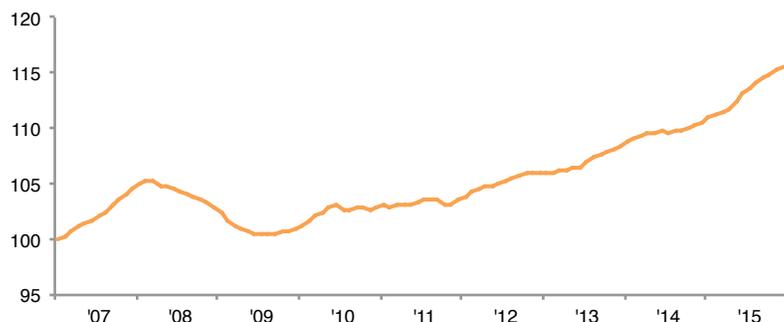


FEDERAL RESERVE BANK OF DALLAS • JANUARY 27, 2016

Summary The El Paso economy expanded in 2015. Payroll employment grew at a 2.5 percent pace, higher than the state's 1.4 percent. The rate of existing-home sales picked up in December, and the median home price increased slightly from a year ago. November trade flows decreased, but maquiladora activity in Ciudad Juárez remained robust.

El Paso Business-Cycle Index

Index, January 2007 = 100*

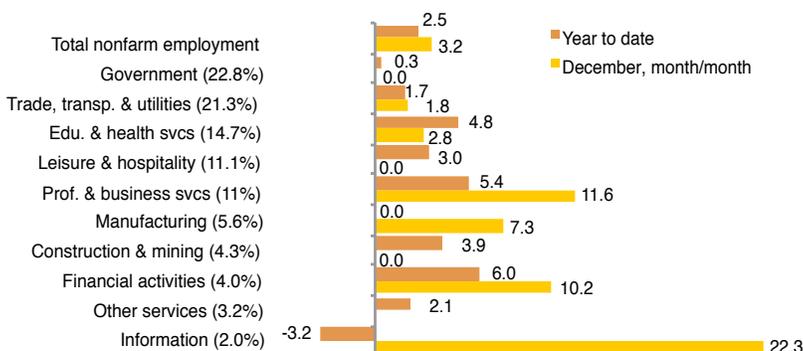


*Monthly, seasonally adjusted.

SOURCES: Bureau of Labor Statistics; Texas Workforce Commission; Dallas Fed.

► The El Paso Business-Cycle Index continued to advance in 2015, posting growth of 4.5 percent for the year. Job creation and a decline in the unemployment rate contributed to the gains.

Employment Growth by Sector



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.

SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► El Paso added 7,300 jobs in 2015. The 2.5 percent growth rate was the strongest since 2007. Although job gains were broad based across industries, the strongest increases were in financial activities and professional and business services.

► In December, the unemployment rate decreased to 5.0 percent. The El Paso reading was above the Texas rate of 4.6 percent but on par with the U.S. rate.

Trade Flows

Real dollars (billions)*



*Annualized, seasonally adjusted.

SOURCES: Census Bureau, Foreign Trade Division; adjustments by the Dallas Fed.

► In spite of recent declines in trade flows, El Paso trade remains strong. November trade totaled \$74.3 billion, down 1.9 percent from October. Imports fell 3.5 percent over the same period, while exports inched up 0.3 percent.

Existing-Home Sales



*Six-month moving average; seasonally adjusted.

SOURCES: Texas A&M University Real Estate Center; adjustments by the Dallas Fed.

► El Paso home sales in 2015 exceeded those in 2014. Sales totaled 6,814 (based on a seasonally adjusted, six-month moving average), up over 10 percent from the previous year. Home inventory levels fell slightly to 6.5 months, while the median home price rose to \$144,800, up from \$143,900 a year earlier. Building permits in the El Paso metro area totaled 2,458 (annualized), up 6.2 percent from the same month a year earlier.

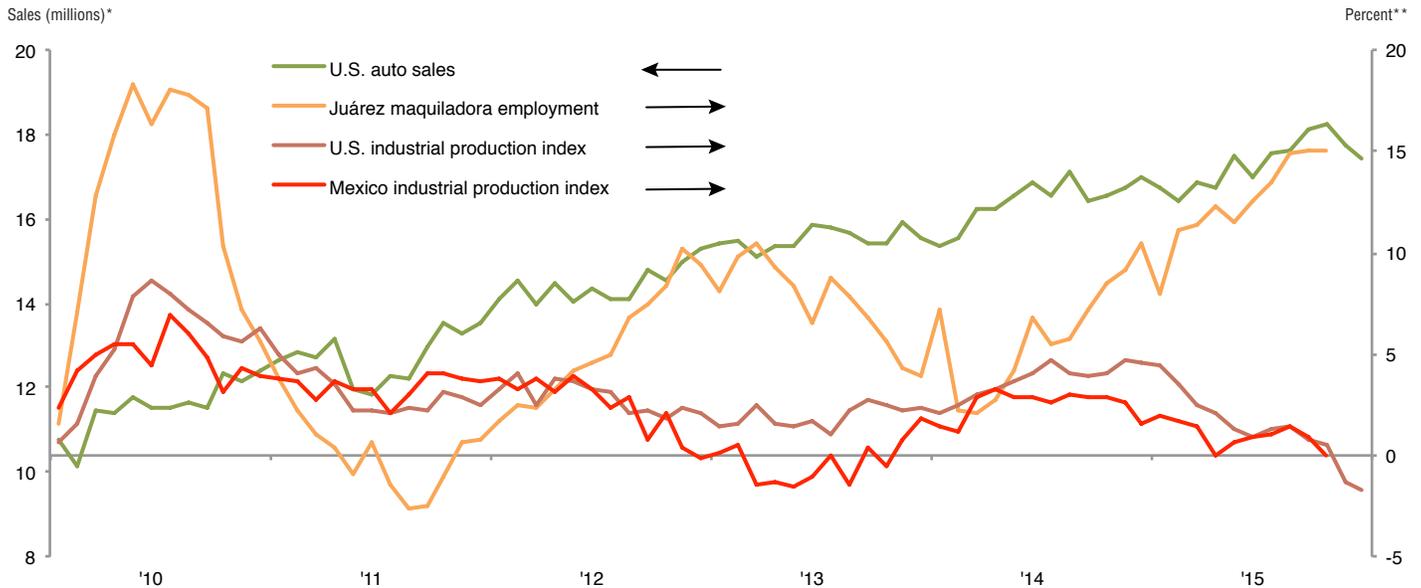
Juárez Maquiladora Employment

► U.S. industrial production fell 0.6 percent in December. The Institute for Supply Management manufacturing index and its associated new-orders index—a leading indicator of industrial activity—both ticked down in December.

► Despite the slowing in the U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment rose 15.1 percent year over year in October 2015, the latest data available. Through October,

maquiladoras added over 28,800 jobs, more than the 21,300 jobs added in all of 2014.

► U.S. auto and light truck production dipped slightly in December to 11.5 million units, while U.S. auto sales totaled 17.4 million units on an annual basis in December. The strong sales are good news for the local economy because roughly half of maquiladoras are auto related.



*Seasonally adjusted.

**Year-over-year change; seasonally adjusted.

SOURCES: Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography); Federal Reserve Board; Bureau of Economic Analysis; adjustments by the Dallas Fed.

NOTES: Data may not match previously published numbers due to revisions. The El Paso metropolitan statistical area includes El Paso and Hudspeth counties.

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