

FEDERAL RESERVE BANK OF DALLAS • MAY 25, 2016

Summary

The El Paso economy expanded in April, and jobs grew at an annualized rate of 2.1 percent. Trade through the port ticked down in March despite strong maquiladora activity.

El Paso Business-Cycle Index

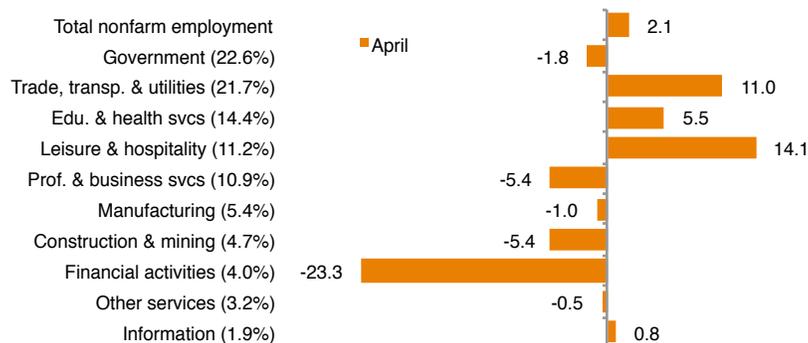


*Monthly, seasonally adjusted.
SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index continues to show a strong increase, posting annualized growth of 1.8 percent for April.

► Job creation and a decline in the unemployment rate have contributed to the gains in the business cycle. The timeliest data available for real wages paid in El Paso also point toward growth. However, retail sales in the metro area have declined slightly, possibly due to the strength of the dollar slowing cross-border retail.

Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.
SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► In April, El Paso employment grew at a monthly annualized rate of 2.1 percent. Monthly job growth was mixed across industries. Leisure and hospitality posted the strongest gain, growing at a rate of 14.1 percent. Trade, transportation and utilities continues to be a fast-growing industry in El Paso, increasing at a monthly annualized rate of 11 percent. The increases may be linked to the strong manufacturing activity south of the Rio Grande.

► Year to date, El Paso has added nearly 1,800 jobs, with trade, transportation and utilities accounting for more than 1,100 of the jobs.

► In April, the unemployment rate fell to 4.9 percent. The El Paso reading was below the U.S. rate of 5 percent but above the Texas rate of 4.4 percent.

Trade Flows



*Annualized, seasonally adjusted.
SOURCES: Census Bureau; adjustments by the Dallas Fed.

► In March, annualized total trade (exports plus imports) totaled \$77.7 billion, down 0.8 percent from February. Imports rose 1.6 percent, while exports dropped 3.9 percent.

Existing-Home Sales



*Seasonally adjusted, six-month moving average.

SOURCES: Texas A&M University Real Estate Center; adjustments by the Dallas Fed.

► April home sales in El Paso stood at an annualized 6,615, down slightly from March's 6,672. The median home price was \$139,800, nearly unchanged from \$140,393 in March.

► After falling to 5.9 months' supply of existing homes in March, inventory levels increased to 6.1 months' supply in April.

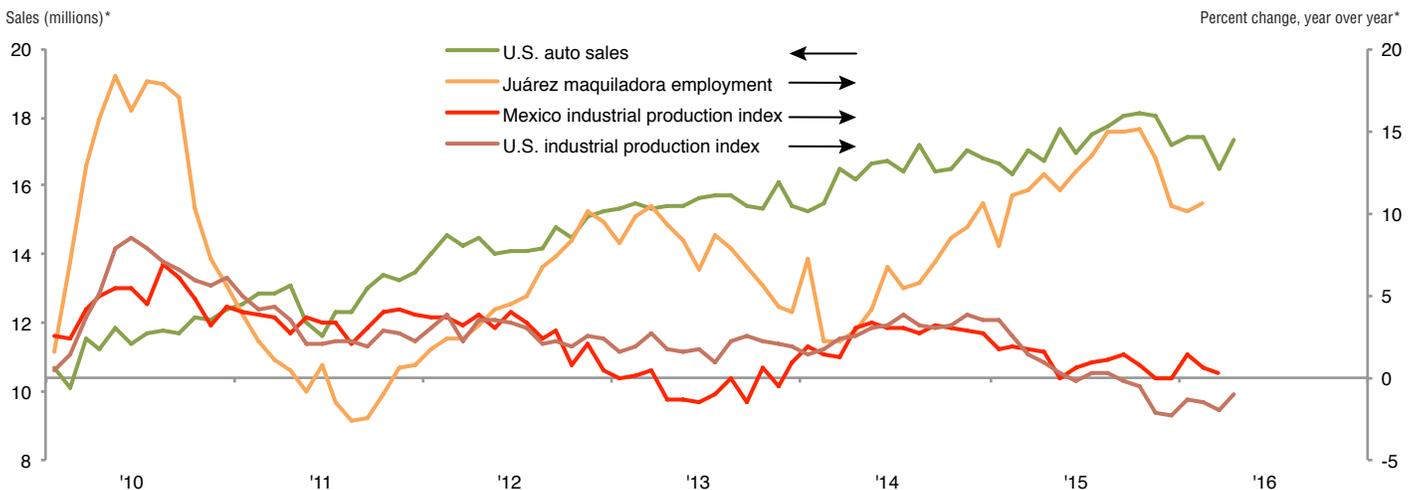
Juárez Maquiladora Activity

► U.S. industrial production contracted 1.1 percent year over year in April, compared with March's year-over-year decline of 1.9 percent. The Institute for Supply Management manufacturing index ticked down year over year, while its associated new-order index—a leading indicator of industrial activity—rose 2.8 percent from April 2015.

► Despite the sluggish U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez

manufacturing employment rose 10.6 percent year over year in February (latest data available), bringing total maquiladora employment to more than 250,000.

► U.S. auto and light-truck production picked up slightly to 11.9 million units in April, while U.S. auto sales rose to 17.3 million units on an annual basis in April. Auto sales are closely linked to the local economy because roughly half of maquiladoras are auto related.



*Seasonally adjusted.

SOURCES: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography); Federal Reserve Board; Bureau of Economic Analysis; adjustments by the Dallas Fed.

NOTES: Data may not match previously published numbers due to revisions. The El Paso metropolitan statistical area includes El Paso and Hudspeth counties.

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