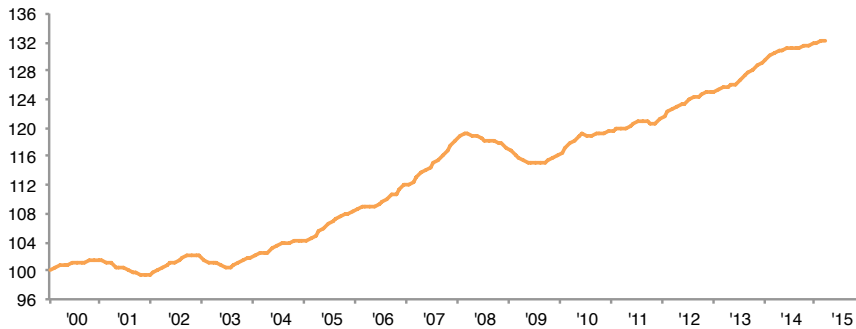


Economic Activity

El Paso Business-Cycle Index

Index, January 2000 = 100



► The El Paso economy continued to expand in March, albeit at a slower pace, according to the Dallas Fed's El Paso Business-Cycle Index. The index advanced at an annualized rate of 0.1 percent, compared with February's gain of 1.1 percent.

Labor Market

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

<i>El Paso</i>	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Nonfarm employment	3.3	0.8	0.8	-1.6	0.4	-2.8
Goods producing	0.0	-3.9	-4.0	32.3	8.2	-7.6
Construction, mining & natural res.	9.9	-9.0	-9.1	59.5	9.6	-16.7
Manufacturing	-6.8	0.0	0.0	15.0	0.0	7.2
Services providing	3.2	1.8	0.9	-4.8	0.0	-3.1
Trade, transportation & utilities	7.8	1.9	-1.8	5.7	-1.8	-1.8
Information	0.0	0.0	22.8	0.0	0.0	-33.9
Financial activities	10.8	0.0	-9.7	0.0	-9.8	0.0
Professional & business services	8.0	-3.8	16.5	-34.5	8.1	-11.1
Educational & health services	6.0	9.1	0.0	0.0	2.9	2.9
Leisure & hospitality	3.7	3.7	0.0	3.7	0.0	3.7
Other services	0.0	0.0	-11.8	13.4	0.0	0.0
Government	-5.1	1.8	-1.7	-11.6	0.0	-3.5
Unemployment rate	6.0	5.9	5.5	5.5	5.2	5.3
<i>Midland-Odessa</i>						
Nonfarm employment	6.3	6.2	6.2	8.3	4.7	-2.6
Unemployment rate	2.9	2.8	2.7	2.9	3.0	3.3
<i>Las Cruces</i>						
Nonfarm employment	-4.0	1.5	-0.2	2.3	0.8	-5.5
Unemployment rate	6.8	6.8	6.7	6.6	7.0	6.8

*Seasonally adjusted.

► El Paso's nonfarm employment registered a 2.8 percent annualized decline in March. Job losses were broad based, with only manufacturing, educational and health services, and leisure and hospitality posting annualized gains.

► The unemployment rate in El Paso inched up to 5.3 percent in March from 5.2 percent in February. Texas unemployment fell to 4.2 percent in March, while the U.S. rate stood at 5.5 percent.

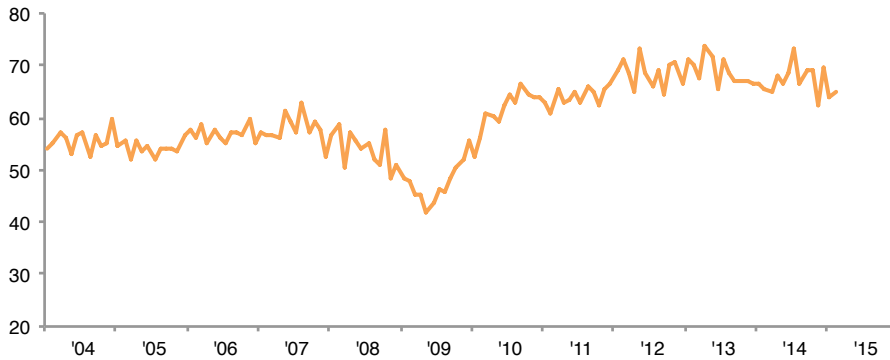
► Midland-Odessa, Texas, employment declined at a 2.6 percent annualized pace in March. This was the first contraction since March 2013, when payrolls fell at an annualized rate of 1.5 percent. The unemployment rate rose to 3.3 percent from 3 percent in February as the area began to feel the effects of lower oil prices.

► Nonfarm employment in Las Cruces, N.M., fell at an annualized rate of 5.5 percent in March. The unemployment rate in March stood at 6.8 percent, down from 7 percent in February. The New Mexico unemployment rate was 6.1 percent in March.

Trade Flows

El Paso Total Trade

Billions of real dollars*



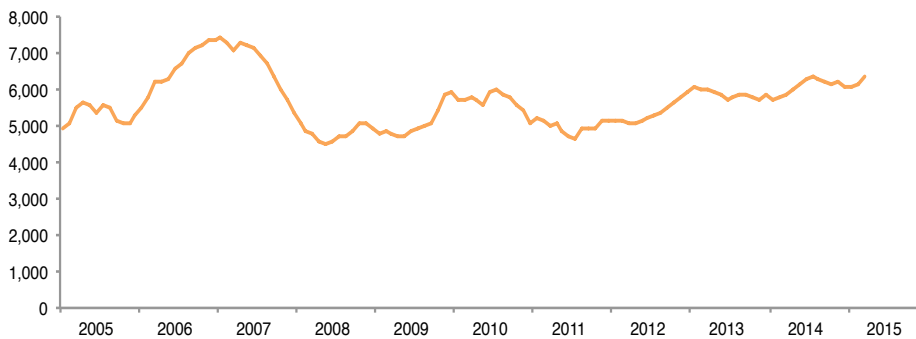
*Seasonally adjusted, annualized.

► Trade flows through the El Paso port of entry in February increased 1.9 percent from January as both exports and imports rose. Total trade (exports plus imports) was \$64.9 billion annualized, compared with \$65.3 billion in February 2014.

Regional Housing Markets

El Paso Home Sales

Number, annualized*



*Seasonally adjusted; six-month moving average.

► March home sales in El Paso stood at an annualized 6,339 (six-month moving average), up from 5,888 a year earlier. Meanwhile, the median home price rose to \$141,200, and inventory levels decreased to 7.4 months from 8.3 months a year earlier.

► Home sales in Midland-Odessa have slipped. Sales were 221 in March, 15 percent below a year earlier, marking the third consecutive month of declines. The median home price of \$215,770 remains above the year-ago price of \$204,563.

Conditions in Chihuahua and Ciudad Juárez

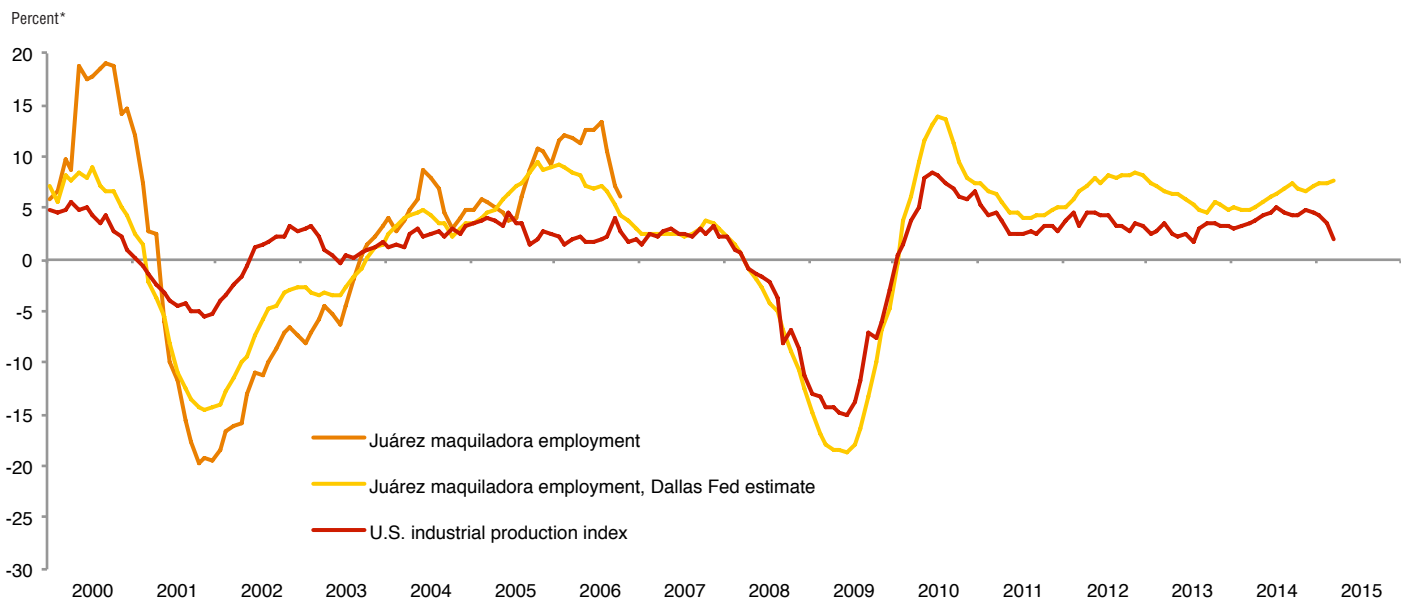
► U.S. industrial production fell 0.6 percent in March, while the Institute for Supply Management manufacturing index and its associated new-orders index, a leading indicator of industrial activity, also declined.

► However, 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 manufacturing employment in the Mexican state of Chihuahua. 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, March maquiladora employment rose 7.6 percent from a year ago, while formal manufacturing employment in Chihuahua increased 7.8 percent.

► U.S. auto and light truck production in March totaled 11.4 million units, while U.S. auto sales rebounded to 17.1 million on an annual basis. Auto sales are near a postrecession high, which 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.

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:** Federal Reserve Bank of Dallas; **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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