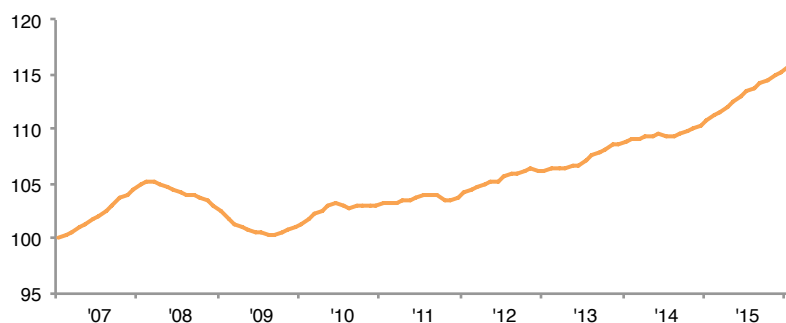


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**Summary** The El Paso economy expanded in January. Payroll employment grew at a pace of 4.4 percent, higher than the state's 2.4 percent. Despite strong employment gains, January home sales ticked down, and although Ciudad Juárez maquiladora employment remains robust, trade flows slowed.

## El Paso Business-Cycle Index

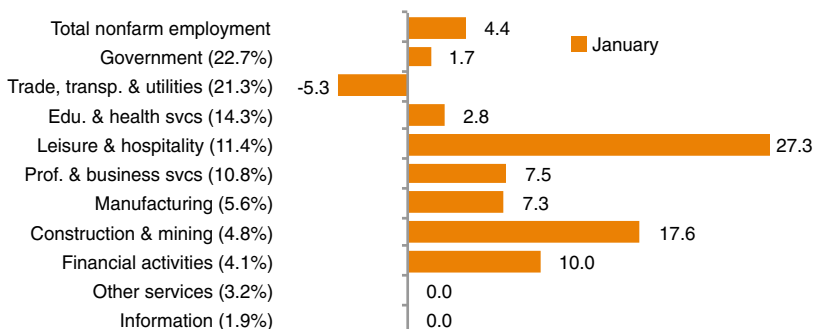
Index, January 2007 = 100\*



\*Monthly, seasonally adjusted.  
SOURCE: Dallas Fed.

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

## Employment Growth by Sector



► El Paso added 1,100 jobs in January. Employment grew at a monthly annualized rate of 4.4 percent. Although job gains were broad based across most industries, the strongest increase was in leisure and hospitality. Other services and the information sectors saw no job gains for January.

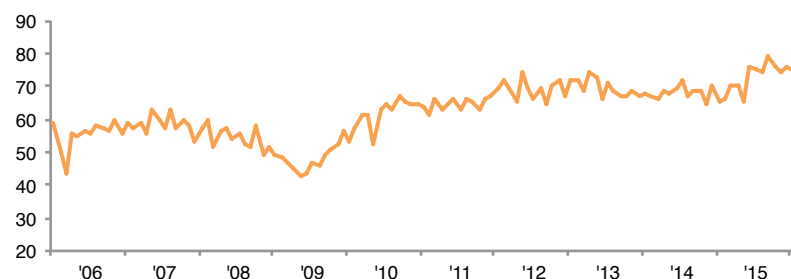
► In January, the unemployment rate decreased to 5.1 percent. The El Paso reading was above the Texas rate of 4.5 percent and slightly higher than the U.S. rate of 4.9 percent.

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.

## Trade Flows

Real dollars (billions)\*



\*Annualized, seasonally adjusted.  
SOURCES: Census Bureau; adjustments by the Dallas Fed.

► In January, annualized total trade (exports plus imports) amounted to \$74.8 billion, down 1.5 percent from December. Imports increased 1.6 percent over the same period, while exports fell 5.5 percent.

## Existing-Home Sales

Number, annualized\*



\*Seasonally adjusted, six-month moving average.

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

▶ January home sales in El Paso stood at an annualized 6,054, down slightly from 6,366 in December. The median home price also ticked down to \$136,500 from \$143,000 in December. As sales have slowed, inventory levels have increased from 6.2 months' supply in December to 6.5 months in January.

## Juárez Maquiladora Employment

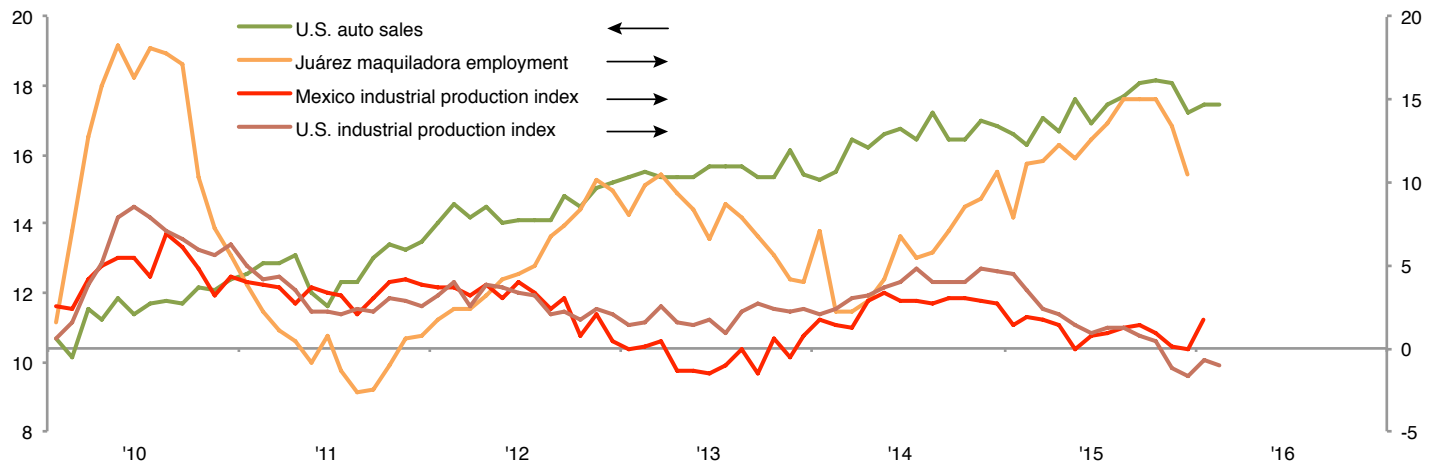
▶ U.S. industrial production decreased 0.5 percent in February. The Institute for Supply Management manufacturing index ticked up in February, while its associated new-orders index—a leading indicator of industrial activity—remained unchanged in expansionary territory.

▶ Despite the slowing in the U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's newer IMMEX

series, Juárez manufacturing employment rose 10.5 percent year over year in December (latest data available), bringing total maquiladora employment to more than 250,000.

▶ U.S. auto and light truck production remained steady at 11.8 million units in February, while U.S. auto sales totaled 17.4 million units on an annual basis. The strong sales are good news for the local economy because roughly half of maquiladoras are auto related.

Sales (millions)\*



\*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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