

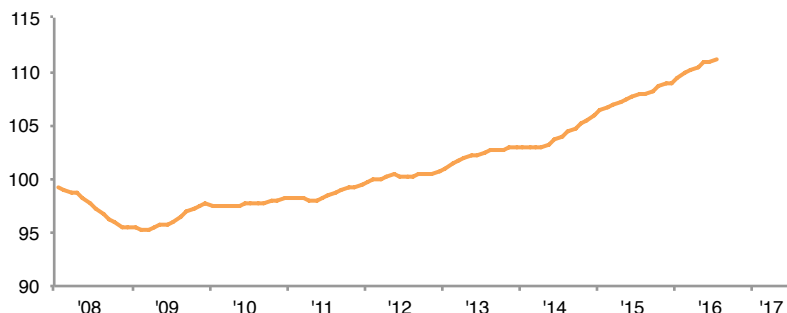
FEDERAL RESERVE BANK OF DALLAS • MARCH 23, 2017

## Summary

El Paso economic activity expanded modestly in January. Solid growth in El Paso continues to be partially attributed to strong maquiladora activity in Ciudad Juárez. The housing market remains strong with sales reaching a postrecession peak in January.

### El Paso Business-Cycle Index

Index, January 2008 = 100\*



\*Seasonally adjusted, monthly.

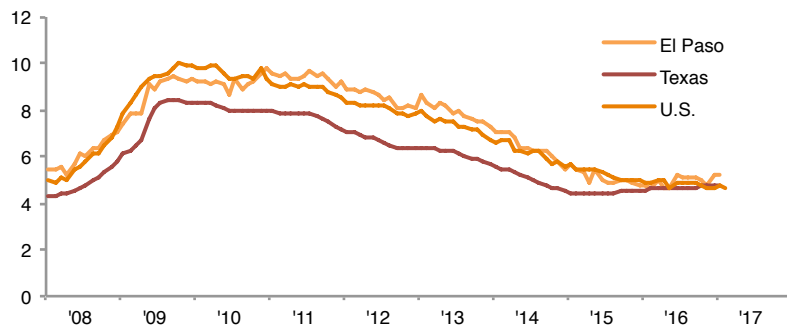
SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index posted annualized growth of 1.6 percent in January. The gains are due to increases in the job market. However, although the index continues to advance, growth has slowed from 2016's robust expansion.

### Employment

#### Unemployment Rate

Percent\*



\*Seasonally adjusted.

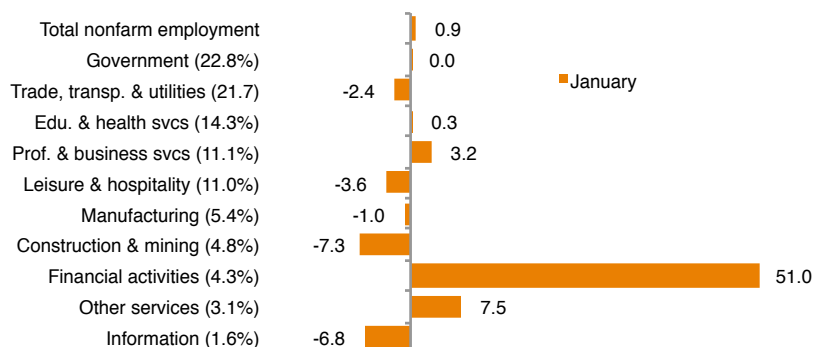
SOURCE: Bureau of Labor Statistics.

► The El Paso unemployment rate in January remained unchanged from December at 5.2 percent, which was above both the U.S. and Texas rates of 4.8 percent.

► January job growth was mixed. Government posted no growth, while trade, transportation and utilities inched down 2.4 percent. Together, these industries account for over 40 percent of all jobs in El Paso. Leisure and hospitality, manufacturing, and construction and mining also shed jobs in January. However, professional and business services, financial activities and other services posted gains, offsetting declines in the other sectors. Overall, El Paso posted an annualized growth rate of 0.9 percent in January.

► The annual Bureau of Labor Statistics benchmark shows a significant upward revision in El Paso employment growth for 2016 to 3.1 percent, up from the 2.5 percent reported in the previous issue of this publication. Revised figures show that El Paso added over 9,300 jobs in 2016, with trade, transportation and utilities accounting for nearly a third of the job gains.

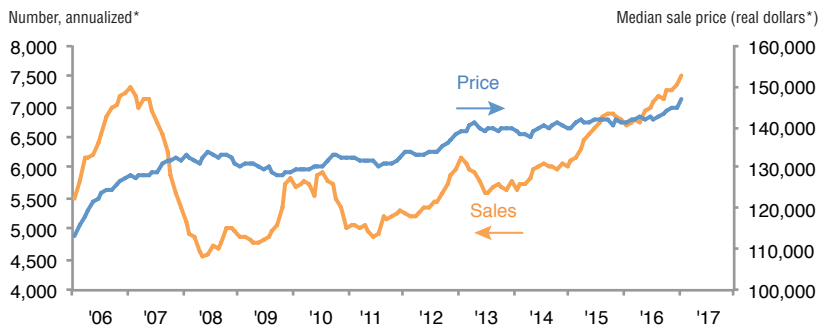
#### Employment Growth by Sector



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.

## Existing-Home Sales



\*Seasonally adjusted, six-month moving average.

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

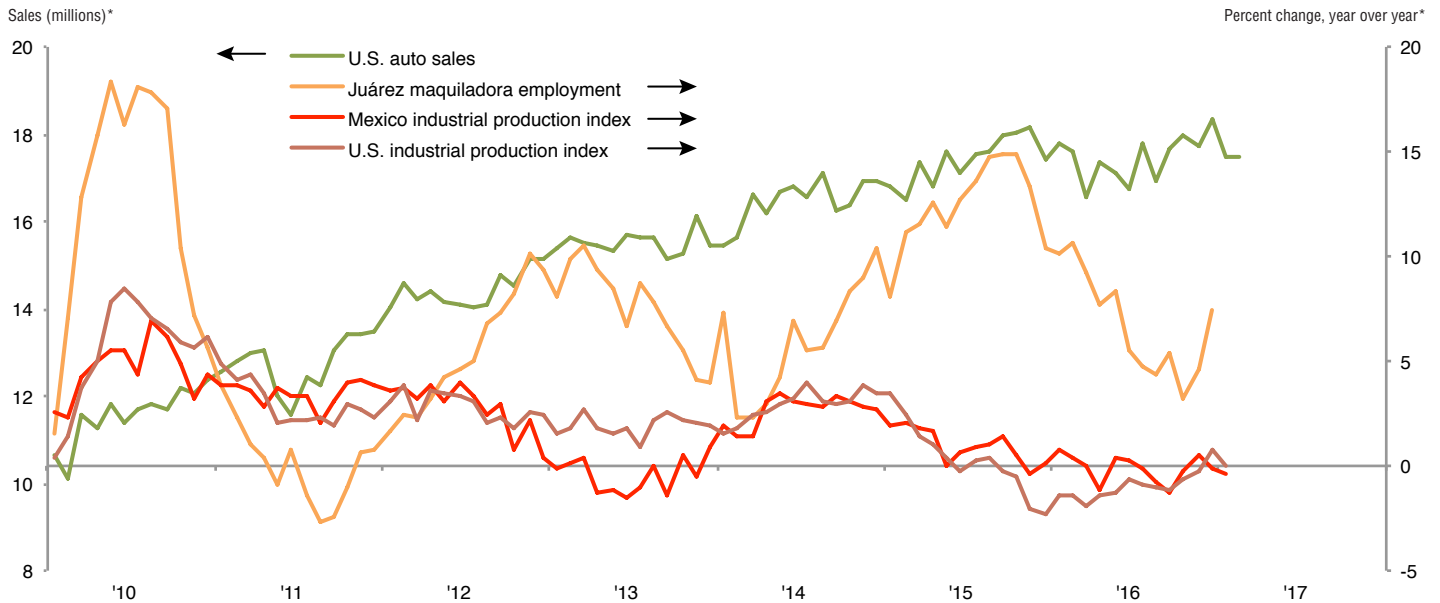
► The El Paso housing market remains strong. Home sales reached a postrecession high in January, with annualized sales of 7,521. Home prices had remained stable, but the strength in sales has pushed prices up. In January, the median home price stood at \$146,994, up 3.9 percent from \$141,419 in January 2016.

## Juárez Maquiladora Activity

► U.S. industrial production rose 0.3 percent year over year in February. The Institute for Supply Management manufacturing index rose to 57.7 in February from 56 in January. Its associated new-orders index—a leading indicator of industrial activity—also increased, from 60.4 in January to 65.1 in February.

► As the U.S. industrial sector continues to show growth, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment totaled over 266,000 in December (latest data available), up 7.5 percent from a year ago.

► U.S. auto and light-truck production rose to 11.7 million units in February from 11.6 million in January. Meanwhile, U.S. auto sales in February remained unchanged at 17.5 million units on an annual basis. Auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez 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.

Questions regarding *El Paso Economic Indicators* can be addressed to Marycruz De León at [marycruz.deleon@dal.frb.org](mailto:marycruz.deleon@dal.frb.org).

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