Economic activity in the El Paso metropolitan area continues to expand, according to the Federal Reserve Bank of Dallas’ El Paso Business-Cycle Index. After a recent slowdown during the first quarter, the index has registered strong gains in the past three months; during June the index registered 6.0 percent annualized growth.

El Paso’s nonfarm employment registered a 6.4 percent annualized growth rate in June. Job gains were concentrated in the financial activities, professional and business services, and government sectors.

El Paso’s June unemployment rate stood at 7.1 percent. The Texas unemployment rate remained at 5.1 percent, while the national rate was 6.1 percent.

Midland–Odessa, Texas, employment increased in June at a 7.6 percent annualized rate, while the unemployment rate fell slightly to 2.8 percent.

Nonfarm employment in Las Cruces, N.M., rose at a 7.0 percent annualized rate in June. The unemployment rate for May stood at 7.3 percent. For June, the New Mexico unemployment rate was 6.5 percent.

*Seasonally adjusted.
Trade flows through the El Paso port of entry in May declined 2.7 percent from April. Total trade (exports plus imports) was $66.8 billion annualized, compared with $72 billion in May 2013.

In June, El Paso home sales rose nearly 30 percent on a 12-month basis. The median home price increased slightly to $146,300. Inventory levels stood at 7.8 months, compared with 8.3 months in May and 7.6 months a year earlier.

In Midland–Odessa, home sales were up 18.1 percent from a year earlier. Strong housing demand, coupled with low inventories, has kept home prices high.
U.S. industrial production increased in June at a 2.7 percent annualized rate. The Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, continued to signal expansion in the sector in June.

Maquiladoras south of the Rio Grande have added more than 12,000 jobs from December 2013 to June 2014 (on par with the number created for the entire year in 2013), according to a Dallas Fed model based on the U.S. industrial production index and Chihuahua manufacturing employment. The model has been used to track maquiladora employment in the Chihuahua city of Juárez since Mexico changed its methodology in 2006. Formal manufacturing employment in the Mexican state of Chihuahua increased 5.7 percent in June from December 2013.

U.S. auto and light truck production remained stable at around 11 million in June. In addition, U.S. auto sales reached 16.9 million in June on an annual basis. This is good news for the local economy because roughly half of the maquiladoras across the Rio Grande are auto related.