

Economic Activity

El Paso Business-Cycle Index

Index, January 2000 = 100



► Economic activity in the El Paso metropolitan area continues to expand at a moderate pace, according to the Federal Reserve Bank of Dallas' El Paso Business-Cycle Index. Despite a recent slowdown in nonfarm payroll employment, the index in March registered 1.2 percent annualized growth, up from 0.8 percent in the first quarter last year.

Labor Market

Employment Growth (Month-over-month annualized rates*)

El Paso	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Nonfarm employment	4.2	-1.6	-2.5	0.0	-1.7	-1.2
Goods producing	-3.8	-21.1	-7.7	12.7	12.6	-11.2
Construction, mining & natural res.	0.0	-17.1	-17.3	32.9	9.8	0.0
Manufacturing	-6.5	-18.5	-6.6	7.1	0.0	-12.9
Services providing	5.3	0.9	-1.4	-1.8	-2.3	-0.9
Trade, transportation & utilities	2.0	12.5	4.0	-1.9	-7.5	10.2
Information	22.8	-18.5	-18.8	0.0	0.0	0.0
Financial activities	0.0	0.0	-9.5	0.0	10.5	0.0
Professional & business services	27.1	-3.9	-14.8	0.0	-7.8	-28.0
Educational & health services	6.2	-3.0	-3.0	3.1	0.0	3.1
Leisure & hospitality	4.0	4.0	0.0	0.0	4.0	0.0
Other services	-11.8	0.0	13.4	0.0	-11.8	13.4
Government	3.5	-3.4	0.0	-5.1	1.8	-1.7
Unemployment rate	8.7	8.5	8.3	7.9	8.1	7.6
Midland-Odessa						
Nonfarm employment	7.0	10.2	1.5	6.1	1.5	0.7
Unemployment rate	3.6	3.5	3.5	3.2	3.3	3.2
Las Cruces						
Nonfarm employment	1.7	1.7	0.0	0.0	0.0	1.7
Unemployment rate	7.3	7.3	7.3	7.4	7.5	N/A

► El Paso's nonfarm employment decreased in March at a 1.2 percent annualized rate. Job losses were concentrated in the professional and business services, and manufacturing sectors.

► El Paso's March unemployment rate stood at 7.6 percent. The Texas unemployment rate was 5.5 percent, while the national rate was 6.7 percent.

► Midland-Odessa, Texas, employment increased in March at a 0.7 percent annualized rate, and the unemployment rate stood at 3.2 percent.

► Nonfarm employment in Las Cruces, N.M., increased at a 1.7 percent annualized rate in March. The unemployment rate for February stood at 7.5 percent. For March, the New Mexico unemployment rate was 7 percent.

*Seasonally adjusted.

Trade Flows

El Paso Total Trade



*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in January decreased 6.6 percent on a 12-month basis. Total trade (exports plus imports) was more than \$65 billion annualized, compared with \$70 billion in January 2013. Despite the recent decrease, the level of trade has remained relatively healthy.

Regional Housing Markets

El Paso Home Sales



*Seasonally adjusted; six-month moving average.

► In February, El Paso home sales increased 13.7 percent on a 12-month basis. The median home price was \$136,300. Inventory levels continue on an upward trend and stood at 8.2 months in February, compared with 7.3 months in February of last year.

► The Midland–Odessa housing sector continues to improve, although growth in home sales has decelerated. Building permits have continued to rise at double-digit rates over the past several months.

Conditions in Chihuahua and Ciudad Juárez

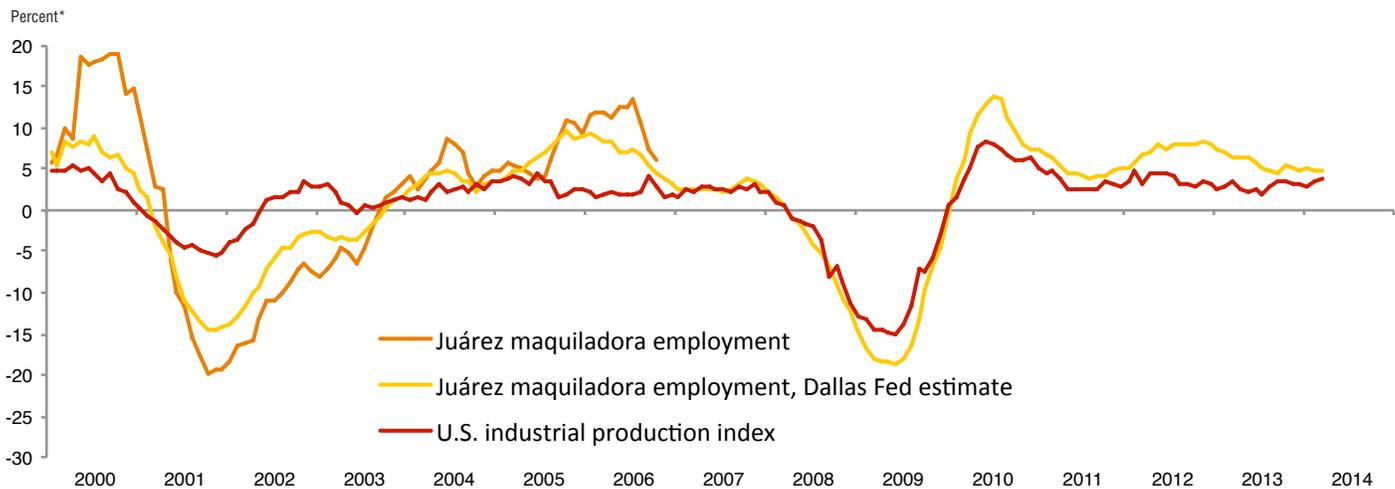
► U.S. industrial production increased in March at a 9.2 percent annualized rate. The Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, continued to signal expansion in the sector in March. Formal manufacturing employment in the Mexican state of Chihuahua increased 3.1 percent in March from December 2013.

► Maquiladoras south of the Rio Grande added more than 5,000 jobs over the first quarter of 2014, 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. From December 2012 to December 2013, maquiladoras added 12,500 jobs.

► U.S. auto and light truck production remained stable at around 11 million in March. In addition, U.S. auto sales increased to 16 million in March on an annual basis. This is good news for the local economy because roughly half of the maquiladoras across the Rio Grande are auto related.

U.S. Manufacturing and Ciudad Juárez Maquiladora Employment



*Year-over-year change; seasonally adjusted.

SOURCES

El Paso Business-Cycle Index: Federal Reserve Bank of Dallas, El Paso Branch.

Labor market: Federal Reserve Bank of Dallas; Bureau of Labor Statistics.

El Paso total trade: Census Bureau, Foreign Trade Division.

Home sales: Texas A&M University Real Estate Center.

U.S. manufacturing and maquiladora employment: Instituto Nacional de Estadística y Geografía; Federal Reserve Board; Federal Reserve Bank of Dallas, El Paso Branch.

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