

El Paso Economic Indicators

DALLAS FED

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Summary The El Paso economy continued to expand in July. Payrolls rose at a 0.8 percent annualized rate as growth in services offset declines in the goods-producing sector. Job gains continue to boost the local housing market. June trade flows through the El Paso port of entry also moved up as maquiladora activity in Ciudad Juárez remained strong.

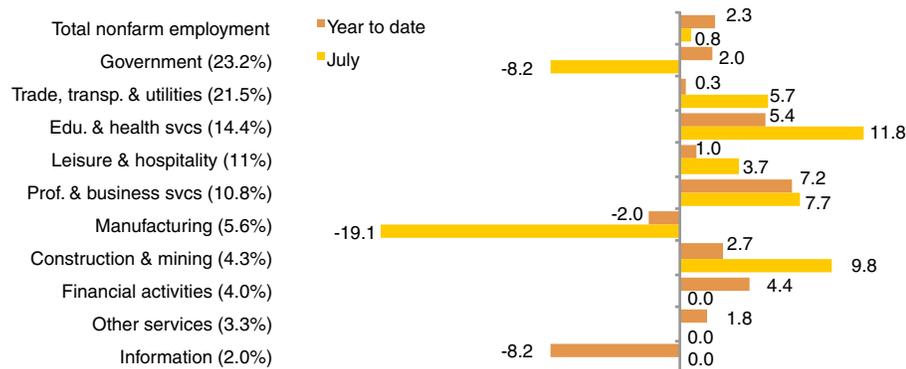
El Paso Business-Cycle Index

Index, January 2007 = 100



► The El Paso Business-Cycle Index continued to advance in July, although at a slower pace. The index posted a 2.8 percent annualized growth rate, compared with 3.4 percent in June.

Employment Growth by Sector



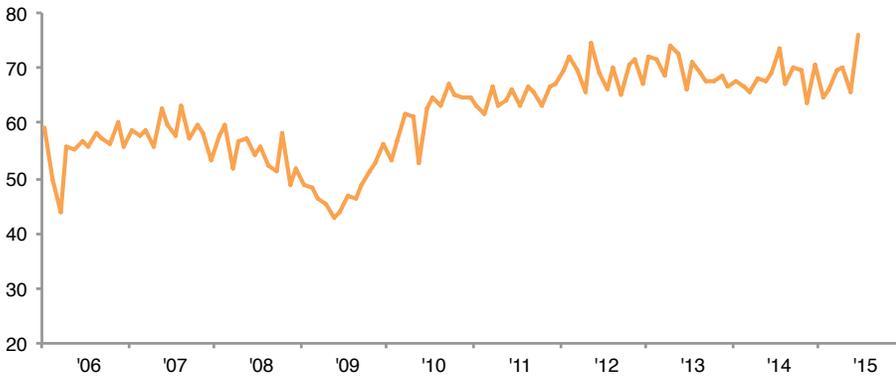
► El Paso employment grew at a 2.3 percent annualized rate over the first seven months of 2015, adding 4,000 jobs. Year to date, gains have been broad based across industries. The strongest increases have been in professional and business services, and education and health services.

► El Paso unemployment continues to trend downward, although the rate ticked up to 5.0 percent in July from 4.9 percent in June. The El Paso reading continues to be above the Texas rate, which was unchanged at 4.2 percent in July, but below the U.S. rate, which averaged 5.3 percent.

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.

Total Trade

Real dollars (billions)*



*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in June jumped nearly 10 percent from a year earlier. Exports declined 4.9 percent, but imports rose more than 20 percent. Total trade (exports plus imports) was \$75.9 billion annualized in June, compared with \$69.2 billion in June 2014.

Home Sales

Number, annualized*



*Seasonally adjusted; six-month moving average.

► Existing-home sales in El Paso continue to rise. July sales totaled 6,967, up 9.7 percent from the same month last year. The strength in home sales has also boosted new-home construction. Single-family permits totaled over 2,500 on an annualized basis in June, up from 2,300 a year earlier. The median home price stood at \$148,600 in July, a slight increase from July 2014. Inventory remained at 7.6 months of supply in July, down from 8.3 a year ago.

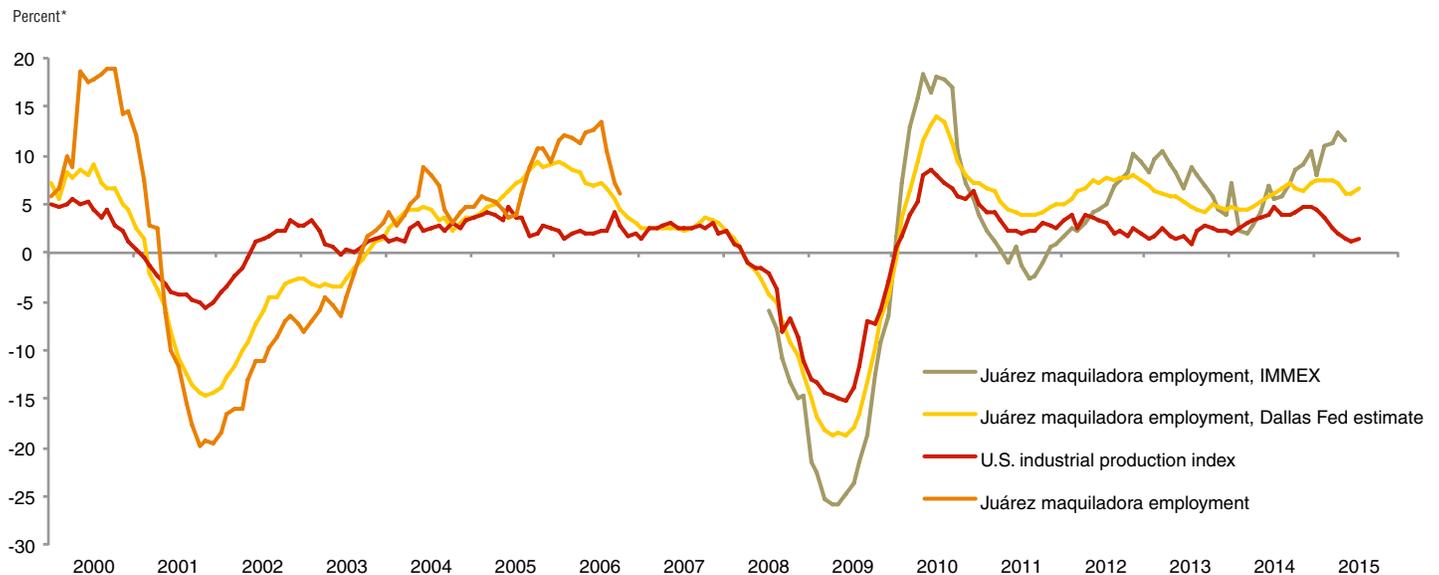
U.S. Manufacturing and Juárez Maquiladora Employment

► U.S. industrial production (IP) rose 0.6 percent in July. Meanwhile, the Institute for Supply Management manufacturing index ticked down, but its associated new-orders index—a leading indicator of industrial activity—signaled expansion in the sector.

► This bodes well for Mexico's maquiladoras, which continue to add jobs, according to a Dallas Fed model based on the U.S. IP index and manufacturing employment in the Mexican state of Chihuahua. The model has been used to track maquiladora employment in the Chihuahua city of Juárez since Mexico changed its methodology in 2006. Based on the model, July maquiladora

employment rose 6.7 percent from a year ago, while formal manufacturing employment in Chihuahua increased 9.6 percent. According to Mexico's newer maquiladora data (IMMEX), Juárez maquiladora employment rose 11.4 percent year over year in May (the latest data available), down from April's year-over-year reading.

► U.S. auto and light truck production jumped in July to 13.3 million units, while U.S. auto sales were a robust 17.5 million units on an annual basis. The strong sales are good news for the local economy because roughly half of maquiladoras 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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