Southern New Mexico Economic Indicators

Federal Reserve Bank of Dallas

Third Quarter 2018

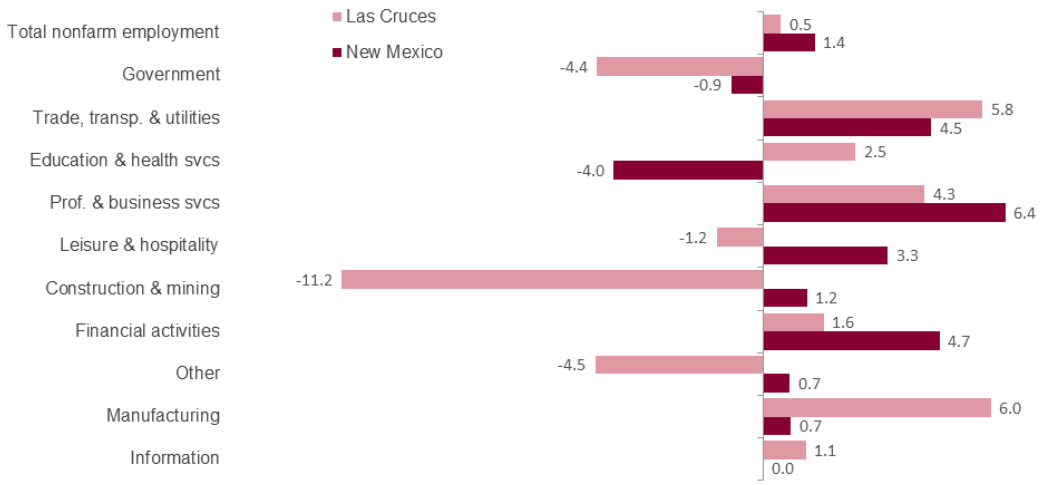
Employment levels inched up in Las Cruces in the second quarter, while the state posted much stronger growth. Trade through the port is rising, and the rig count is well above year-ago levels. Single-family housing permits are increasing, boosted by stronger home sales.

Labor Market

Las Cruces Employment Stagnant

In the first half of 2018, employment in Las Cruces inched up an annualized 0.5 percent, adding approximately 160 jobs (*Chart 1*). Meanwhile, employment in the state has posted stronger growth. In the first six months of the year, the state added 5,700 jobs, growing an annualized 1.4 percent.

Chart 1
Employment Growth



NOTES: Data show seasonally adjusted and annualized percentage employment growth by sector for December 2017–June 2018. Industries are listed from top to bottom by share of total nonfarm employment in the state.

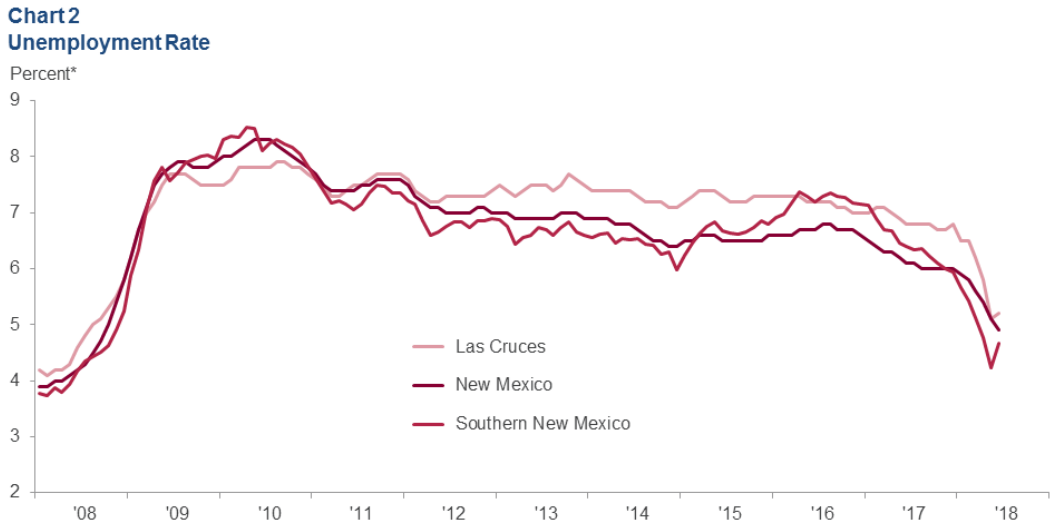
SOURCE: Bureau of Labor Statistics.

Job growth in Las Cruces has been mixed with several sectors posting jobs losses, including government, the largest sector.

Meanwhile, the state has seen broad-based growth in the first half of the year. Except for declines in government and education and health services, all other sectors in the state posted growth.

Southern New Mexico Unemployment Rate Increases

The Las Cruces unemployment rate inched up to 5.2 percent in June, from 5.1 percent in May (*Chart 2*). The southern New Mexico unemployment rate also rose to 4.7 percent from 4.2 percent.



*Seasonally adjusted.

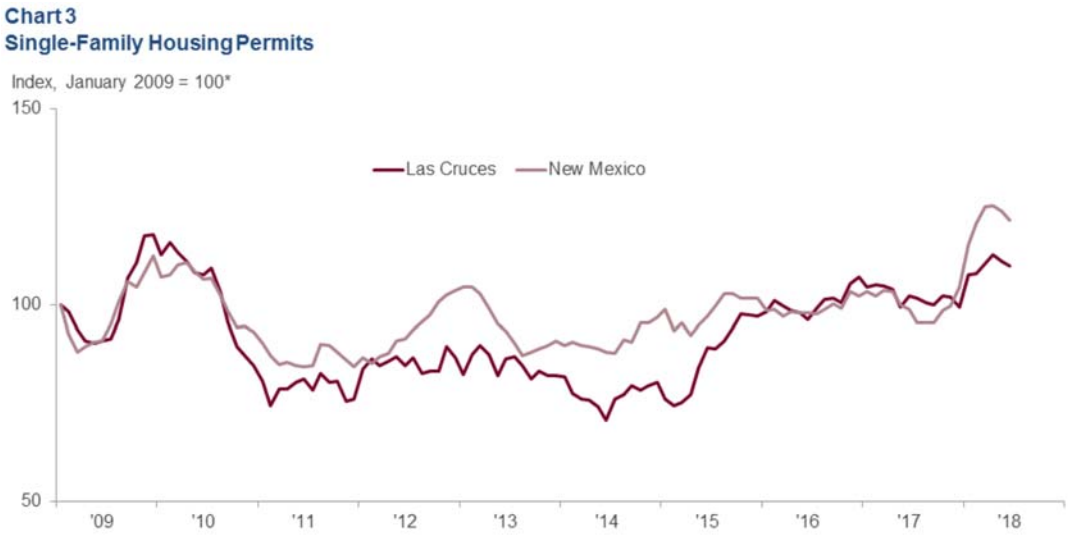
NOTES: All New Mexico counties within the Federal Reserve's Eleventh District are counted as part of southern New Mexico. Las Cruces is excluded from southern New Mexico to better gauge unemployment levels outside the region's largest population center.

SOURCE: Bureau of Labor Statistics.

The statewide jobless rate continues to trend downward, falling to 4.9 percent in June from 5.1 percent in May.

Single-Family Construction

Homebuilding is rising in both Las Cruces and New Mexico, boosted by strong demand. Single-family housing permits have risen in 2018 (*Chart 3*). Permits through the first six months of the year in Las Cruces are up 6 percent compared with the same period last year. Homebuilding is strong in the state; New Mexico permits for the same time period are up 16.5 percent.



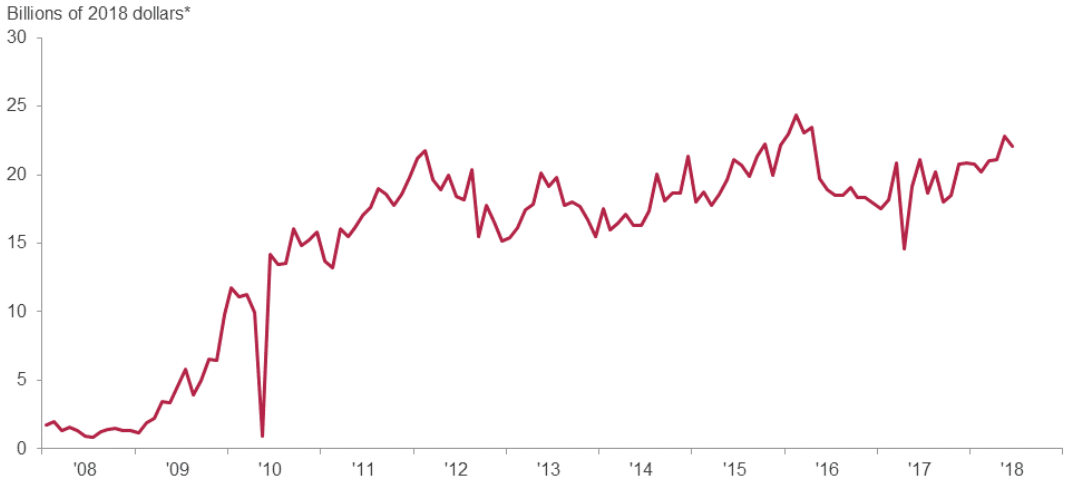
*Seasoannly adjusted; six-month moving average

SOURCE: Census Bureau.

Santa Teresa Port Trade

Annualized total trade through the Santa Teresa port of entry totaled over $22.1 billion in June, up 4.8 percent from a year earlier (*Chart 4*). Imports rose 20.4 percent to $12.3 billion in June, while exports fell 9.8 percent to $9.8 billion.

Chart 4
Santa Teresa Port Total Trade



*Seasonally adjusted, annualized.
SOURCE: Census Bureau.

Commodity Markets

Rig Count Still on the Rise

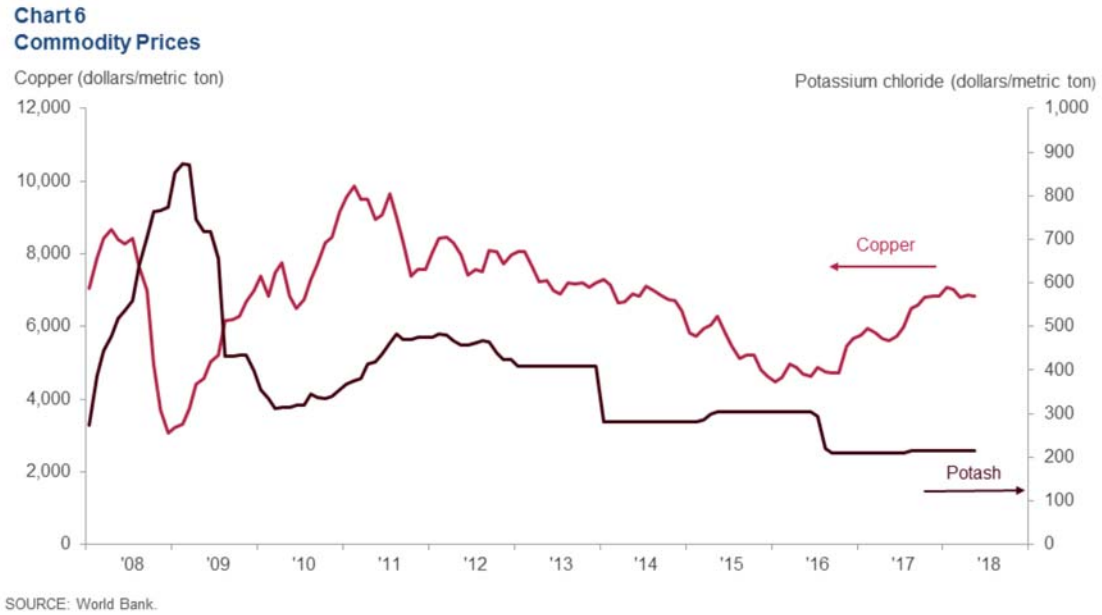
Strong energy prices continue to boost the rig count and production (*Chart 5*). In July, the New Mexico rig count stood at 101, nearly reaching the December 2014 peak of 102 rigs. Crude oil production also continues to rise. Production totaled 651,000 barrels per day in May 2018, up from 586,000 barrels per day in February.

Chart 5
Rig Count and Oil Production

SOURCES: Baker Hughes; U.S. Department of Energy.

Copper Prices Trend Up, Potash Remains Stable

In addition to oil and natural gas, southern New Mexico's economy is dependent on other commodities, such as potash, copper and silver. According to the New Mexico Energy, Minerals and Natural Resources Department, the state ranked first in domestic potash production in 2015. Potash prices have been stable since mid-2016 and stood at $216 per metric ton as of June 2018, up 3.3 percent from June 2017 (*Chart 6*). Copper prices have stabilized over the last month, but are still nearly 20 percent above year-ago levels. In June, they averaged $6,825.27 per metric ton.



NOTES: Data may not match previously published numbers due to revisions. All New Mexico counties within the Federal Reserve's Eleventh District are counted as part of southern New Mexico. Las Cruces is excluded from southern New Mexico to better gauge unemployment levels outside the region's largest population center.

About Southern New Mexico Economic Indicators

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