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**Summary** The El Paso Business Cycle Index continues to strengthen. Total nonfarm jobs in El Paso grew in November, and maquiladoras continue to post gains, although at a slower pace than last year. The El Paso housing market remained robust as sales surpassed the prerecession peak.

## El Paso Business-Cycle Index

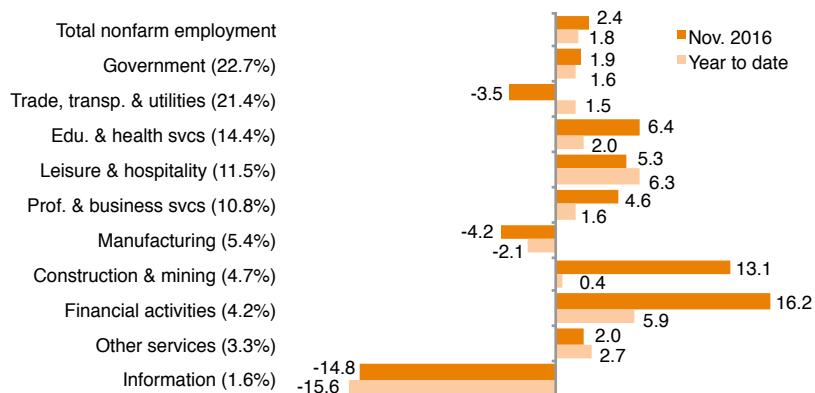


\*Monthly, seasonally adjusted.

SOURCE: Dallas Fed.

► The El Paso Business-Cycle Index posted annualized growth of 3.3 percent in November. The increase is attributed to gains in the job market and wages and to low unemployment. Retail sales in second quarter 2016 (the latest data available) were 0.6 percent higher than in the first quarter.

## 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.

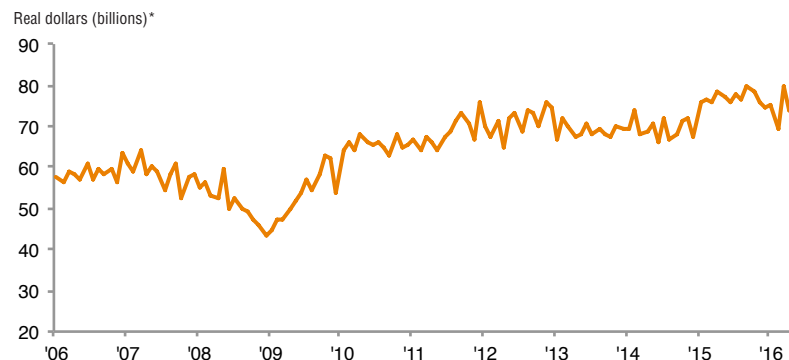
SOURCES: Bureau of Labor Statistics; adjustments by the Dallas Fed.

► El Paso total nonfarm jobs rose 2.4 percent in November. Trade, transportation and utilities; manufacturing; and information were the only sectors to report job losses over the month.

► Year to date, El Paso employment is 1.8 percent higher and the number of jobs is up by 5,000. Leisure and hospitality has been the fastest-growing industry this year, up 6.3 percent year to date, or nearly 2,000 jobs.

► The unemployment rate dipped to 5.3 percent in November. The El Paso reading was above both the U.S. and Texas rates of 4.6 percent.

## Total Trade

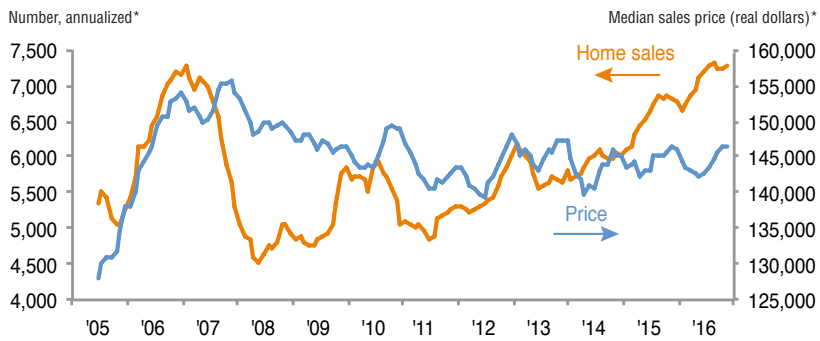


\*Annualized, seasonally adjusted.

SOURCES: Census Bureau; adjustments by the Dallas Fed.

► In October, annualized total trade (exports plus imports) amounted to \$72.9 billion, down 1.7 percent from September. Imports in October showed no change from September. However, exports were down 4.2 percent over the same period.

## 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 remain robust. In November, sales totaled an annualized 7,294, inching past the prerecession peak of 7,282 reached in January 2007. The median price stood at \$146,288, down from \$146,427 in October but still close to its range over the past couple of years.

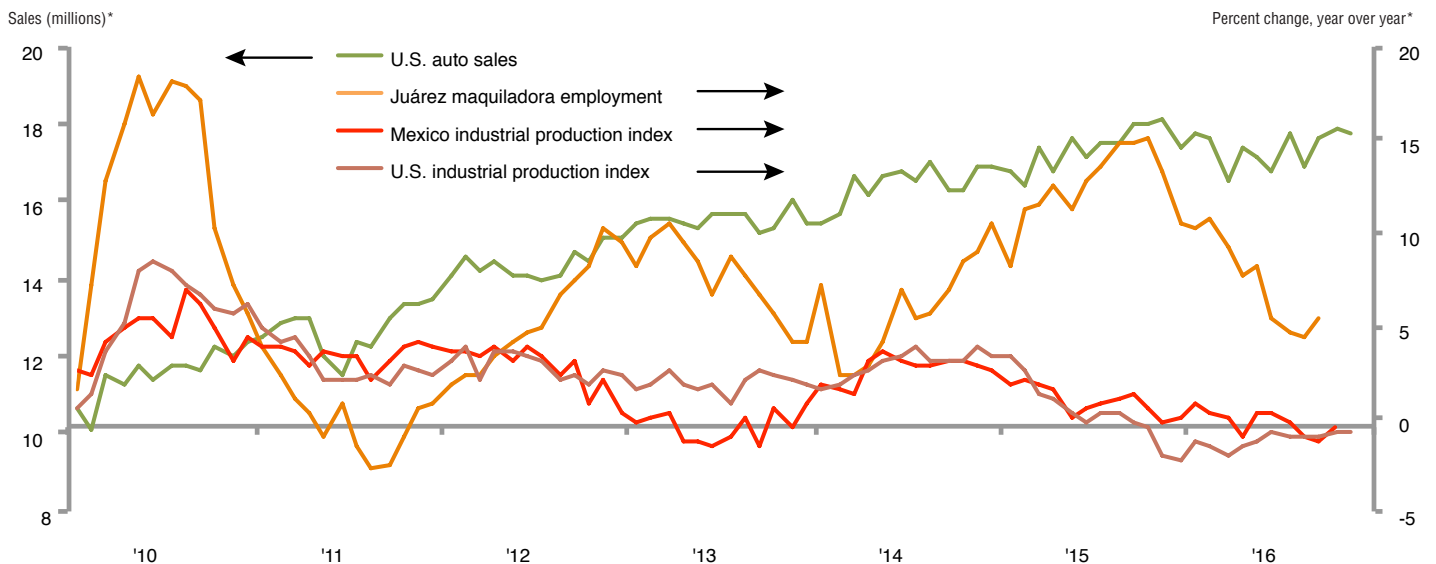
► The stable median price has kept affordability high in El Paso. The National Association of Home Builders/Wells Fargo Housing Opportunity Index rose to 66.6 in third quarter 2016 from 62.8 in the second quarter. Meanwhile, the U.S. index fell to 61.4 from 62. The index represents the share of homes sold that are considered affordable to a family earning the median income. In El Paso, this indicates that nearly 7 of every 10 homes sold were considered affordable.

## Juárez Maquiladora Activity

► U.S. industrial production contracted 0.6 percent year over year in November. The Institute for Supply Management manufacturing index rose slightly to 53.2 in November from 51.9 in October. Its associated new-orders index—a leading indicator of industrial activity—also increased, to 53.0 in November from 52.1 in October.

► Despite the sluggish U.S. industrial sector, Mexico's maquiladoras continue to add jobs. According to Mexico's IMMEX series, Juárez manufacturing employment totaled over 263,000 in September (the latest data available), up 5.4 percent from a year ago.

► U.S. auto and light-truck production inched down to 11.7 million units in November from 12.1 million in October. Meanwhile, U.S. auto sales in November remained strong, totaling 17.8 million units on an annual basis. Auto sales are closely linked to the local economy because roughly half of maquiladoras in Juárez 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.

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