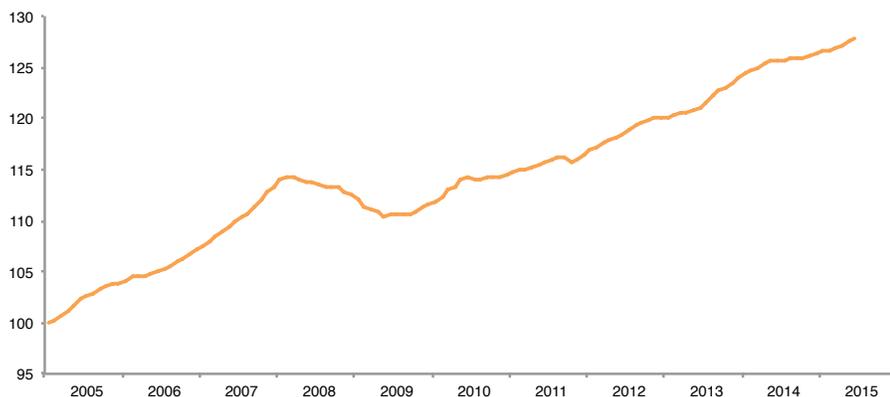


FEDERAL RESERVE BANK OF DALLAS • JULY 31, 2015

Summary The El Paso economy continued to expand in June. Job growth picked up to a 2.8 percent annualized rate, stronger than the state rate of 1.8 percent. The healthy job gains are boosting the local housing market. May trade flows through the El Paso port of entry slowed despite robust maquiladora activity in Ciudad Juárez.

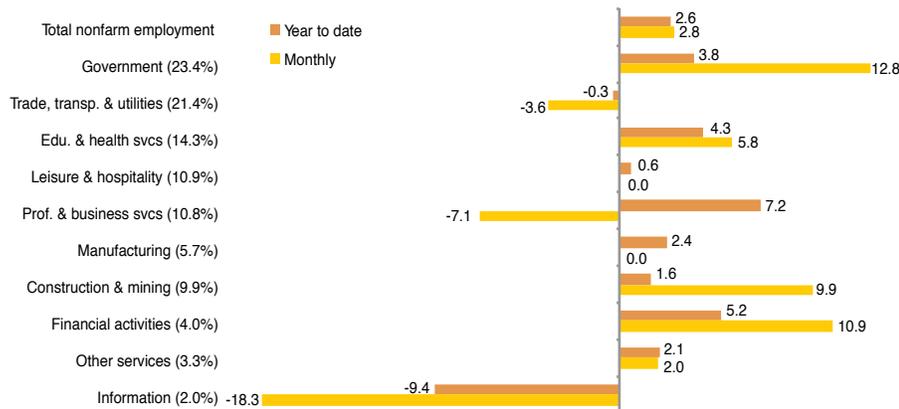
El Paso Business-Cycle Index

Index, January 2005 = 100



► The El Paso Business-Cycle Index continued to advance in June. The index posted a 3.5 percent annualized growth rate, the fastest since February 2014. Job creation and a decline in the unemployment rate have contributed to the gains.

Employment Growth by Sector



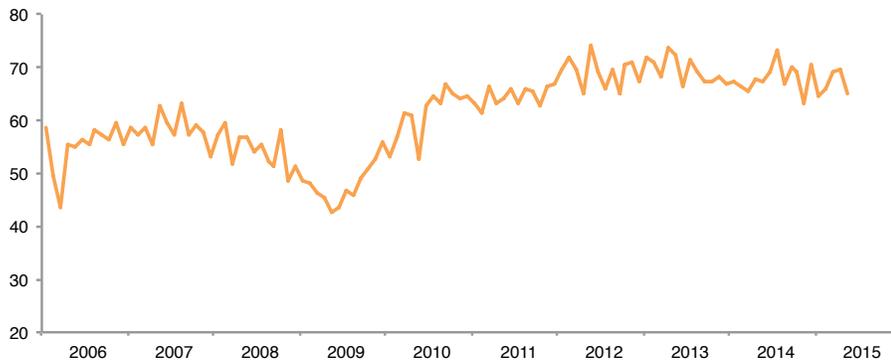
► El Paso employment grew at a 2.6 percent annualized rate over the first half of the year, adding nearly 4,000 jobs. Professional and business services, education and health care services, and government accounted for 80 percent of the year-to-date job growth. Meanwhile, employment in the information sector has posted the largest decline, followed by trade, transportation and utilities.

► The El Paso unemployment rate continues to trend down. In June, the rate stood at 4.9 percent, dropping from 5.0 percent in May. The El Paso reading continues to be above the Texas rate, which stood at 4.2 percent in June but sits below the U.S. rate, which averaged 5.3 percent.

NOTES: Annualized and seasonally adjusted percentage growth by employment supersector. Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

Total Trade

Billions of real dollars*

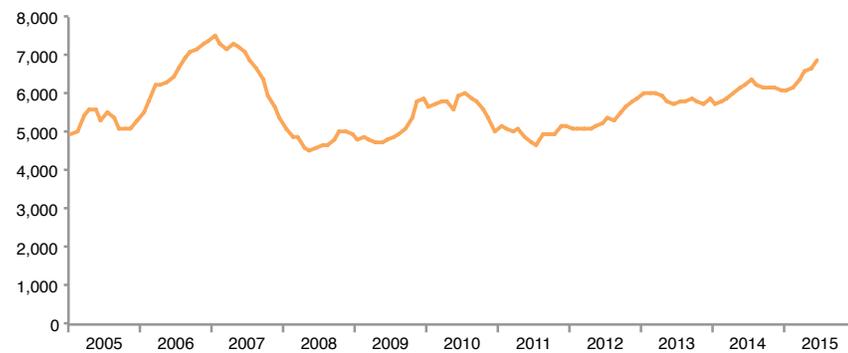


*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in May declined 3.3 percent from a year earlier. Imports rose 2.9 percent; however, the import gains were not enough to offset a 10 percent decline in exports. Total trade (exports plus imports) was \$65.2 billion annualized, compared with \$67.4 billion in May 2014.

Home Sales

Number, annualized*



*Seasonally adjusted; six-month moving average.

► Existing-home sales in El Paso have strengthened throughout the year. In June, home sales stood at 6,857, up nearly 10 percent from a year ago when home sales totaled 6,261. Despite the rise in sales, inventory levels remain relatively flat. In June, months of supply stood at 7.6 months, compared with 7.8 months a year earlier. The median price has also remained relatively flat over the last year. The median price of \$147,700 is up less than 1 percent from a year ago.

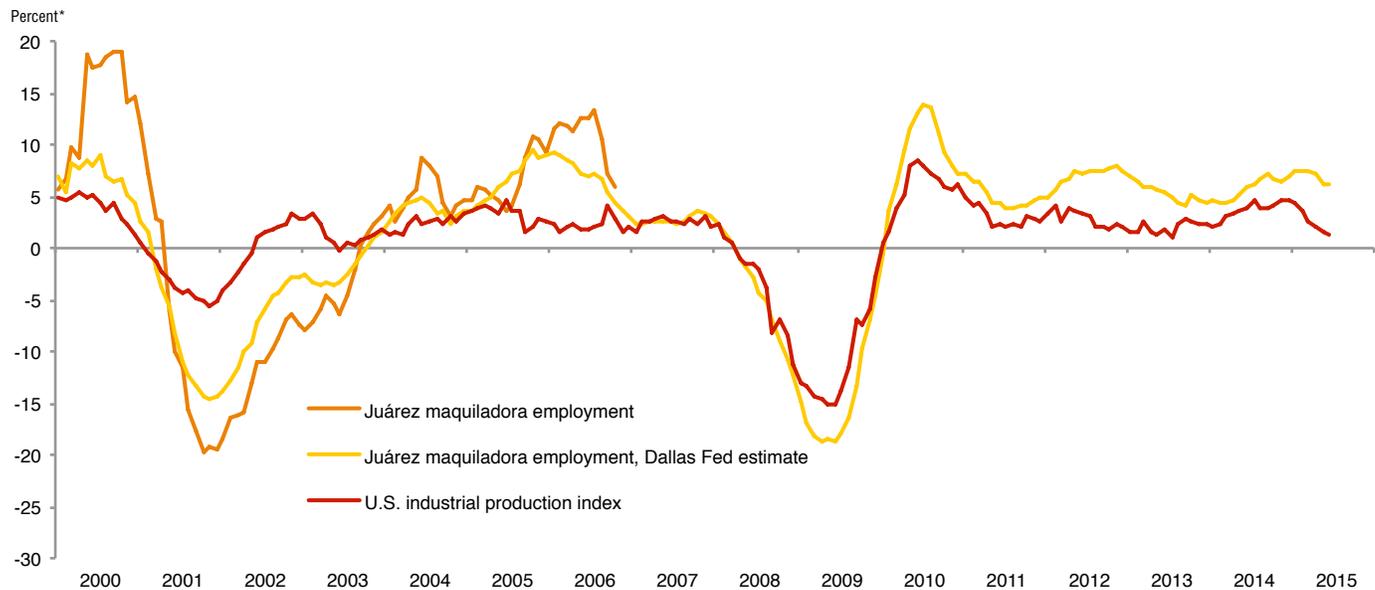
U.S. Manufacturing and Juárez Maquiladora Employment

► U.S. industrial production rose 0.3 percent in June. Similarly, the Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, also continued to signal expansion in the sector.

► Maquiladoras south of the Rio Grande continue to add jobs, according to a Dallas Fed model based on the U.S. industrial production index and Chihuahua manufacturing employment. The model has been used to track maquiladora employment in the Chihuahua city of Juárez since Mexico changed

its methodology in 2006. According to the model, June maquiladora employment rose 6.2 percent from a year ago, while formal manufacturing employment in the Mexican state of Chihuahua increased 7.8 percent over the same time period.

► U.S. auto and light truck production totaled 11.5 million units in June, while U.S. auto sales stood at a robust 17.1 million units on an annual basis. The strong auto sales are good news for the local economy because roughly half of the maquiladoras across the Rio Grande are auto related.



*Year-over-year change; seasonally adjusted.

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

SOURCES: **El Paso Business-Cycle Index:** Dallas Fed; **employment growth by sector:** Dallas Fed and Bureau of Labor Statistics; **total trade:** Census Bureau and Foreign Trade Division; **home sales:** Texas A&M University Real Estate Center; **U.S. manufacturing and Juárez maquiladora employment:** Instituto Nacional de Estadística y Geografía, Federal Reserve Board and Dallas Fed, El Paso Branch.

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