



OCTOBER 2012

Texas Economic Indicators

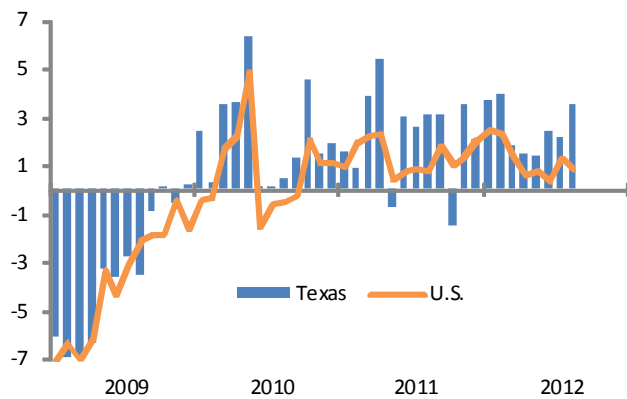
FEDERAL RESERVE BANK OF DALLAS

Summary

The Texas economy continues to expand, with employment growing at a 3.5 percent annual rate in August. Texas existing-home sales, single-family construction permits and housing starts all increased in August. Texas exports ticked down in July. Manufacturing activity increased at a faster pace in September, according to the Texas Manufacturing Outlook Survey.

Month-over-month percent change, annualized

Employment Growth



Texas gained 31,100 jobs in August after adding 19,700 jobs in July. Current Texas employment stands at 10.85 million.

The Texas unemployment rate held steady at 7.1 percent in August. The Texas rate remains lower than the U.S. rate, which was 8.1 percent in August.

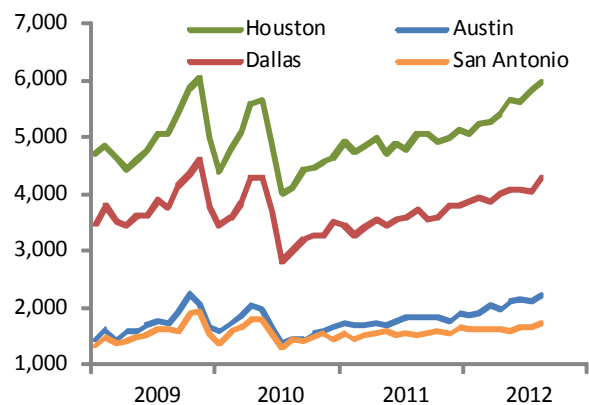
Texas existing-home sales rose 3.6 percent in August and are up 14 percent from year-ago levels. Sales in Houston, Dallas, Austin and San Antonio are all up from July.

Texas single-family housing construction permits rose 2.7 percent from July to August, and Texas housing starts grew 8.7 percent.

Home inventories declined to 5.4 months of available supply in August, pushing further below the six-month-supply marker signaling a tight market and rising prices.

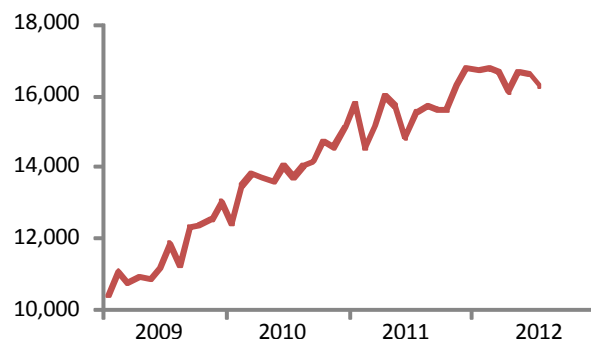
Existing-home sales

Existing-Home Sales

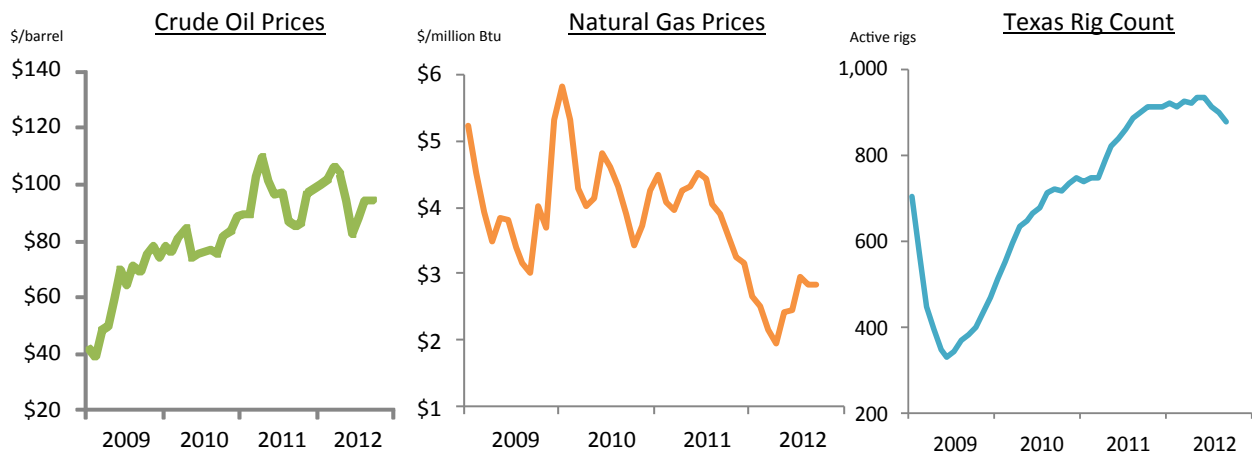


2000 dollars (millions)

Monthly Texas Exports



Monthly Texas exports fell 2.1 percent from June to July, marking the second consecutive month of decline. July exports were 4.9 percent higher than at the same time last year.



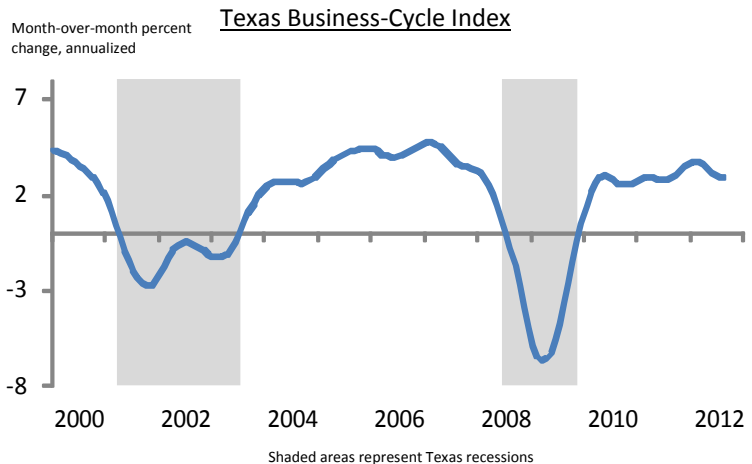
The West Texas Intermediate crude oil price rose 0.6 percent to \$94.72 per barrel in September and was up 10.6 percent year over year.

Natural gas prices edged up to \$2.85 per million Btu in September, 0.4 percent above August. The price was 26.7 percent lower than in September 2011.

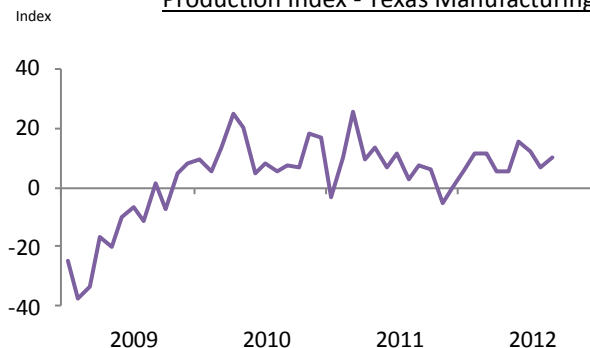
The Texas rig count fell to 876 in September from 901 in August and was down 2.4 percent year over year.

Growth in the Texas Business-Cycle Index was strong in early 2012 but has slowed slightly since May. The index grew 2.9 percent from July to August.

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.



Production Index - Texas Manufacturing



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 6.4 to 10, suggesting stronger output growth.

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

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