

El Paso Economic Indicators

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Summary The El Paso economy expanded in November. Year to date, payroll employment grew at an annualized pace of 3.5 percent, higher than the state's 1.3 percent. The rate of existing-home sales slowed in November, while the median home price climbed from a year ago. October trade flows increased as maquiladora activity in Ciudad Juárez remained robust.

El Paso Business-Cycle Index

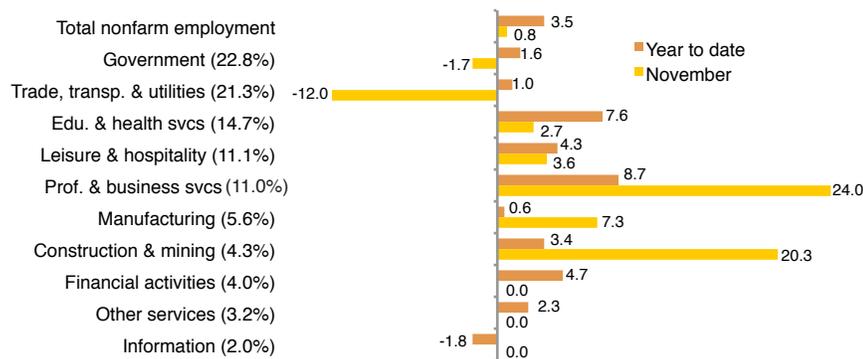
Index, January 2007 = 100*



*Monthly, seasonally adjusted.

► The El Paso Business-Cycle Index decelerated slightly to a 2.4 percent annualized pace from October to November. Solid job growth has kept the index growing at healthy rates all year.

Employment Growth by Sector



► El Paso has added over 9,000 jobs through November, and gains have been broad based across industries. The strongest increases have been in professional and business services, and education and health services.

► In November, the unemployment rate was unchanged at 5.2 percent. The El Paso reading is above both the Texas rate of 4.6 percent and the U.S. rate of 5.0 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.

Trade Flows

Real dollars (billions)*

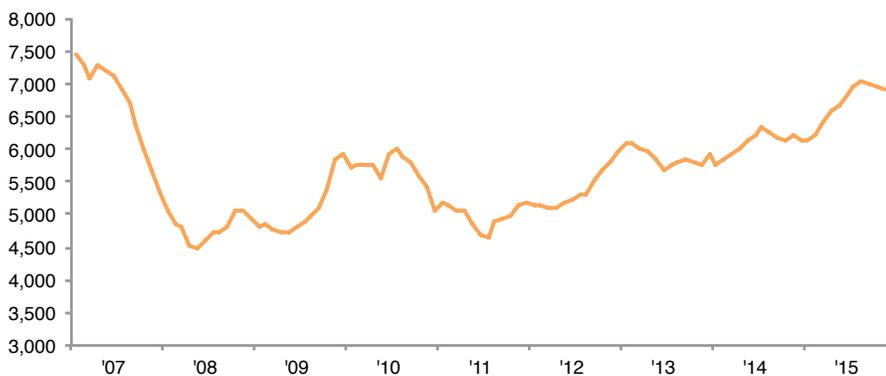


*Annualized, seasonally adjusted.

► Trade flows through the El Paso port of entry continue to rise from a year ago. In October, annualized total trade (exports plus imports) amounted to \$76.3 billion, up 9.7 percent from the same month last year. Imports climbed 16.1 percent over the same period, while exports rose 1.5 percent.

Existing-Home Sales

Number, annualized*



*Six-month moving average; seasonally adjusted.

► The rate of existing-home sales slowed in November from October. November sales totaled 6,898, up 2.8 percent from the same month last year. Home inventory levels fell slightly to 6.7 months. Meanwhile, the median home price rose to \$147,500, up from \$138,900 a year earlier.

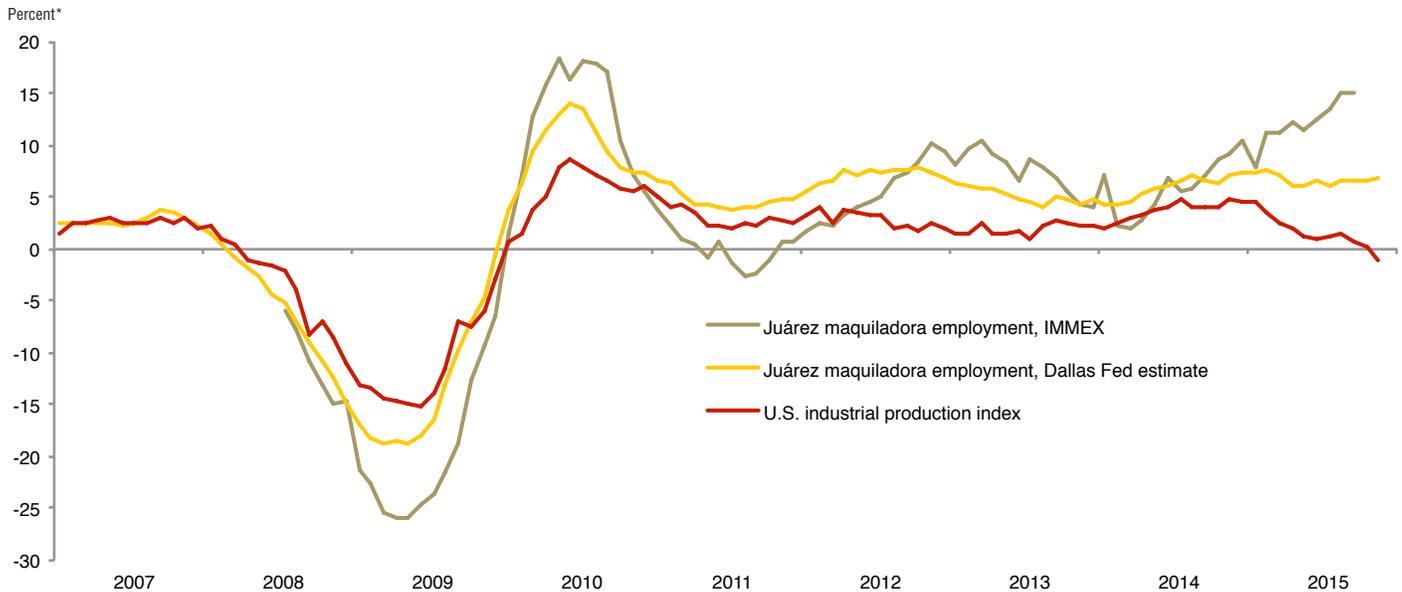
U.S. Manufacturing and Juárez Maquiladora Employment

► In November, U.S. industrial production (IP) fell 0.6 percent from October. The Institute for Supply Management manufacturing index and its associated new-orders index—a leading indicator of industrial activity—both ticked down in November.

► Despite the slowing in the U.S. industrial sector, Mexico’s maquiladoras 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. According to the model,

November maquiladora employment rose 7.0 percent from a year ago, while formal manufacturing employment in Chihuahua increased 9.8 percent. According to Mexico’s newer IMMEX series, Juárez manufacturing employment rose 15.1 percent year over year in September, the latest data available.

► U.S. auto and light truck production dipped slightly in November from October to 11.8 million units, while U.S. auto sales remained a robust 18.1 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:** Bureau of Labor Statistics (BLS), Texas Workforce Commission and Dallas Fed; **employment growth by sector:** BLS and adjustments by the Dallas Fed; **trade flows:** Census Bureau, Foreign Trade Division and adjustments by the Dallas Fed; **existing-home sales:** Texas A&M University Real Estate Center and adjustments by the Dallas Fed; **U.S. manufacturing and Juárez maquiladora employment:** Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography), Federal Reserve Board, Dallas Fed (El Paso Branch) and adjustments by the Dallas Fed.

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