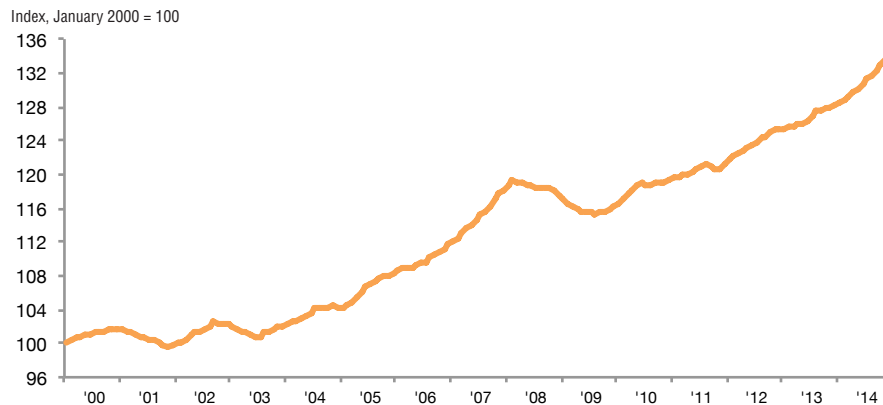


Economic Activity

El Paso Business-Cycle Index



► Overall economic activity continues to expand in the El Paso metropolitan area, according to the Dallas Fed's El Paso Business-Cycle index. In November, the index advanced at an annualized rate of 5.2 percent, showing strong growth but dropping below October's gain of 6.9 percent.

Labor Market

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

<i>El Paso</i>	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14
Nonfarm Employment	9.9	-3.2	5.0	0.8	7.2	2.5
Goods Producing	8.3	-11.3	0.0	0.0	0.0	-3.9
Construction, Mining & Natural Resources	19.9	-16.6	0.0	9.6	0.0	-8.7
Manufacturing	-6.8	-6.8	0.0	-6.9	0.0	0.0
Services Providing	9.6	-1.8	5.6	1.4	7.5	3.2
Trade, Transportation & Utilities	5.9	-1.9	-1.9	1.9	5.9	3.9
Information	0.0	0.0	0.0	0.0	22.8	0.0
Financial Activities	0.0	0.0	10.6	0.0	10.5	0.0
Professional & Business Services	0.0	0.0	21.6	-14.5	21.5	3.9
Educational & Health Services	0.0	6.1	6.1	6.0	6.0	9.1
Leisure & Hospitality	7.8	0.0	0.0	7.7	3.8	7.6
Other Services	-12.3	14.0	0.0	13.9	29.1	-11.9
Government	32.1	-9.9	10.9	0.0	1.7	0.0
Unemployment Rate	7.1	7.3	7.5	7.1	6.9	6.8
<i>Midland-Odessa</i>						
Nonfarm employment	15.5	8.2	2.2	12.0	6.5	6.5
Unemployment rate	2.8	2.9	2.9	2.7	2.7	2.6
<i>Las Cruces</i>						
Nonfarm employment	11.1	11.1	-11.5	-0.7	-3.9	3.9
Unemployment rate	7.3	7.3	7.3	7.1	6.9	7.4

► El Paso's nonfarm employment registered a 2.5 percent annualized increase in November, led by education and health services. El Paso has added over 7,000 jobs year to date.

► In November, the El Paso unemployment rate dropped to 6.8 percent, the lowest it has been since mid-2008. The Texas unemployment rate stood at 4.9 percent and the U.S. rate at 5.8 percent.

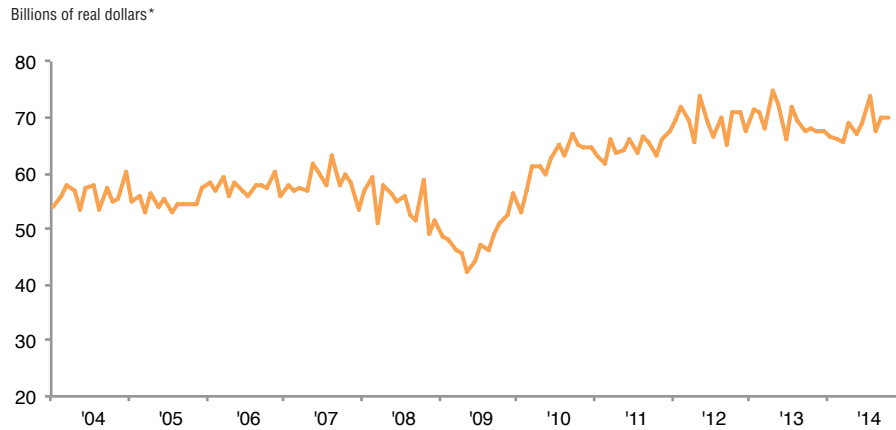
► Midland-Odessa, Texas, continues to steadily add jobs. Employment rose at an annualized rate of 6.5 percent in November, and the unemployment rate edged down to 2.6 percent.

► Nonfarm employment in Las Cruces, N.M., rose at a 3.9 percent annualized rate. The unemployment rate for November rose to 7.4 percent while the state unemployment rate stood at 6.4 percent.

*Seasonally adjusted.

Trade Flows

El Paso Total Trade

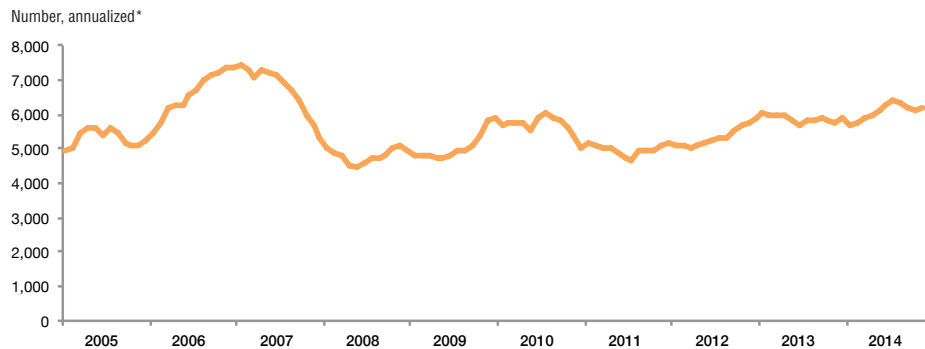


*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in October rose 3.2 percent from a year earlier as a gain in imports offset a decline in exports. Total trade (exports plus imports) was \$70.1 billion annualized, up from \$67.9 billion in October 2013.

Housing Markets

El Paso Home Sales



*Seasonally adjusted; six-month moving average.

► November home sales in El Paso stood at an annualized 6,183, up slightly from October when they stood at an annualized 6,137. Meanwhile, the median home price fell to \$138,900, and inventory levels fell to 7.7 months from 8.2 months a year earlier (6 months' supply is considered optimal).

► In Midland-Odessa, November home sales were up more than 20 percent from a year earlier, while the median home price of \$228,125 was also above last November's price of \$208,751.

Conditions in Chihuahua and Ciudad Juárez

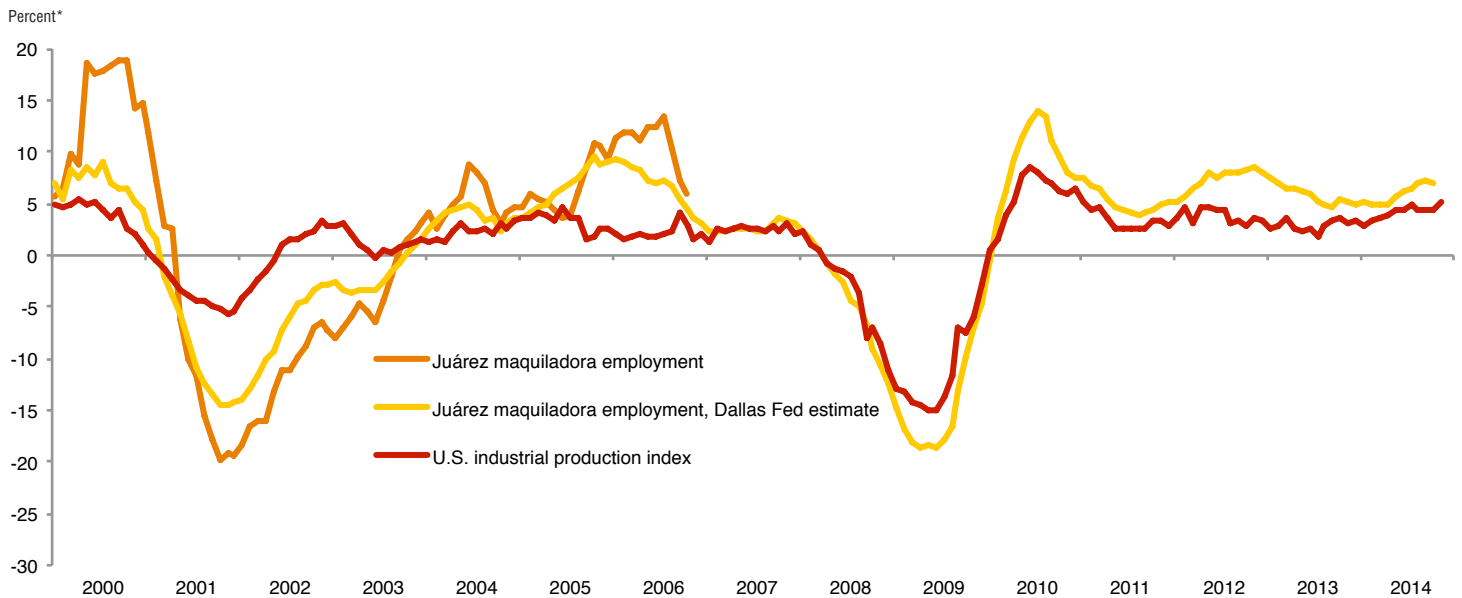
► U.S. industrial production edged up in November, while the Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, also picked up, continuing to signal expansion in the sector.

► 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, maquiladora employment is up over 6.9 percent from a year ago, while formal manufacturing employment in Chihuahua increased 7.5 percent over the same time period.

► U.S. auto and light truck production in November totaled 11.7 million units, while U.S. auto sales amounted to 17 million 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 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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