

## Economic Activity

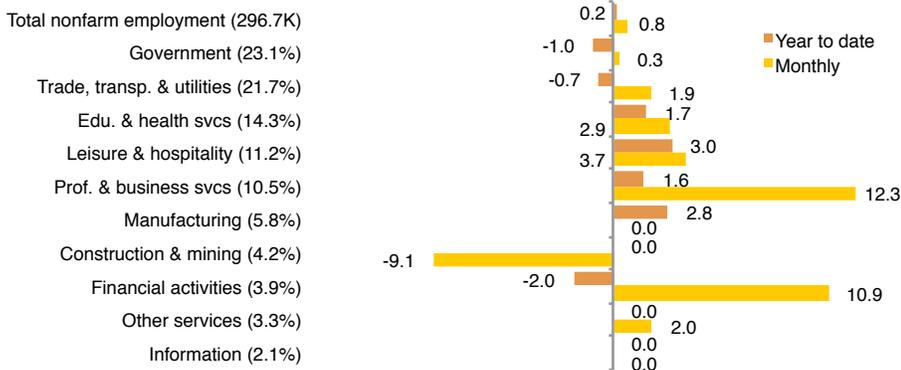
### El Paso Business-Cycle Index



► The El Paso economy continued to expand in May, according to the Dallas Fed's El Paso Business Cycle Index. In May, the index rose at an annualized 2.8 percent rate, above the first quarter average of 1.2 percent and slightly below April's growth of 3.1 percent.

## Labor Market

### Employment Growth by Sector



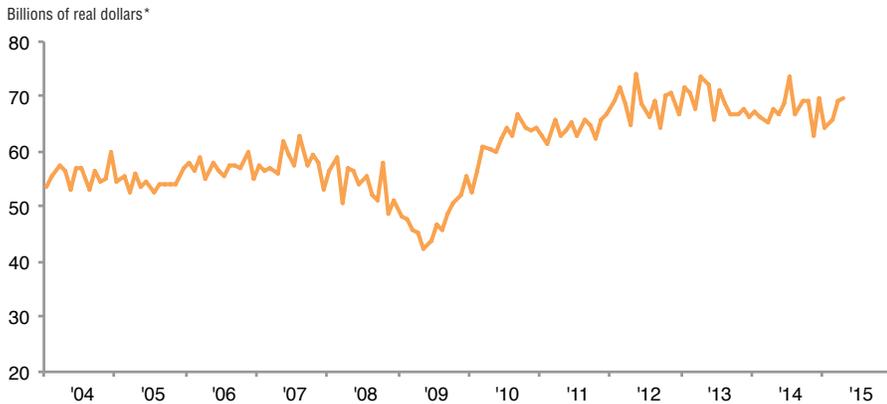
► El Paso's nonfarm employment registered a 0.8 percent annualized increase in May. Job growth has continued to be bolstered by the service-providing sector. Professional and business services and financial activities employment surged in May, while education and health services and leisure and hospitality continued to grow moderately. Year-to-date job growth rose at a 0.2 percent annualized rate, slowed by job declines seen in the first quarter.

► The unemployment rate in El Paso edged down as the number of unemployed declined and the labor force expanded. The rate stood at 5.0 percent in May, down from 5.1 percent in April. Texas unemployment rate edged up in May to 4.3 percent, while the U.S. rate also increased slightly to 5.5 percent.

NOTE: Annualized and seasonally adjusted percentage growth by employment supersector. Numbers in parentheses represent share of total employment and may not sum to 100 percent due to rounding. Job growth data are seasonally adjusted and annualized.

## Trade Flows

### El Paso Total Trade



\*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in April increased 3.1 percent from a year earlier as strong import growth offset declines in exports. Total trade (exports plus imports) was \$69.7 billion annualized, compared with \$67.6 billion in April 2014.

## Regional Housing Markets

### El Paso Home Sales



\*Seasonally adjusted; six-month moving average.

► May homes sales in El Paso stood at an annual pace of 6,939, up from 5,941 a year earlier. Meanwhile, the median home price also continued to climb in May, rising 1.5 percent to \$145,100. Home inventory levels tightened to 7.6 months from 8.3 months a year earlier. Single-family housing permits were up 22.5 percent year over year in April.

## Conditions in Chihuahua and Ciudad Juárez

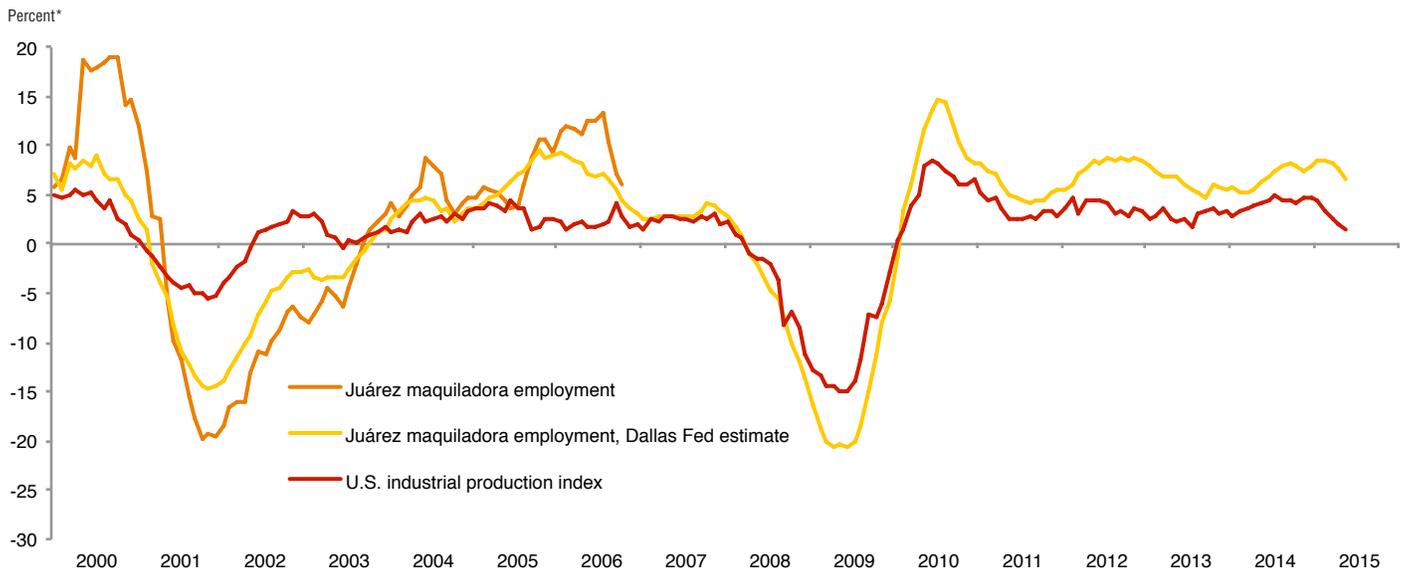
► U.S. industrial production fell 0.2 percent in May. Meanwhile the Institute for Supply Management manufacturing index picked up slightly in May, recording its first increase since October. Its associated new-orders index, a leading indicator of industrial activity, also rose in May.

► Maquiladoras south of the Rio Grande continue to add jobs, 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. According to the model, May maquiladora employment rose 6.5 percent from a year ago, while formal manufacturing employment in the Mexican state of Chihuahua increased 7.5 percent over the same time period.

► U.S. auto and light truck production in May totaled 12.1 million units, while U.S. auto sales jumped to 17.7 million on an annual basis, recording a new post-recession high. The strong auto sales are 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.

NOTES: Data may not match previously published numbers due to revisions. As of January 2015, the El Paso metropolitan statistical area includes El Paso and Hudspeth counties. SOURCES: **El Paso Business-Cycle Index:** Dallas Fed; **labor market:** Dallas Fed 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 Dallas Fed, El Paso Branch.

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