

Economic Activity

El Paso Business-Cycle Index

Index, January 2000 = 100



► Economic activity in the El Paso metropolitan area continues to expand, according to the Federal Reserve Bank of Dallas' El Paso Business-Cycle Index. However, growth tapered in July as the index advanced at an annualized rate of 0.9 percent after rising more than 4.4 percent in June.

Labor Market

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

<i>El Paso</i>	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Nonfarm employment	0.4	0.4	5.5	3.8	6.4	-6.0
Goods producing	-3.9	0.0	8.2	-7.6	8.2	-18.0
Construction, mining & natural res.	20.4	9.6	0.0	0.0	19.9	-23.9
Manufacturing	-13.0	-6.8	7.2	-6.8	0.0	-13.2
Services providing	1.4	0.0	5.2	5.2	6.1	-4.5
Trade, transportation & utilities	1.9	3.9	9.9	11.9	-1.9	-5.5
Information	0.0	-18.8	0.0	0.0	-19.1	0.0
Financial activities	10.8	0.0	0.0	10.7	0.0	0.0
Professional & business services	0.0	-11.4	37.6	8.2	8.1	0.0
Educational & health services	3.0	0.0	0.0	3.0	3.0	3.0
Leisure & hospitality	-3.7	16.3	3.8	0.0	3.8	0.0
Other services	0.0	0.0	0.0	0.0	-12.4	0.0
Government	0.0	-1.8	-3.5	1.8	19.4	-11.6
Unemployment rate	8.1	7.6	7.2	7.3	7.1	7.3
<i>Midland-Odessa</i>						
Nonfarm employment	6.1	6.1	6.8	0.7	11.5	8.2
Unemployment rate	3.3	3.1	2.8	2.9	2.8	2.9
<i>Las Cruces</i>						
Nonfarm employment	0.8	0.4	-2.7	-2.1	11.1	9.2
Unemployment rate	7.4	7.7	7.5	7.3	7.2	NA

*Seasonally adjusted.

► El Paso's nonfarm employment registered a 6.0 percent annualized decline in July as both the goods-producing and services-providing sectors shed jobs. Despite the monthly decline, over 3,000 jobs have been added year to date.

► The job losses pushed the El Paso unemployment rate up to 7.3 percent in July from 7.1 percent in June. The Texas unemployment rate remained at 5.1 percent, while the national rate was 6.2 percent.

► Midland-Odessa, Texas, employment increased in July at an 8.2 percent annualized rate, while the unemployment rate stood at 2.9 percent.

► Nonfarm employment in Las Cruces, N.M., rose at a 9.2 percent annualized rate in July. The unemployment rate for June stood at 7.2 percent. For July, the New Mexico unemployment rate was 6.6 percent.

Trade Flows

El Paso Total Trade

Billions of real dollars*



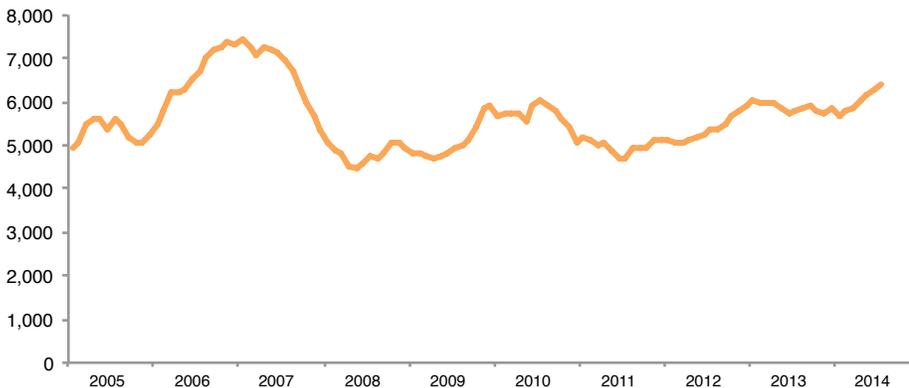
*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in June rose 2.7 percent from May. Total trade (exports plus imports) was \$69.1 billion annualized, compared with \$66.0 billion in June 2013.

Regional Housing Markets

El Paso Home Sales

Number, annualized*



*Seasonally adjusted; six-month moving average.

► El Paso's July home sales dropped 4.4 percent to an annual pace of 6,500 from a pace of 6,800 last July. Meanwhile the median home price increased slightly to \$147,500, and inventory levels rose to 8.3 months from 7.8 months a year earlier.

► In Midland-Odessa, home sales were up over 10 percent from a year earlier. Strong housing demand, coupled with low inventories, has kept home prices high.

Conditions in Chihuahua and Ciudad Juárez

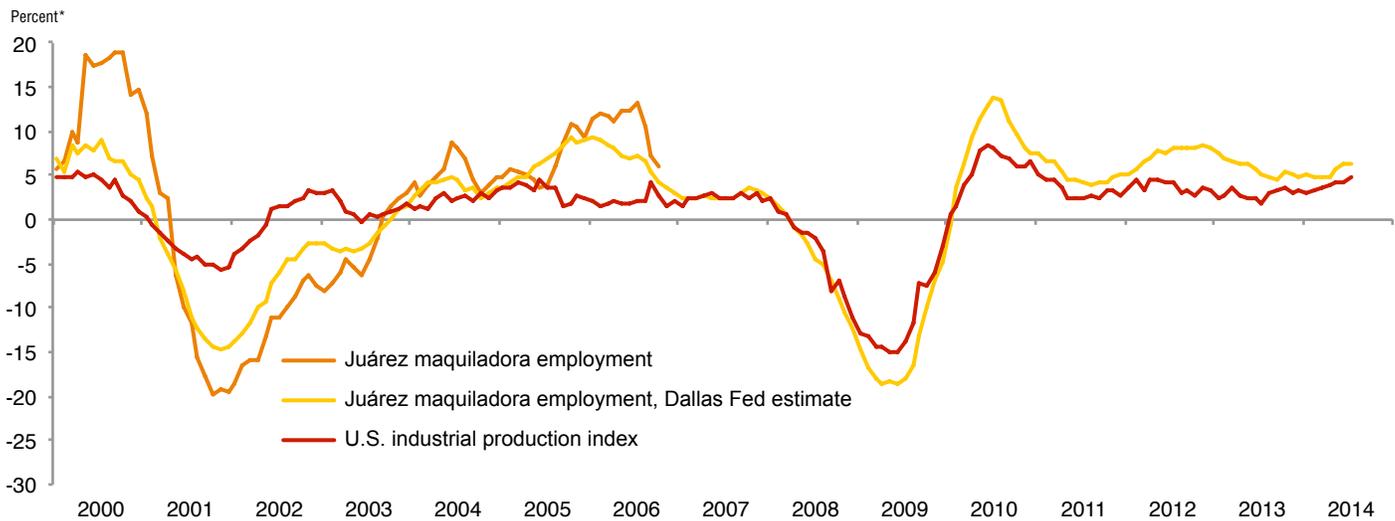
► U.S. industrial production increased in July at a 5.4 percent annualized rate. The Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, continued to signal expansion in the sector in July.

► Maquiladoras south of the Rio Grande have added more than 13,000 jobs from December 2013 to July 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. Formal manufacturing employment in the Mexican state of Chihuahua increased 6.1 percent in July from December 2013.

► U.S. auto and light truck production increased to 12.8 million in July. In addition, U.S. auto sales totaled 16.4 million in July 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.

NOTE: Data may not match previously published numbers due to data revisions.

SOURCES: **El Paso Business-Cycle Index:** Federal Reserve Bank of Dallas; **labor market:** Federal Reserve Bank of Dallas and 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 and Federal Reserve Bank of Dallas, El Paso Branch.

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