The Texas economy continues to expand, with employment growing at a 2.5 percent annual rate in October. Texas existing-home sales, single-family construction permits and housing starts all increased in October. Texas exports ticked up slightly in the third quarter. Manufacturing activity was little changed in November, according to the Texas Manufacturing Outlook Survey.

Texas gained 22,900 jobs in October after adding 23,600 jobs in September. Current Texas employment stands at 10.95 million.

The Texas unemployment rate edged down to 6.6 percent in October from 6.8 percent in September. The Texas rate remains lower than the U.S. rate, which was 7.9 percent in October.

The house price index (purchase only) for Texas published by the Federal Housing Finance Agency (FHFA) rose 0.9 percent in the third quarter of 2012 and is up 5.6 percent from last year.

Texas single-family housing construction permits rose 3.2 percent in October, marking a fourth consecutive month of increase. Texas housing starts increased 15 percent, and Texas existing-home sales rose 1.1 percent in October. Home inventories edged down to 5.1 months of available supply in October, pushing further below the six-month-supply marker signaling a tight market and rising prices.

Quarterly Texas exports edged up 0.1 percent in the third quarter of 2012. The third-quarter level of exports was 5 percent higher than a year earlier.

Exports to Mexico, Texas’ largest trading partner, rebounded 3.2 percent, while exports to Asia rose 1.6 percent. Exports to Canada, China and the European Union fell 2.8 percent, 2.8 percent and 5.4 percent, respectively.
The West Texas Intermediate crude oil price fell 3.3 percent to $86.66 per barrel in November and was down 10.9 percent year over year.

Natural gas prices climbed to $3.55 per million Btu in November, a 7.3 percent increase from the October level. The price was 9.6 percent higher than in November 2011.

The Texas rig count fell to 850 in November from 867 in October and was down 7 percent year over year.

The Texas Leading Index, which uses key economic indicators to forecast future economic activity, rose 1.2 percent from August to October.

Texas factory activity was little changed in November, according to the Texas Manufacturing Outlook Survey. The production index, a key measure of state manufacturing conditions, came in at 1.7, suggesting output barely increased from October.

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.

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.
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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