

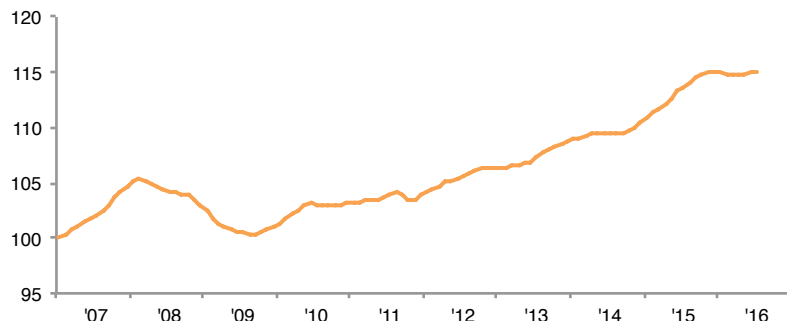
FEDERAL RESERVE BANK OF DALLAS • AUGUST 23, 2016

Summary

The El Paso economy grew in July. Total nonfarm jobs rose an annualized 2.6 percent from June, and the local housing market remains robust. Maquiladoras continue to post strong growth, and trade flows ticked up.

El Paso Business-Cycle Index

Index, January 2007 = 100*

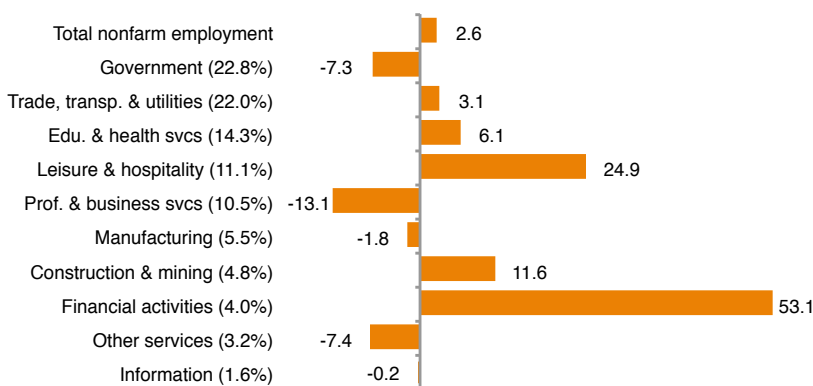


*Monthly, seasonally adjusted.

SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index posted an annualized increase of 1.2 percent in July. Job gains contributed to the rise. The timeliest data available for real wages paid in El Paso point toward growth. However, retail sales in the metro area have declined slightly, possibly due to the strength of the dollar slowing cross-border retail.

Employment Growth by Sector



NOTES: Data show seasonally adjusted and annualized percentage employment growth by industry supersector for July 2016. Numbers in parentheses represent share of total employment and may not sum to 100 due to rounding.

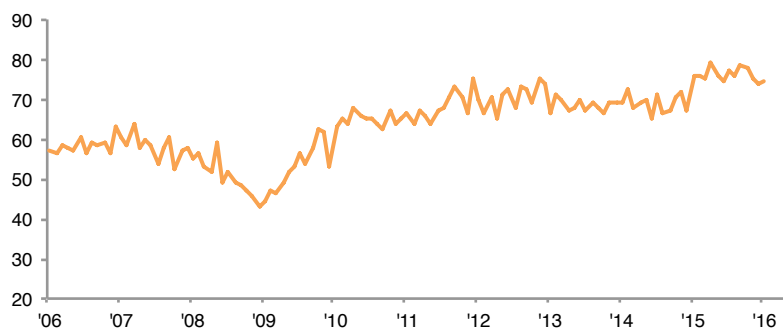
SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► Sector job growth was mixed in July. Trade, transportation and utilities and the education and health services sector continue to see gains. Meanwhile, government and professional and business services shed jobs over the month. Year to date, El Paso has added over 600 jobs.

► The unemployment rate rose to 5.5 percent in July. The El Paso reading was above the U.S. rate of 4.9 percent and the Texas rate of 4.6 percent.

Trade Flows

Real dollars (billions)*

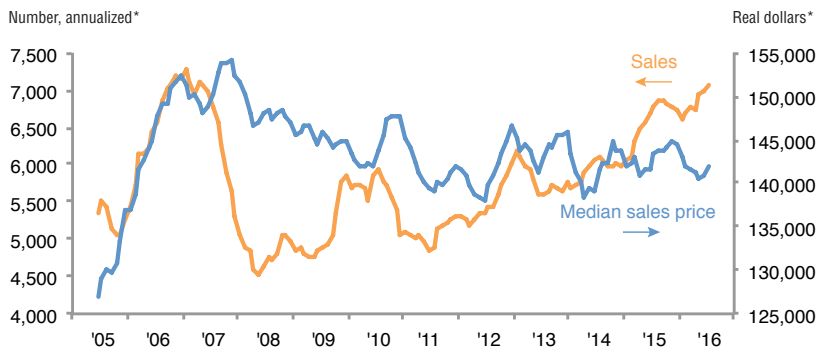


*Annualized, seasonally adjusted.

SOURCES: Census Bureau; adjustments by the Dallas Fed.

► In June, annualized total trade (exports plus imports) rose to \$74.8 billion, up 1.0 percent from May. The increase was driven by gains in both exports and imports. Exports rose 0.5 percent over the month, while imports increased 1.4 percent.

Existing-Home Sales



*Seasonally adjusted, six-month moving average.

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

► El Paso home sales have been on an upward trend since 2011. In July, sales totaled an annualized 7,072—nearly reaching the prerecession peak. The median home price has centered around \$140,000 over the past couple of years. In July, the median price stood at \$142,000. Strong home sales have kept inventory levels in equilibrium. In July, there were 6.0 months of inventory.

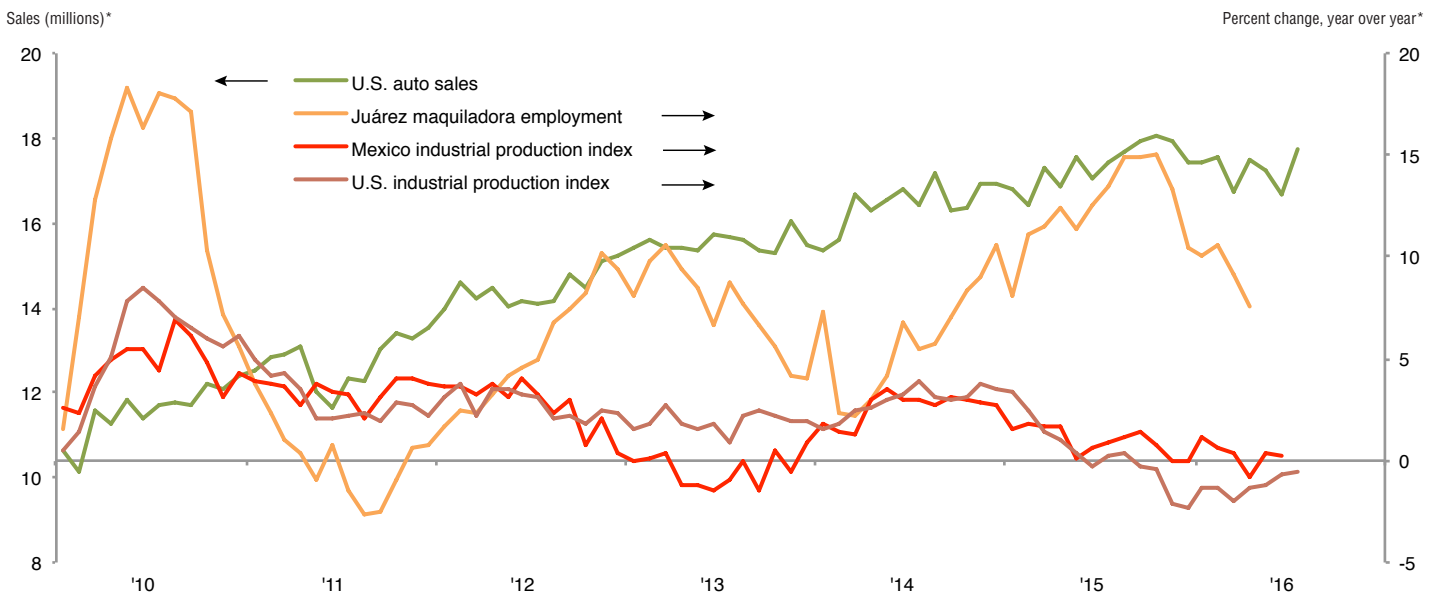
Juárez Maquiladora Activity

► U.S. industrial production contracted 0.5 percent year over year in July. Meanwhile, the Institute for Supply Management manufacturing index remained nearly unchanged at 56.9 in July. Its associated new-orders index—a leading indicator of industrial activity—posted a small increase from the previous month.

► Despite the sluggish U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment rose 7.6 percent year over year in April

(the latest data available), bringing total maquiladora employment to nearly 252,700.

► U.S. auto and light-truck production inched down to 11.9 million units in July from 12.2 million in June. U.S. auto sales rose to 17.8 million units on an annual basis from 16.7 million in June. Auto sales are closely linked to the local economy because roughly half of maquiladoras are auto related.



*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.

Questions regarding *El Paso Economic Indicators* can be addressed to Marycruz De León at marycruz.deleon@dal.frb.org.

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