to April, marking a fourth consecutive month of decline. April exports were 0.7 percent higher than at the same time last year.



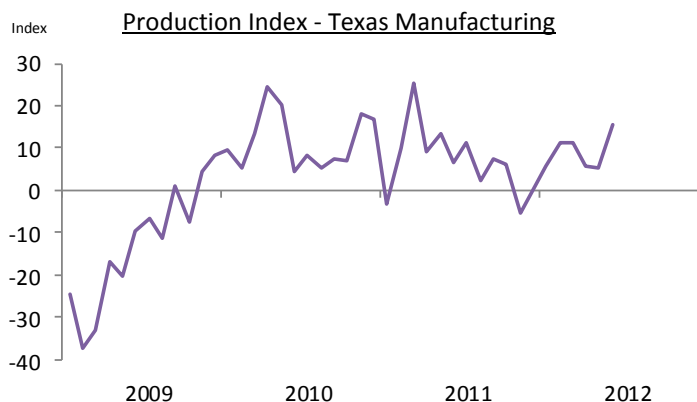
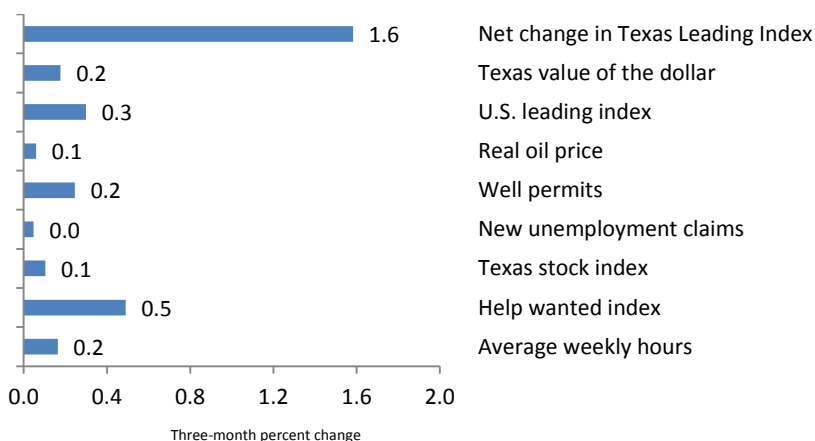
West Texas Intermediate crude oil prices fell 13 percent to \$82.41 per barrel in June. The price was down 14.4 percent year over year.

Natural gas prices rose to \$2.46 per million Btu in June, up 1.2 percent from May. The price was 45.7 percent lower than in June 2011.

The Texas rig count remained at 932 in June and was up 11.1 percent from a year earlier.

Texas Leading Index with Components

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 1.6 percent from February to April.



Texas factory activity surged in June, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, rose from 5.5 to 15.5, posting its strongest reading in 15 months.

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.

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.