

June 28, 2018

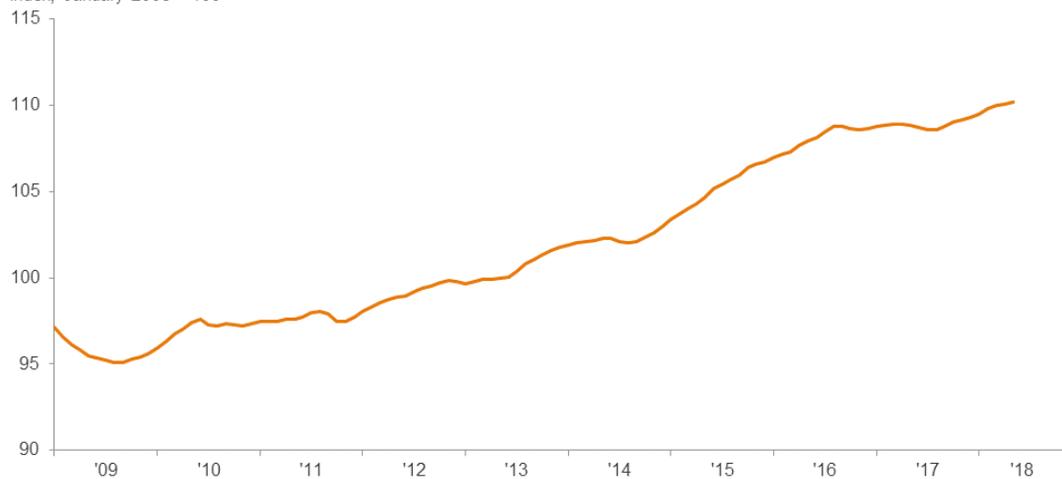
The El Paso economy continues to expand. The labor market keeps growing, and home sales remained near-record levels in May. Trade through the El Paso Port of Entry rose, while maquiladora employment remained steady.

Business-Cycle Index

The El Paso Business-Cycle Index rose at a 1.5 percent annualized rate in May, faster than the 0.7 percent increase in April (*Chart 1*). The stronger growth in the index is attributed to the expanding labor market.

Chart 1
El Paso Business-Cycle Index

Index, January 2008 = 100*

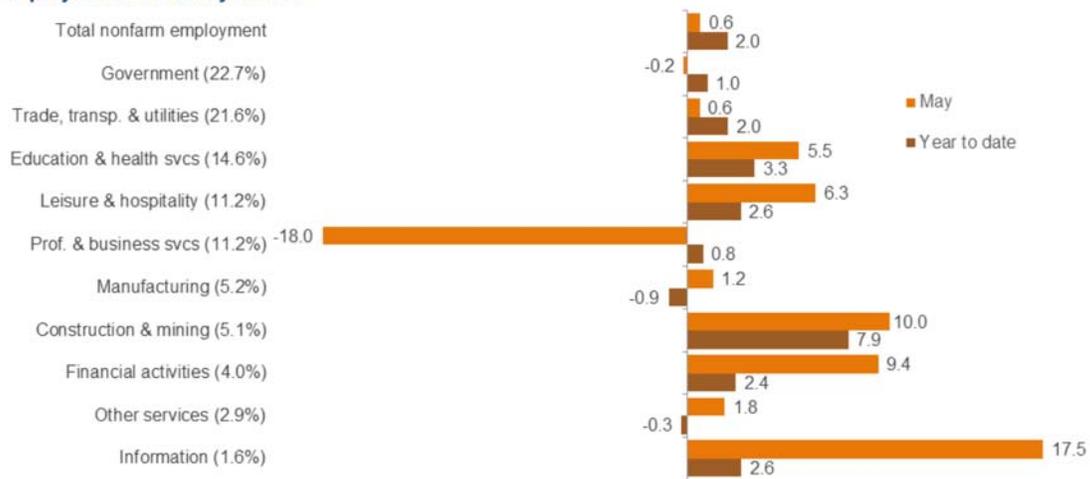


*Seasonally adjusted, monthly.
SOURCE: Dallas Fed.

Labor Market

In May, El Paso jobs inched up an annualized 0.6 percent. Slower growth was due to declines in government and professional and business services (*Chart 2*).

Chart 2
Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector. 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.

Year to date, El Paso's labor market grew an annualized 2.0 percent, adding over 2,500 jobs. The year-to-date gain in jobs was led by education and health care services, trade, transportation and utilities, and construction and mining.

The unemployment rate fell slightly to 4.3 percent in May. The El Paso unemployment rate is higher than the Texas rate of 4.1 percent and the U.S. rate of 3.8 percent.

Housing Market

In May, existing-home sales in El Paso stood at an annualized 8,395, up 10.2 percent from a year ago and near April's all-time high of 8,399 (*Chart 3*). As home sales have picked up, the median home price remains little changed over the past year; in May, it was \$153,698, up 0.7 percent from a year ago.

Chart 3
Existing-Home Sales and Median Home Price



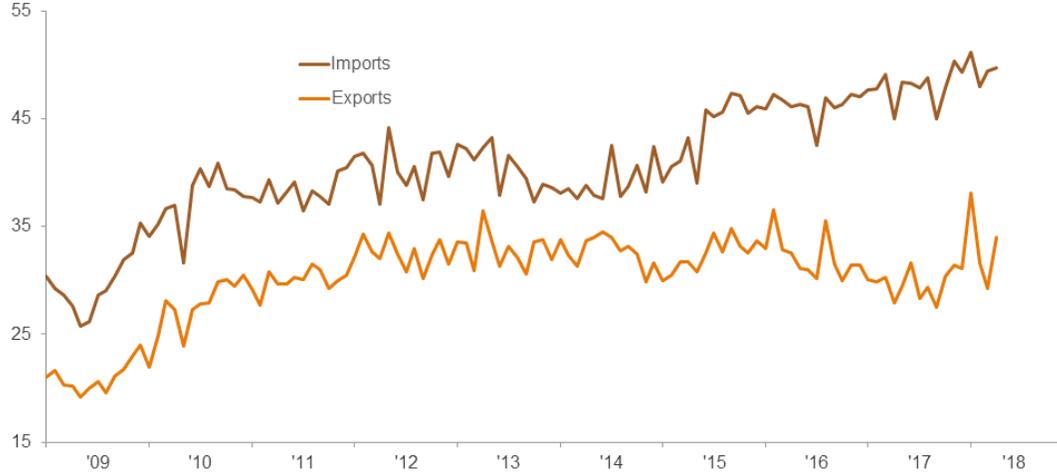
*Seasonally adjusted, six-month moving average.
SOURCES: Real Estate Center at Texas A&M University; adjustments by the Dallas Fed.

Trade

Annualized total trade in El Paso was \$83.8 billion, up 14.9 percent from a year earlier (*Chart 4*). The gain was driven by increases in both exports and imports. Exports totaled \$34.0 billion in May, up 21.4 percent from the previous year, while imports reached \$49.8 billion, up 10.5 percent.

Chart 4
Trade

Real dollars (billions)*



*Seasonally adjusted, annualized.

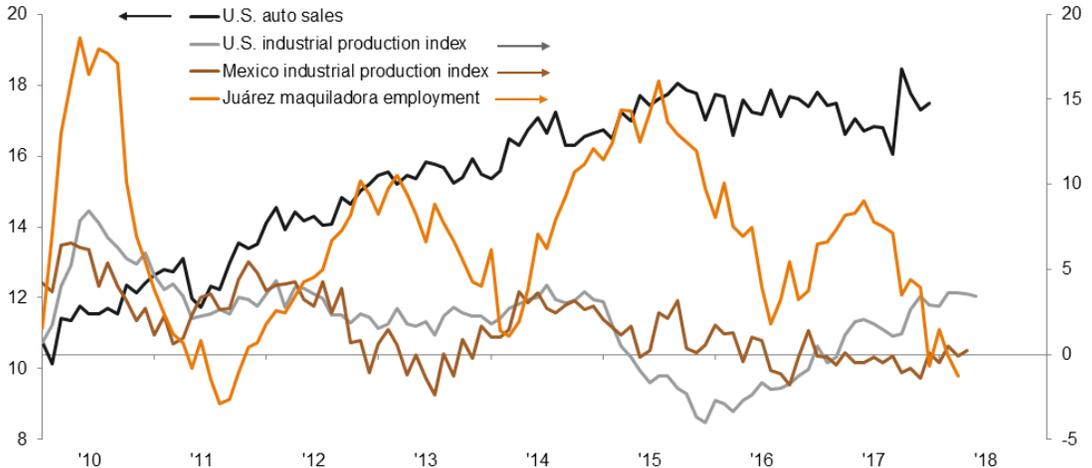
SOURCES: Census Bureau; adjustments by the Dallas Fed.

Juárez Maquiladora Activity

U.S. industrial production rose 3.5 percent year over year (*Chart 5*). The Institute for Supply Management manufacturing index rose to 58.7 in May from 57.3 in April.

Chart 5
Juárez Maquiladora Activity

Sales (millions), annualized*



*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.

Meanwhile, Juárez manufacturing employment has steadied. According to Mexico's IMMEX series, Juárez maquiladora jobs totaled about 270,000 in March, down 1.3 percent from a year earlier.

U.S. industrial production and auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez are auto related. U.S. monthly auto sales totaled 17.0 million in May, up 0.9 percent from the previous year.

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

About El Paso Economic Indicators

Questions can be addressed to Marycruz De León at marycruz.deleon@dal.frb.org. *El Paso Economic Indicators* is released on the fourth Wednesday of every month.