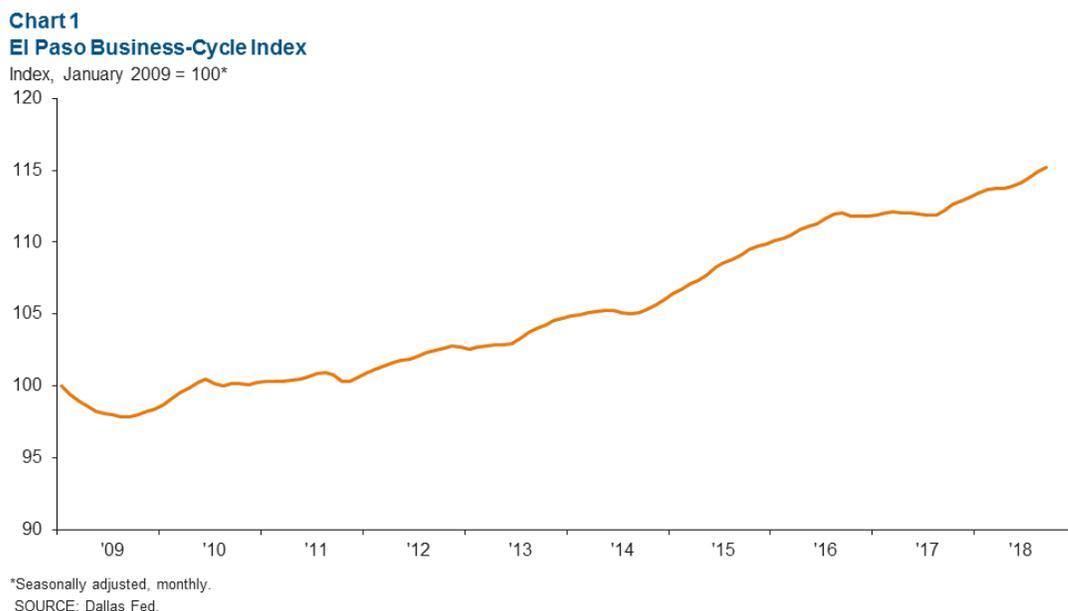


October 25, 2018

Growth in El Paso remains broad based, with the metro area adding jobs at a 3.3 percent annualized rate in September. Home sales are at an all-time high, while home price appreciation is moderate. Trade through the port is above year-ago levels, while maquiladora employment remains steady.

Business-Cycle Index

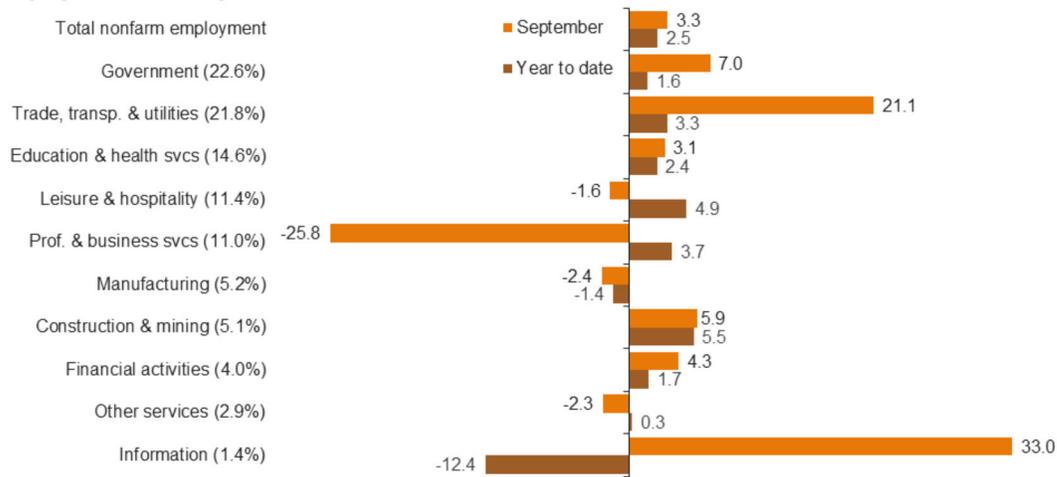
The El Paso Business-Cycle Index advanced at a 3.5 percent annualized rate in August (*Chart 1*). The strong growth in the index seen in 2018 is attributed to the robust labor market.



Labor Market

Year to date, El Paso payrolls have expanded at an annualized rate of 2.5 percent and added over 5,700 jobs (*Chart 2*). Growth has been broad based with the majority of sectors adding jobs. Trade, transportation and utilities added about 1,600 jobs in 2018, more than any other sector. Manufacturing and information, which together account for 7 percent of total metro jobs, are the only sectors that have posted year-to-date losses. The jobless rate in El Paso inched up to 4.3 percent in September from 4.2 percent in August. The El Paso rate stands slightly above the state and U.S. unemployment rates of 3.8 and 3.7 percent, respectively.

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.

Housing Market

Existing-home sales remain near an all-time high. In September, sales totaled 8,702, 13.5 percent above year-ago levels (*Chart 3*). Sales remain elevated, while home price appreciation is still modest. In September, the median home price stood at \$155,096, up 1.1 percent from a year ago.

Chart 3
Existing-Home Sales and Median Home Price



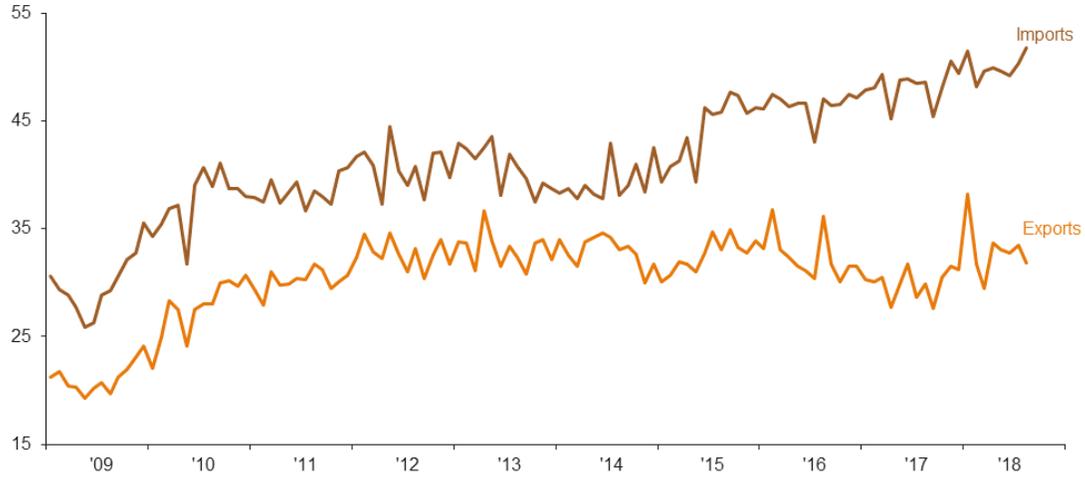
*Seasonally adjusted, six-month moving average
 SOURCES: Real Estate Center at Texas A&M; adjustments by the Dallas Fed.

Trade

Annualized total trade in El Paso was nearly \$83.7 billion in August, up 6.5 percent from \$78.6 billion a year earlier (*Chart 4*). The gain was driven by increases in both exports and imports. Exports totaled \$31.8 billion in August, while imports amounted to \$51.8 billion.

Chart 4
Trade

Real dollars (billions)*



*Seasonally adjusted, annualized.

SOURCES: Census Bureau; adjustments by the Dallas Fed.

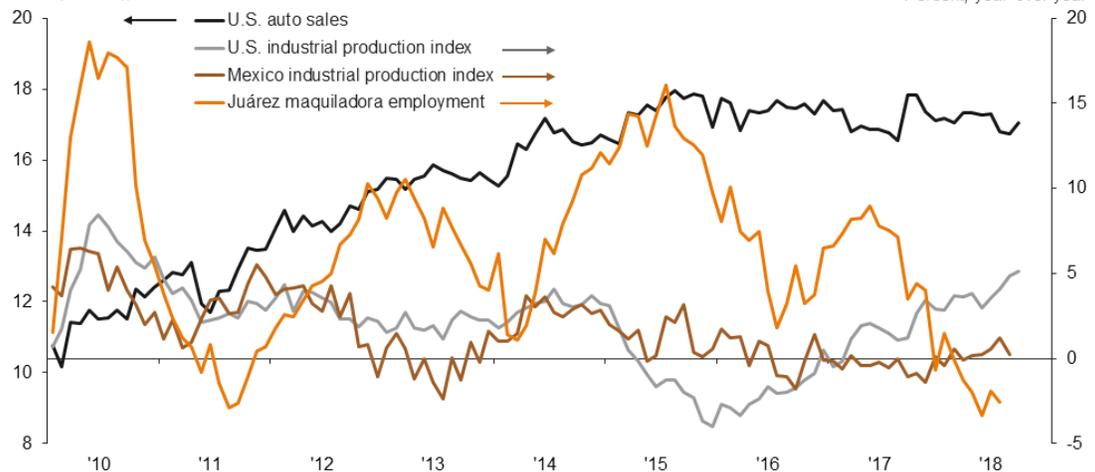
Industrial Production and Maquiladora Activity

U.S. industrial production continues to climb, up 5.1 percent year over year in September (*Chart 5*). The Institute for Supply Management manufacturing index stood at 59.8 in September, well above 50, which signals expansion. U.S. and Mexican production and manufacturing trends are important to the local economy because of cross-border manufacturing relationships.

Chart 5

Juárez Maquiladora and Related 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.

Across the border from El Paso, Juárez manufacturing employment has slowed, likely linked to a tight labor market there. According to Mexico's official series, Juárez maquiladora jobs totaled about 268,300 in July, down 2.5 percent from a year earlier.

U.S. auto and light-truck production was 11.3 million in September, above the 10.4 million units from a year earlier. Meanwhile, monthly auto sales rose to 17.1 million, but remained below the 17.8 million from a year earlier. Auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez are auto related.

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

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