

## Economic Activity

### El Paso Business-Cycle Index



► Economic activity in the El Paso metropolitan area accelerated during April, according to the Federal Reserve Bank of Dallas' El Paso Business-Cycle Index. After slowing during the first three months of the year, the index in April registered 5.9 percent annualized growth, up from 1.8 percent in the first quarter.

## Labor Market

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

<i>El Paso</i>	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
<b>Nonfarm employment</b>	<b>3.0</b>	<b>-2.1</b>	<b>0.0</b>	<b>-1.7</b>	<b>-0.4</b>	<b>7.3</b>
<b>Goods producing</b>	<b>-7.5</b>	<b>-3.9</b>	<b>17.0</b>	<b>8.1</b>	<b>-7.5</b>	<b>4.0</b>
Construction, mining & natural res.	-9.0	-9.1	32.6	9.7	0.0	9.6
Manufacturing	-6.5	0.0	7.0	0.0	-6.5	0.0
<b>Services providing</b>	<b>4.3</b>	<b>-1.8</b>	<b>-1.4</b>	<b>-2.8</b>	<b>0.5</b>	<b>7.2</b>
Trade, transportation & utilities	8.1	2.0	-3.8	-7.5	14.6	10.1
Information	22.3	-18.3	0.0	0.0	0.0	0.0
Financial activities	0.0	0.0	0.0	0.0	0.0	0.0
Professional & business services	8.4	0.0	0.0	-7.7	-27.9	50.2
Educational & health services	0.0	-5.9	0.0	3.1	3.1	3.1
Leisure & hospitality	0.0	3.9	0.0	3.9	0.0	3.9
Other services	13.9	-12.2	13.9	-12.2	13.9	0.0
Government	0.0	0.0	-6.8	1.8	0.0	-5.2
<b>Unemployment rate</b>	<b>8.5</b>	<b>8.3</b>	<b>7.9</b>	<b>8.1</b>	<b>7.6</b>	<b>7.3</b>
<i>Midland-Odessa</i>						
<b>Nonfarm employment</b>	<b>5.4</b>	<b>1.5</b>	<b>6.9</b>	<b>0.7</b>	<b>2.3</b>	<b>7.7</b>
<b>Unemployment rate</b>	<b>3.5</b>	<b>3.5</b>	<b>3.2</b>	<b>3.3</b>	<b>3.1</b>	<b>2.9</b>
<i>Las Cruces</i>						
<b>Nonfarm employment</b>	<b>3.5</b>	<b>-1.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-3.4</b>
<b>Unemployment rate</b>	<b>7.4</b>	<b>7.3</b>	<b>7.3</b>	<b>7.4</b>	<b>7.7</b>	<b>N/A</b>

► El Paso's nonfarm employment posted a strong reading in April, growing 7.3 percent on an annualized basis. Job gains were concentrated in the professional and business services; trade, transportation and utilities; and construction sectors.

► El Paso's April unemployment rate stood at 7.3 percent. The Texas unemployment rate was 5.2 percent, while the national rate was 6.3 percent.

► Midland-Odessa, Texas, employment increased in April at a 7.7 percent annualized rate, and the unemployment rate stood at 2.9 percent.

► Nonfarm employment in Las Cruces, N.M., decreased at a 3.4 percent annualized rate in April. The unemployment rate stood at 7.7 percent in March, the most recent data available. For April, the New Mexico unemployment rate was 6.8 percent.

\*Seasonally adjusted.

## Trade Flows

### El Paso Total Trade

Billions of real dollars\*



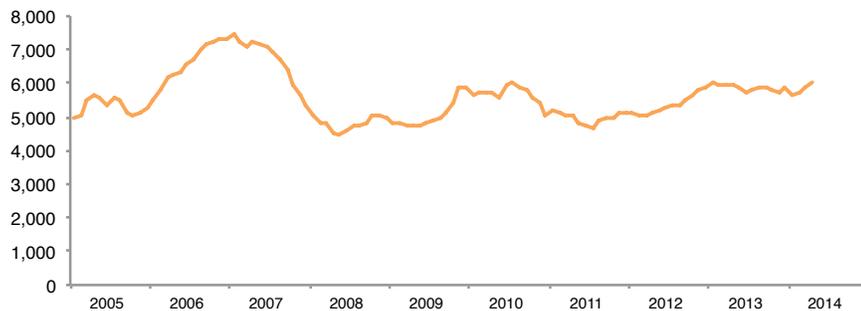
\*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in March decreased 4.3 percent on a 12-month basis. Total trade (exports plus imports) was \$64 billion annualized, compared with \$67 billion in March 2013.

## Regional Housing Markets

### El Paso Home Sales

Number, annualized\*



\*Seasonally adjusted; six-month moving average.

► In April, El Paso home sales increased 6.1 percent on a 12-month basis. The median home price was \$134,400. Inventory levels continue on an upward trend and stood at 8.3 months in April, compared with 7.2 months in April 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

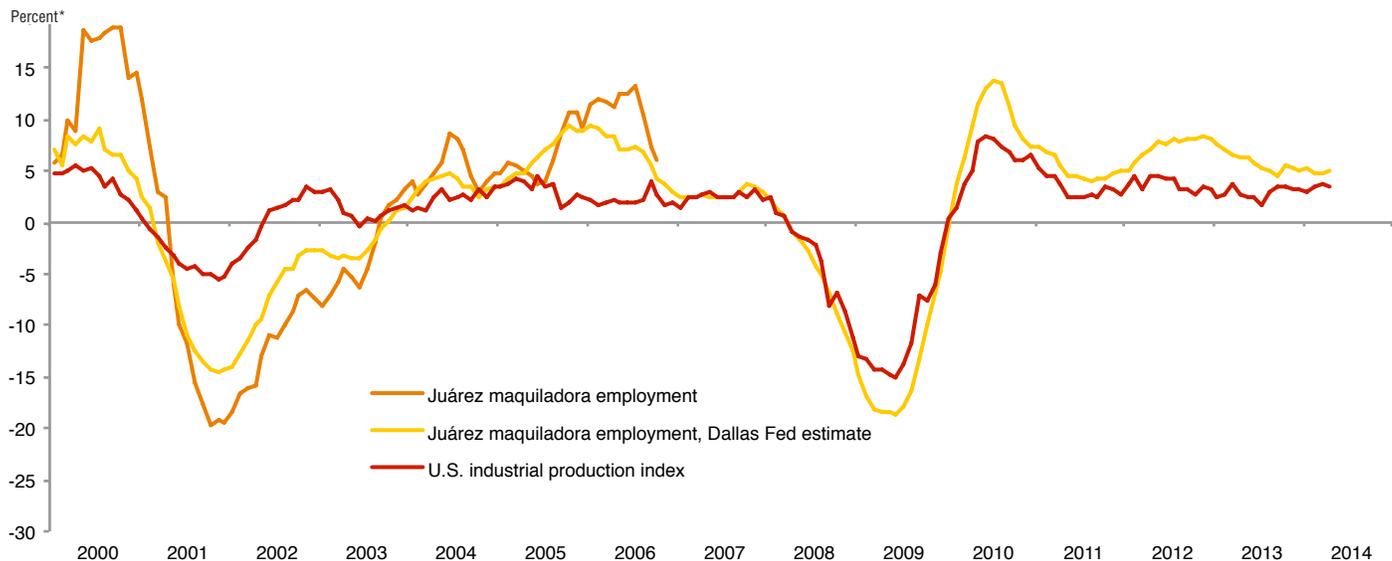
► U.S. industrial production (IP) decreased in April at a 6.6 percent annualized rate. The Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, continued to signal expansion in the sector in April. Formal manufacturing employment in the Mexican state of Chihuahua increased 3.8 percent in April from December 2013.

► Maquiladoras south of the Rio Grande added more than 7,000 jobs from December 2013 to April 2014, according to a Dallas Fed model based on the U.S. IP 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 April. In addition, U.S. auto sales continued at levels above 15 million in April 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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