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# Borderplex Business Barometer, Volume 1, Number 10

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# BORDERPLEX BUSINESS BAROMETER

**October 2017**

**Border Region Modeling Project**

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*Border Commerce & Economics*

Borderplex Business Barometer, Volume 1, Number 10

**Stable Conditions**

The Federal Reserve Bank of Dallas Metropolitan Business Cycle Index indicates that the El Paso economy continued to grow in August. The Household Economic Stress Index ticked slightly upward as the result of somewhat higher price inflation, but remains low by recent historical standards. The local unemployment rate was 4.8 percent in August compared to a rate of 5.3 percent recorded during the same month in 2016. Enrollment in the Supplemental Nutrition Assistance Program (SNAP) increased, though this may be partly due to seasonal oscillations in caseloads.

Median local housing prices rose to an all-time high in August, exceeding \$153,000. The housing data, which have been revised since last month, also indicate that months of housing inventory have fluctuated near 5.5 since May. That is the lowest level recorded for this variable since 2006 and indicates robust demand in the local housing market. Gasoline prices rose to \$2.50 per gallon on average in September, mainly due to various market disruptions occasioned by Hurricane Harvey.

The Doña Ana County unemployment rate fell to 6.8 percent in August. The average unemployment rate for the first eight months of 2017 is 7.3 percent, which is lower than the average for the first eight months of any year since 2008. This suggests that, while still relatively lackluster, the Las Cruces economy is gradually improving. Las Cruces area SNAP enrollments increased at a moderate month-over-month rate of 0.9 percent in August 2017, but remain comfortably below year-ago levels.

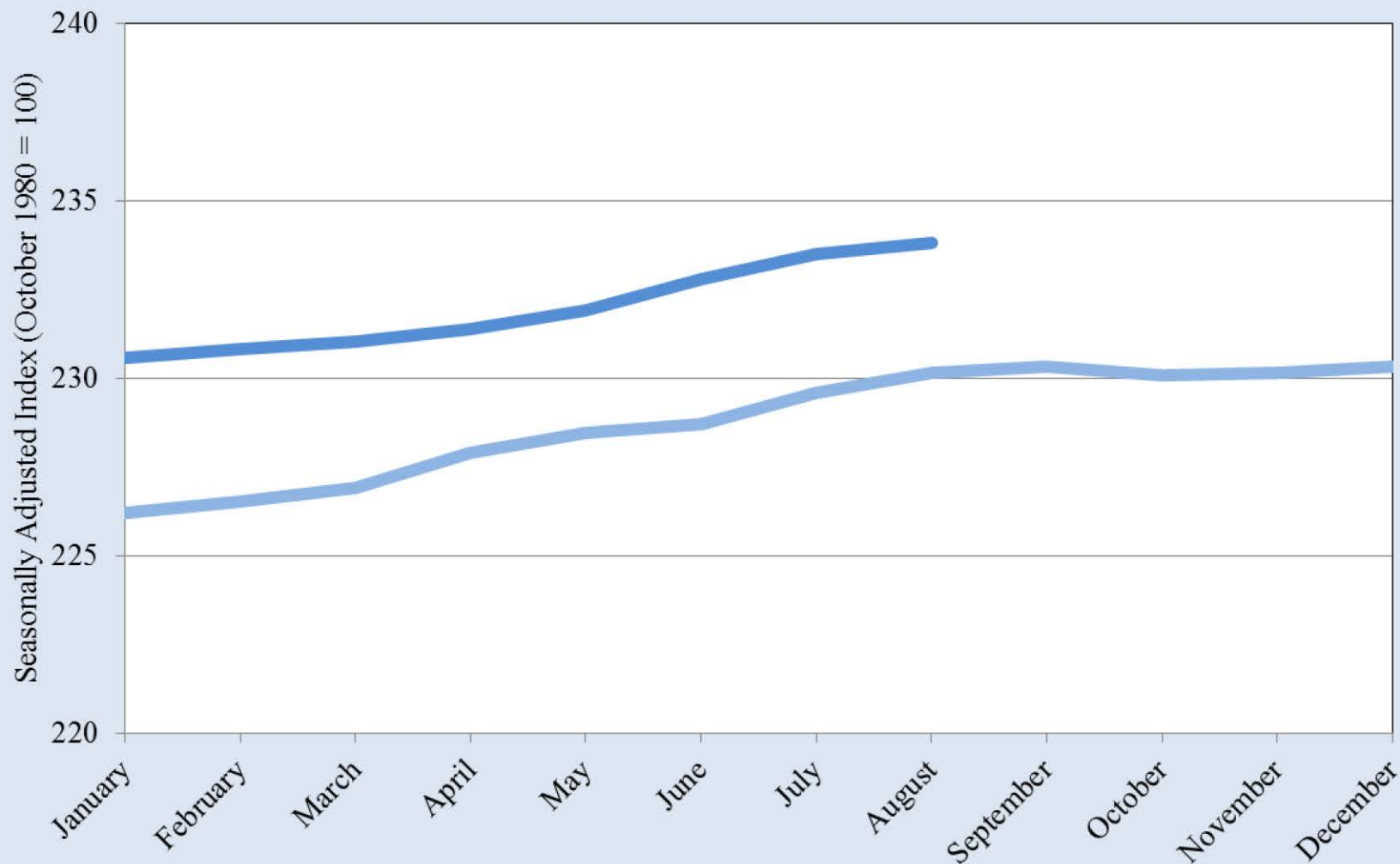
The nominal US-Mexico exchange rate was 17.81 pesos per dollar in August, which reflects little change relative to July. The cross-border restaurant price ratio also remained flat over the same time span. The price ratio indicates that a menu item that costs one dollar in El Paso costs approximately 72 cents in Ciudad Juárez when prices are converted into dollar terms. The real exchange rate index budged only slightly, moving from 115.8 in July to 115.5 in August.

Total real trade flows through the El Paso Customs District have been somewhat below 2016 levels on average this year. Most of the decline is due to reduced US exports through the customs district, while the volume of imports has remained relatively stable. Jobs in the export-oriented manufacturing sector of Ciudad Juárez increased slightly in July to 275,352. In another sign of stability in the region's industrial sector, the Northern Mexico Manufacturing Orders Index has remained one percentage point above the level observed last year, on average, since January.

The total value of construction in the state of Chihuahua dropped to \$1.3 billion pesos in July. Construction activity remained below last year's levels throughout the first half of 2017. This is due partly to increases in interest rates in Mexico, which are driven in turn by healthy economic conditions, greater price inflation, and the trajectory of interest rates in the United States. Uncertainty over the future of Mexico's trade relations with the United States may also contribute to the decline in construction activity. Although commerce has generally fared well in 2017, real retail activity in the state of Chihuahua fell slightly in July, both with respect to June and with respect to July of last year.

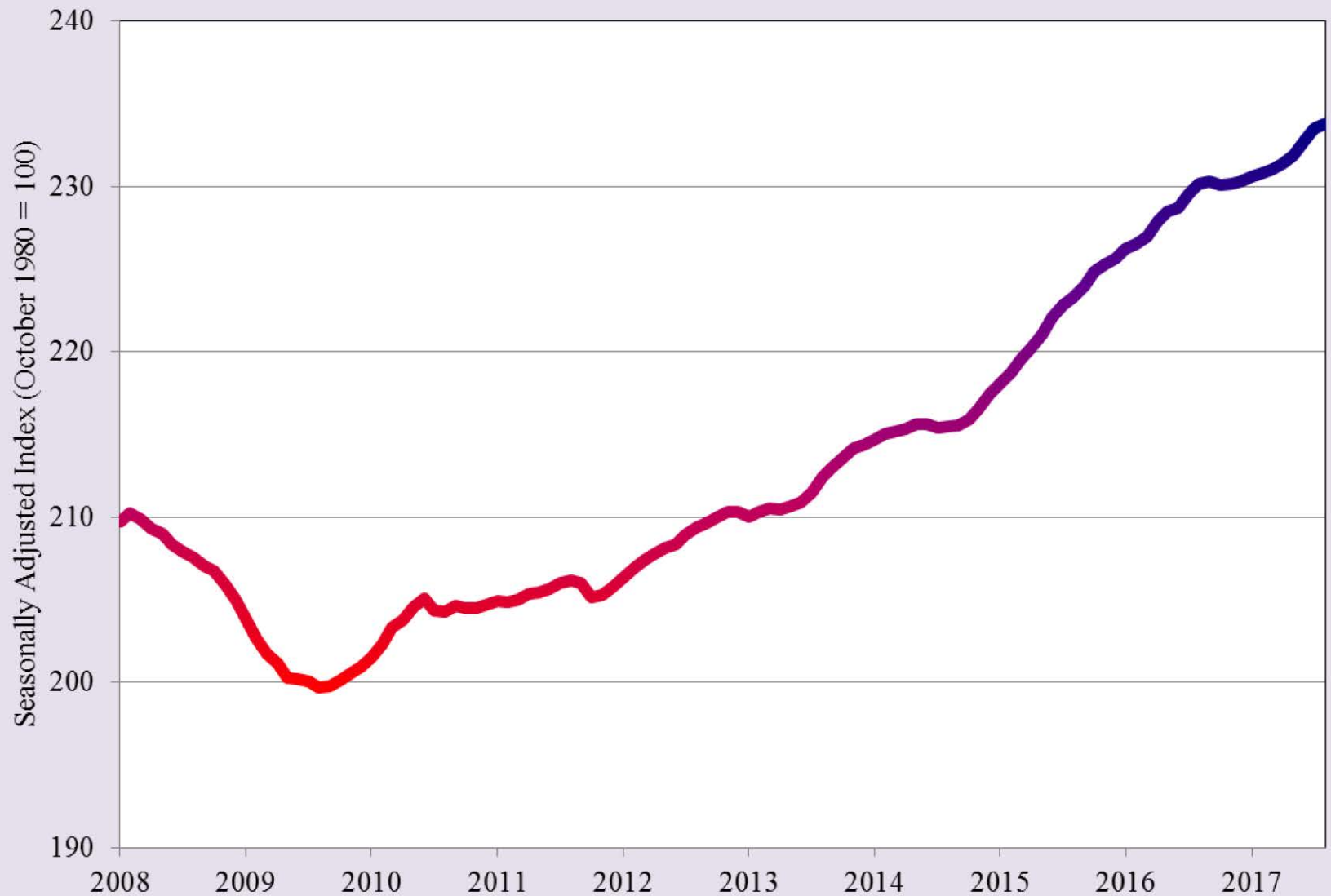
## Metro Business-Cycle Index for El Paso

2016 2017



Source: Federal Reserve Bank of Dallas

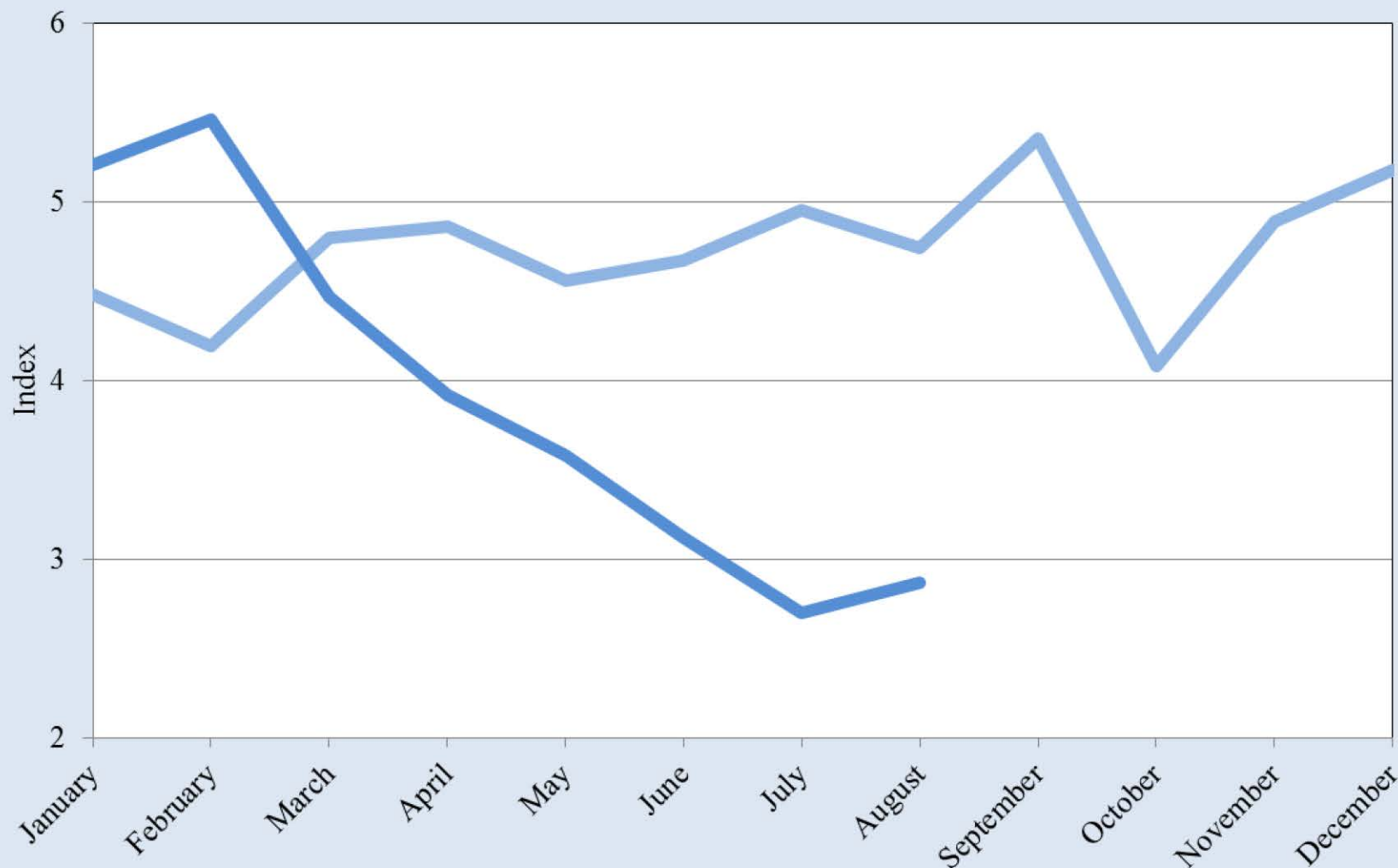
## Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

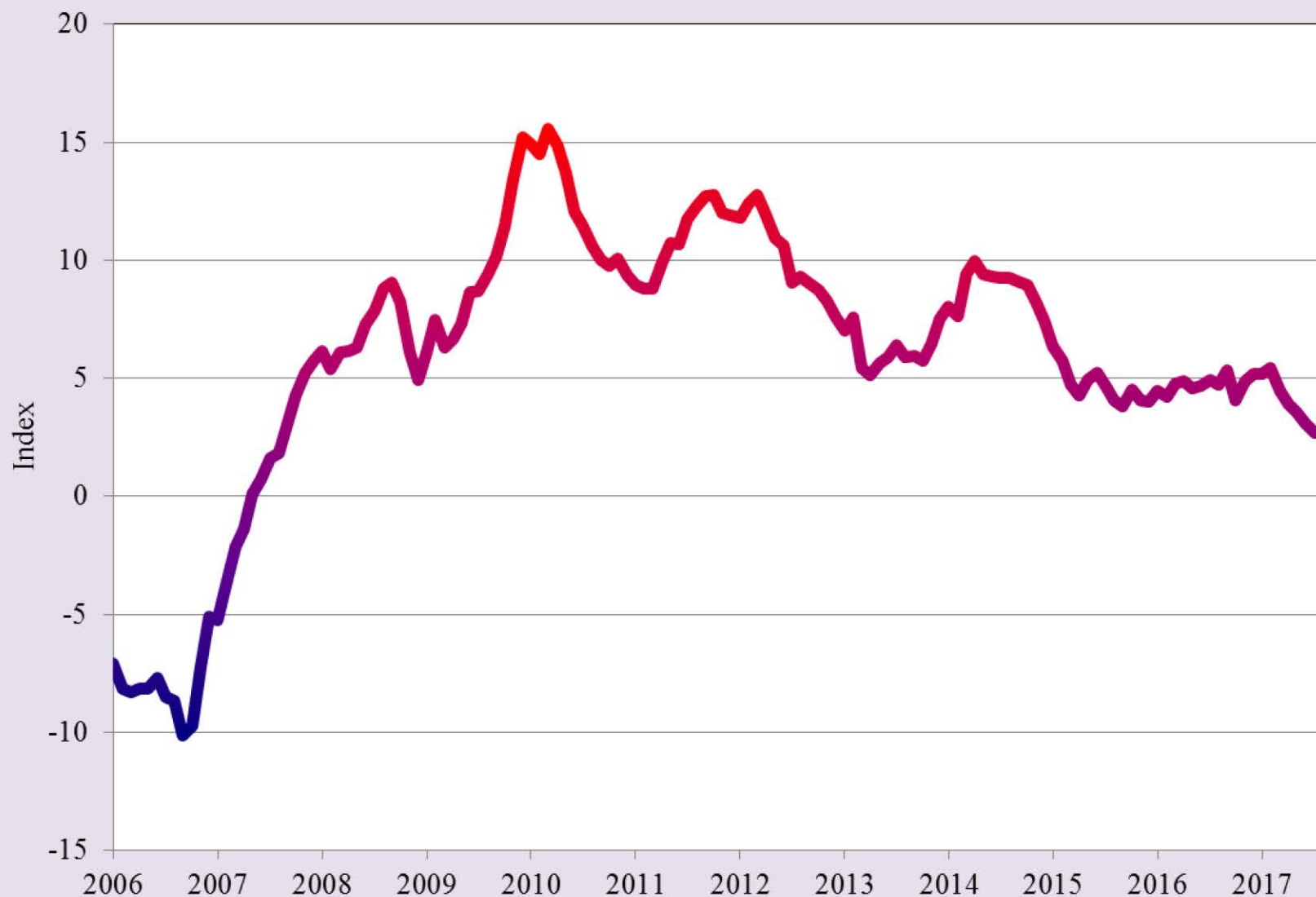
## El Paso Household Economic Stress Index

— 2016 — 2017



Source: UTEP Border Region Modeling Project

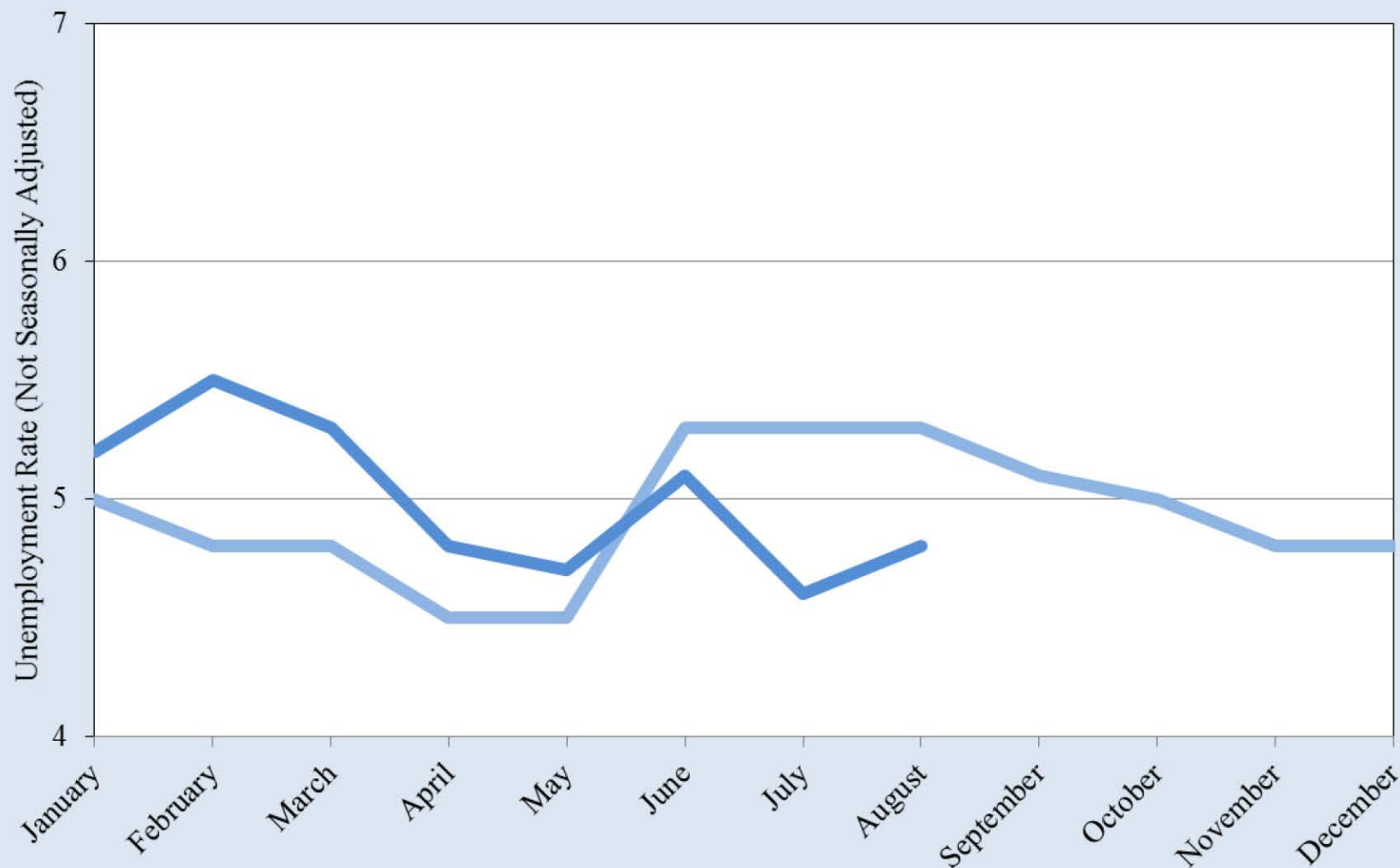
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

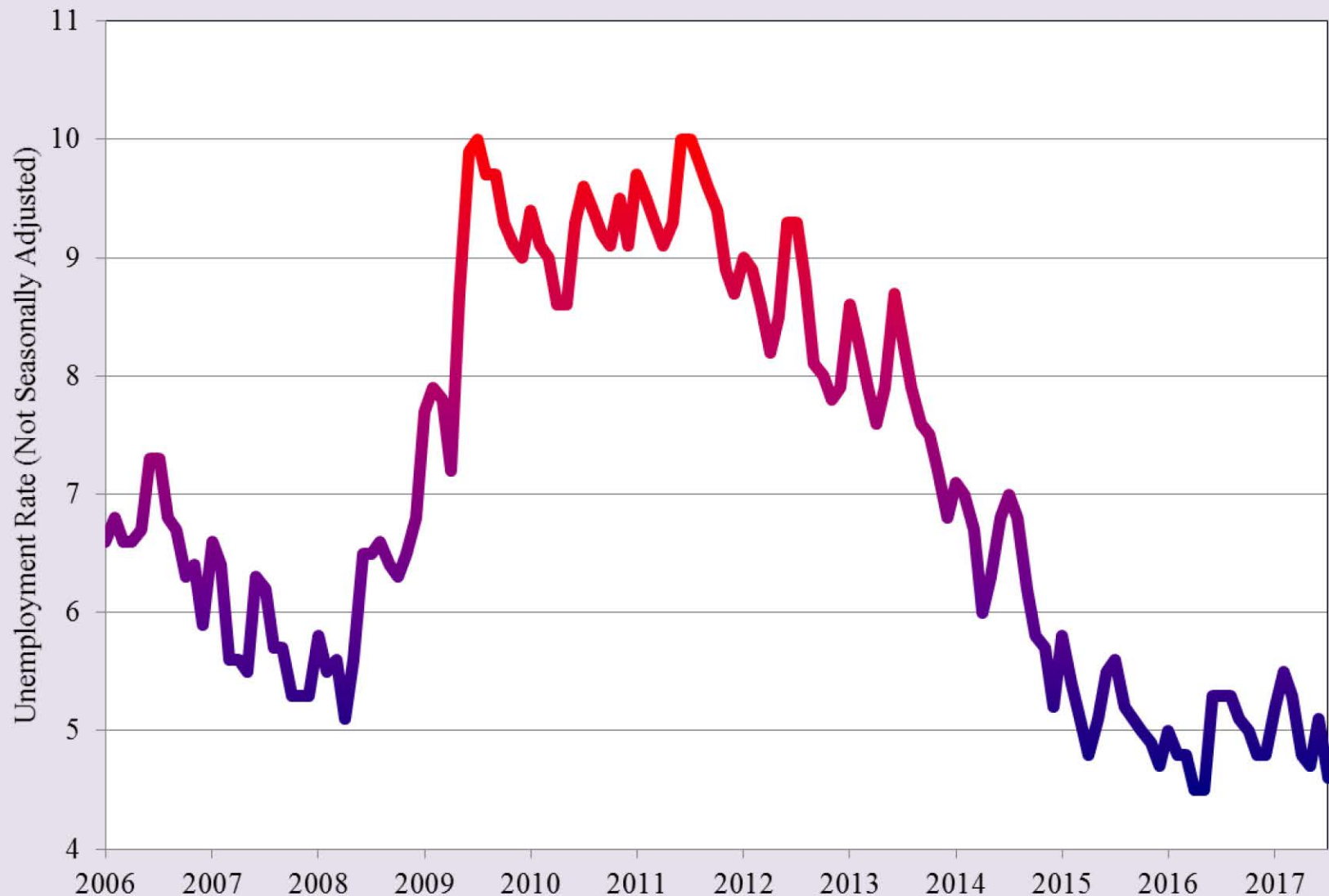
## El Paso County Unemployment Rate

— 2016 — 2017



Source: Bureau of Labor Statistics

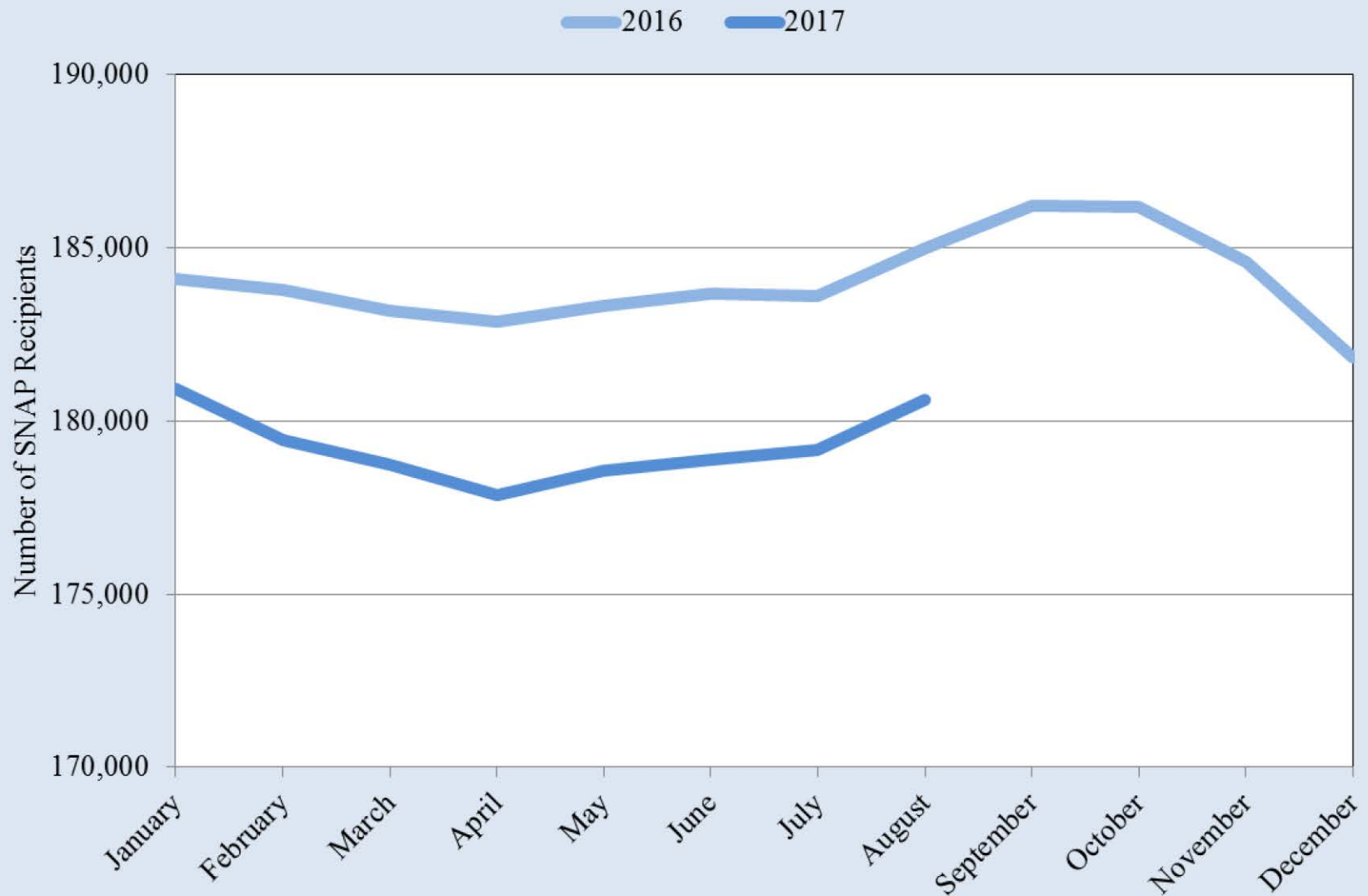
## El Paso County Unemployment Rate



Source: Bureau of Labor Statistics

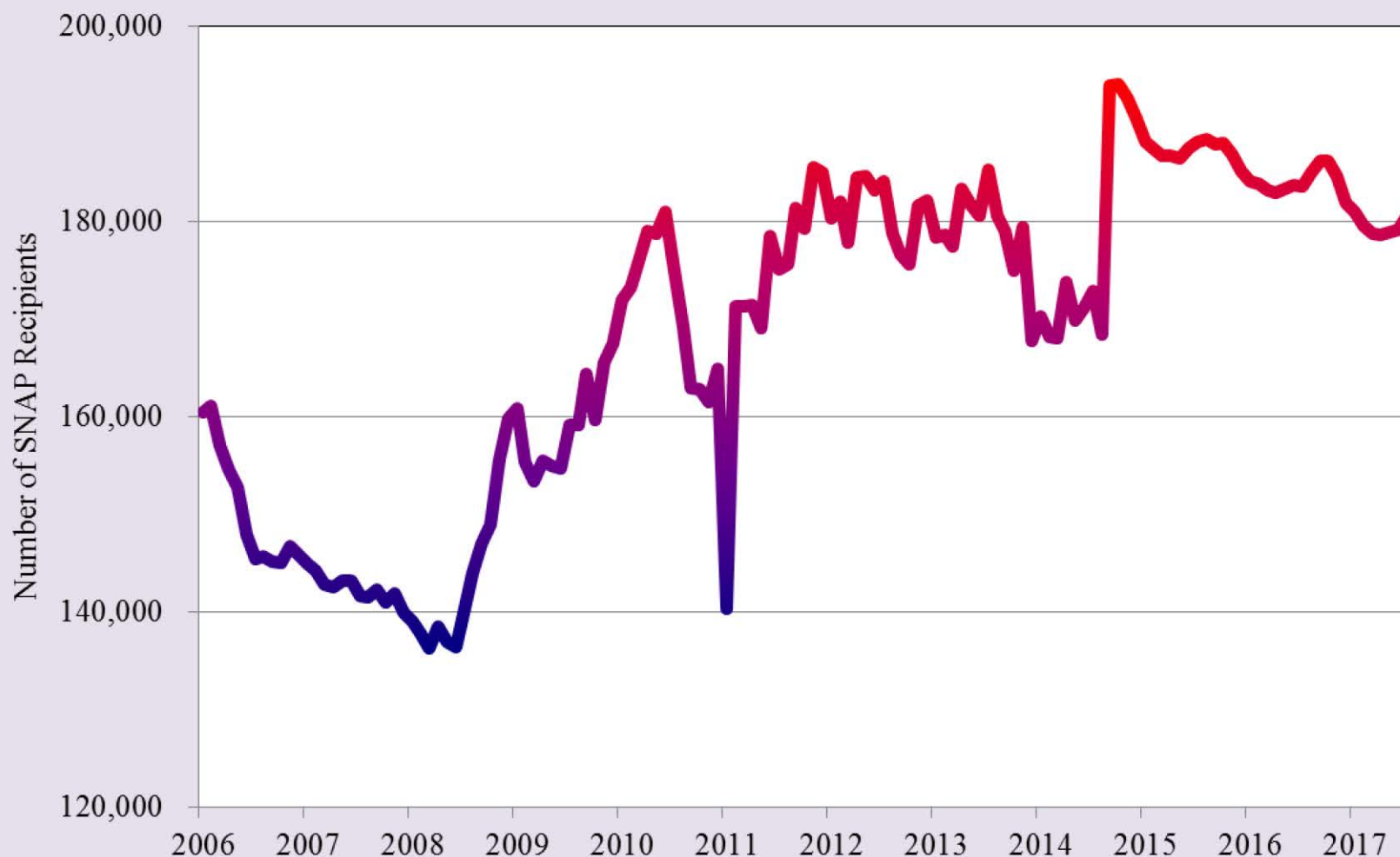


## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

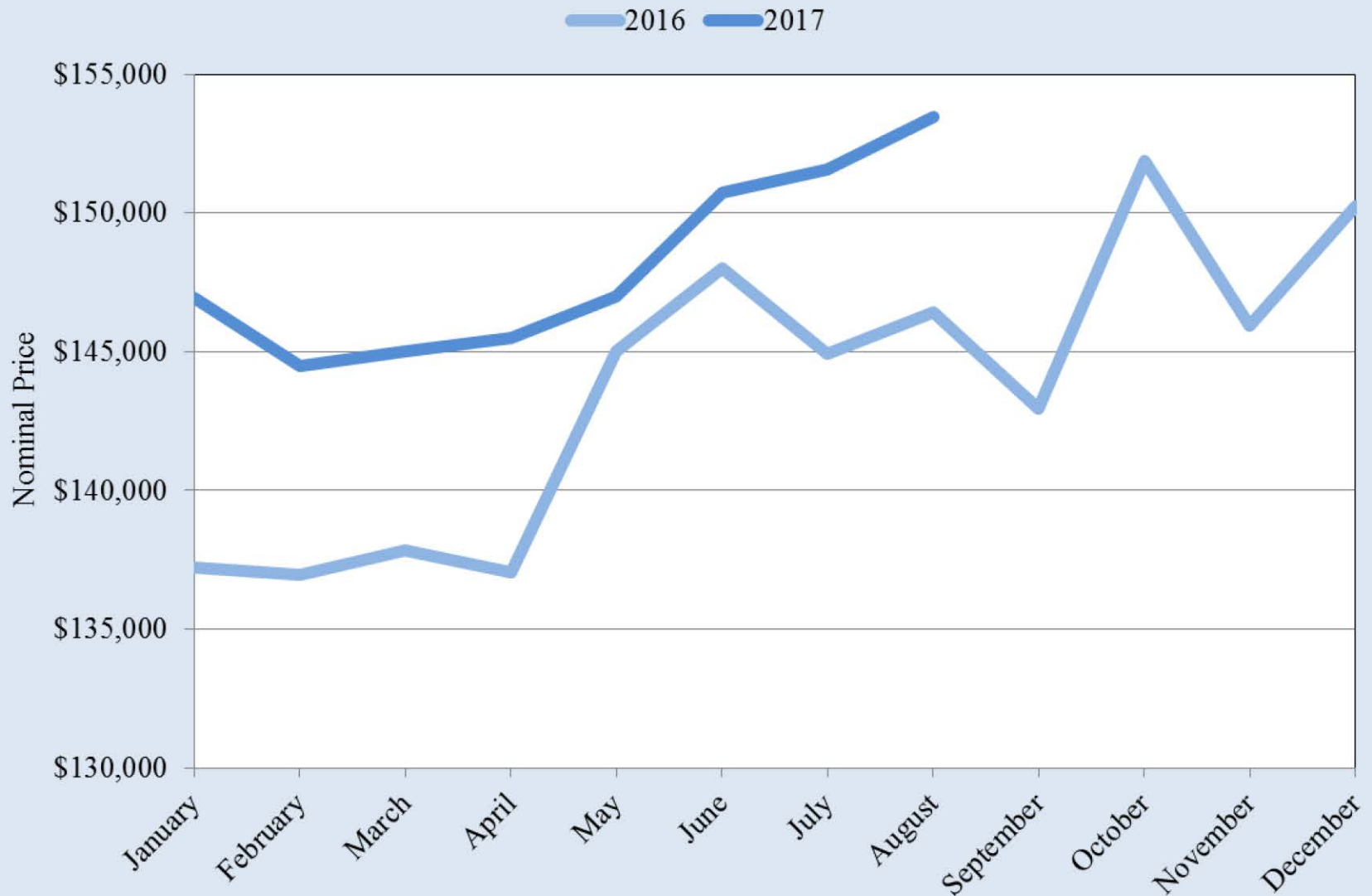
## El Paso County SNAP (Food Stamp) Enrollment



Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

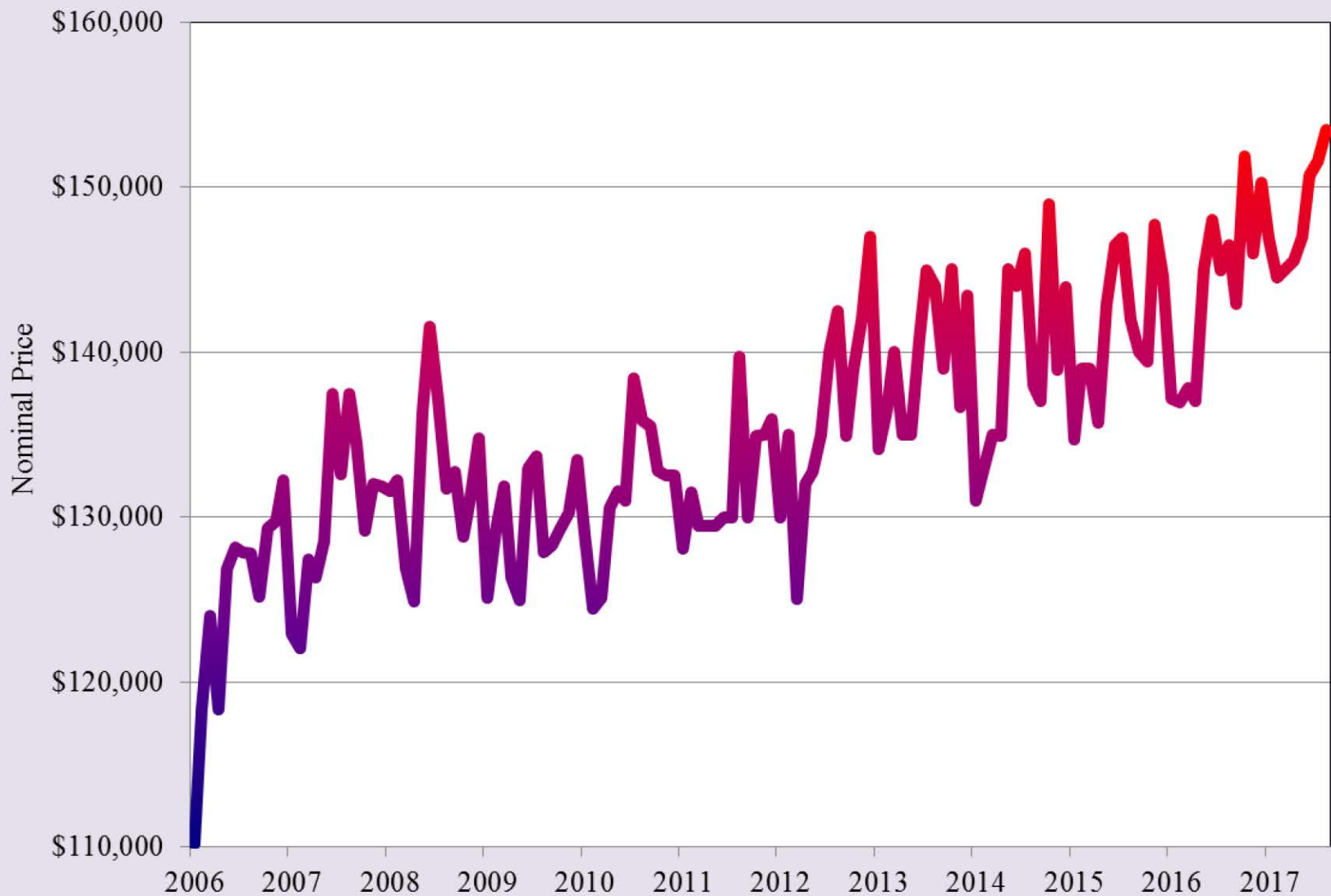
Source: Texas Health and Human Services Commission

## El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

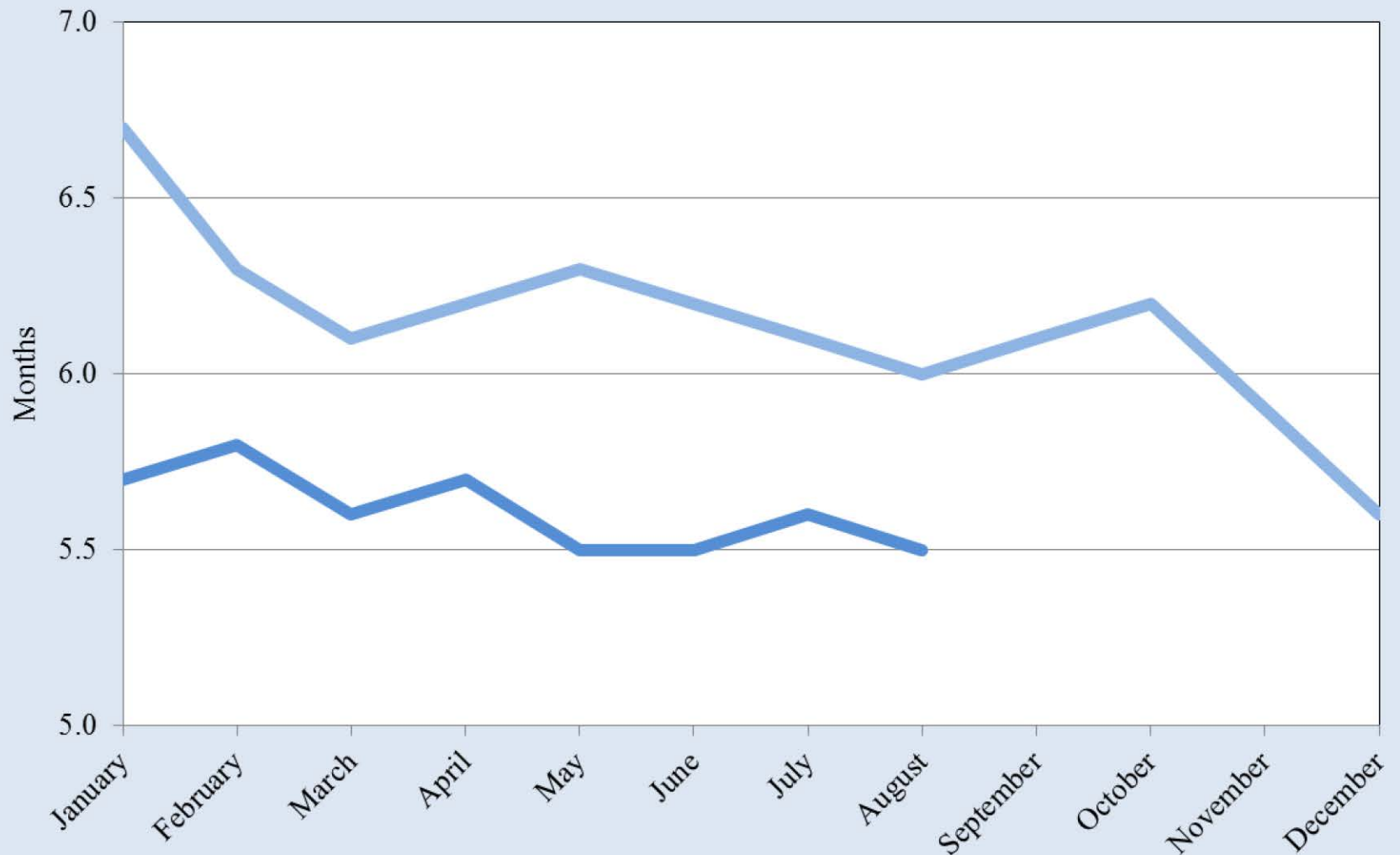
## El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

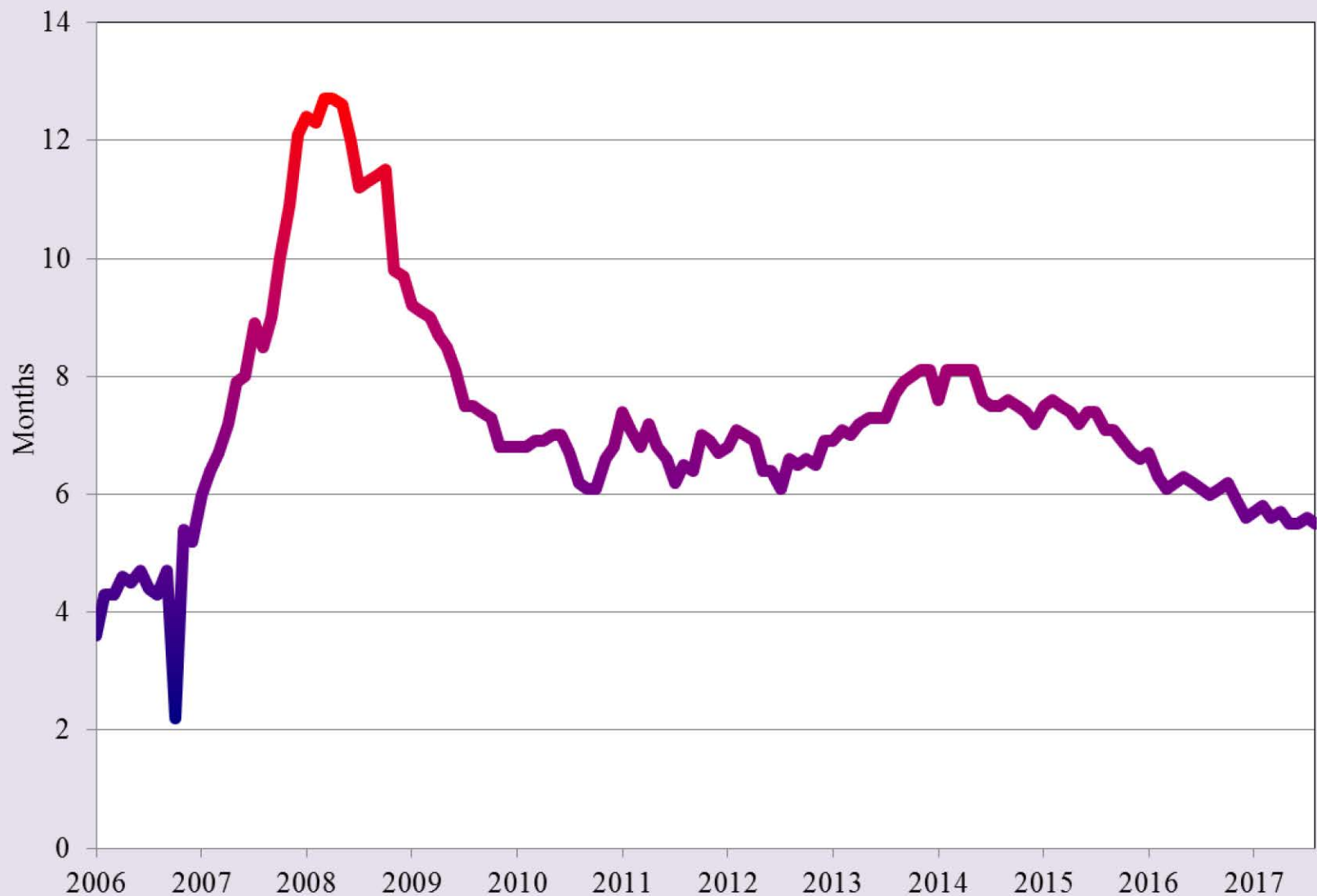
## Months of Housing Inventory for El Paso

2016 2017



Source: Texas A&M Real Estate Center

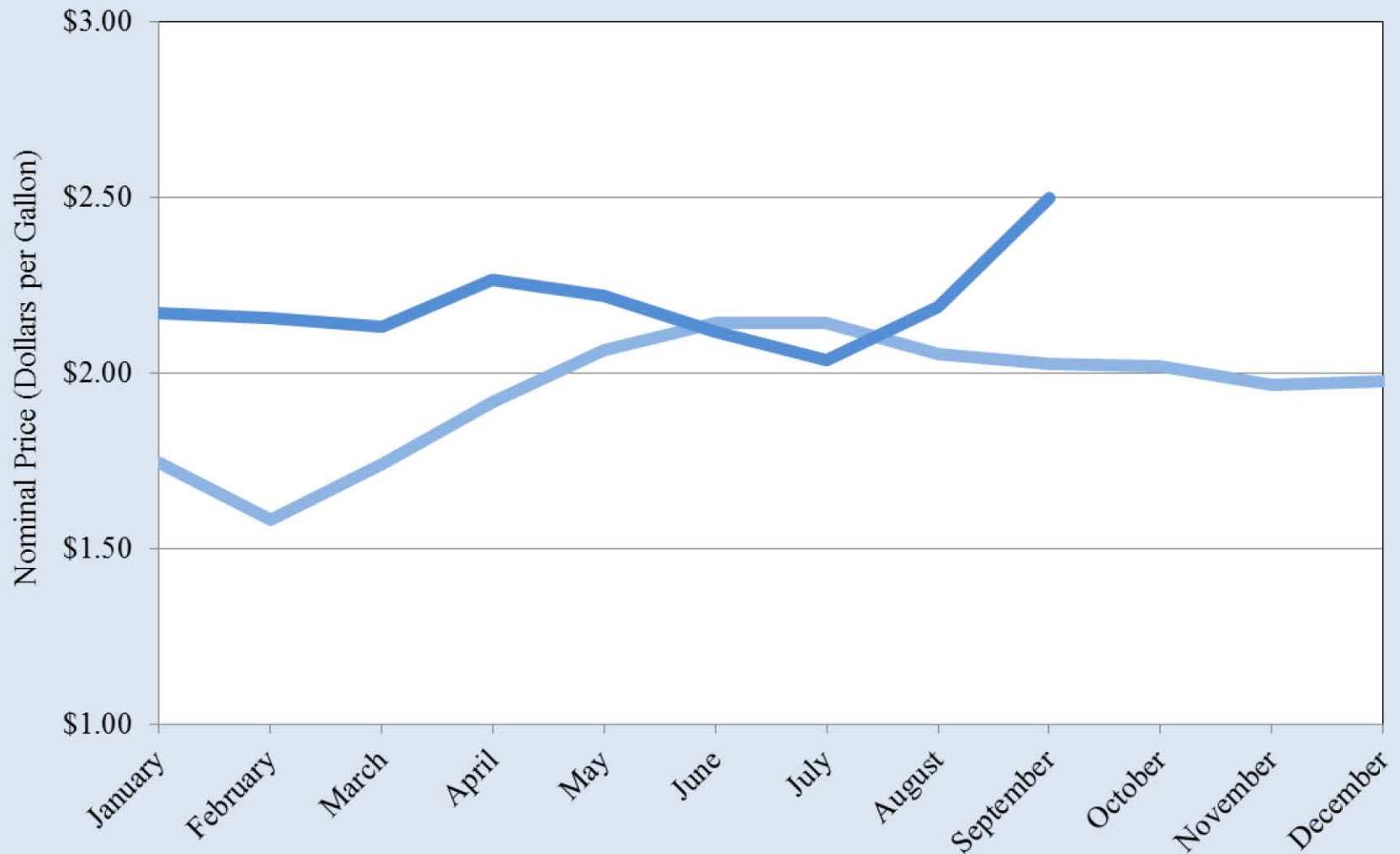
## Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

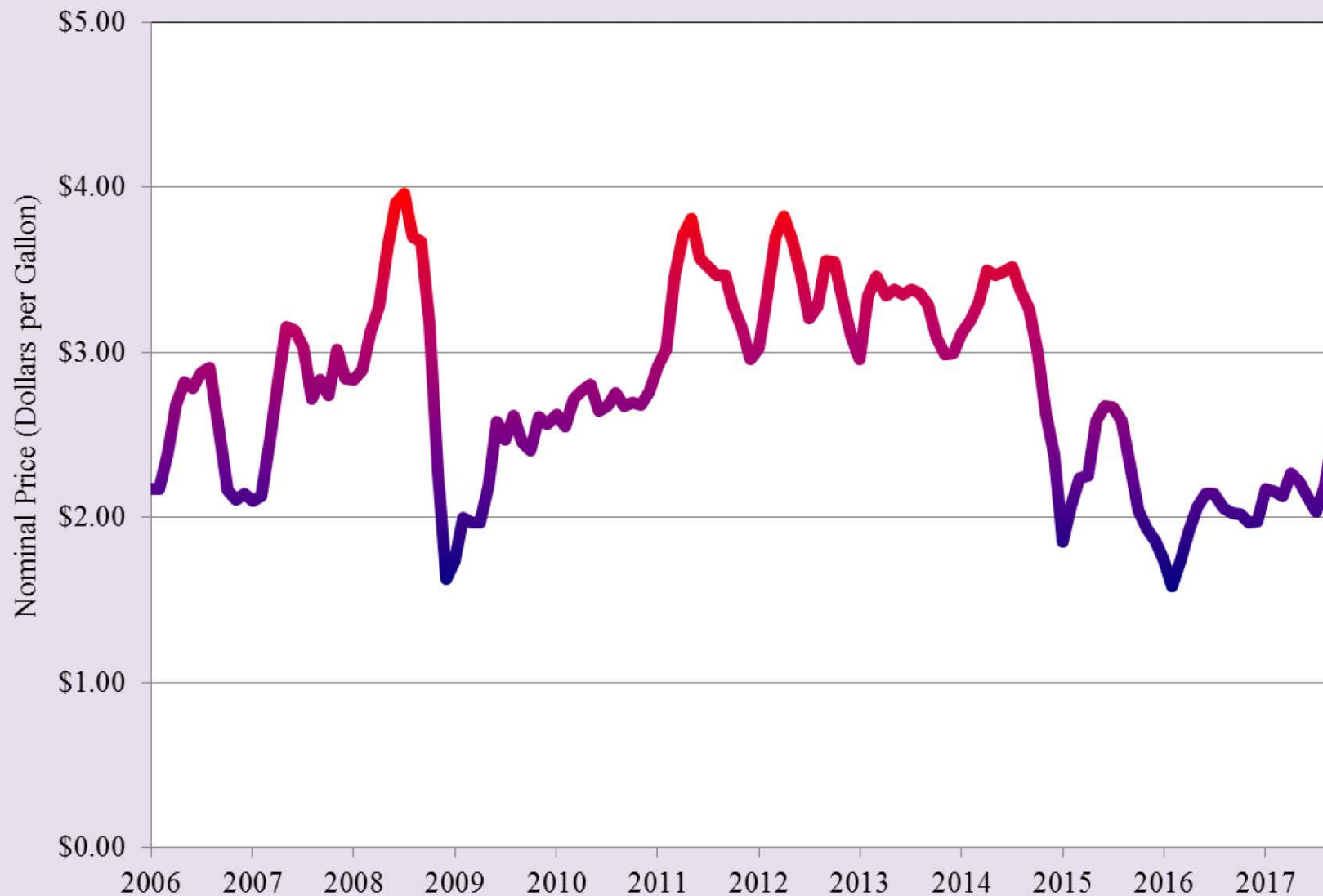
## El Paso Gasoline Prices

2016 2017



Source: GasBuddy.com

## El Paso Gasoline Prices

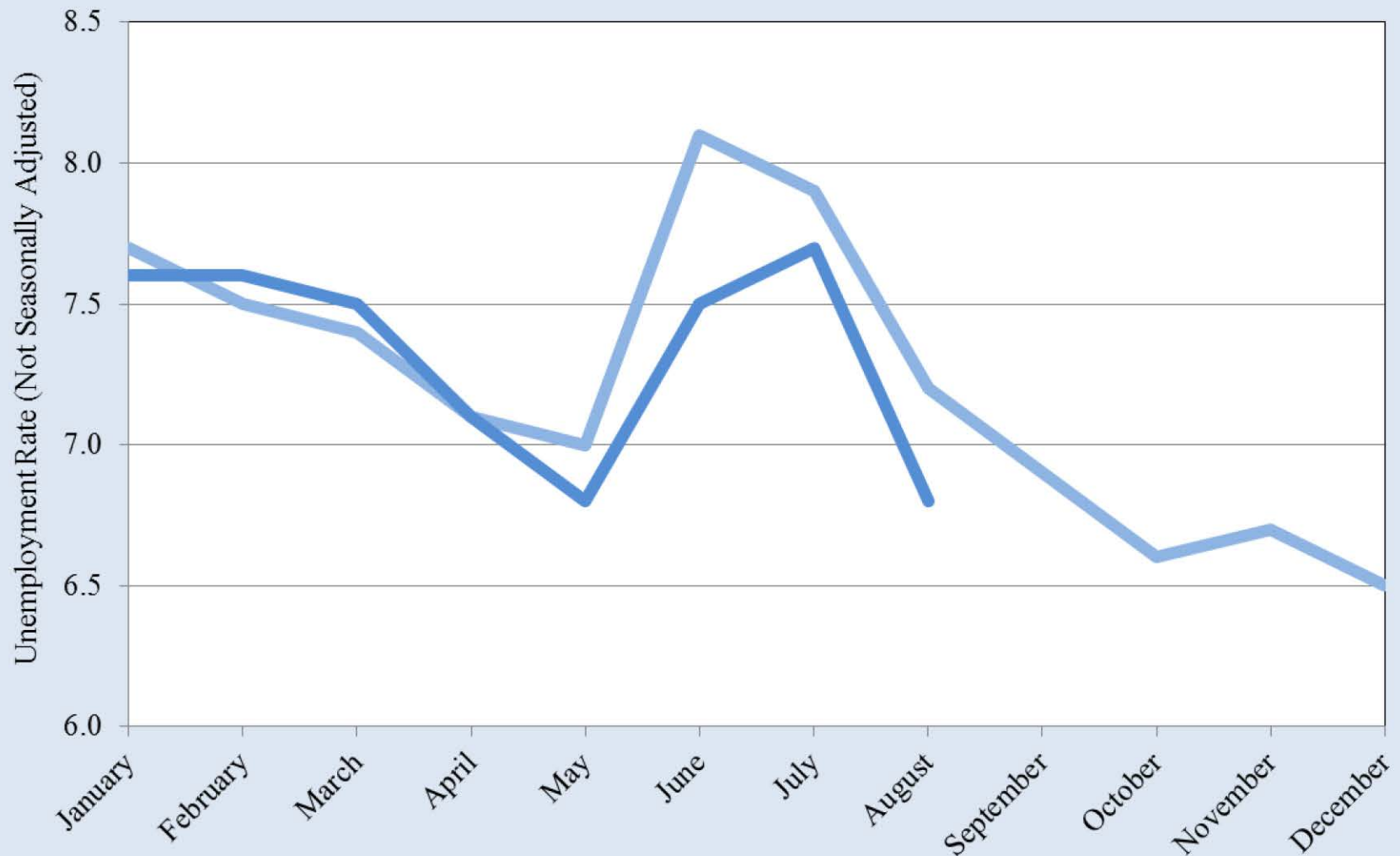


Source: GasBuddy.com



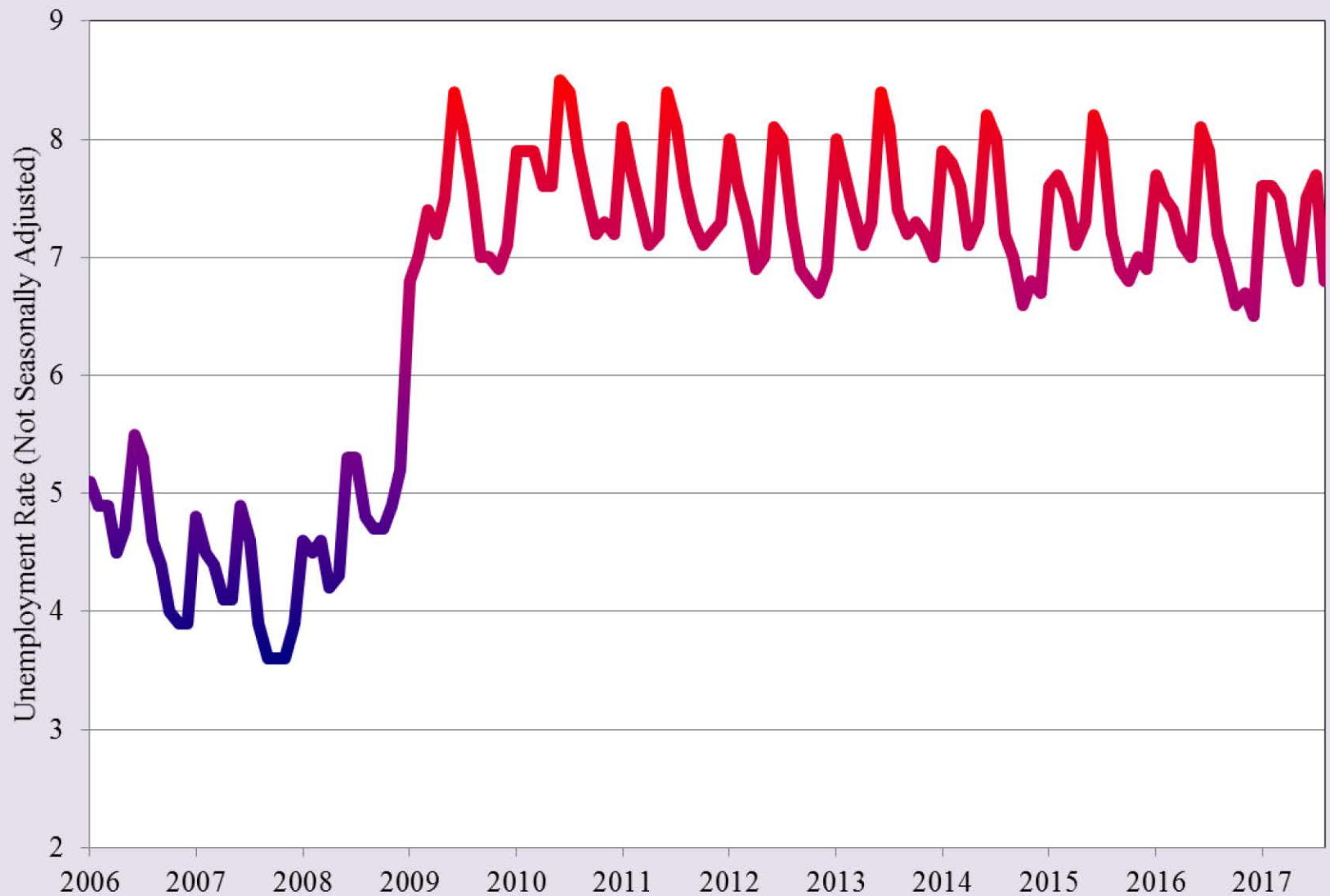
## Doña Ana County Unemployment Rate

— 2016 — 2017



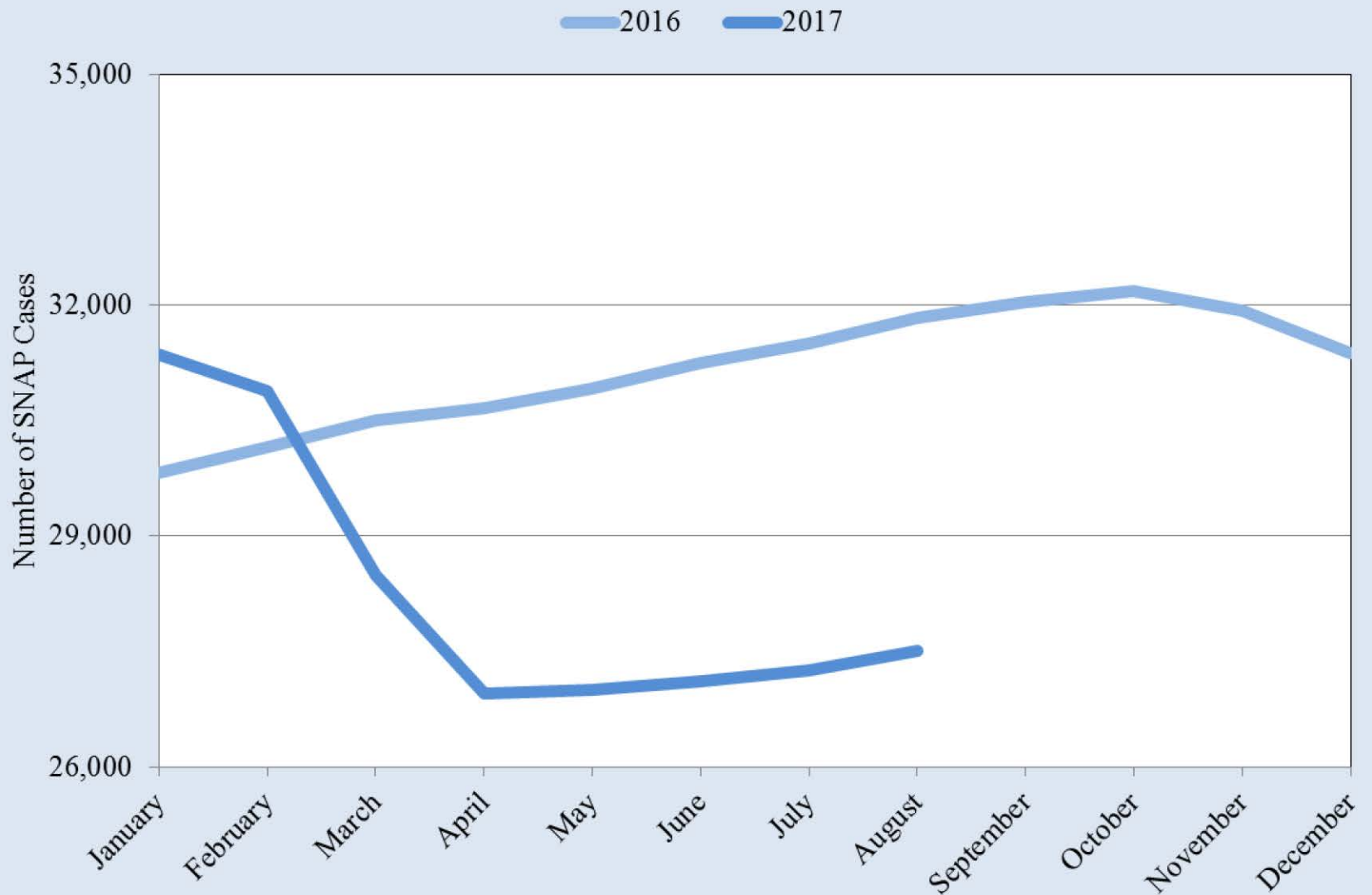
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



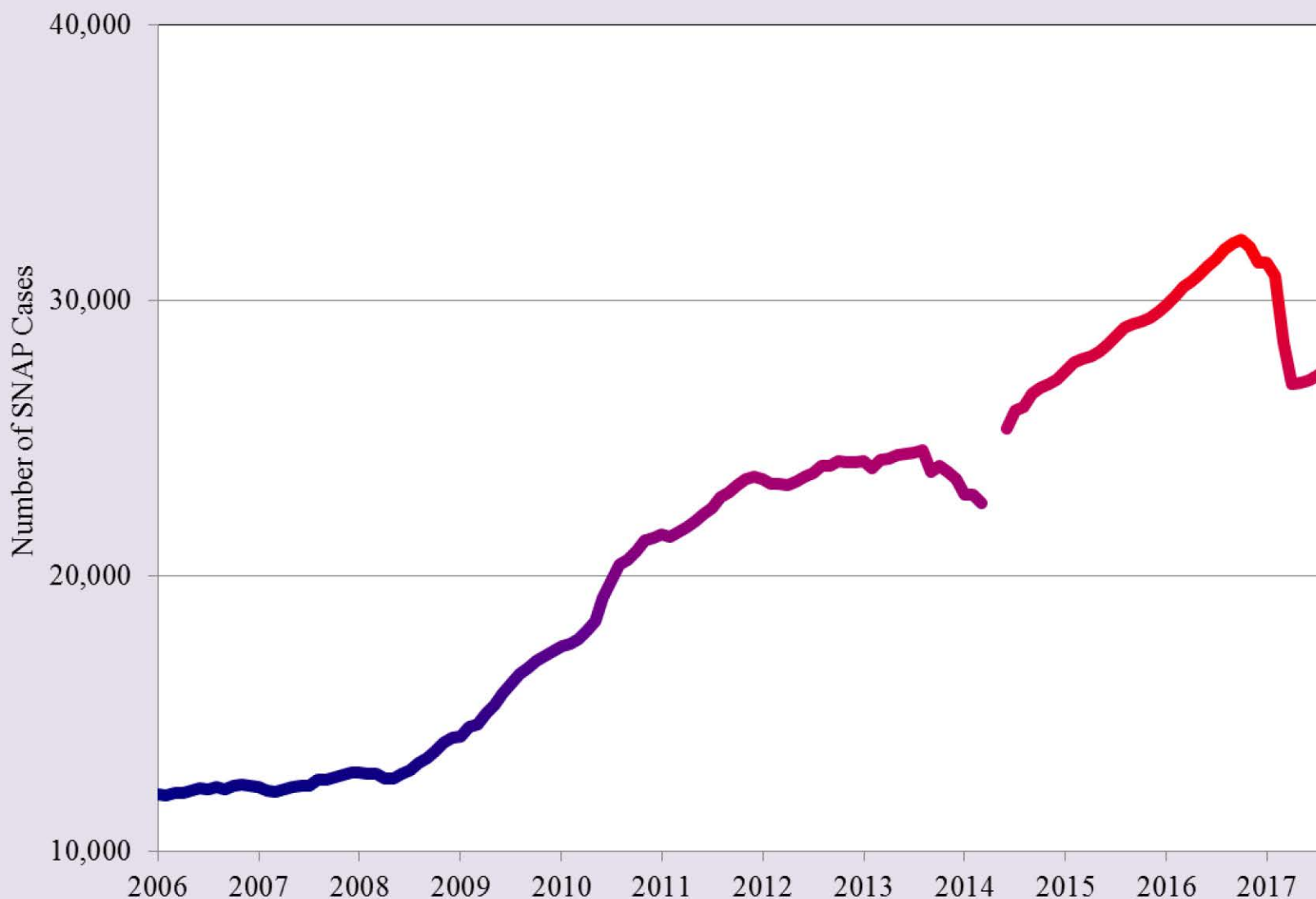
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



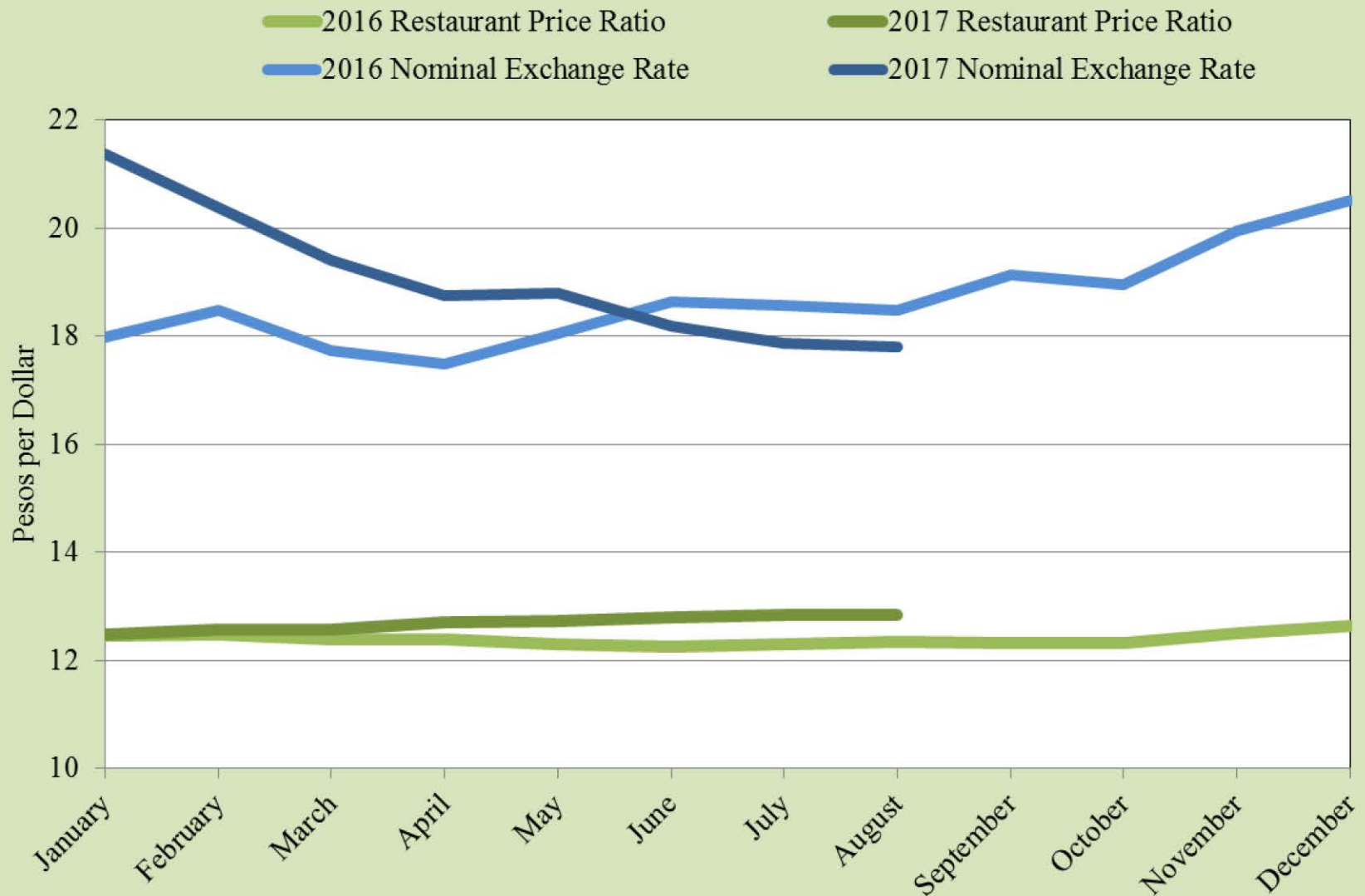
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

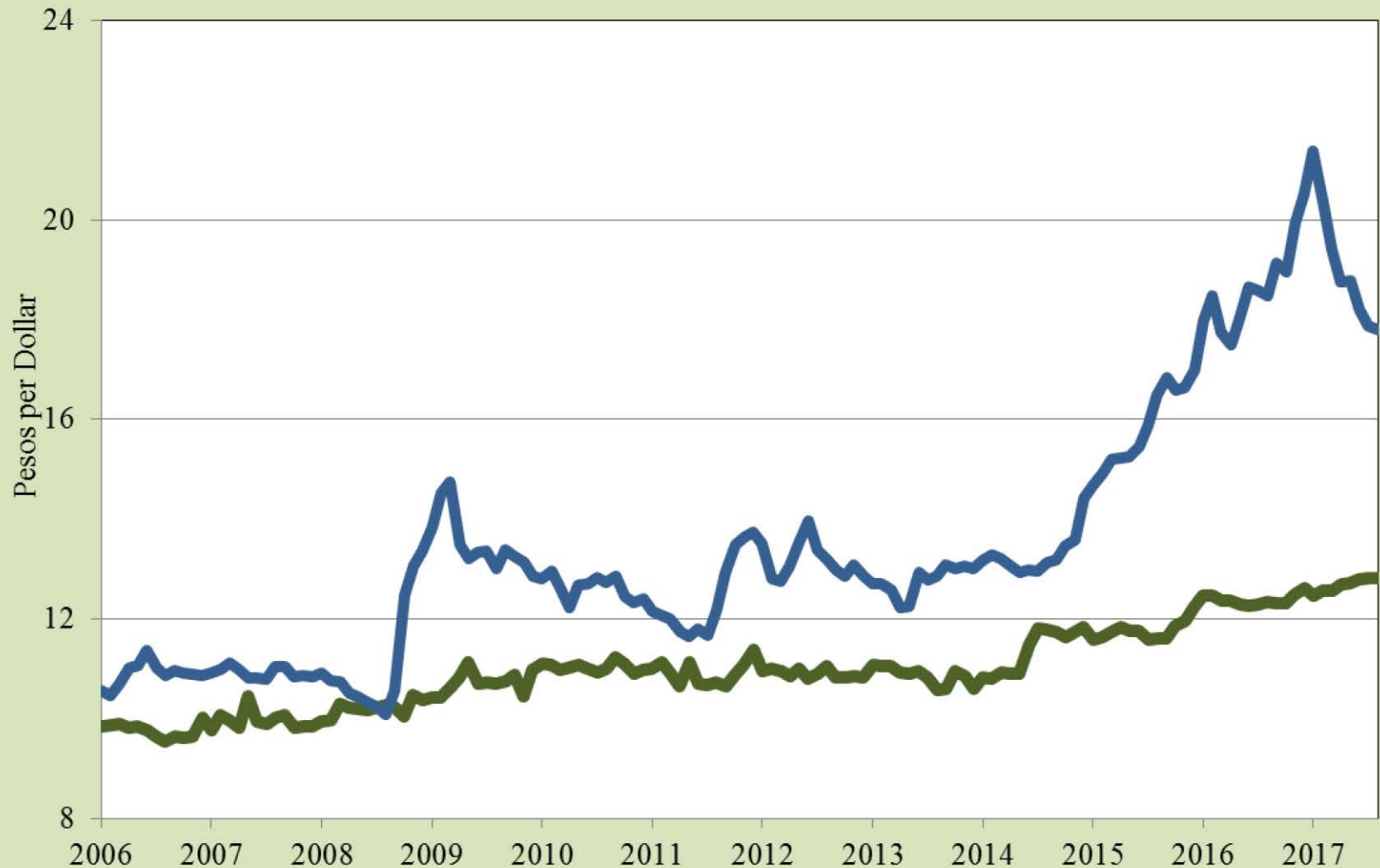
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

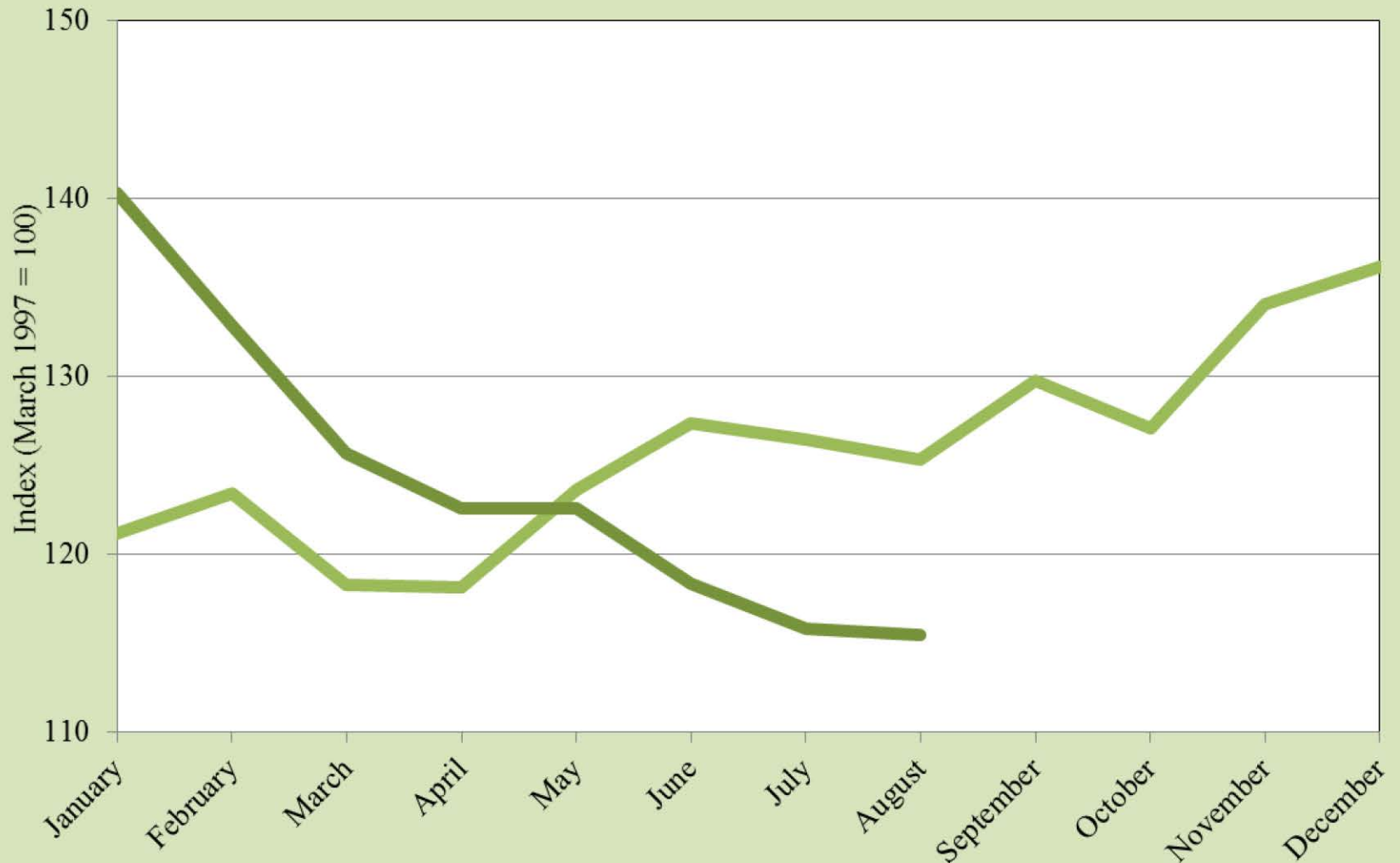
— Restaurant Price Ratio    — Nominal Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Real Peso/Dollar Exchange Rate Index

2016 2017



Source: UTEP Border Region Modeling Project

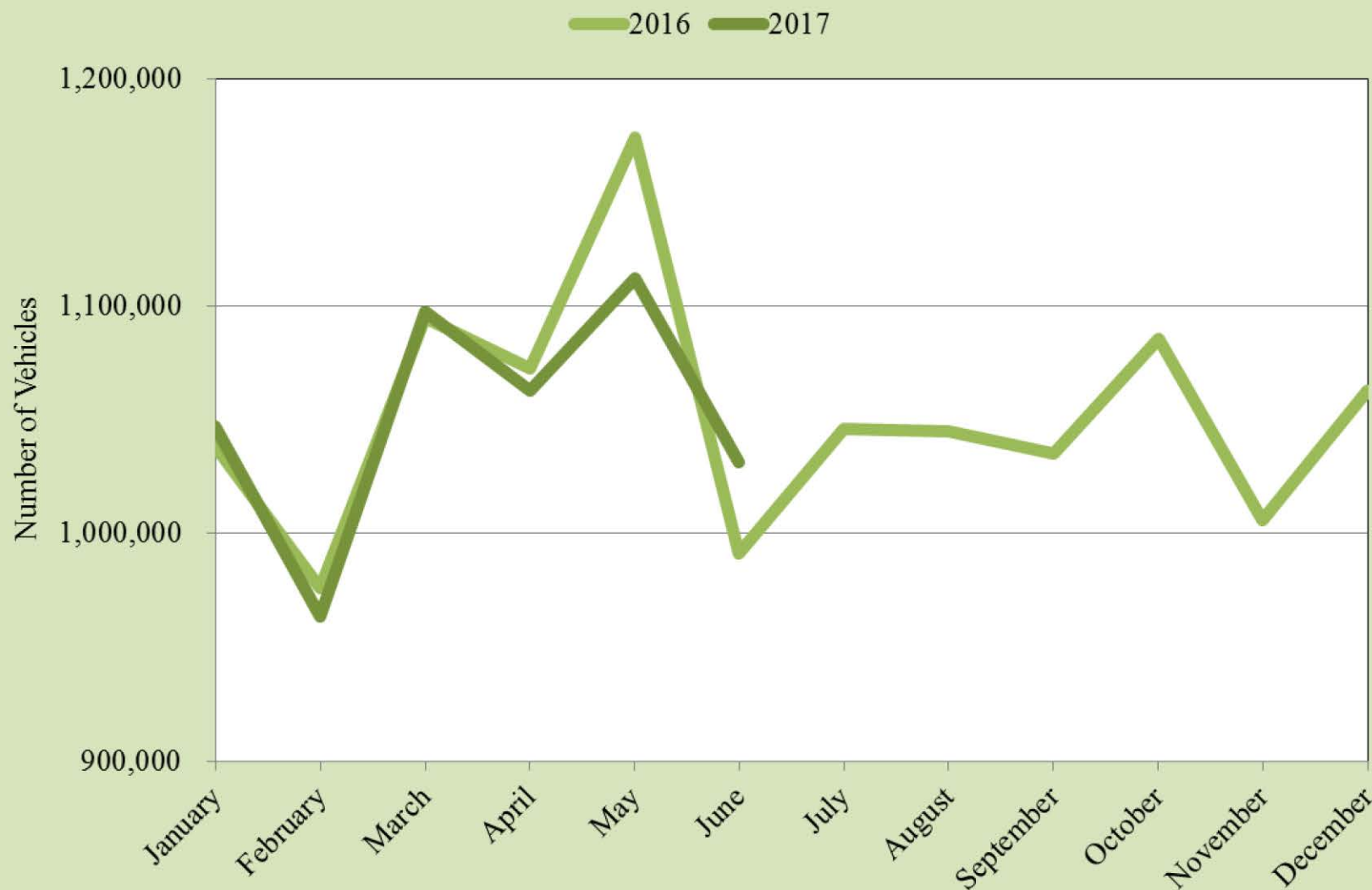
## Real Peso/Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project



## Personal Vehicle International Bridge Crossings to El Paso



Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

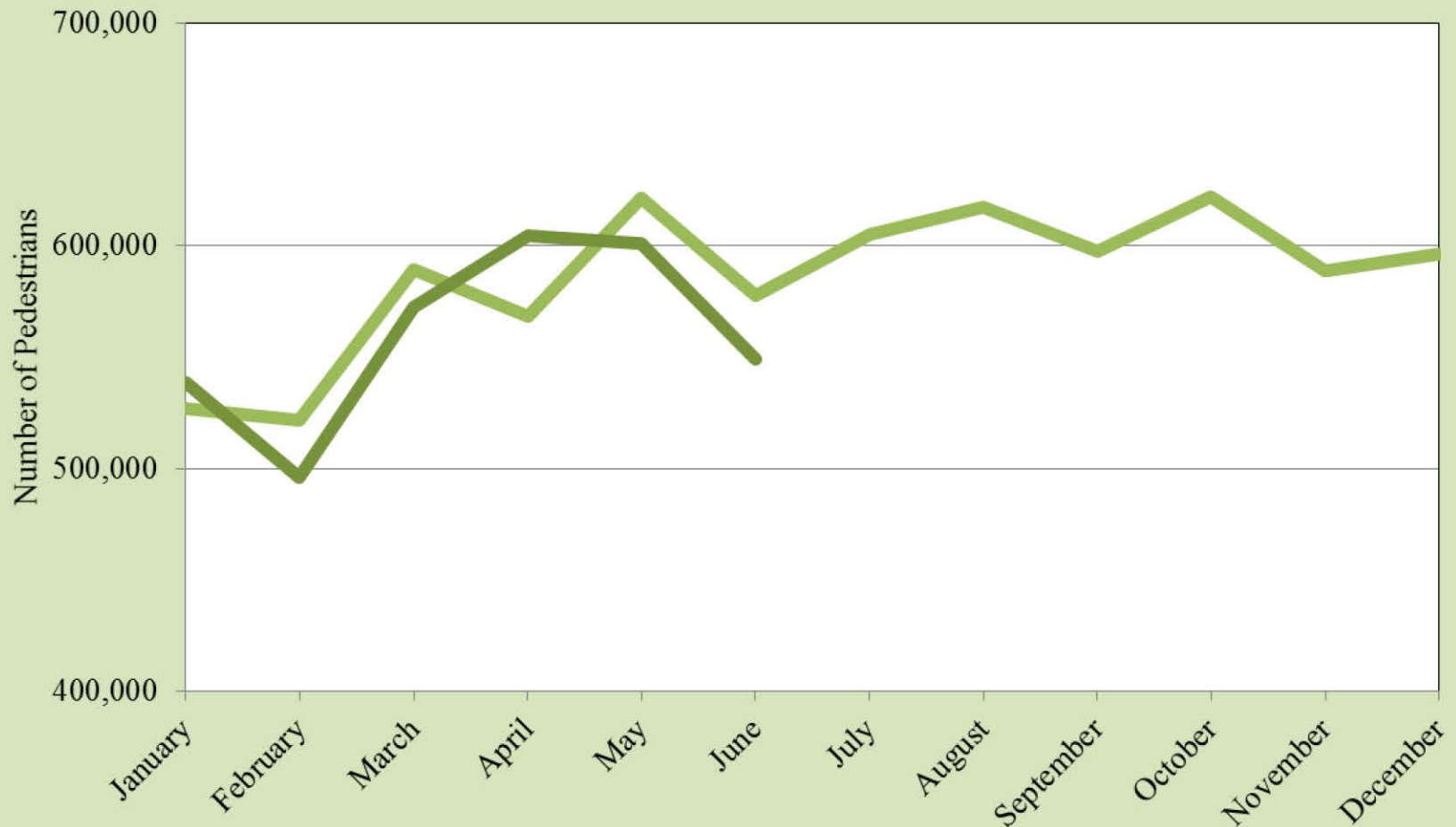
## Personal Vehicle International Bridge Crossings to El Paso



Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

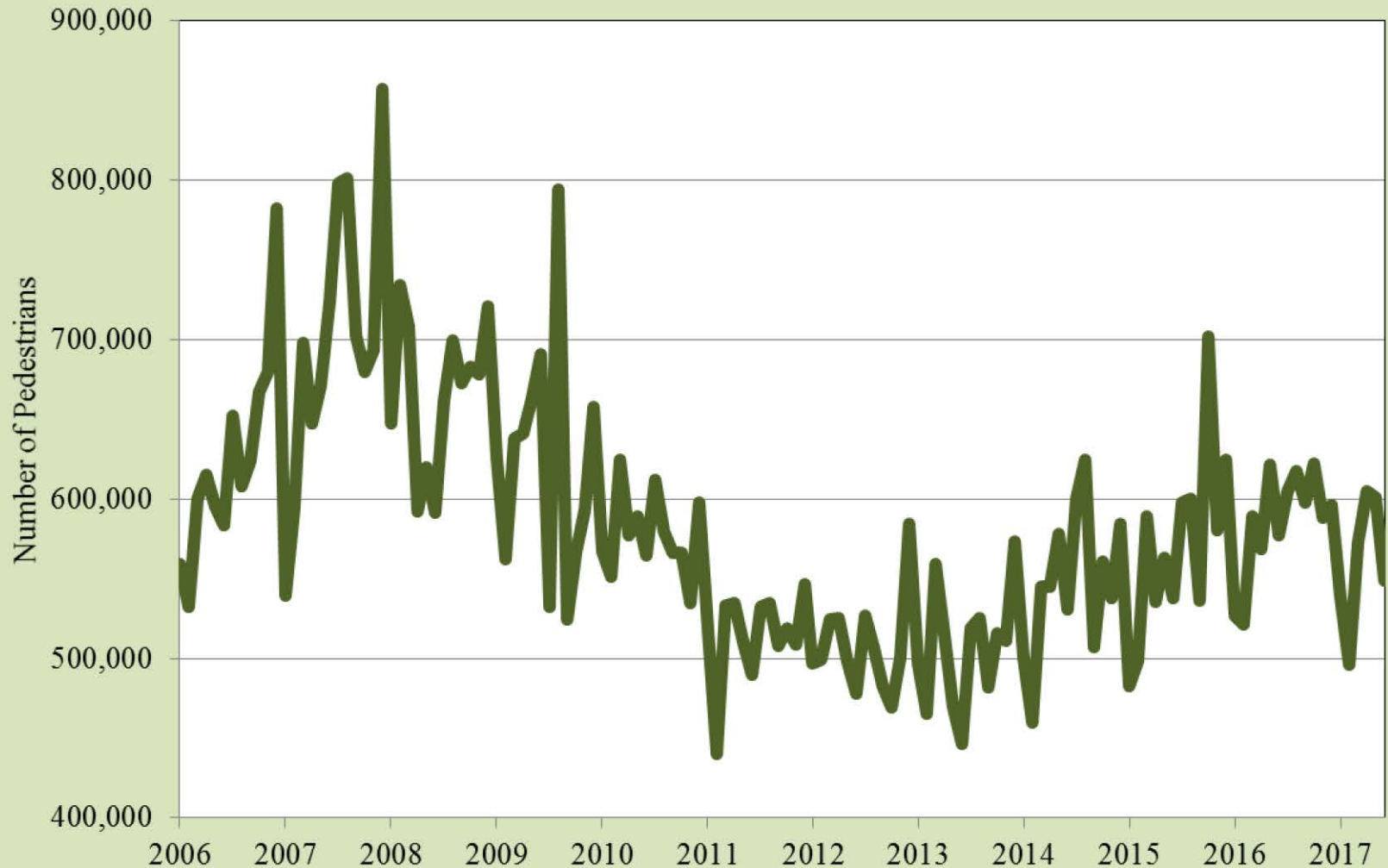
## Pedestrian International Bridge Crossings to El Paso

2016 2017



Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

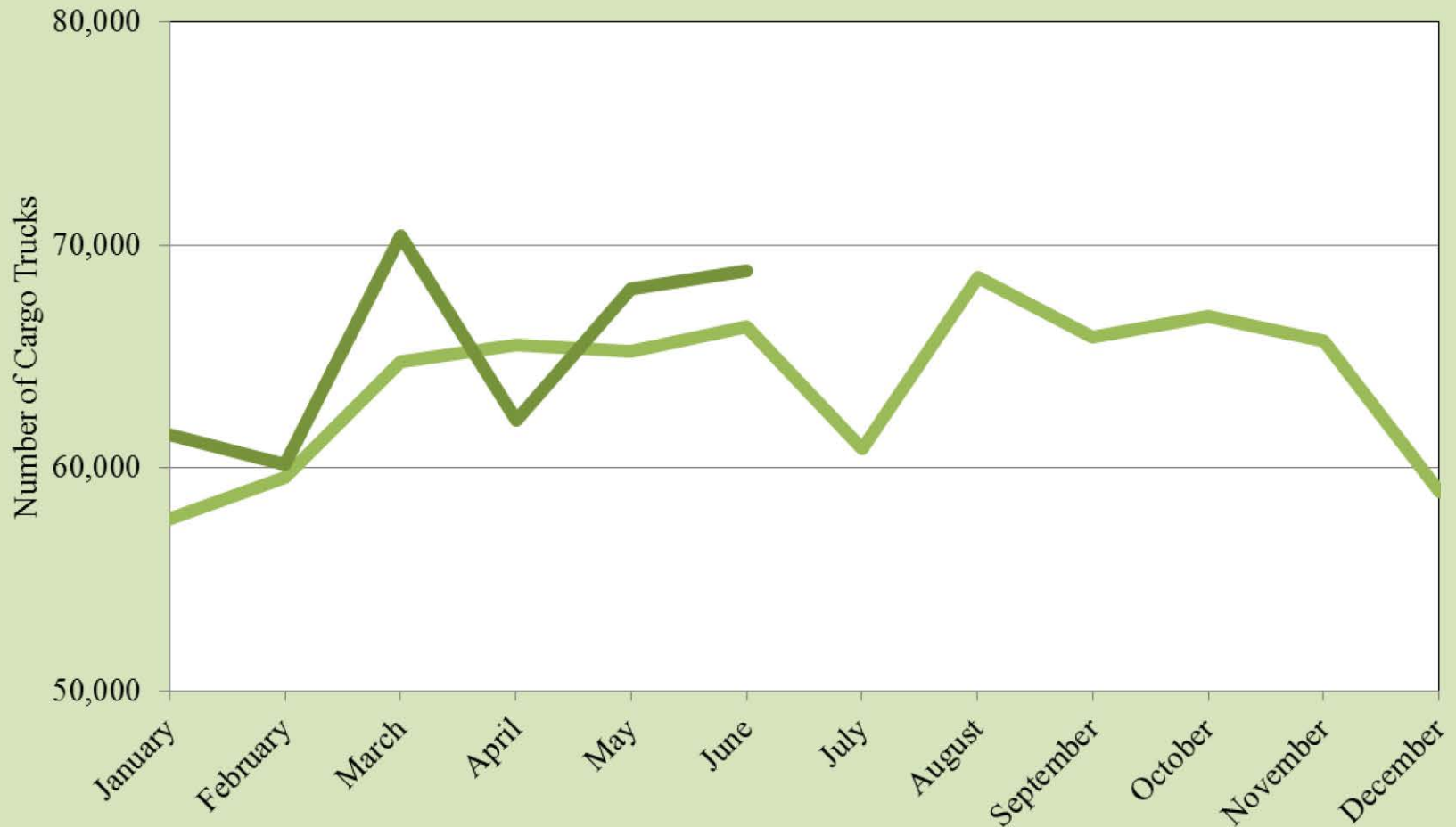
## Pedestrian International Bridge Crossings to El Paso



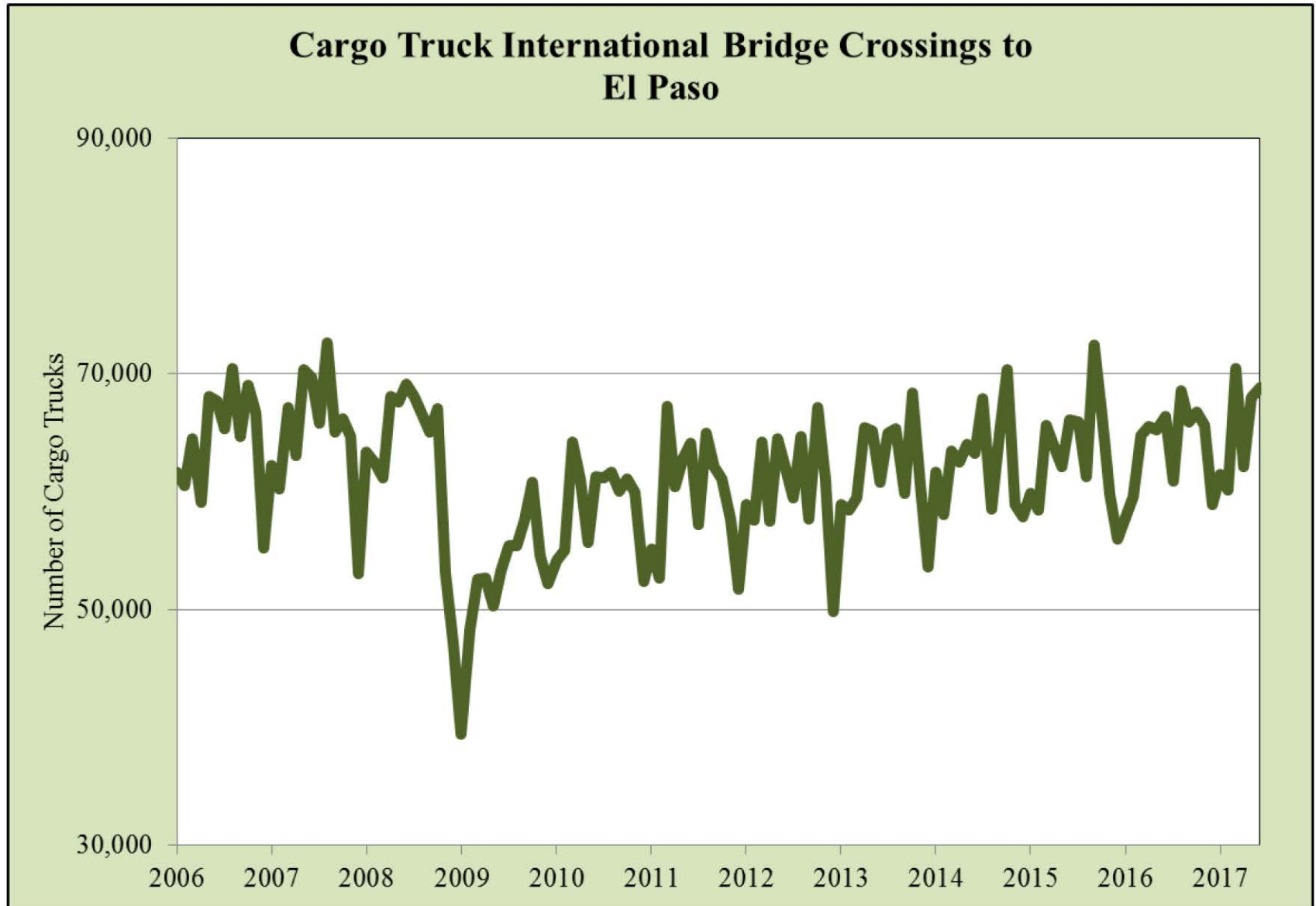
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Cargo Truck International Bridge Crossings to El Paso

2016 2017

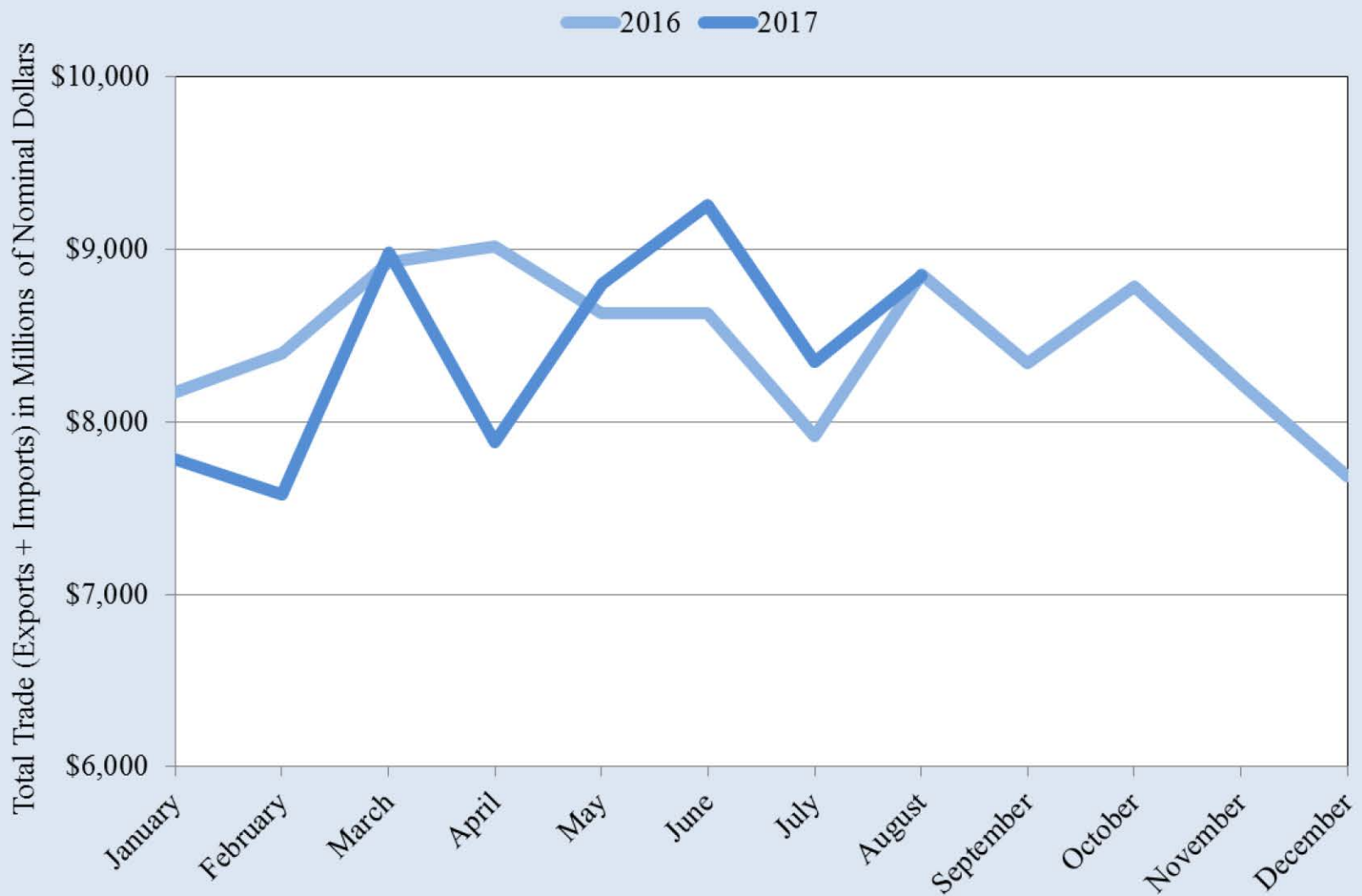


Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

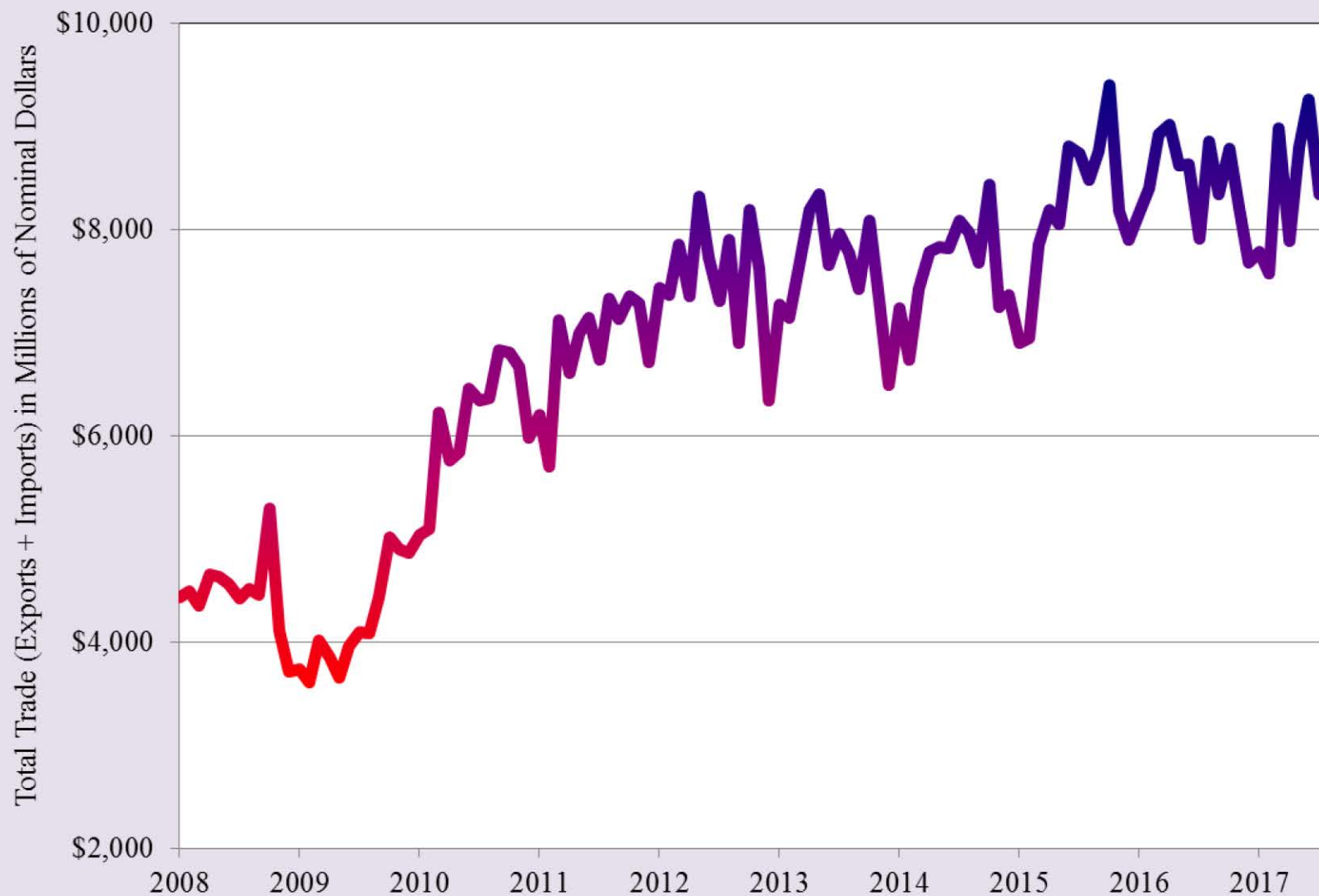
## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission



## Total Trade through the El Paso Customs District

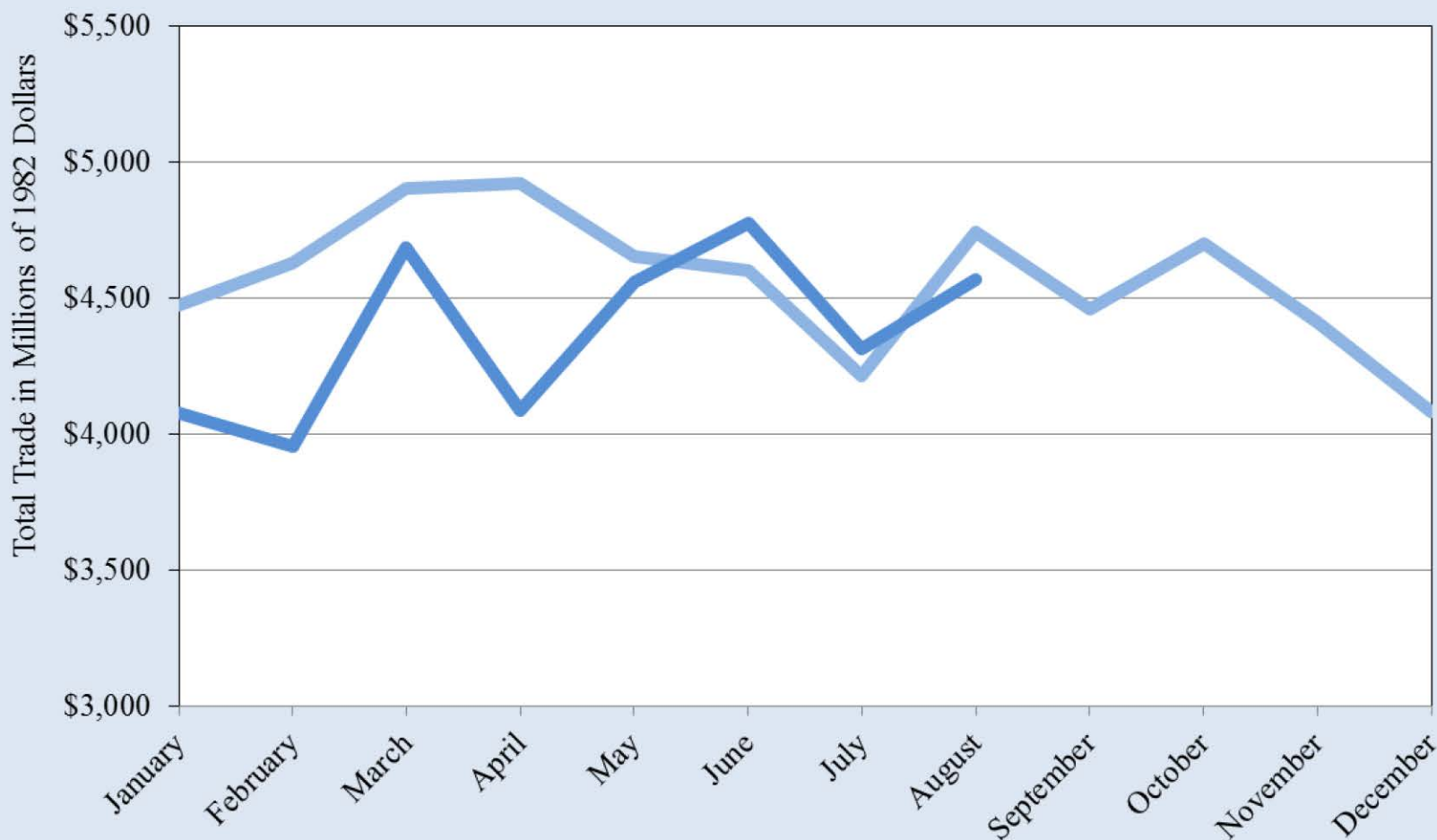


Source: U.S. International Trade Commission



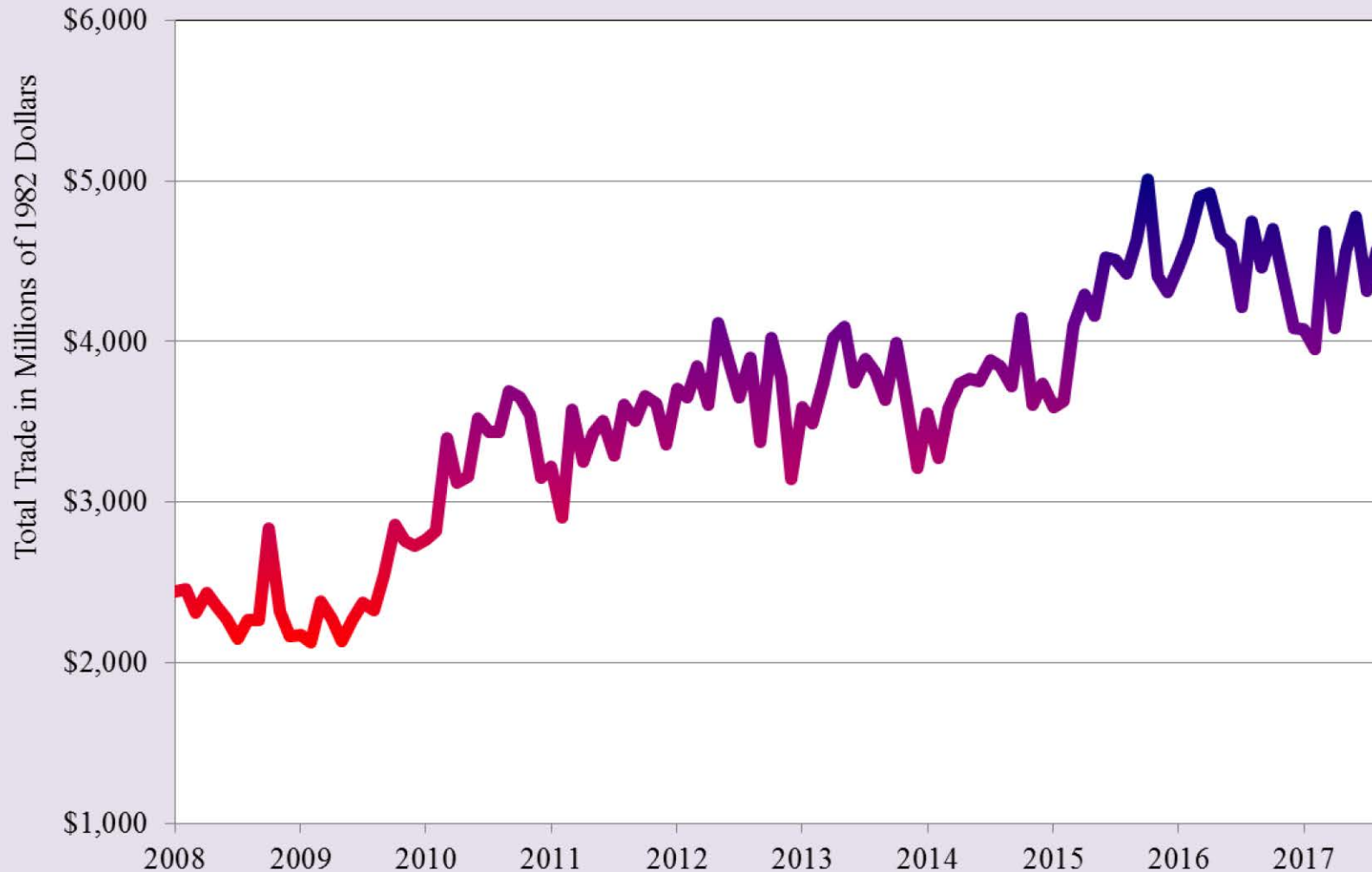
## Real Total Trade through the El Paso Customs District

— 2016 — 2017



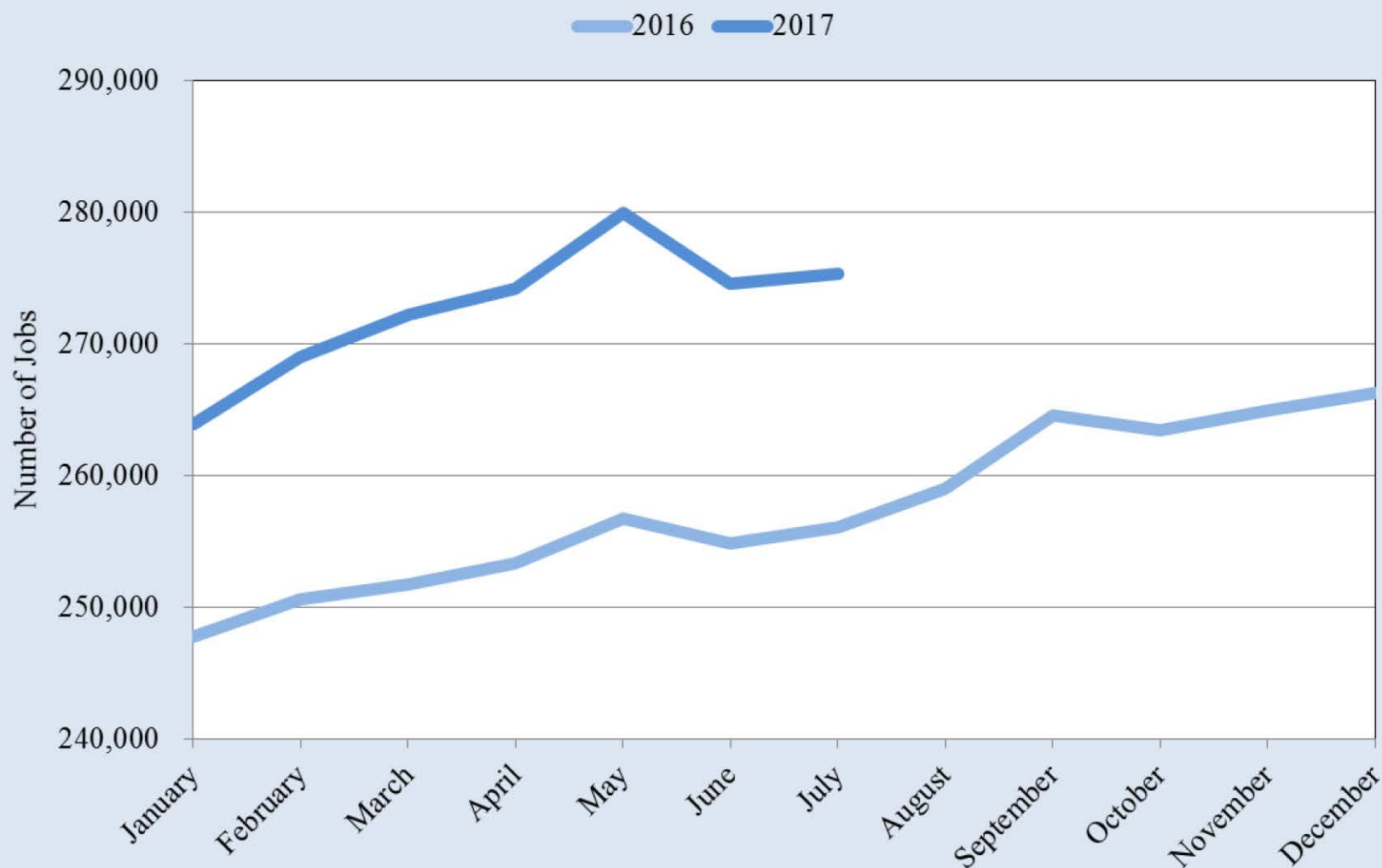
Sources: U.S. International Trade Commission and Bureau of Labor Statistics

## Real Total Trade through the El Paso Customs District



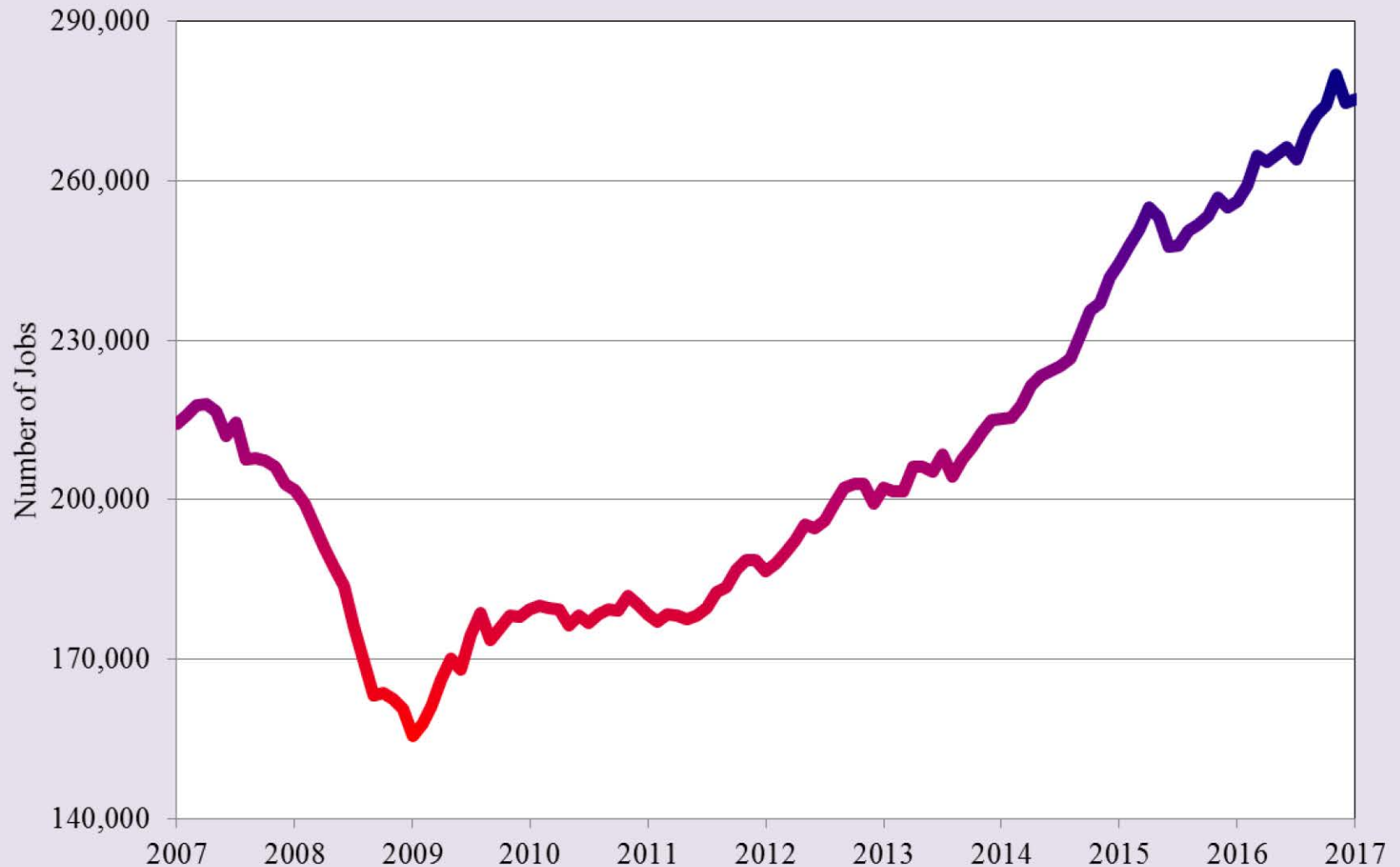
Sources: U.S. International Trade Commission and Bureau of Labor Statistics

## Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

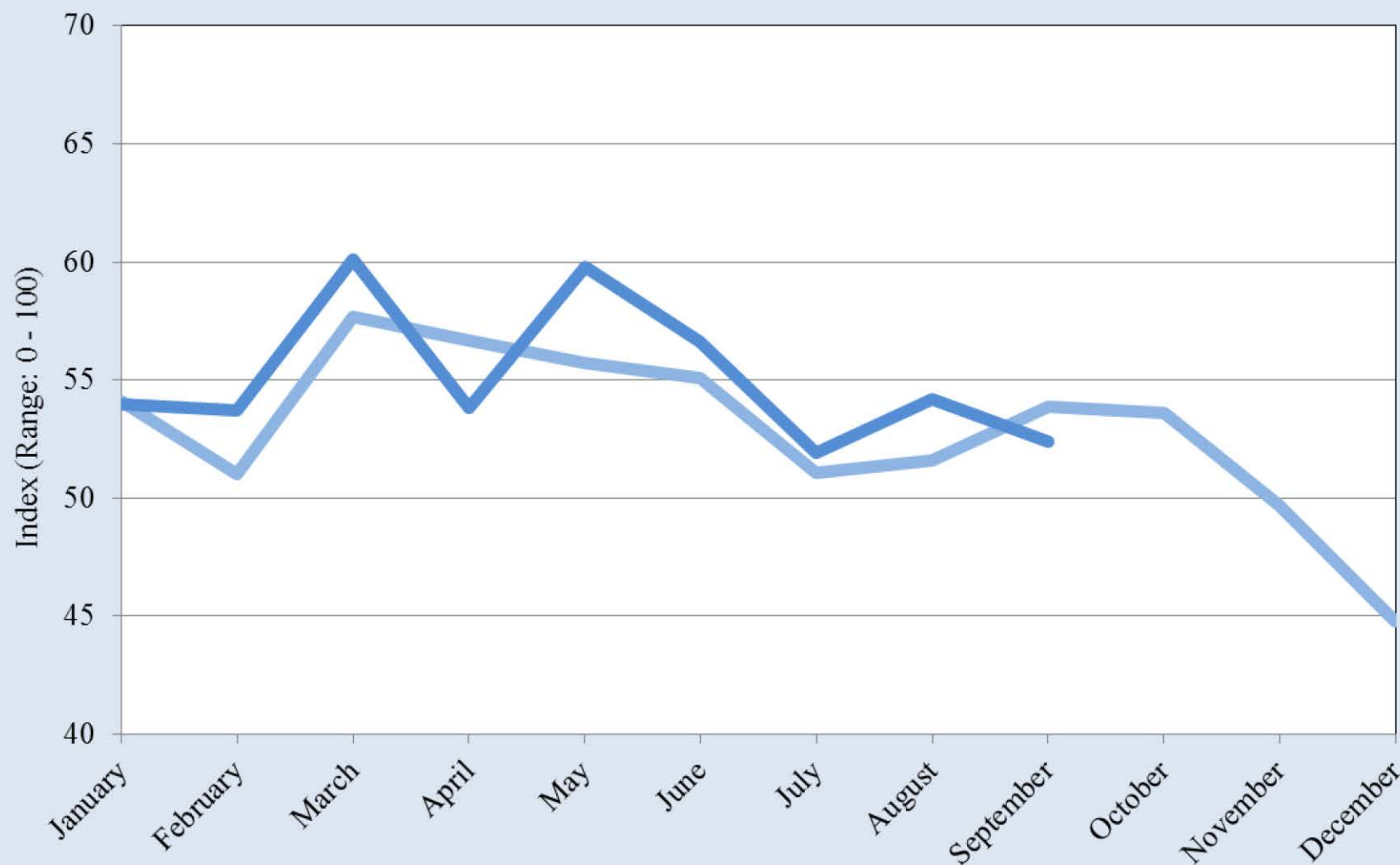
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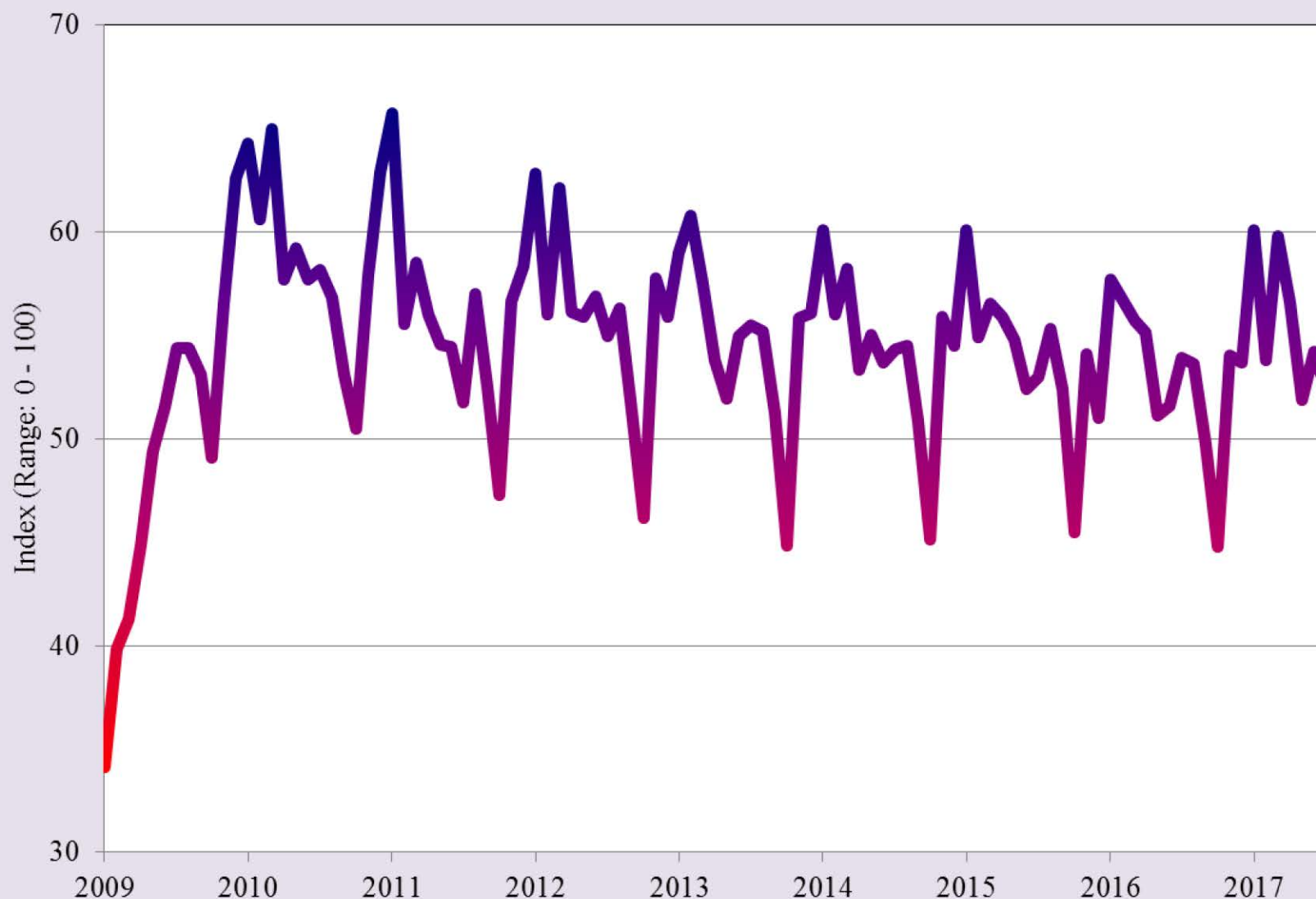
## Northern Mexico Manufacturing Orders Index

— 2016 — 2017



Source: Banco de México

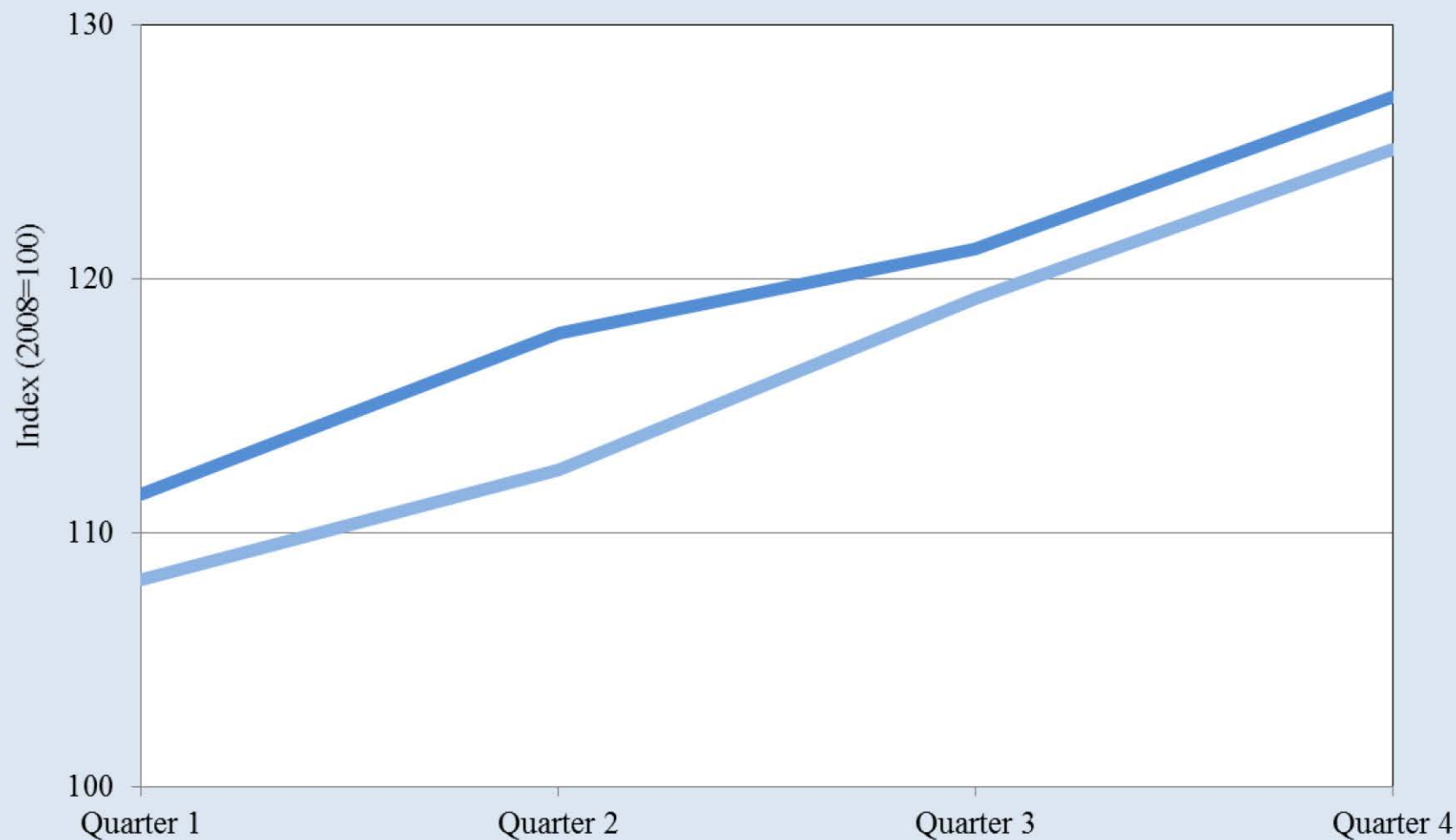
## Northern Mexico Manufacturing Orders Index



Source: Banco de México

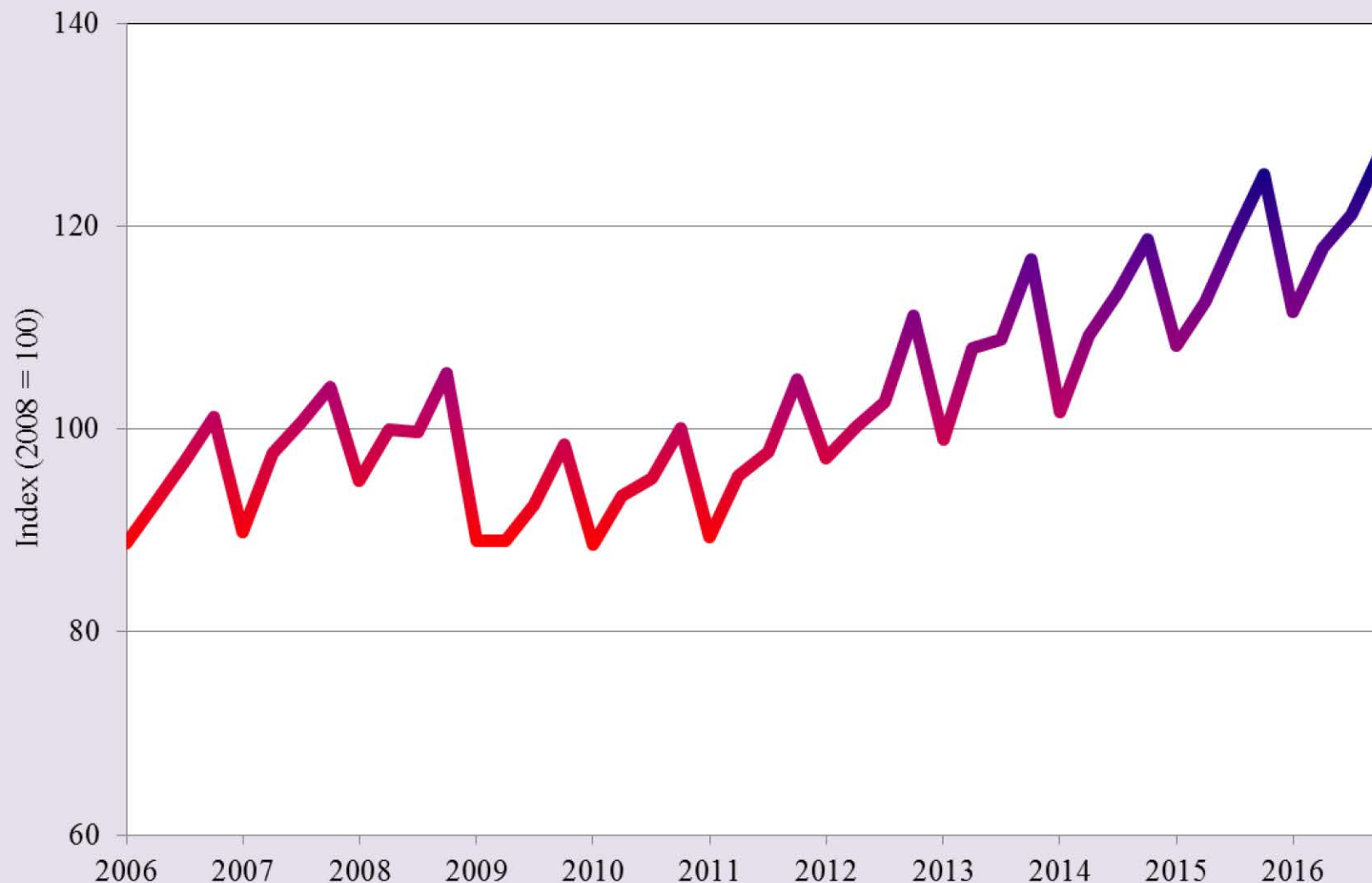
## Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2015 — 2016



Source: INEGI

## Quarterly Indicator of Economic Activity for the State of Chihuahua

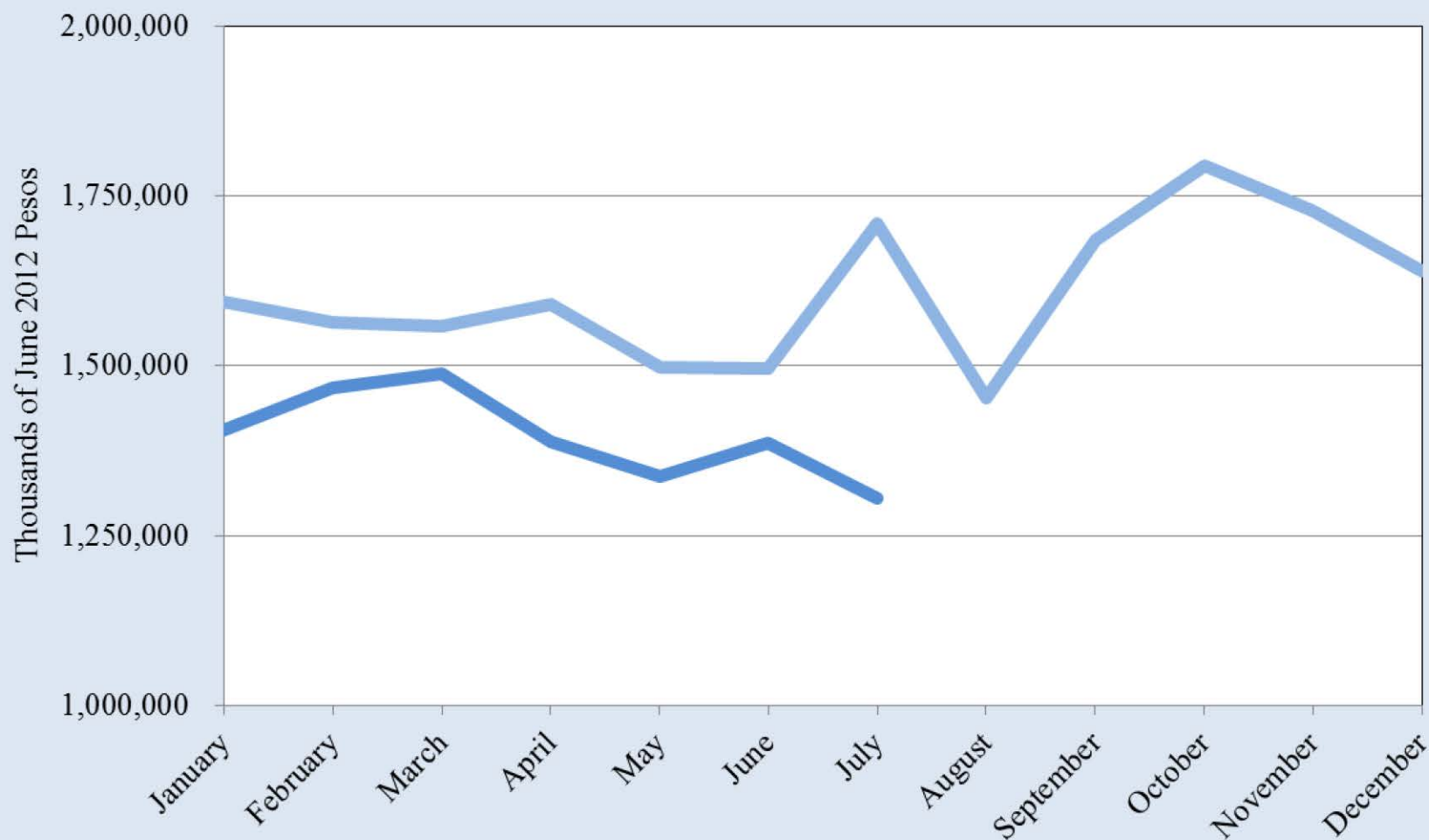


Source: INEGI



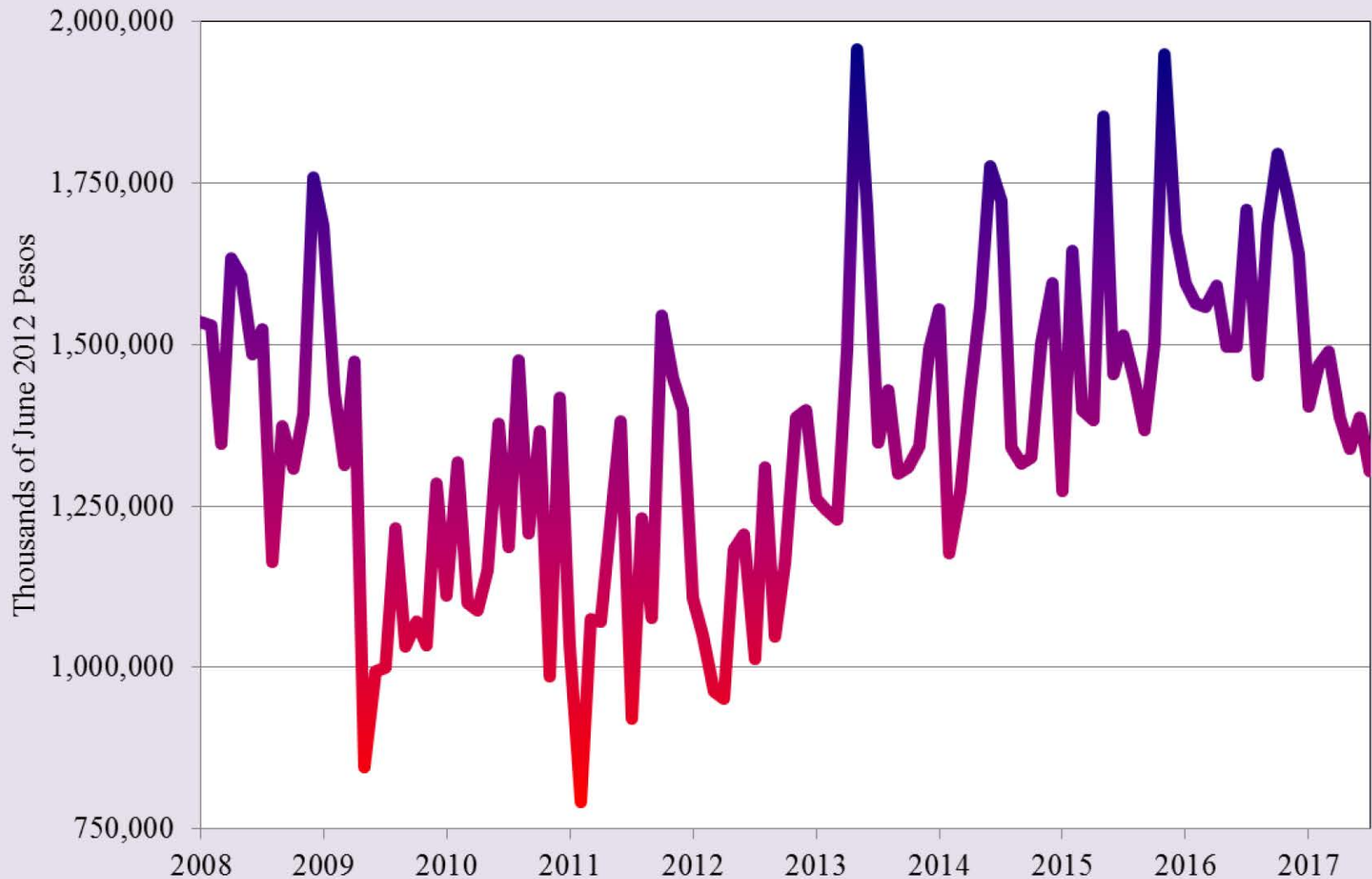
## Total Value of Construction in the State of Chihuahua

— 2016 — 2017



Source: INEGI

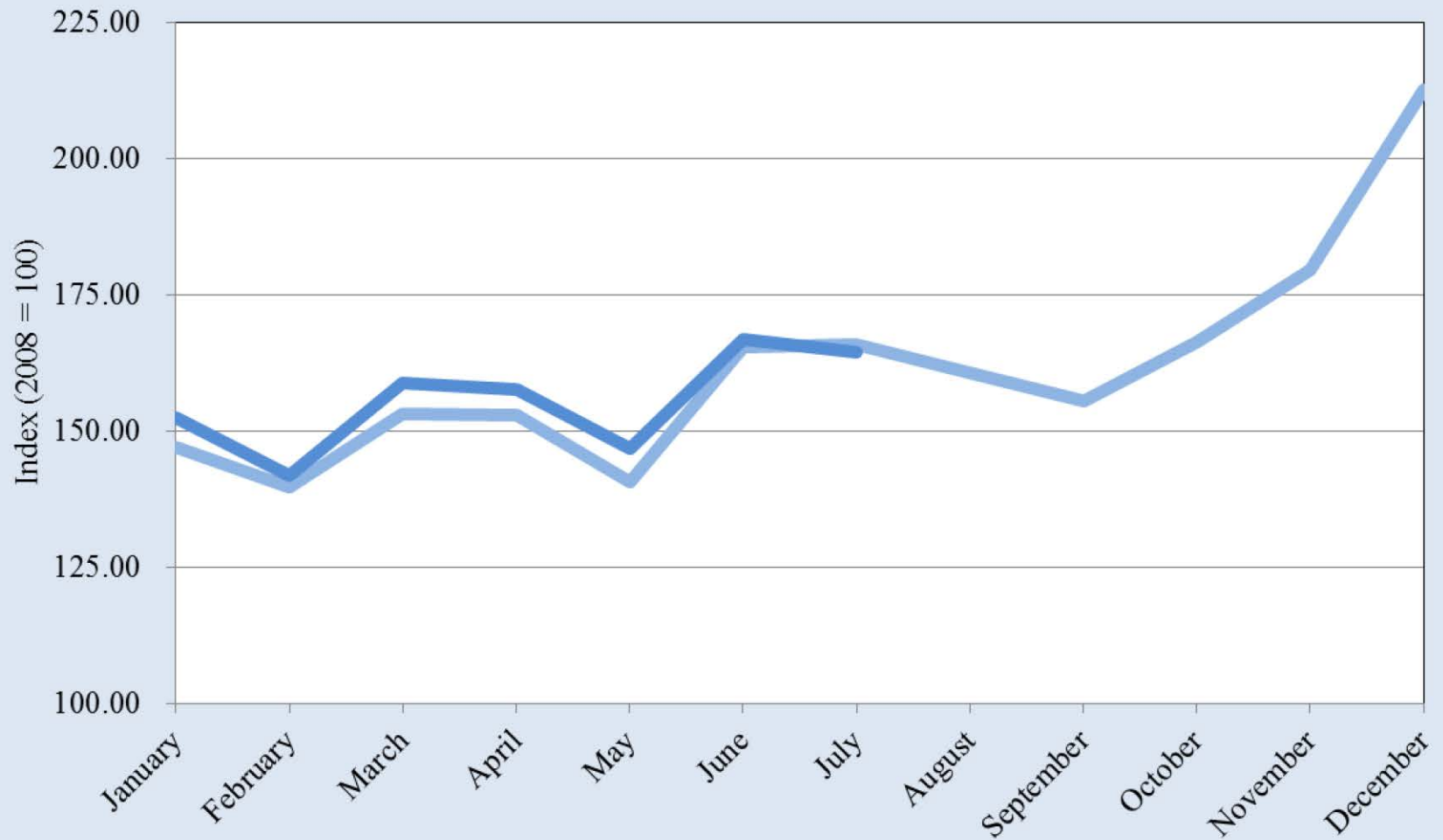
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Source: INEGI

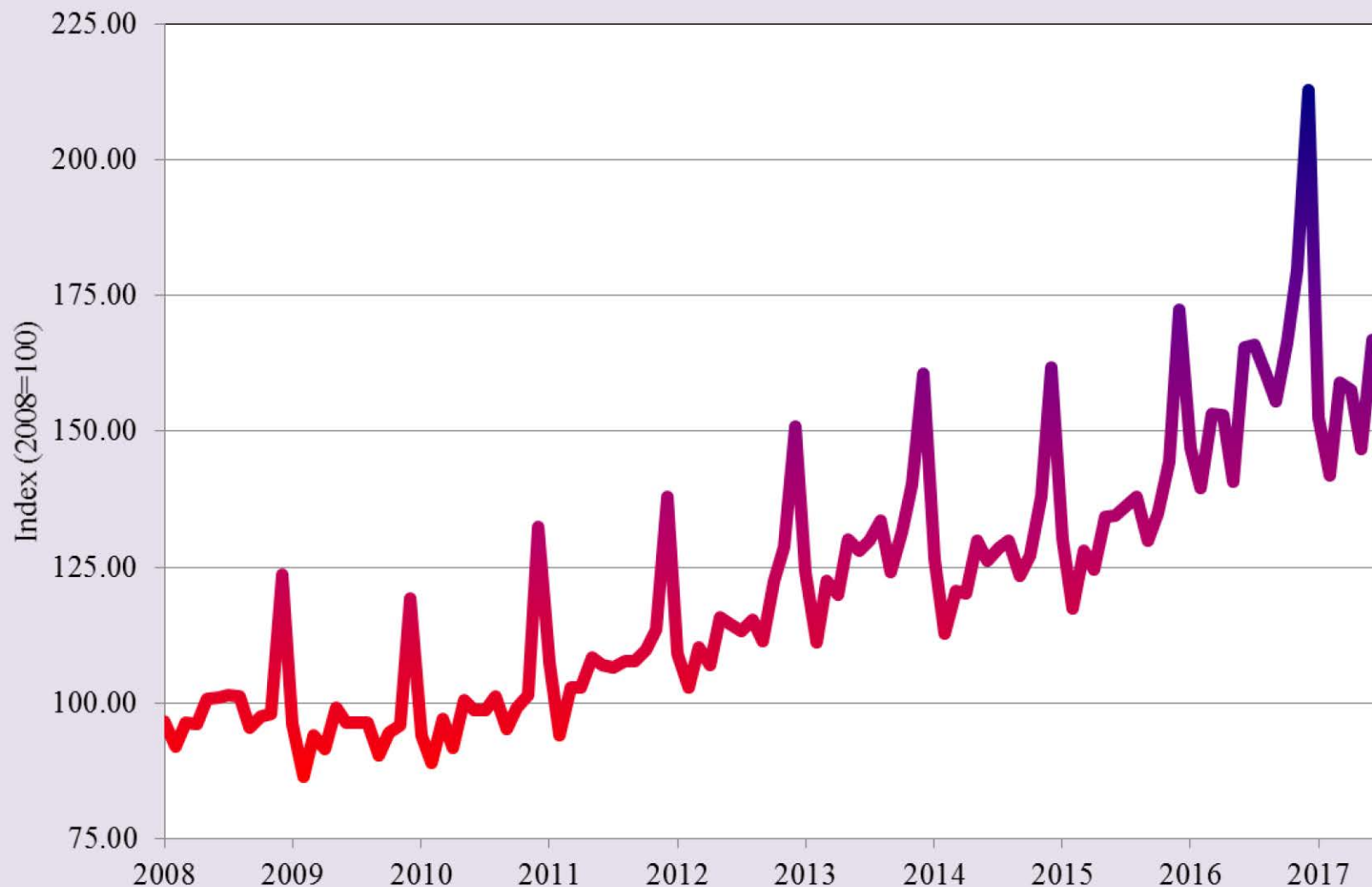
## Real Retail Activity Index for the State of Chihuahua

— 2016 — 2017



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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