

11-2018

Borderplex Business Barometer, Volume 2, Number 11

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Recommended Citation

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BORDERPLEX BUSINESS BAROMETER

November 2018

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 2, Number 11

Halcyon Days, Indeed?

The Metropolitan Business Cycle Index for El Paso continued its ascent in September, reaching record heights, yet again. Jobs growth, healthy retail sales, and somewhat improved wage and salary disbursements underlie the performance of this indicator. In similar fashion, the El Paso Household Economic Stress Index dropped from 4.1 in July to 3.6 in August.

Unemployment remained low by historical standards again in September. The 4.2 percent rate represents the nineteenth consecutive month that joblessness has remained below the 5.0 percent mark in El Paso. Labor market fitness of that caliber translates into reduced demands for social assistance. Supplemental Nutrition Assistance Program (SNAP) enrollments in El Paso County declined again in October, and remain approximately 5% below year-ago levels.

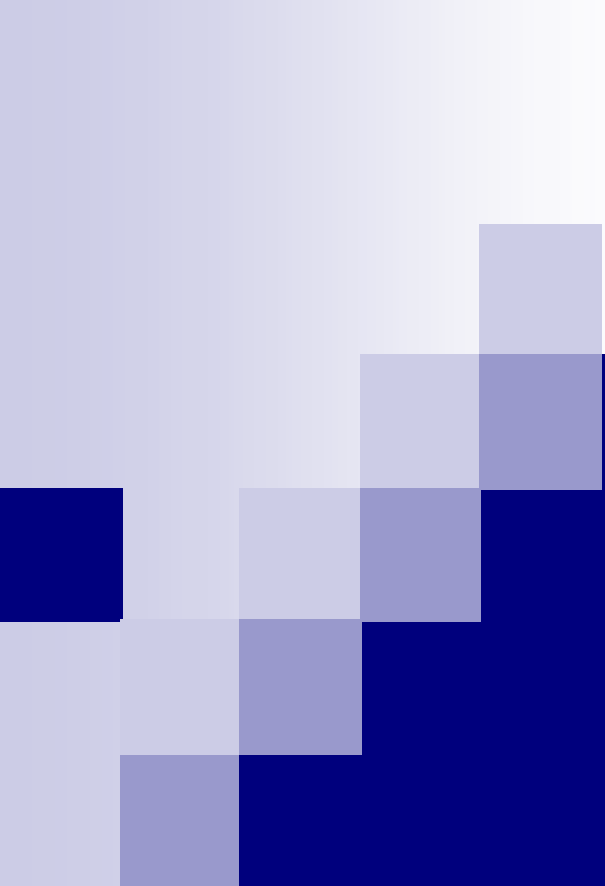
The median price for single-family homes in El Paso increased to \$155,000 in September. That is 4% higher than in September 2017. Housing demand is strong relative to supply. The Months of Housing Inventory for El Paso remained at 4.2 months in September. Until that measure increases, price growth is likely to persist.

Average unleaded gasoline prices in El Paso rose to \$2.77 in October. That is \$0.14 above the average price from one year ago when Hurricane Harvey disrupted domestic supplies in the United States. In 2018, prices have ramped up primarily due to robust demand. Global supply dislocations may cause additional price hikes during the fourth quarter and on into 2019.

Doña Ana County unemployment continued to decline on a year-over-year basis in September. Although the total number of jobs remained stationary, the Mesilla Valley Civilian Labor Force declined for a third straight month. Much of that decline is likely due to labor migration to oil patch regions such as Carlsbad or Hobbs. Las Cruces SNAP program counts remained below 28,000 cases, again, in August.

The peso-per-dollar nominal exchange rate increased by 25 centavos in September. There is a sizable gap between the nominal exchange rate and the Borderplex restaurant price ratio due to economic and financial uncertainty. At least part of that is attributable to the upcoming executive and legislative branch changes in Mexico City. Currency market edginess is not likely to subside anytime soon, but further divergence between those measures should be avoided as long as major economic derailments do not occur in Mexico or the United States.

Pedestrian crossings into Ciudad Juarez declined to below year-ago levels in September, the first time that has occurred in 2018. Personal vehicle crossings have remained below year-ago levels since August. These trends probably reflect the uptick in cartel violence in recent months. Cargo truck international bridge traffic was slightly above year-ago levels in September. Not surprisingly, total trade through the El Paso Customs District was up during that month. Although real trade volumes were relatively strong in September, export manufacturing has lagged below year-ago levels for much of 2018. That unexpected development is also out-of-step with northern Mexico manufacturing orders and may reflect increased mechanization at export-oriented plants. In spite of reduced manufacturing payrolls, construction activity and retail sales have increased in recent months across the state of Chihuahua as a whole.

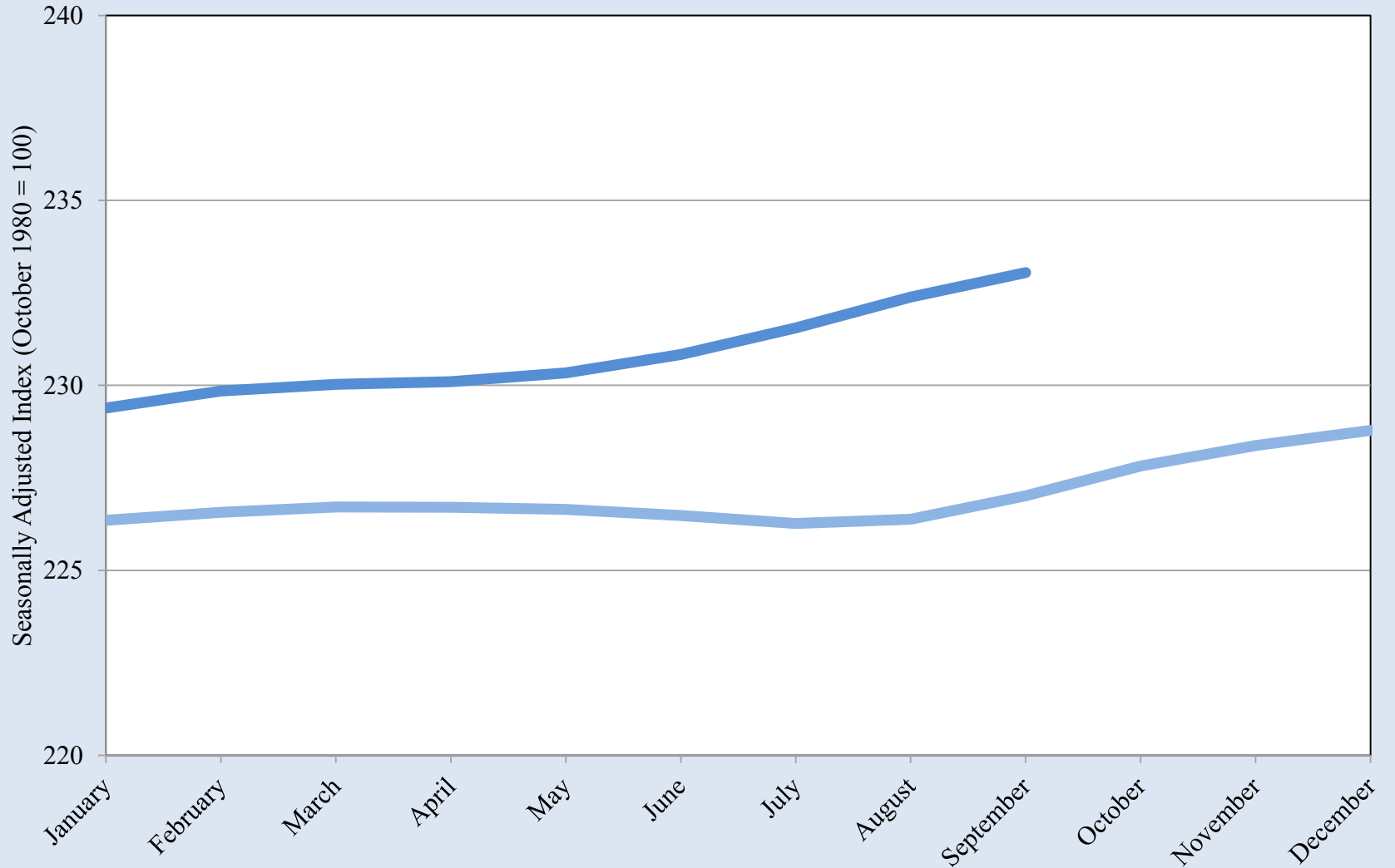


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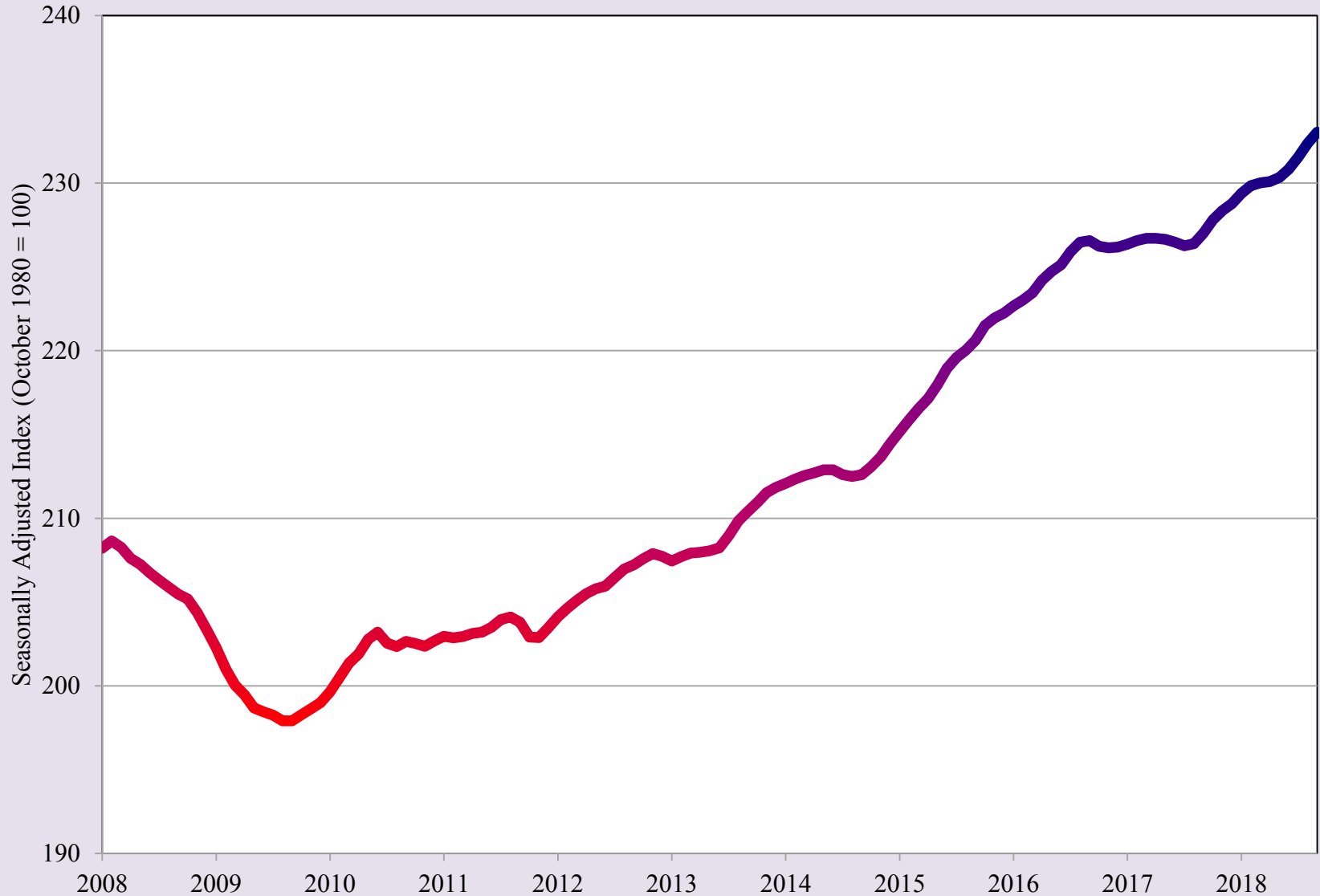
Metro Business-Cycle Index for El Paso

— 2017 — 2018



Source: Federal Reserve Bank of Dallas

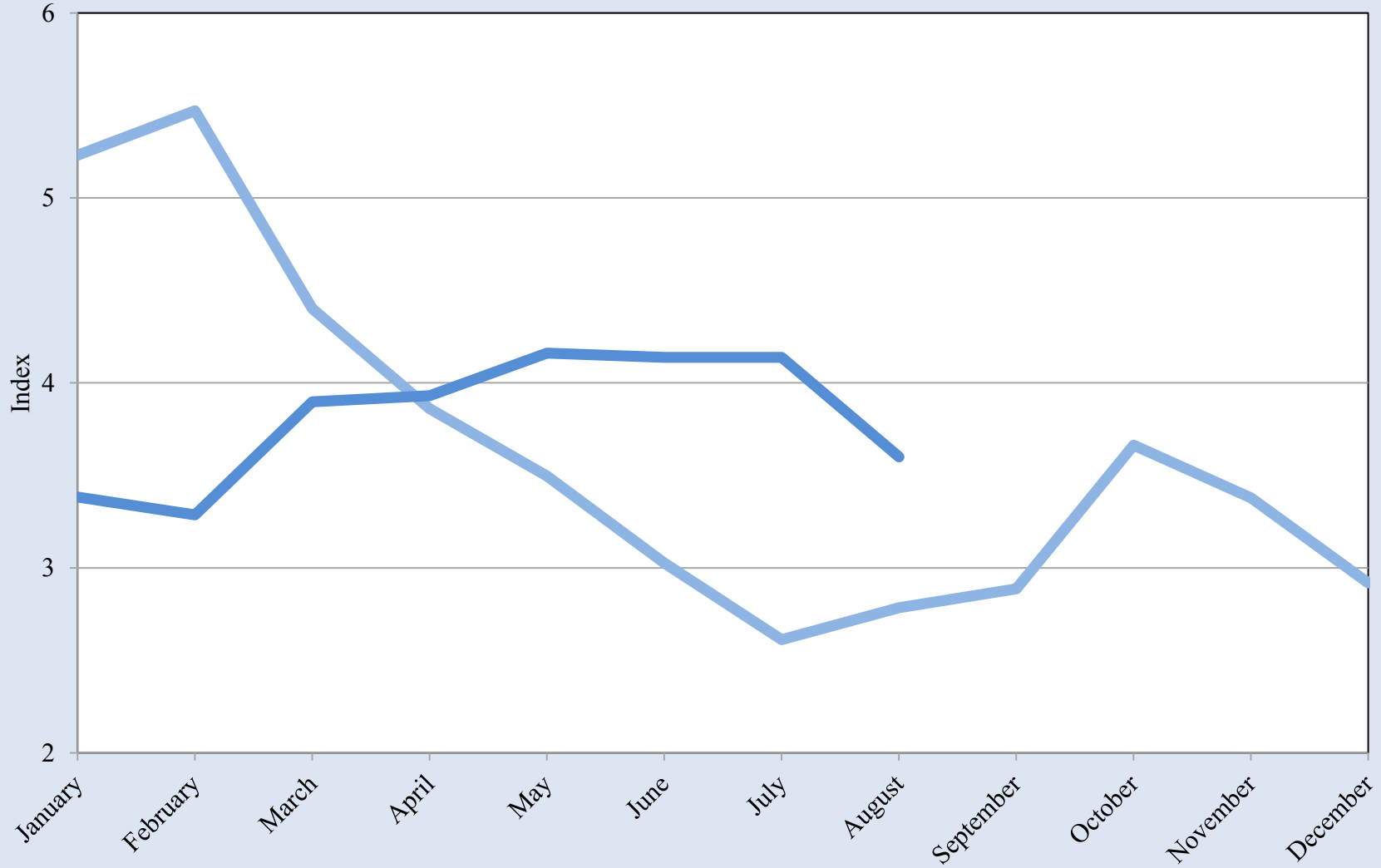
Metro Business-Cycle Index for El Paso



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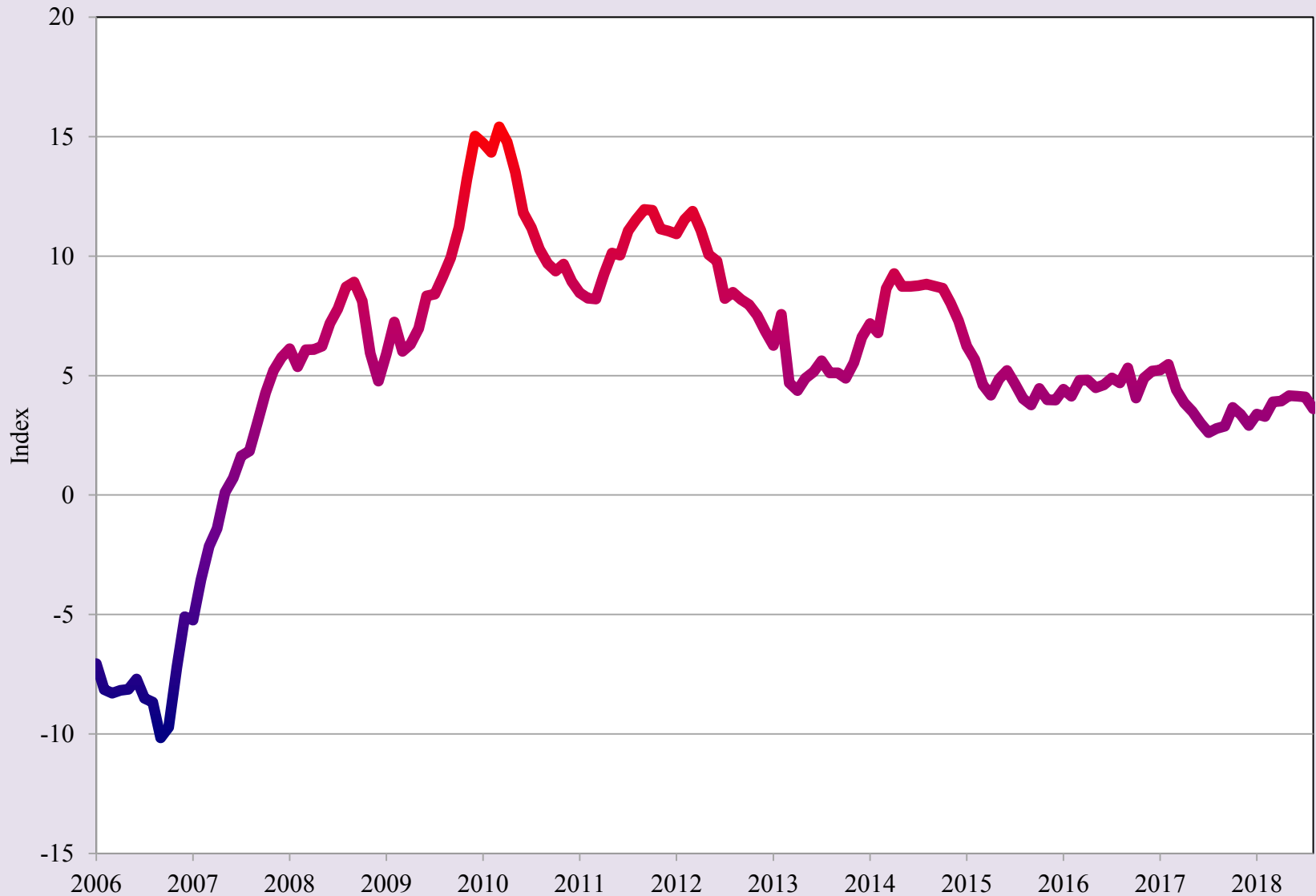
El Paso Household Economic Stress Index

— 2017 — 2018



Source: UTEP Border Region Modeling Project

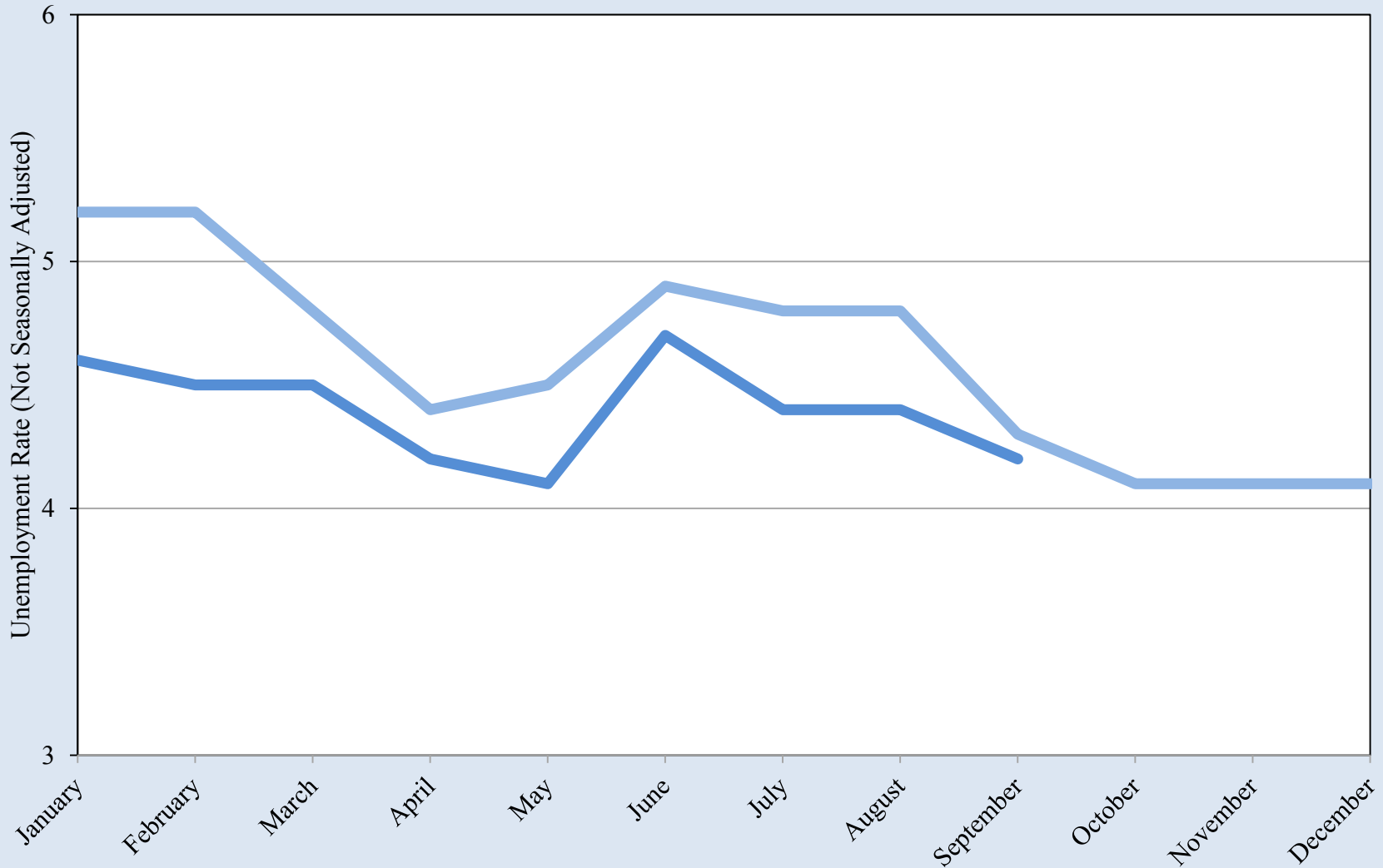
El Paso Household Economic Stress Index



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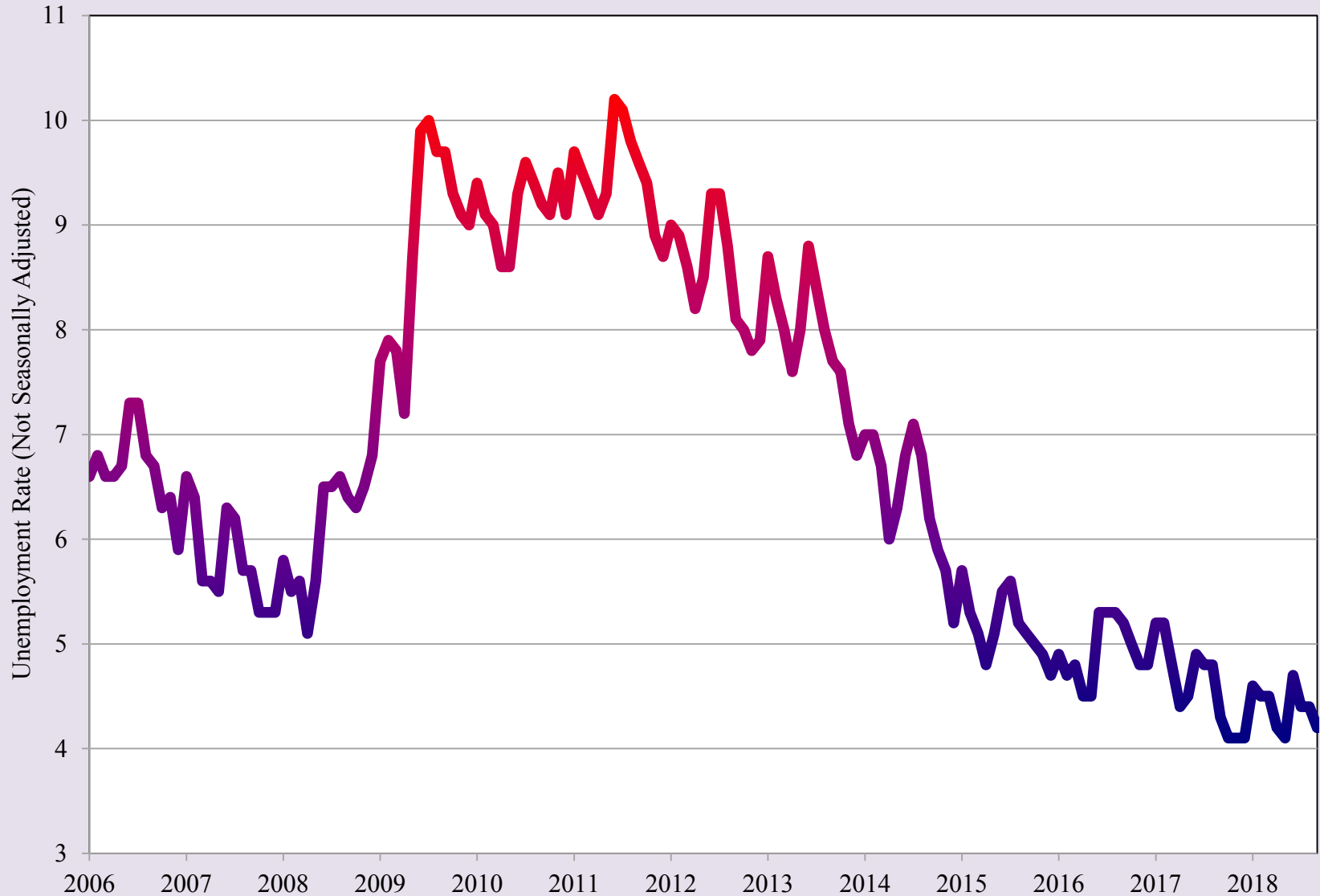
El Paso County Unemployment Rate

— 2017 — 2018



Source: Bureau of Labor Statistics

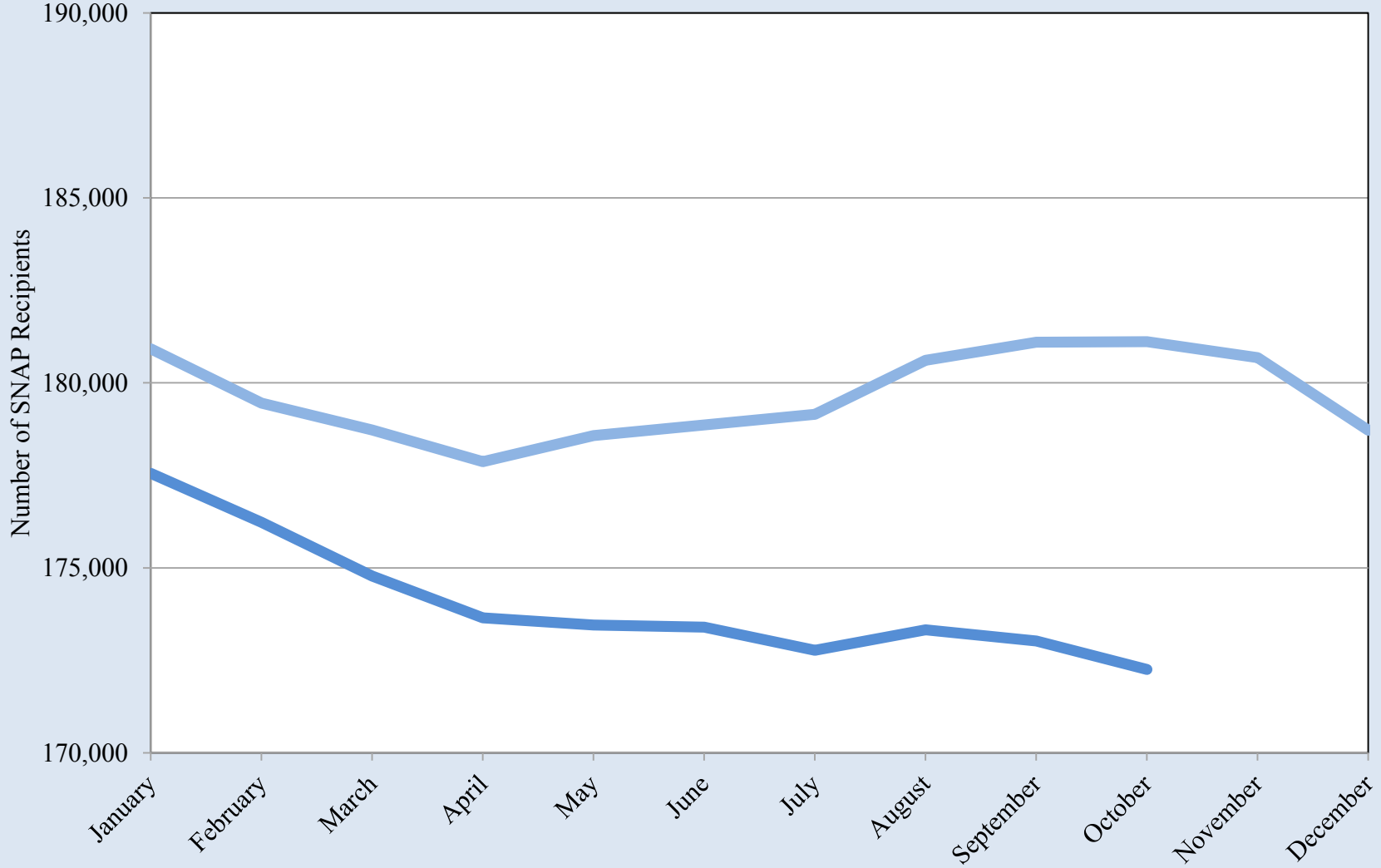
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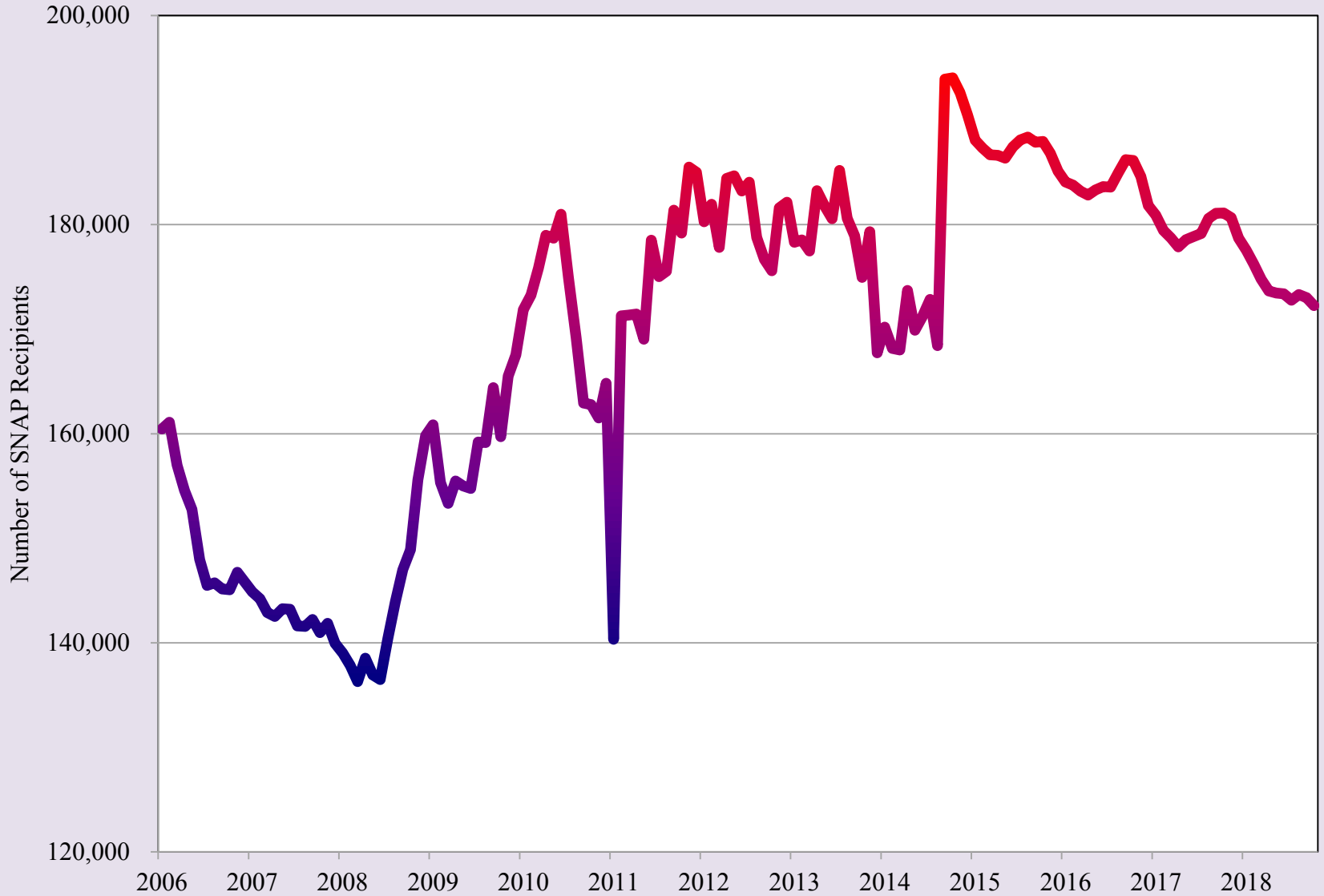
El Paso County SNAP (Food Stamp) Enrollment

2017 2018



Source: Texas Health and Human Services Commission

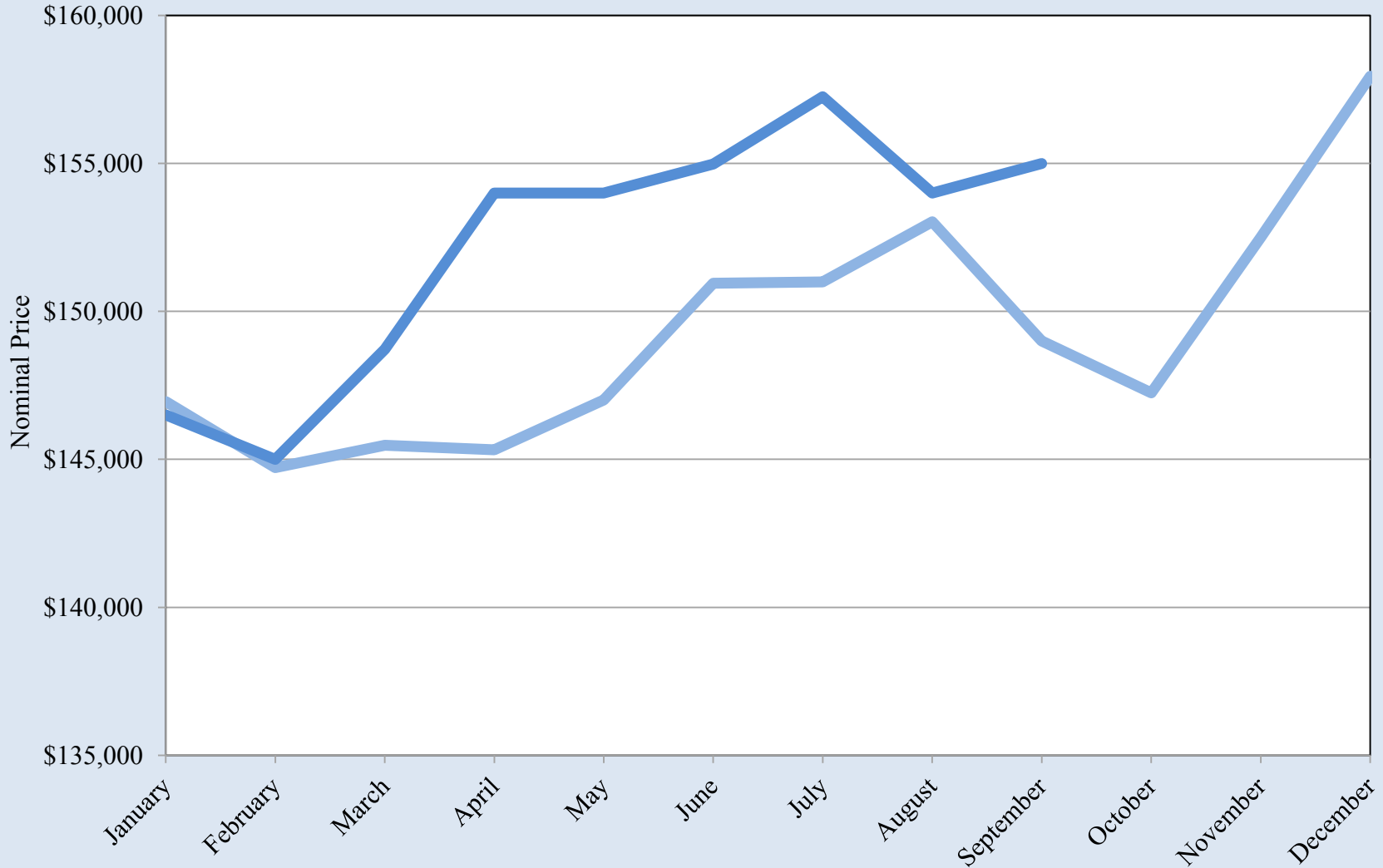
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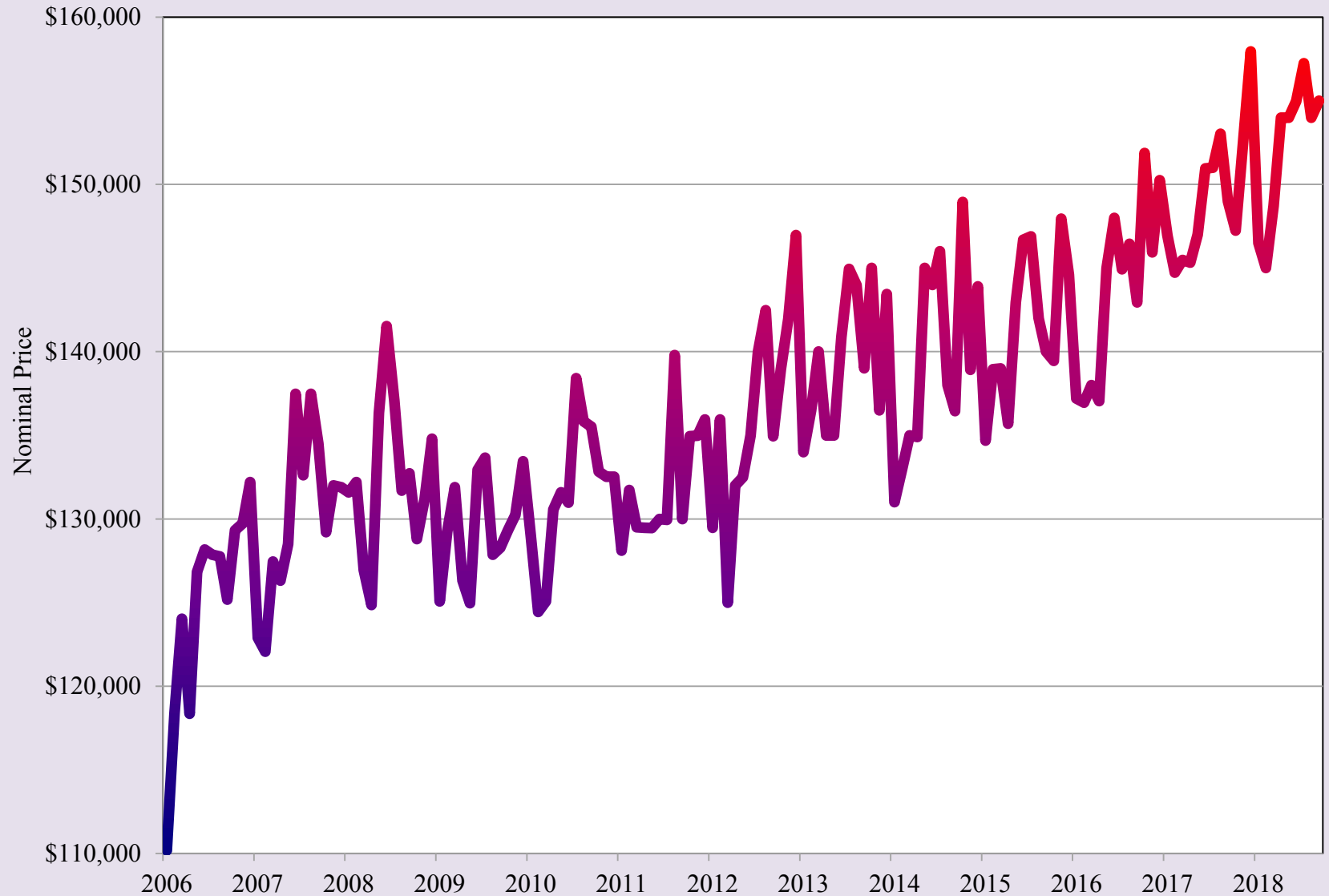
El Paso Median Housing Prices

— 2017 — 2018



Source: Texas A&M Real Estate Center

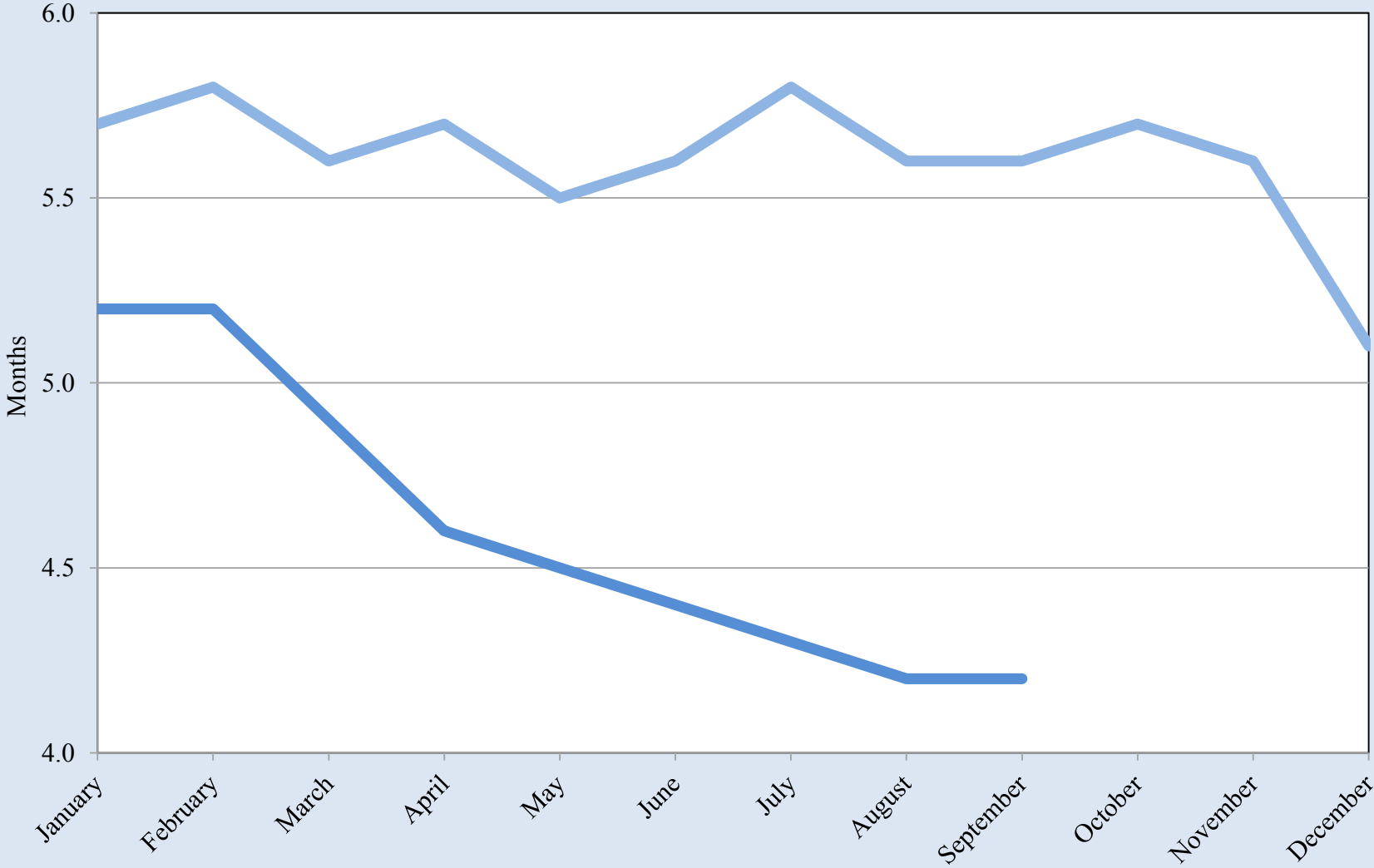
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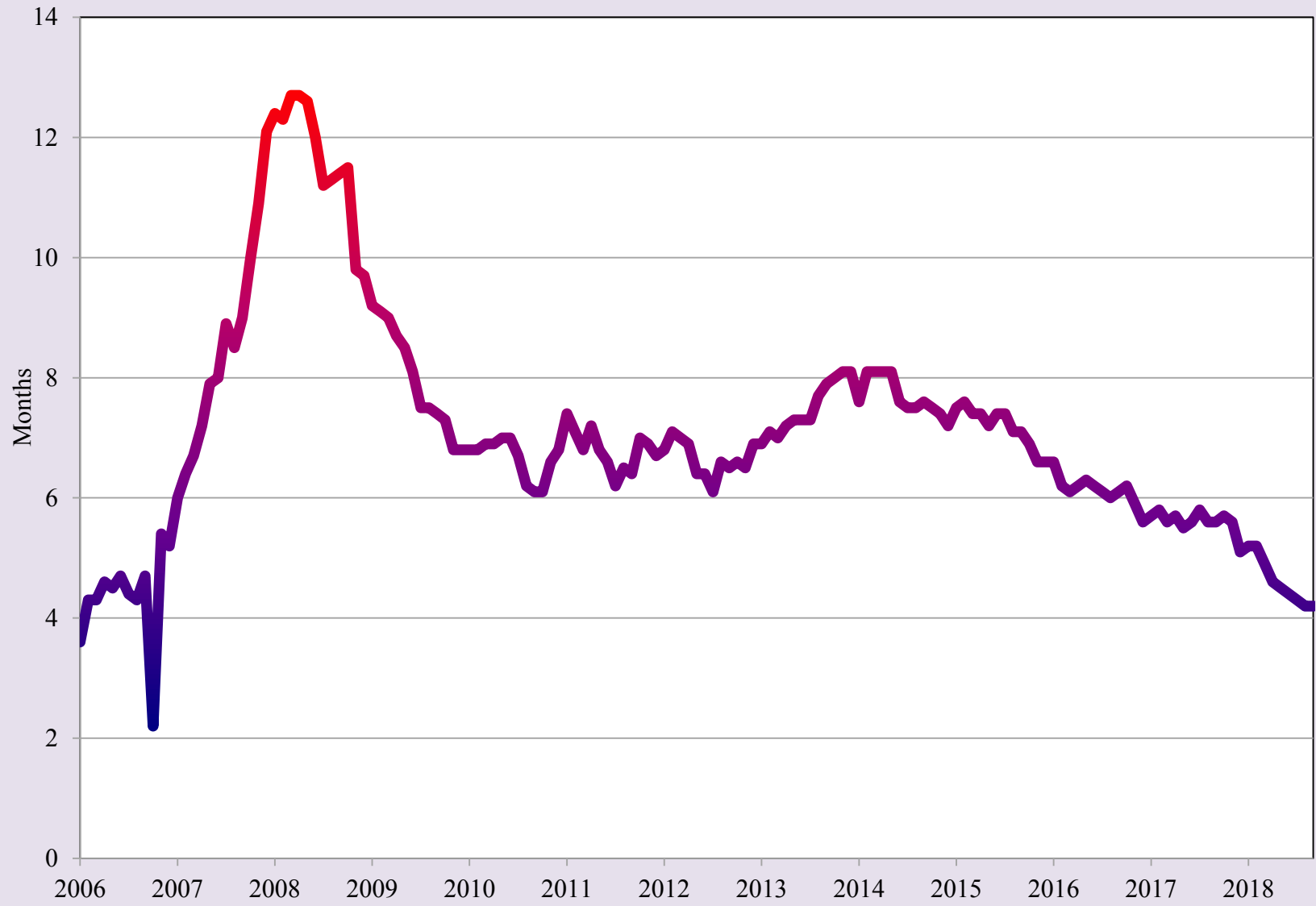
Months of Housing Inventory for El Paso

2017 2018



Source: Texas A&M Real Estate Center

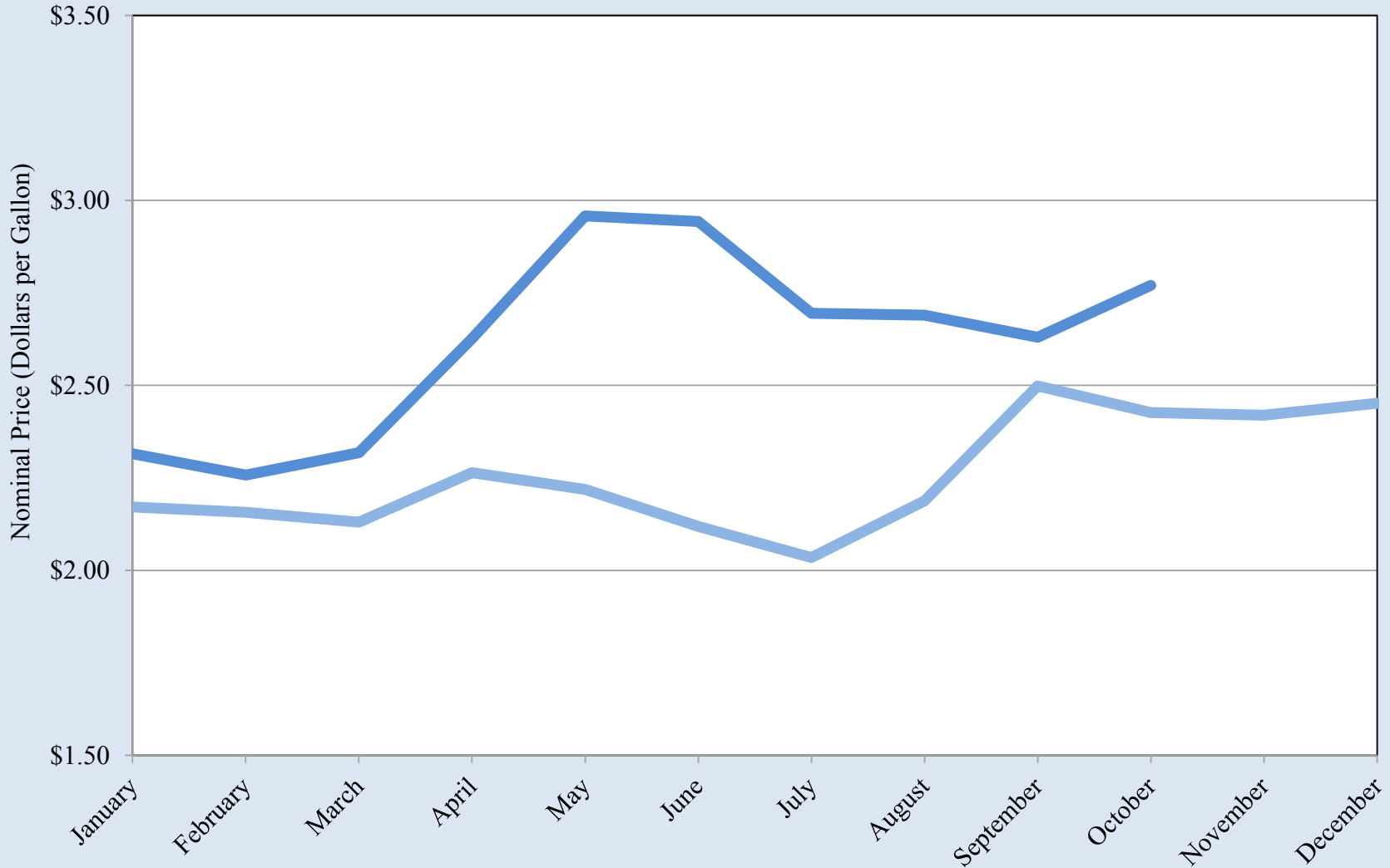
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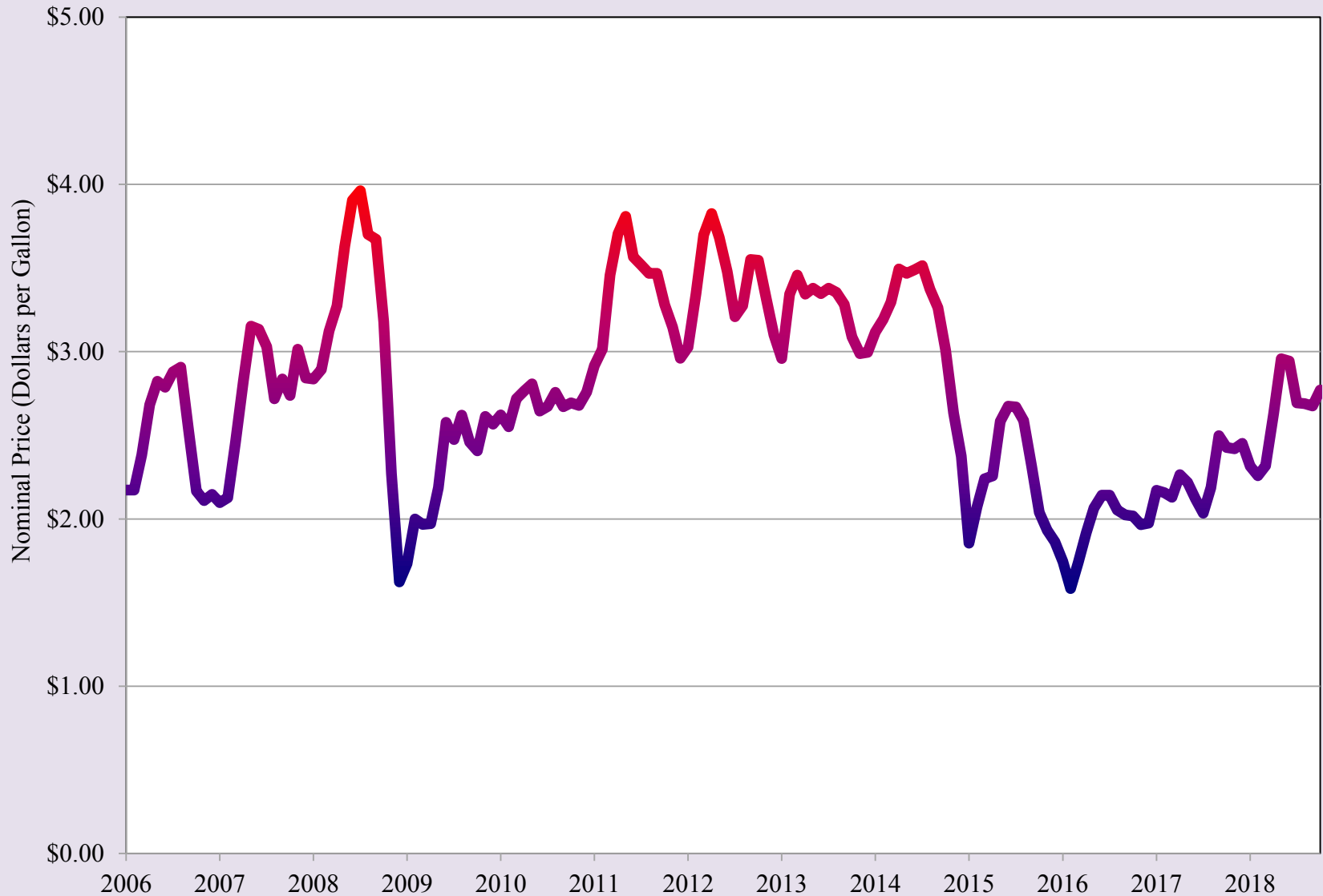
El Paso Gasoline Prices

2017 2018



Source: GasBuddy.com

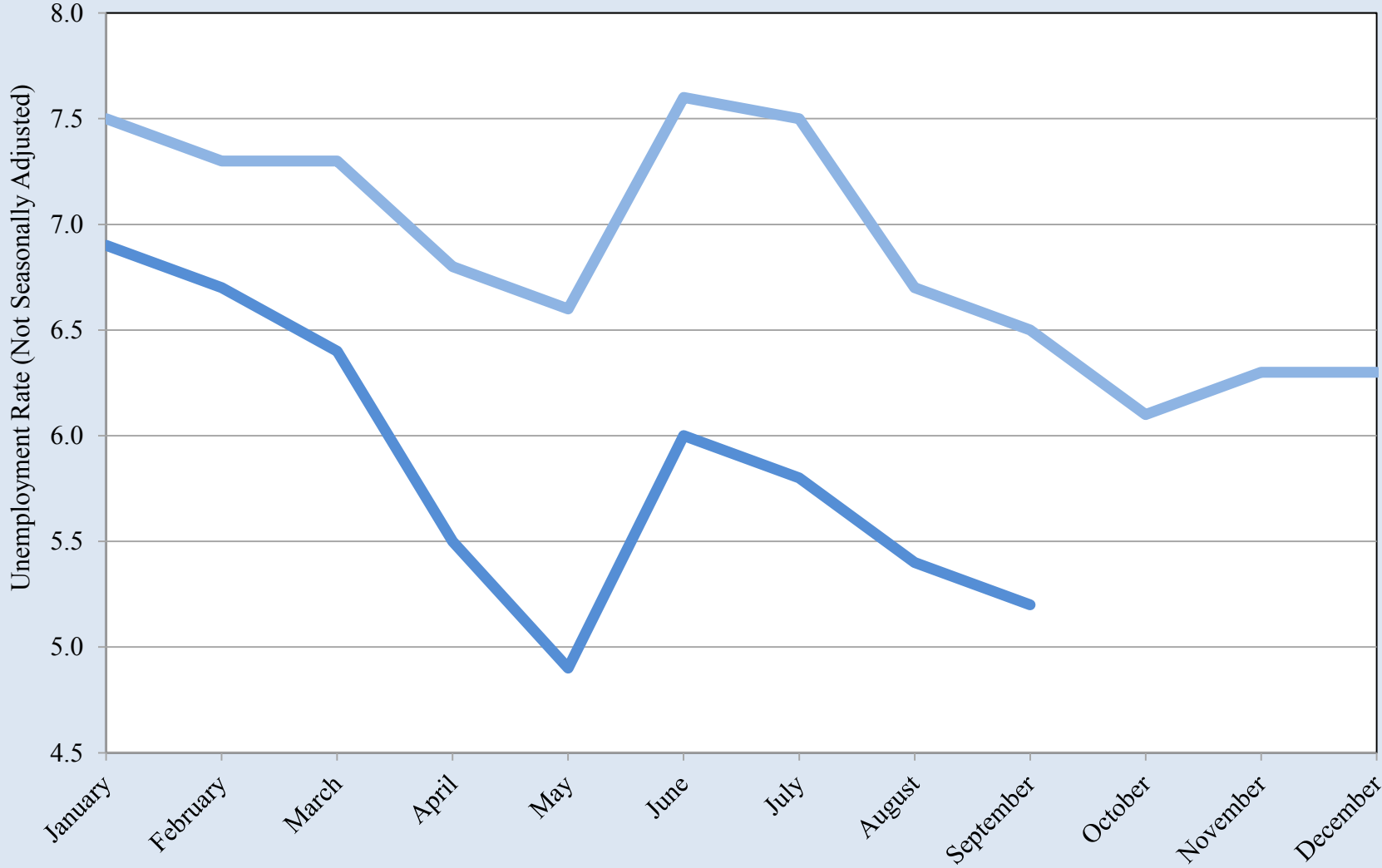
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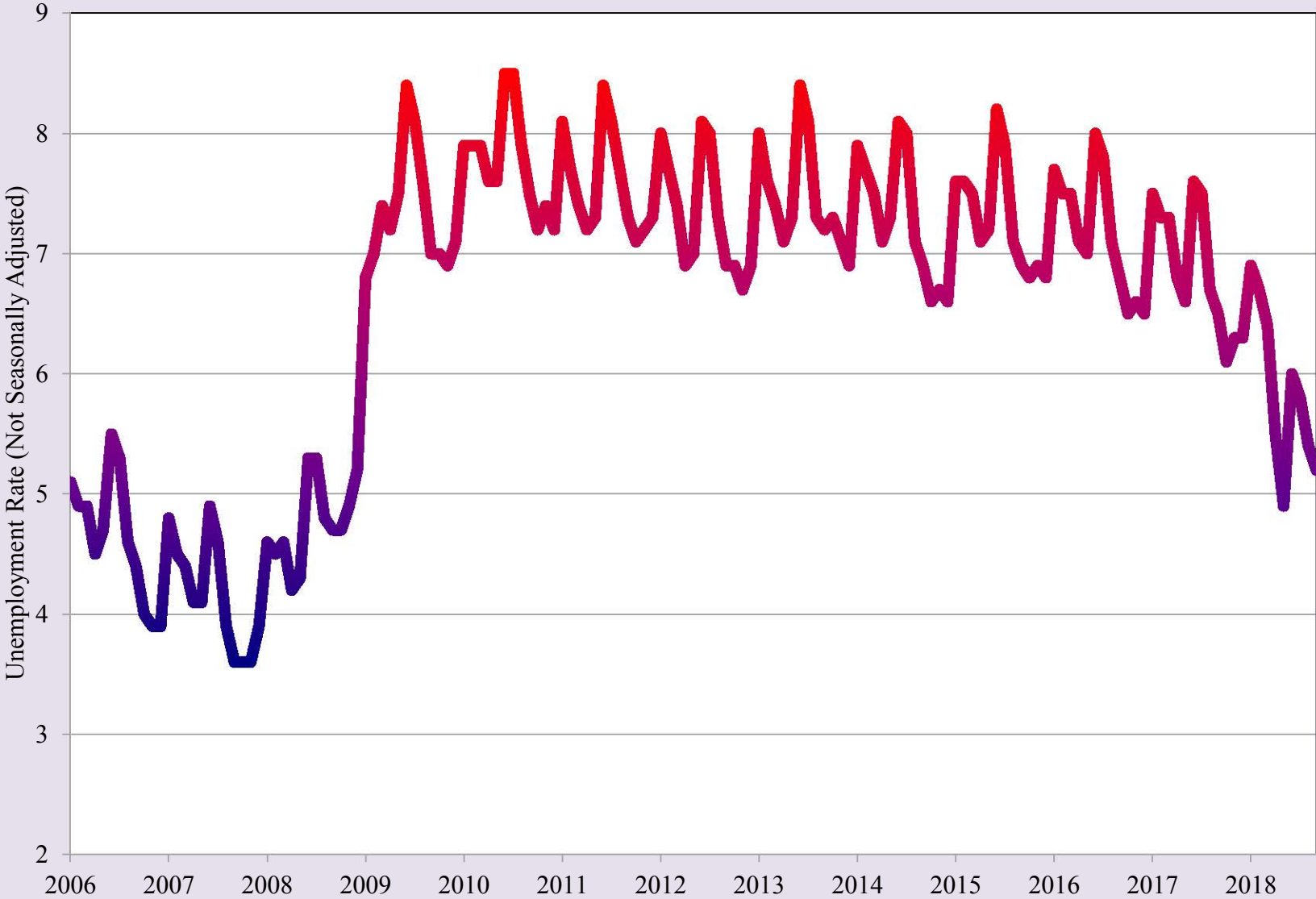
Doña Ana County Unemployment Rate

2017 2018



Source: Bureau of Labor Statistics

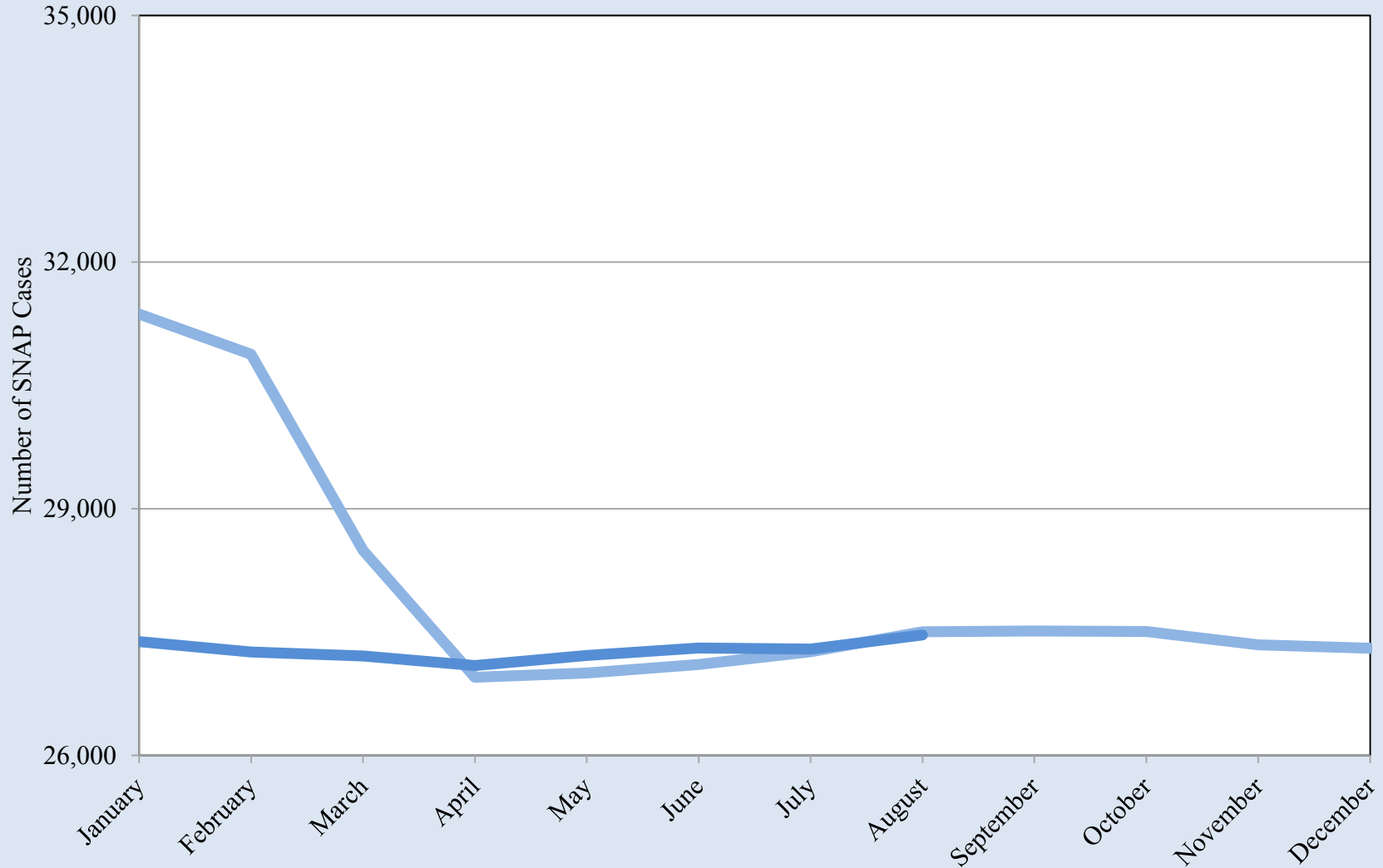
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Source: Bureau of Labor Statistics

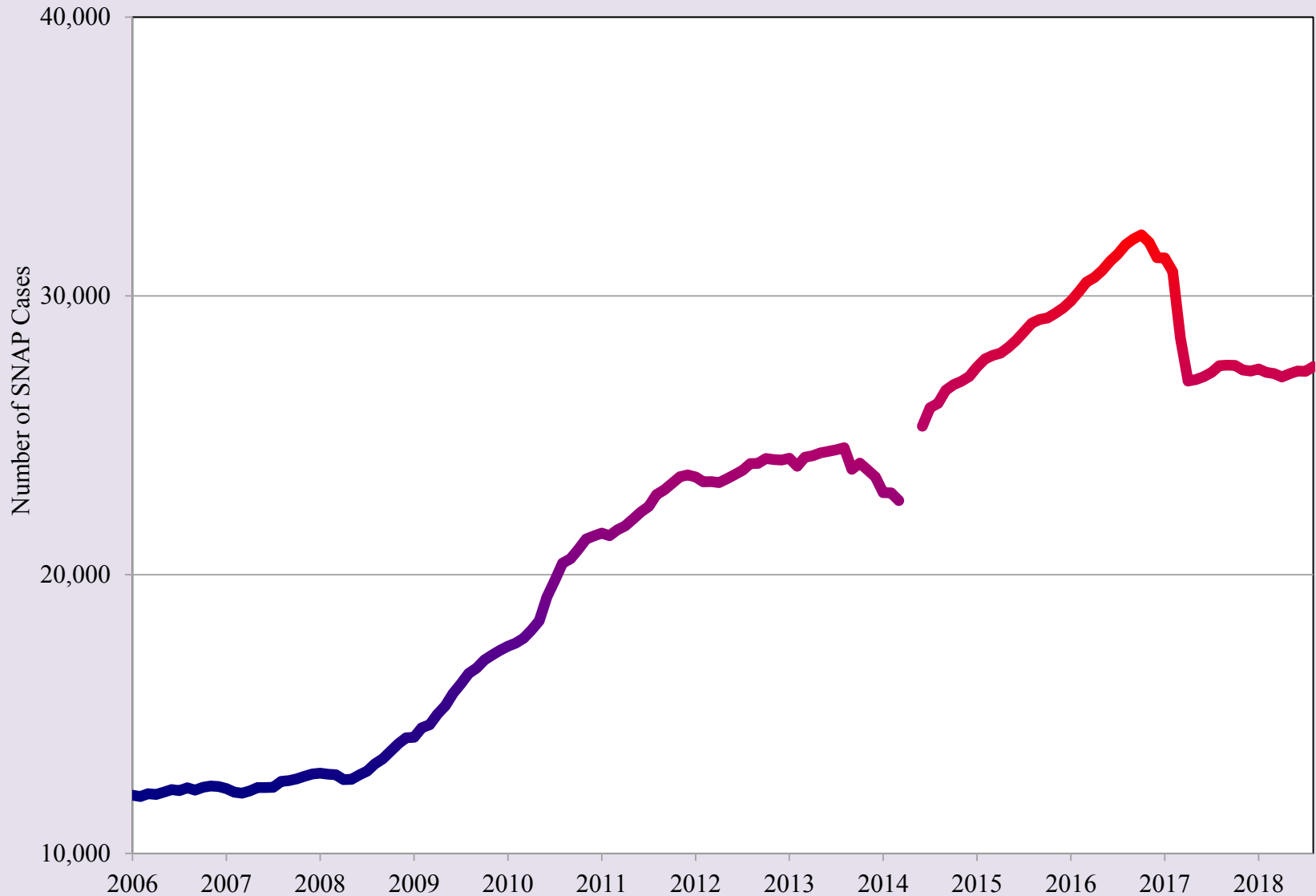
Las Cruces Area SNAP (Food Stamp) Cases

2017 2018



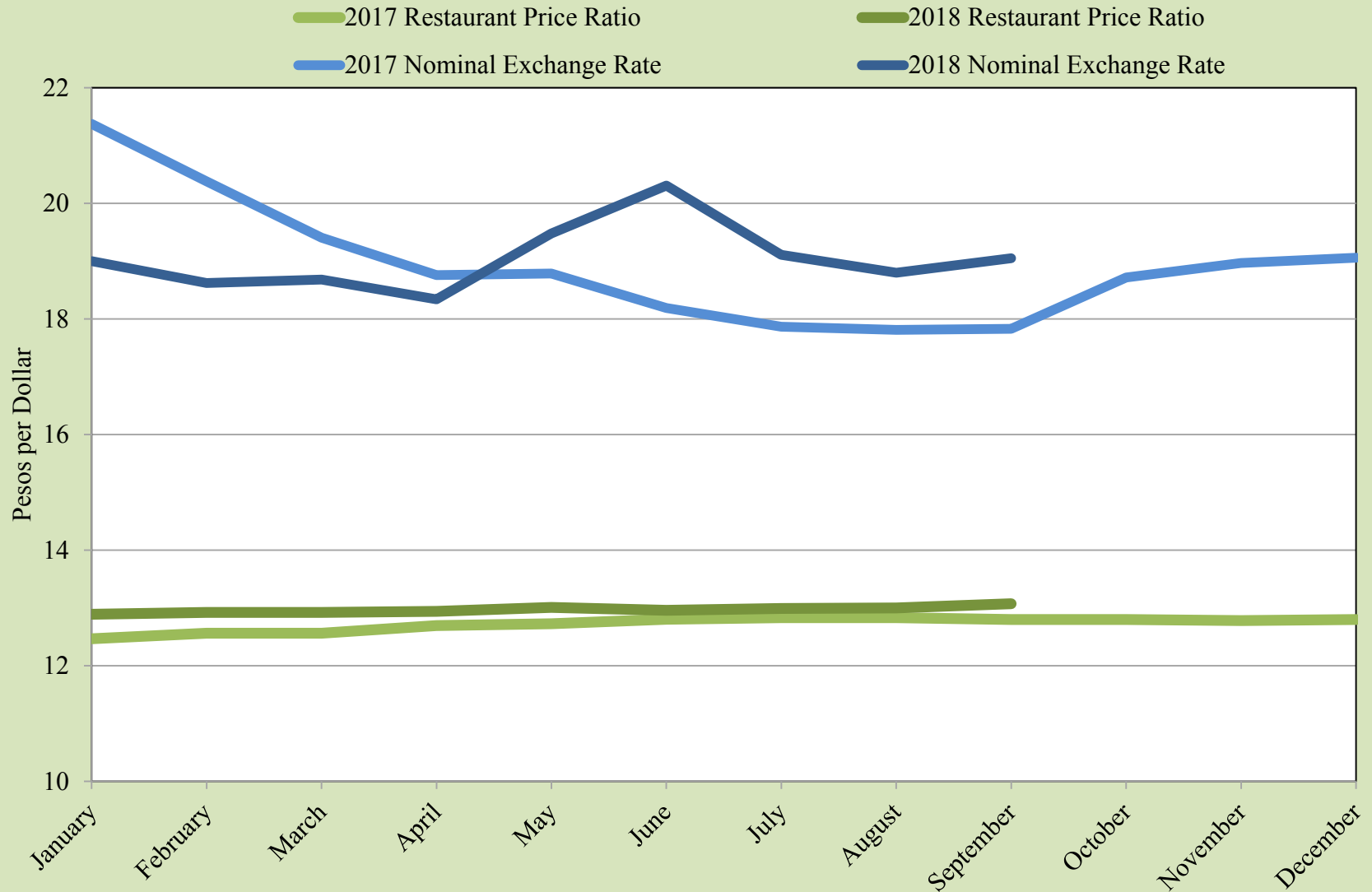
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



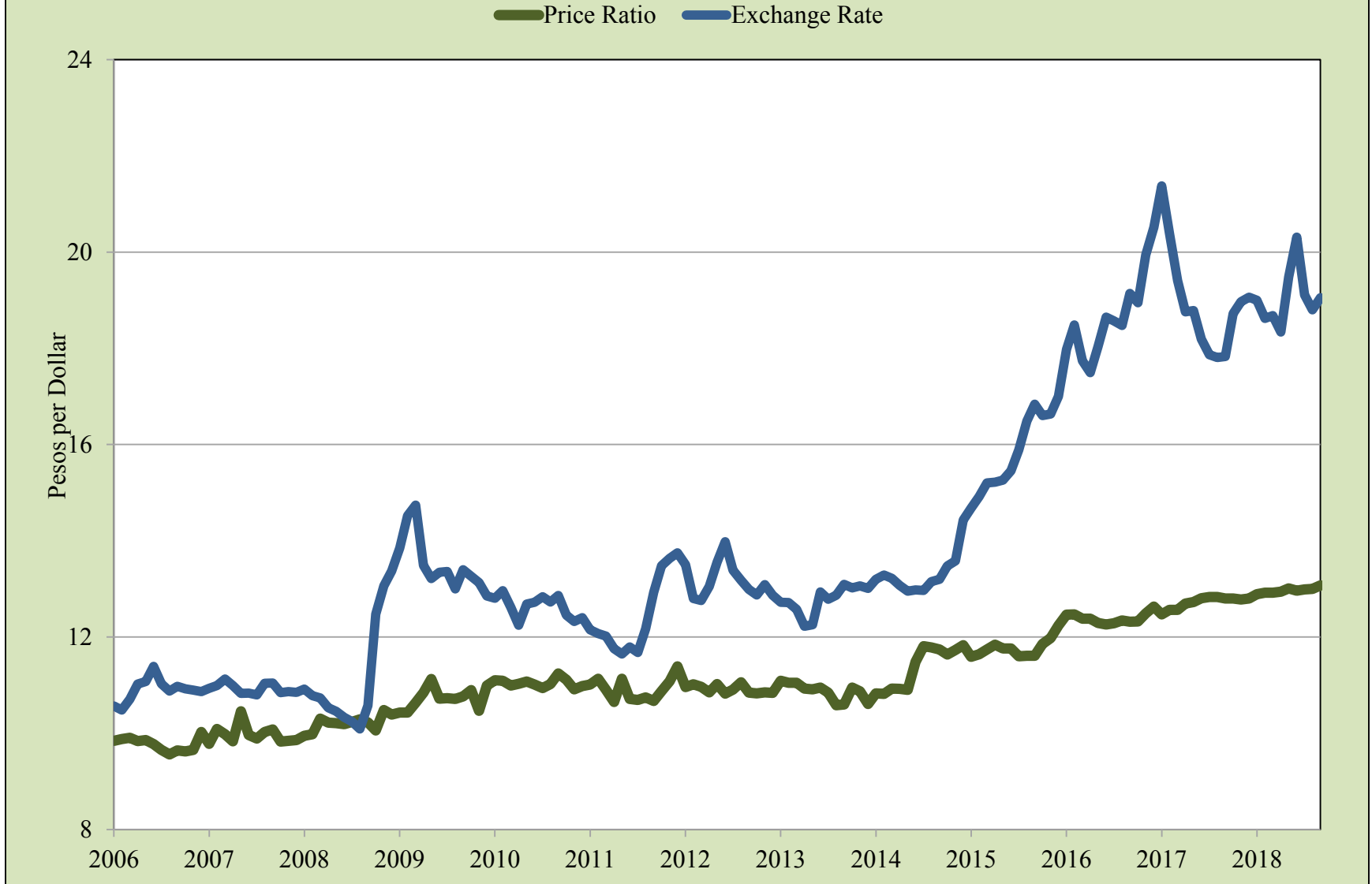
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

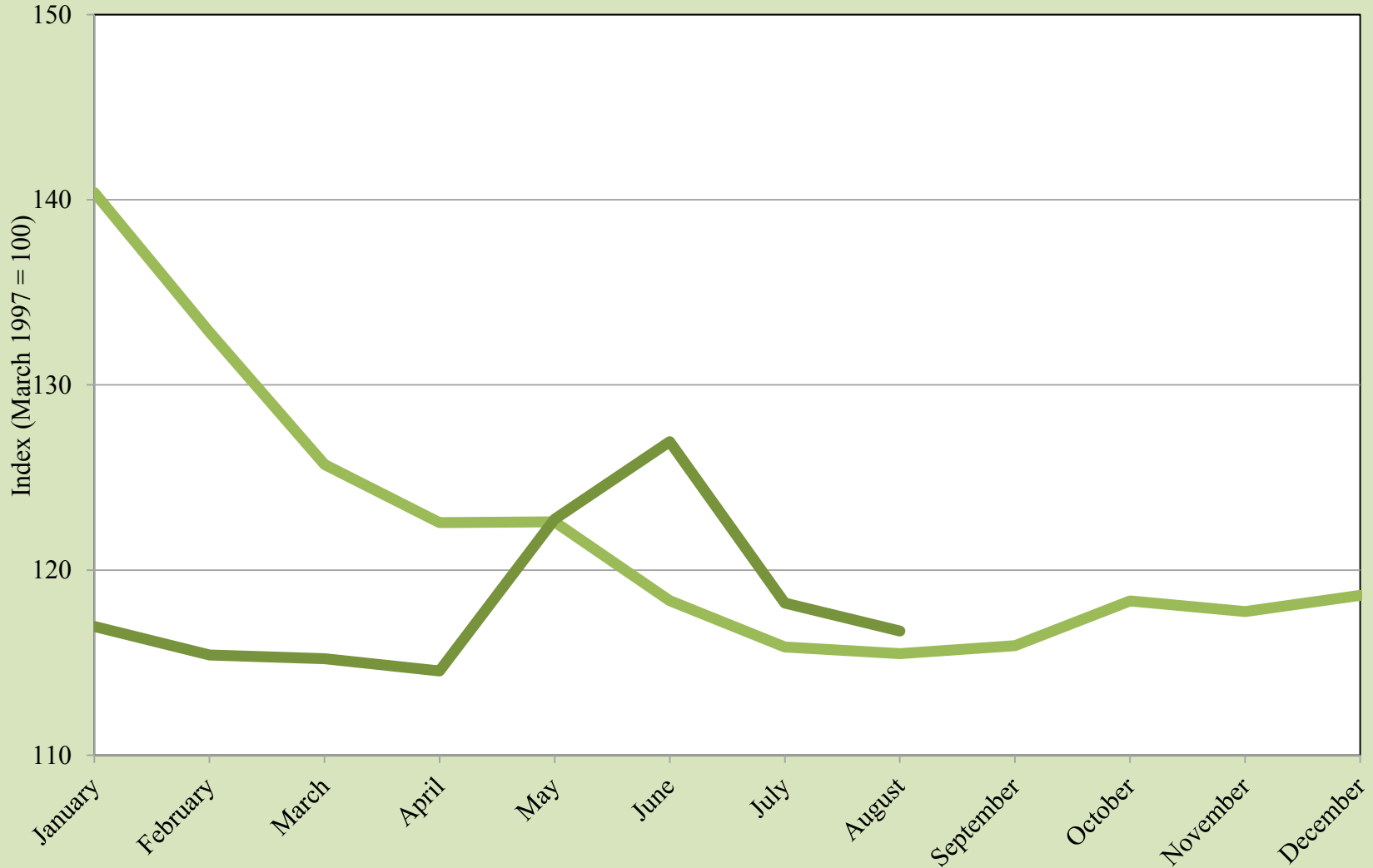
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2017 — 2018



Source: UTEP Border Region Modeling Project

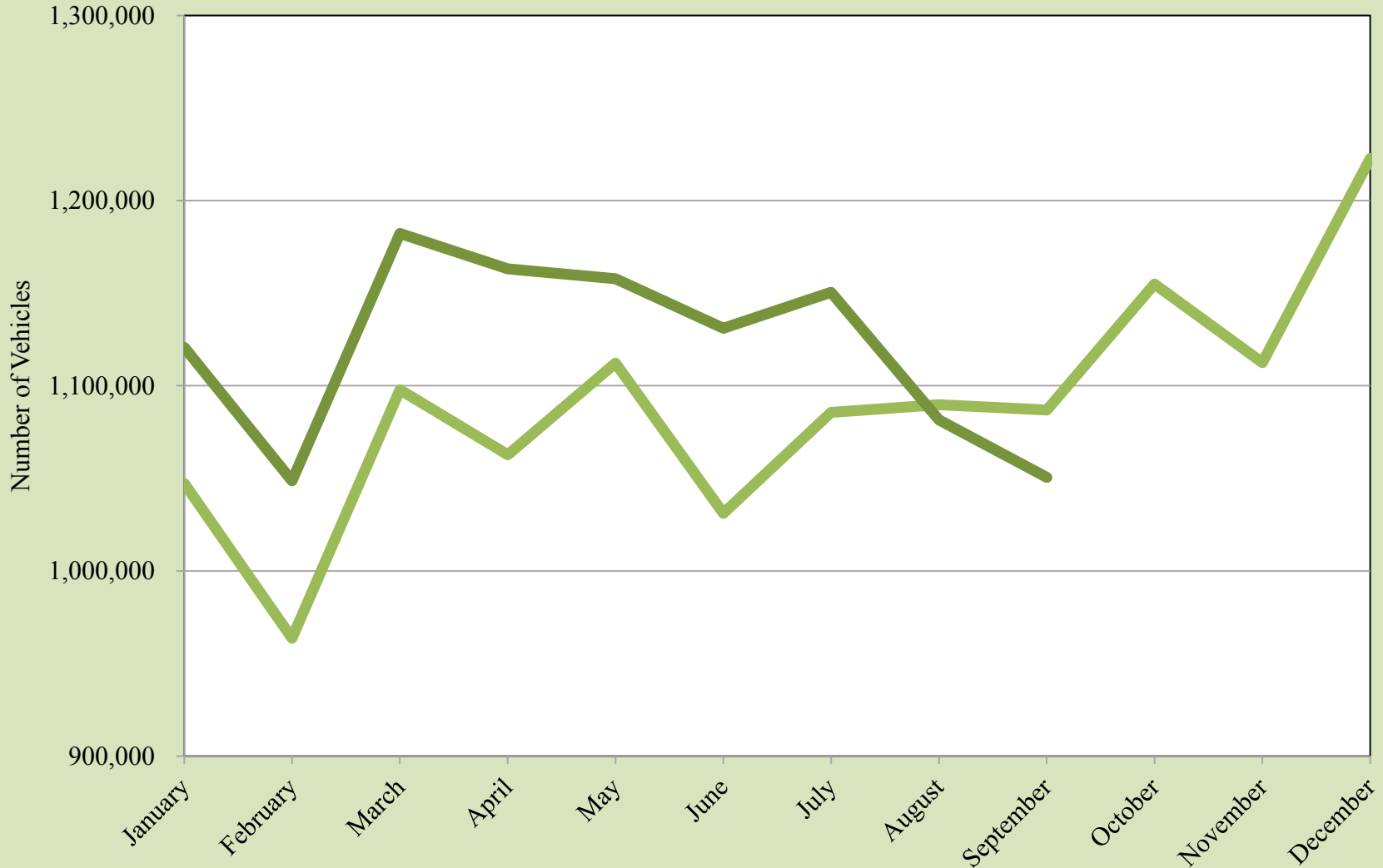
Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso

— 2017 — 2018



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

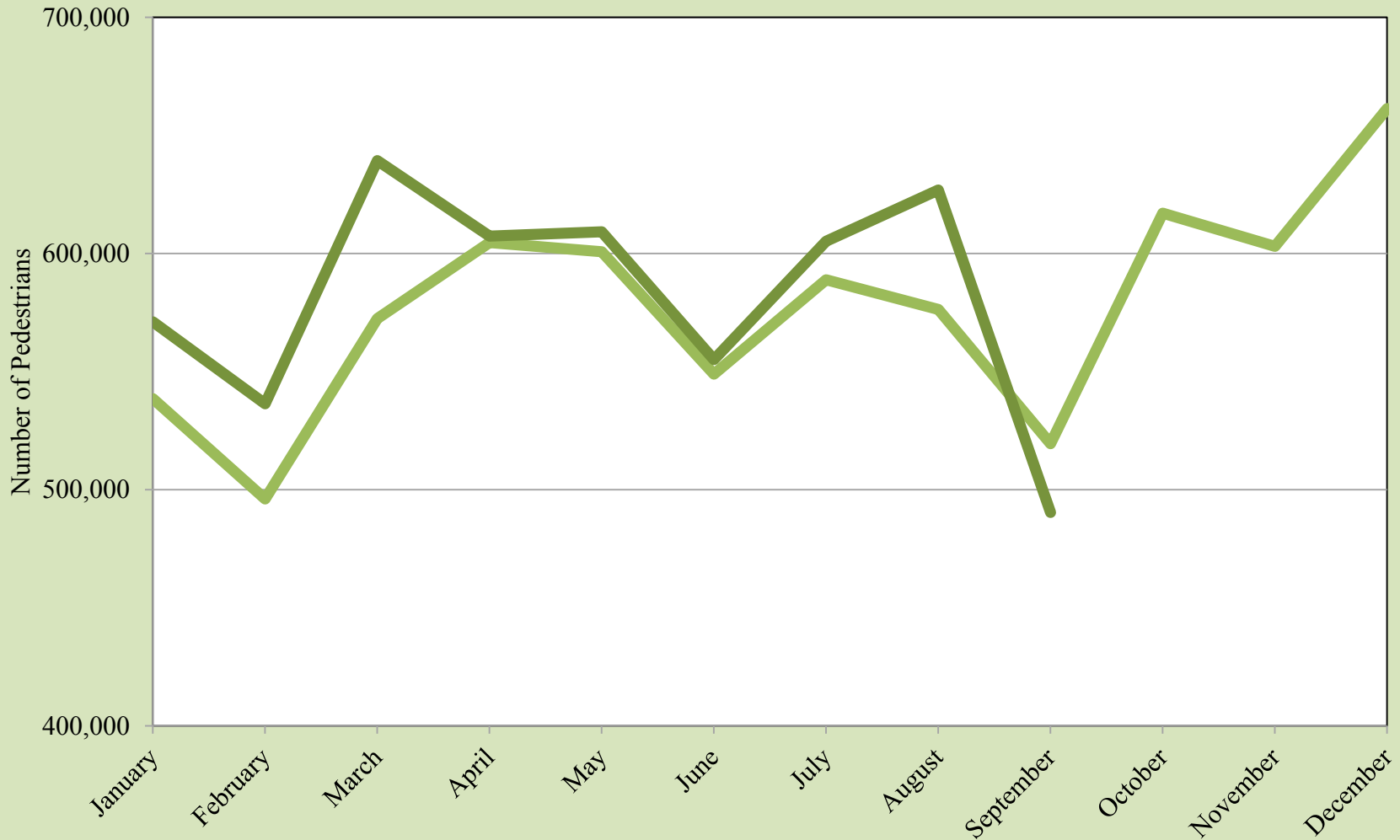
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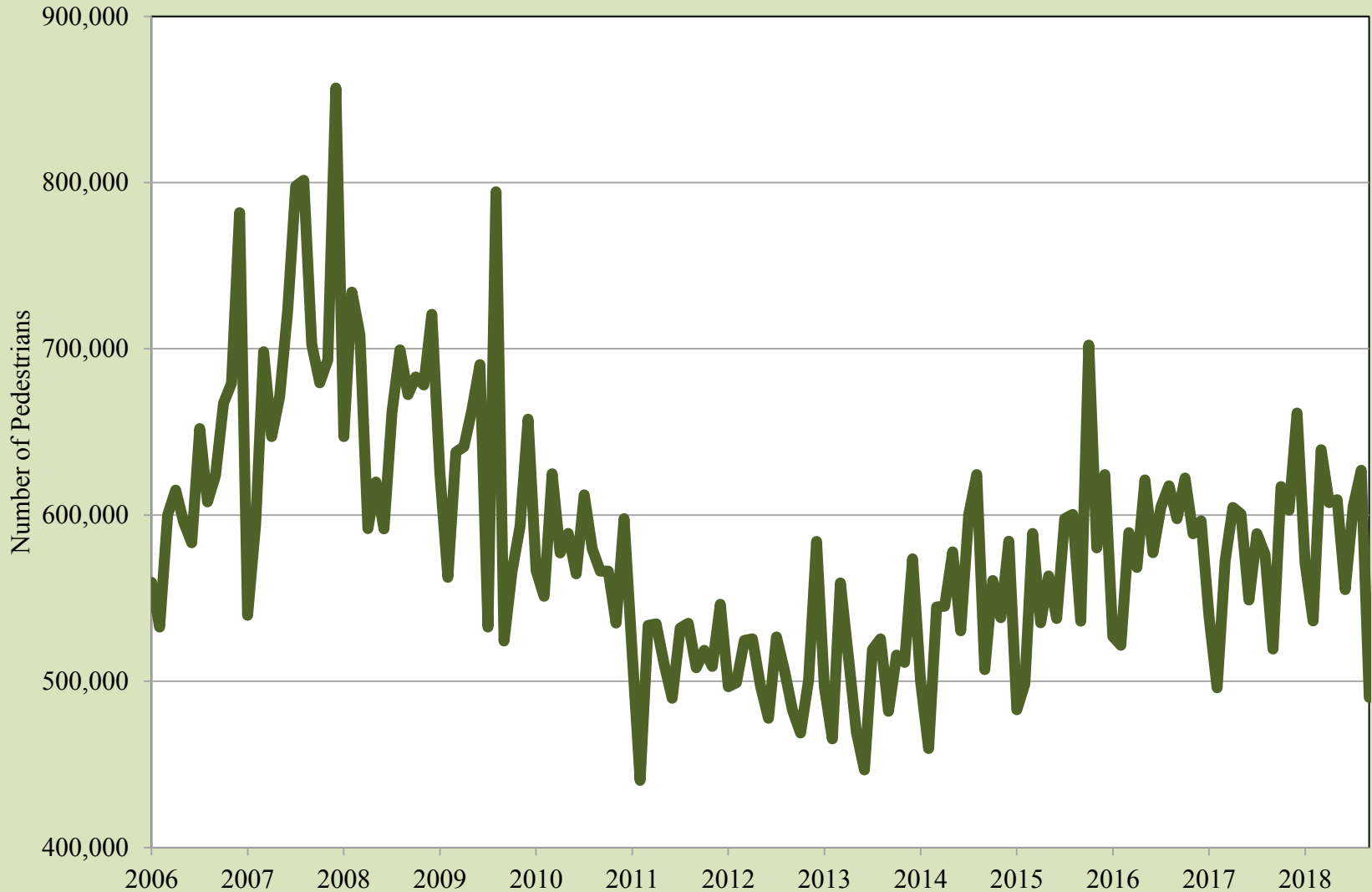
Pedestrian International Bridge Crossings to El Paso

— 2017 — 2018



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

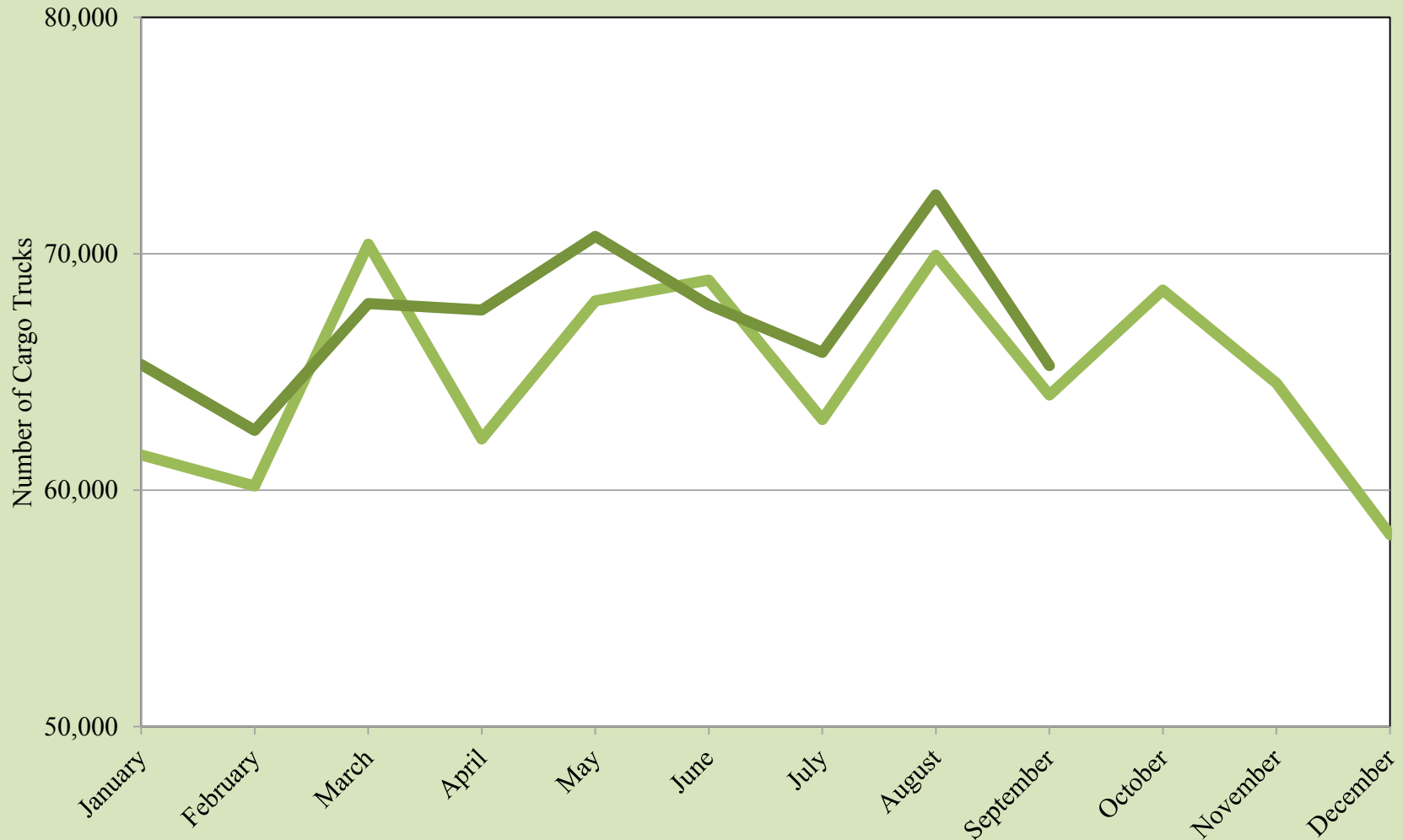
Pedestrian International Bridge Crossings to El Paso



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

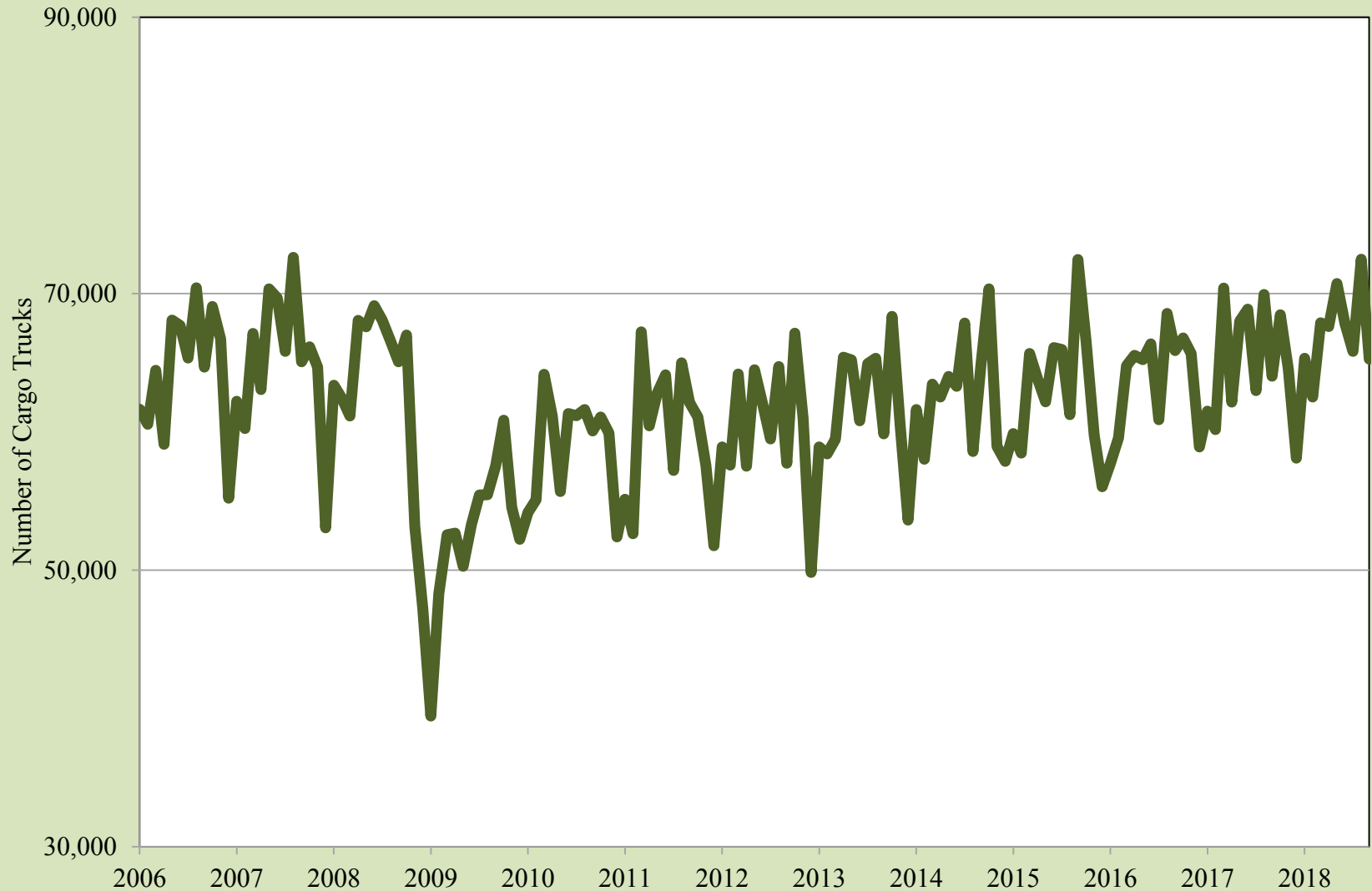
Cargo Truck International Bridge Crossings to El Paso

— 2017 — 2018



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

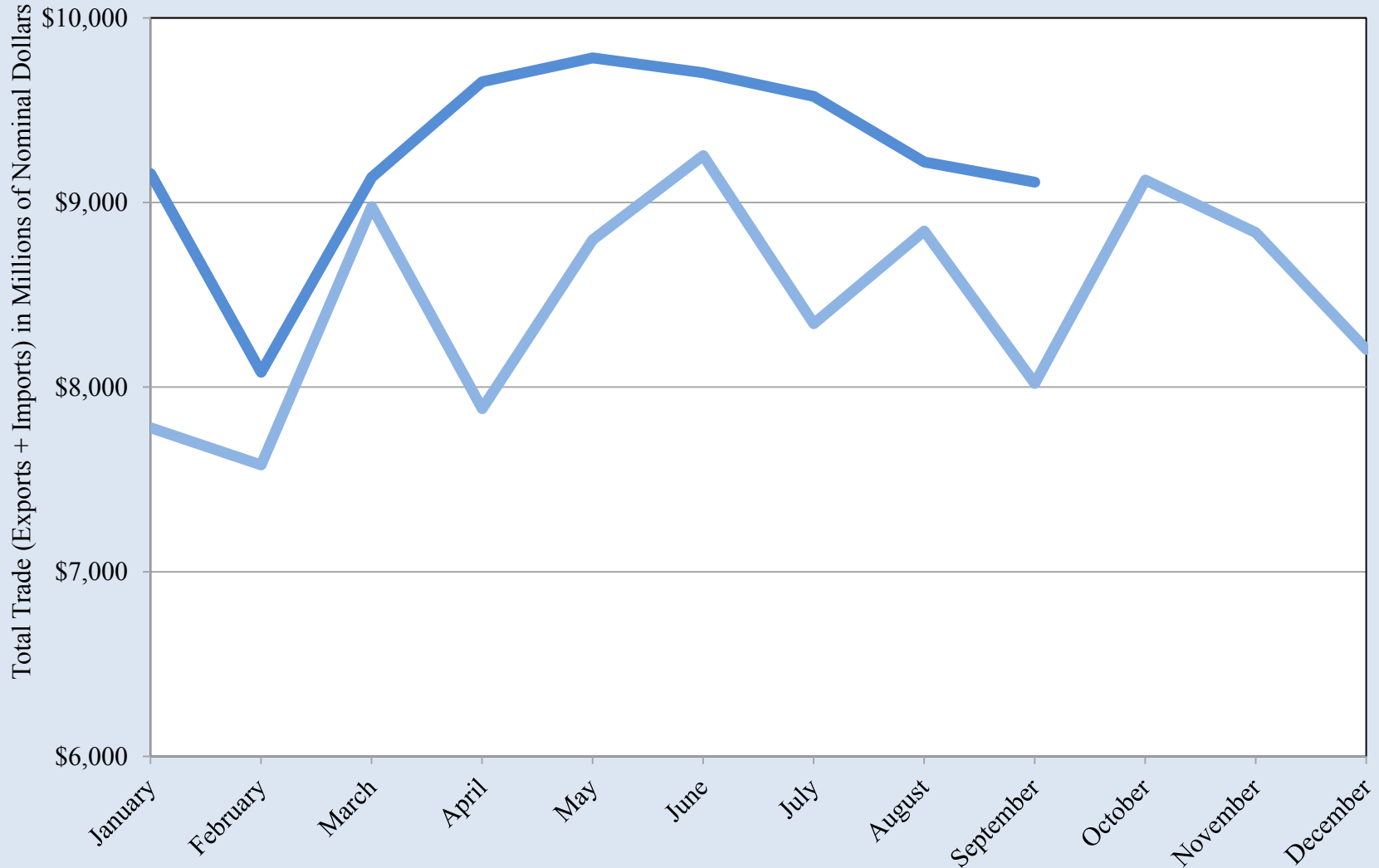
Cargo Truck International Bridge Crossings to El Paso



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

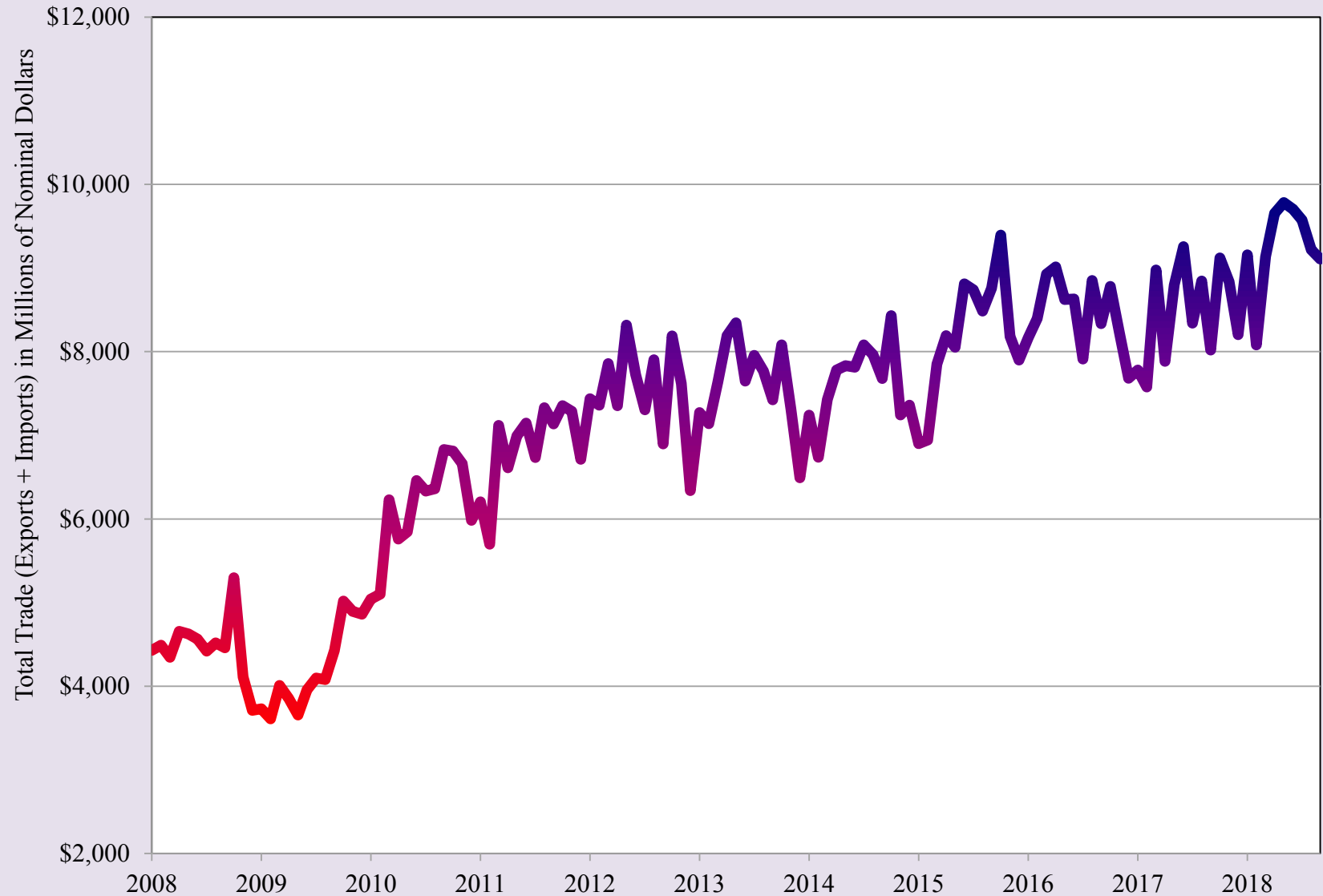
Total Trade through the El Paso Customs District

— 2017 — 2018



Source: U.S. International Trade Commission

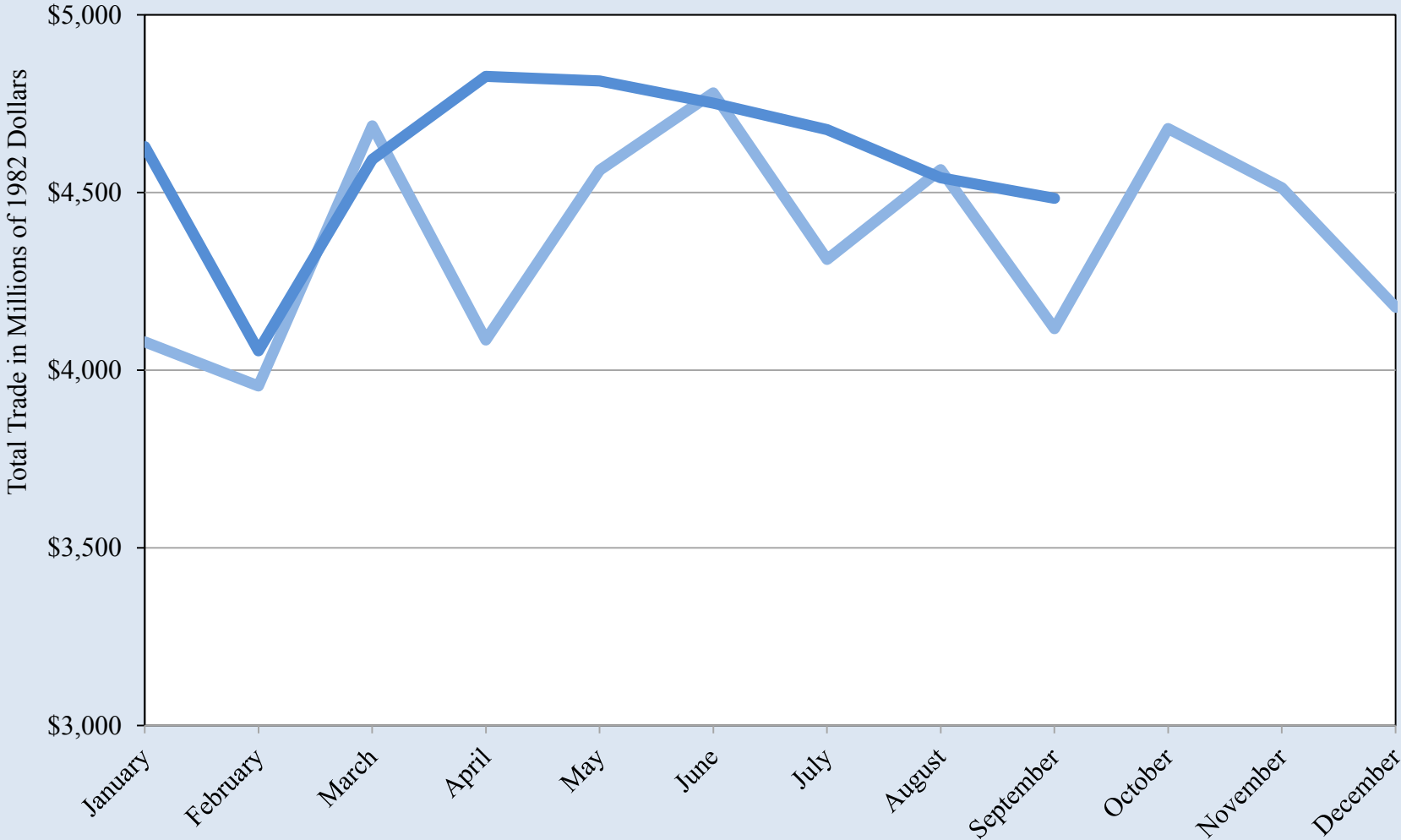
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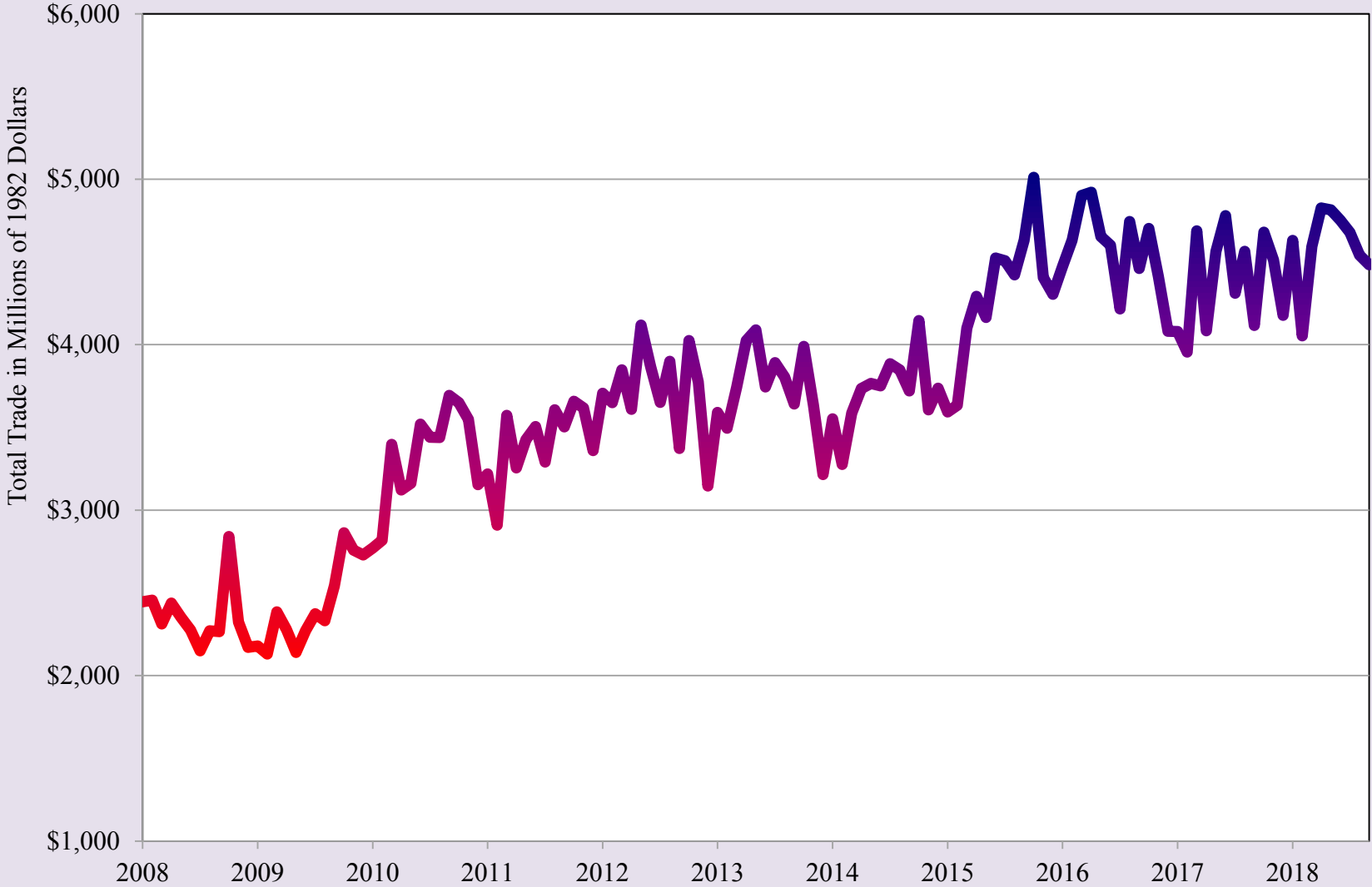
Real Total Trade through the El Paso Customs District

2017 2018



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

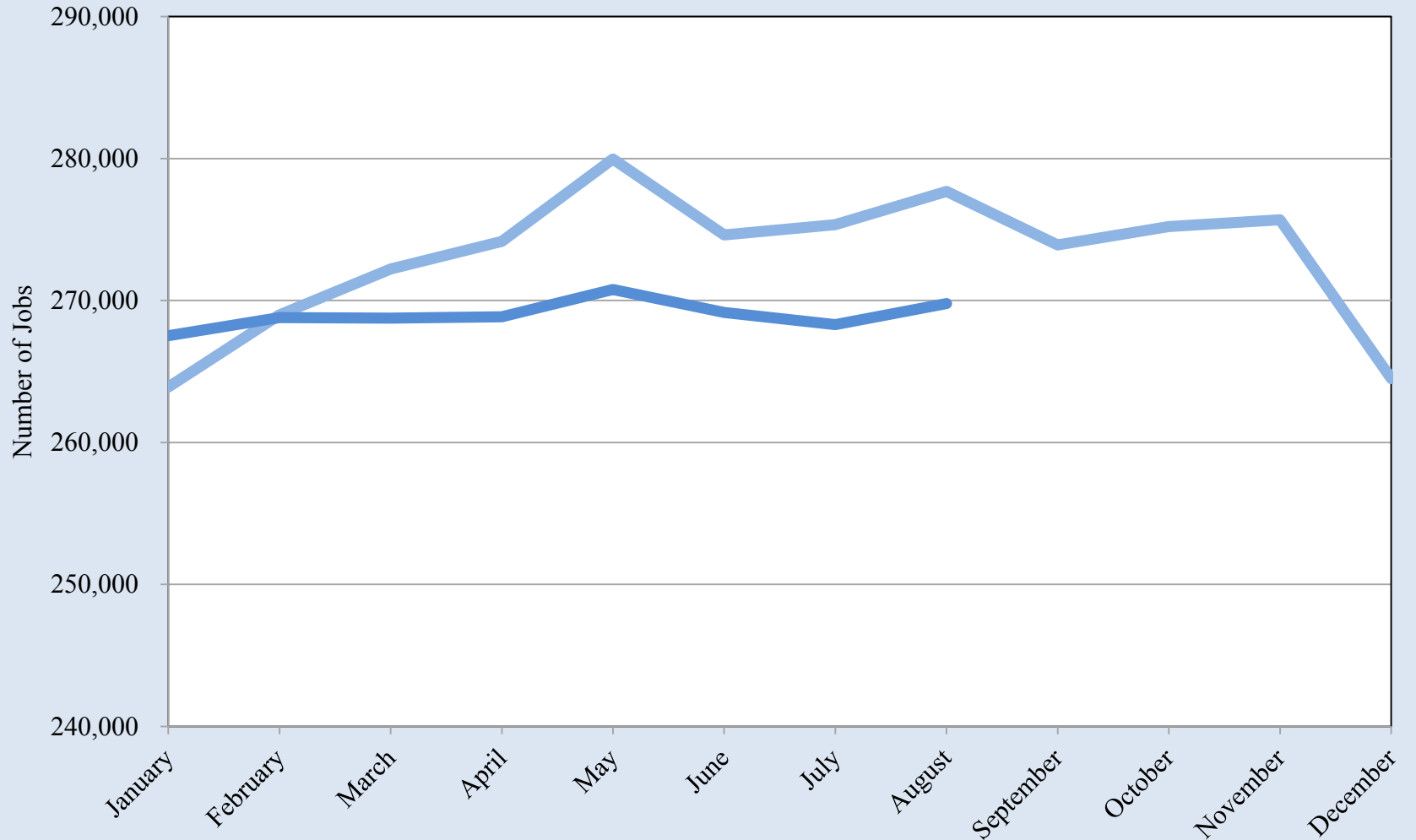
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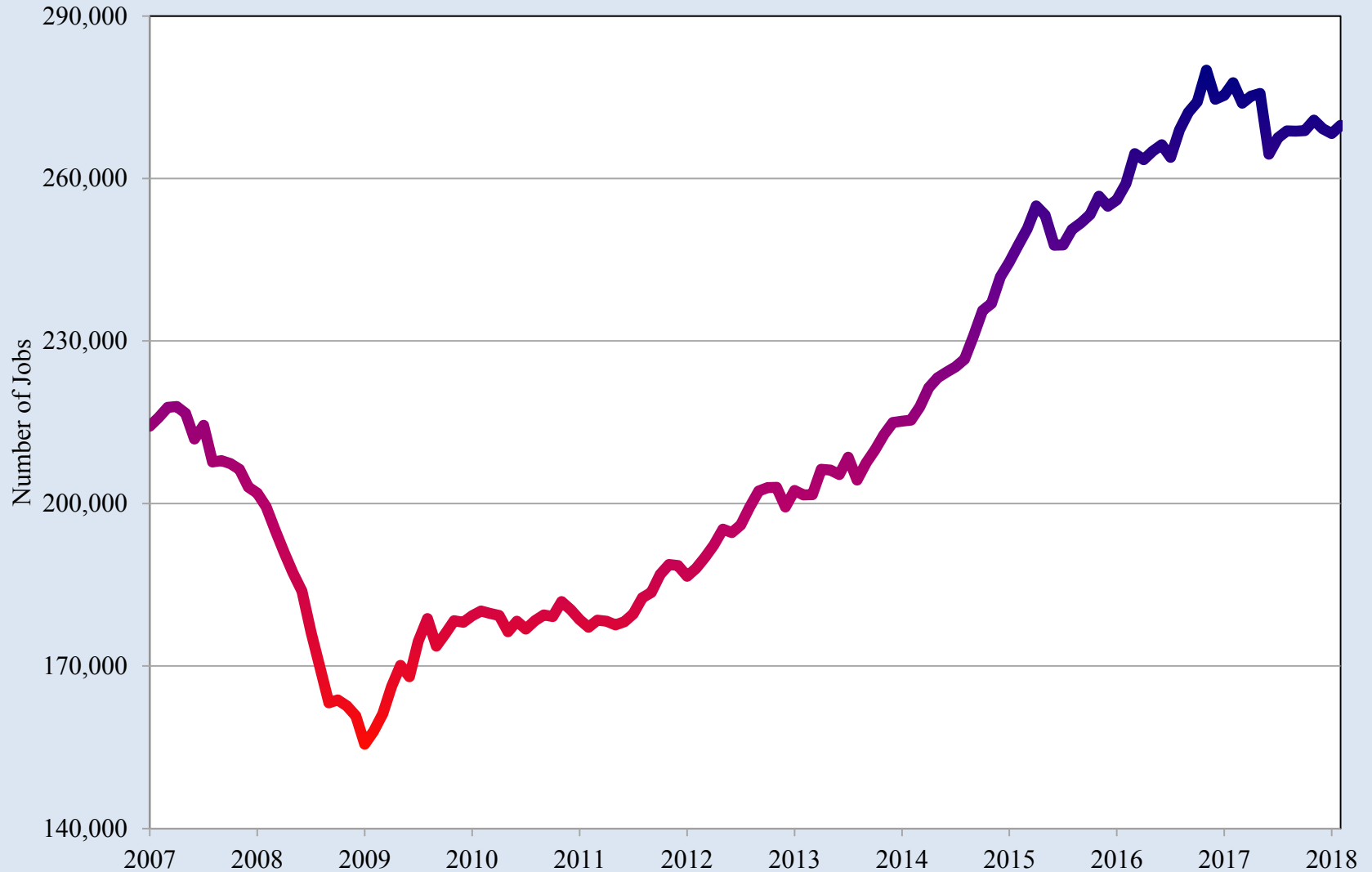
Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2017 — 2018



Source: INEGI

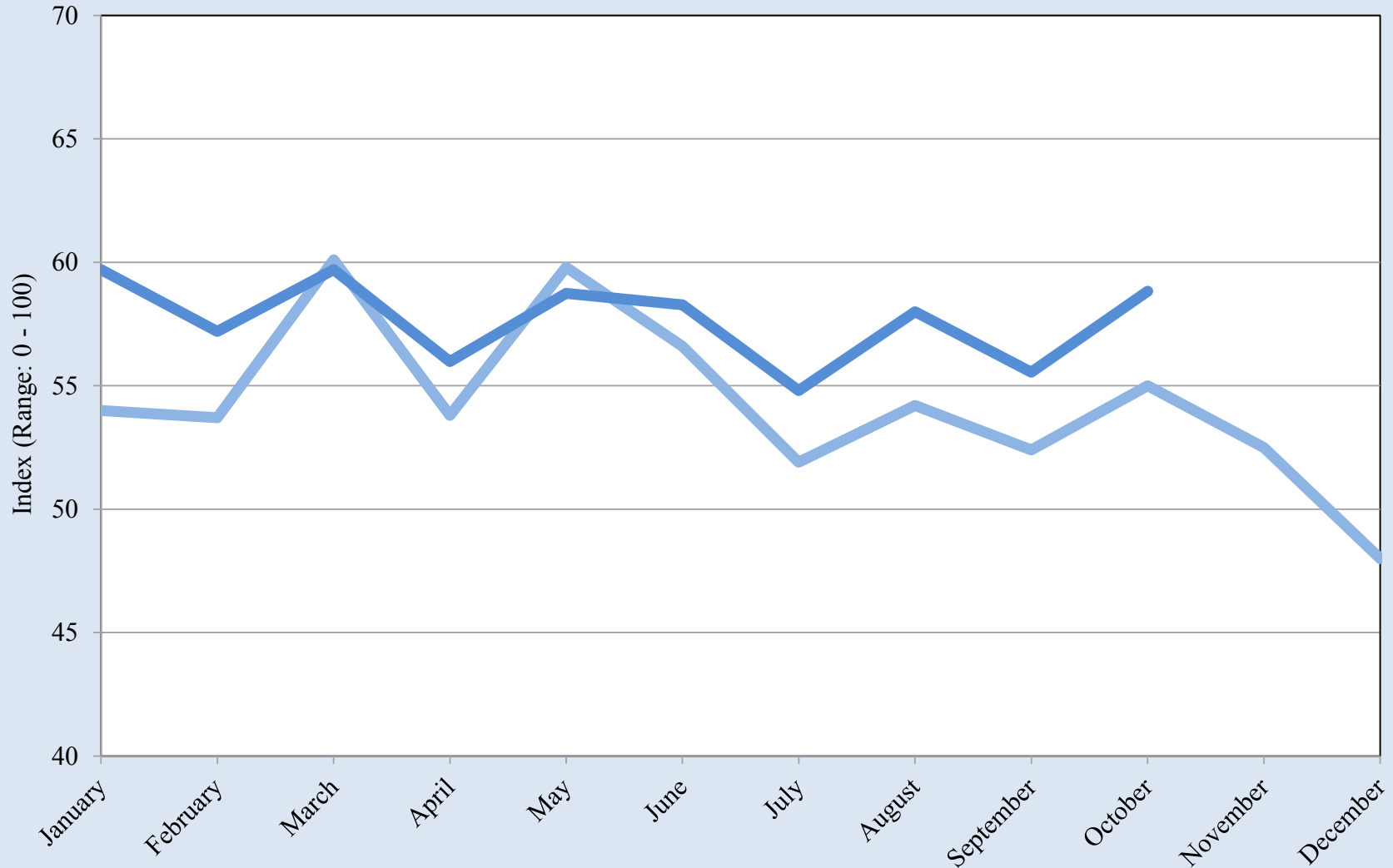
Export-Oriented Manufacturing Employment in Ciudad Juárez



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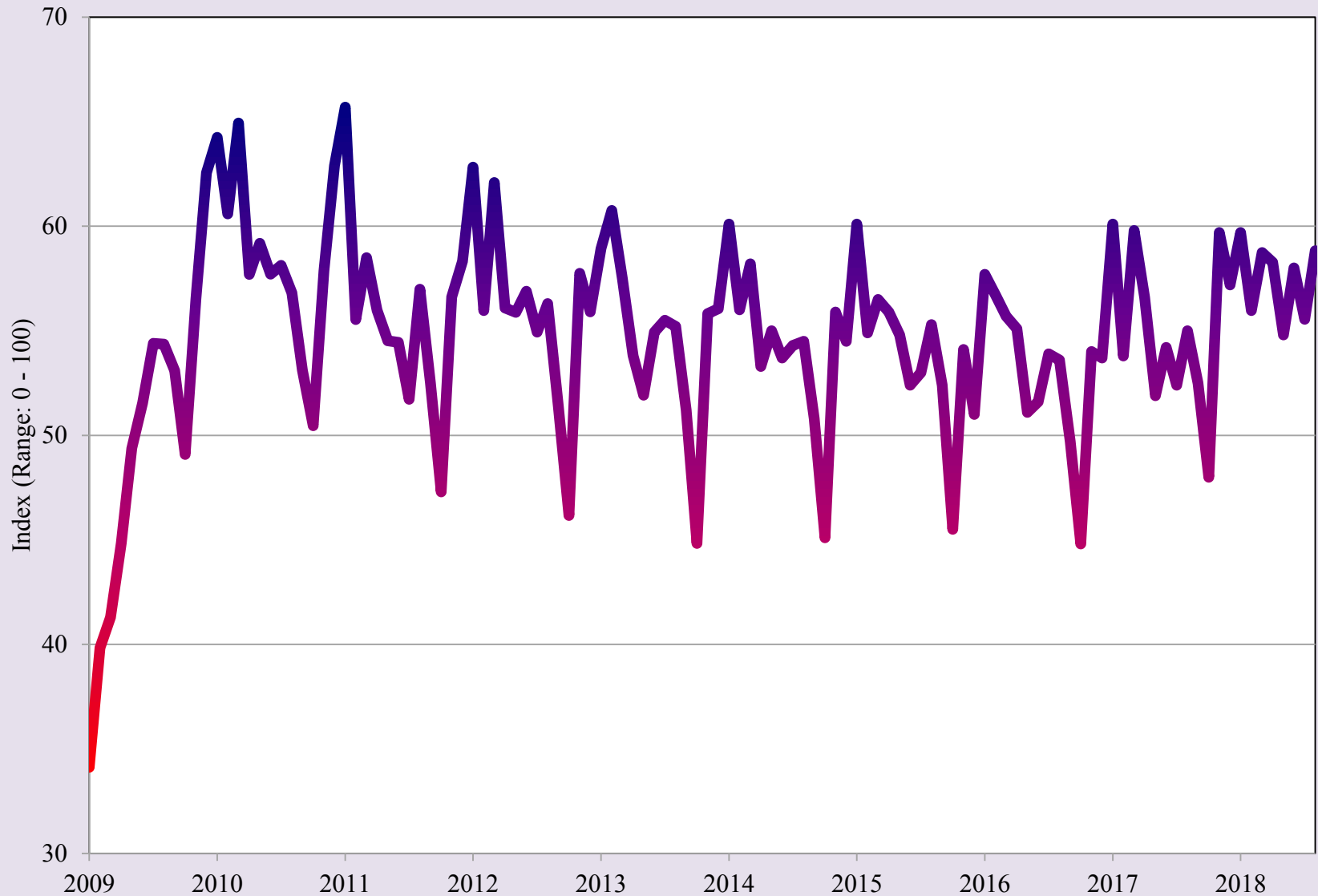
Northern Mexico Manufacturing Orders Index

— 2017 — 2018



Source: Banco de México

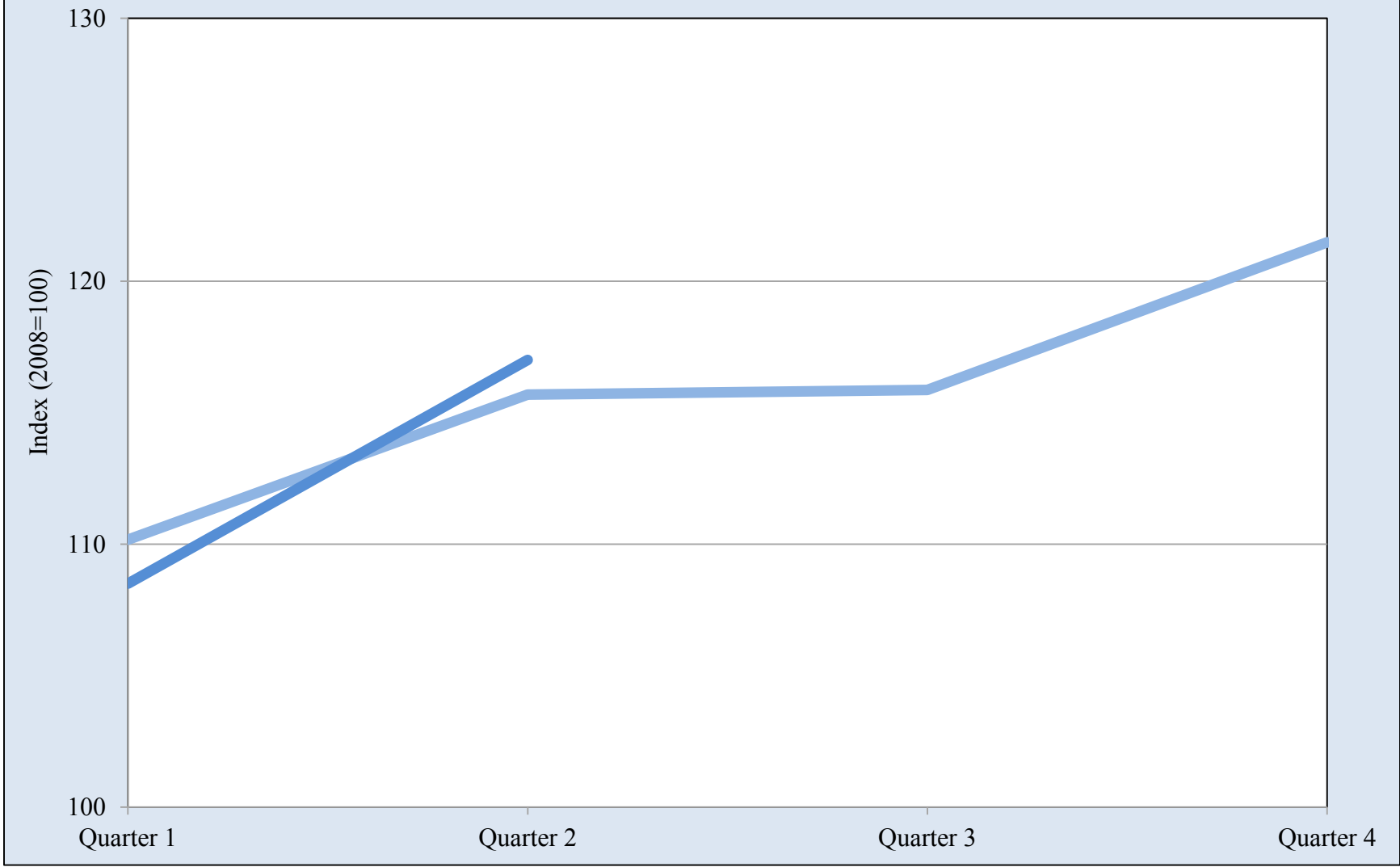
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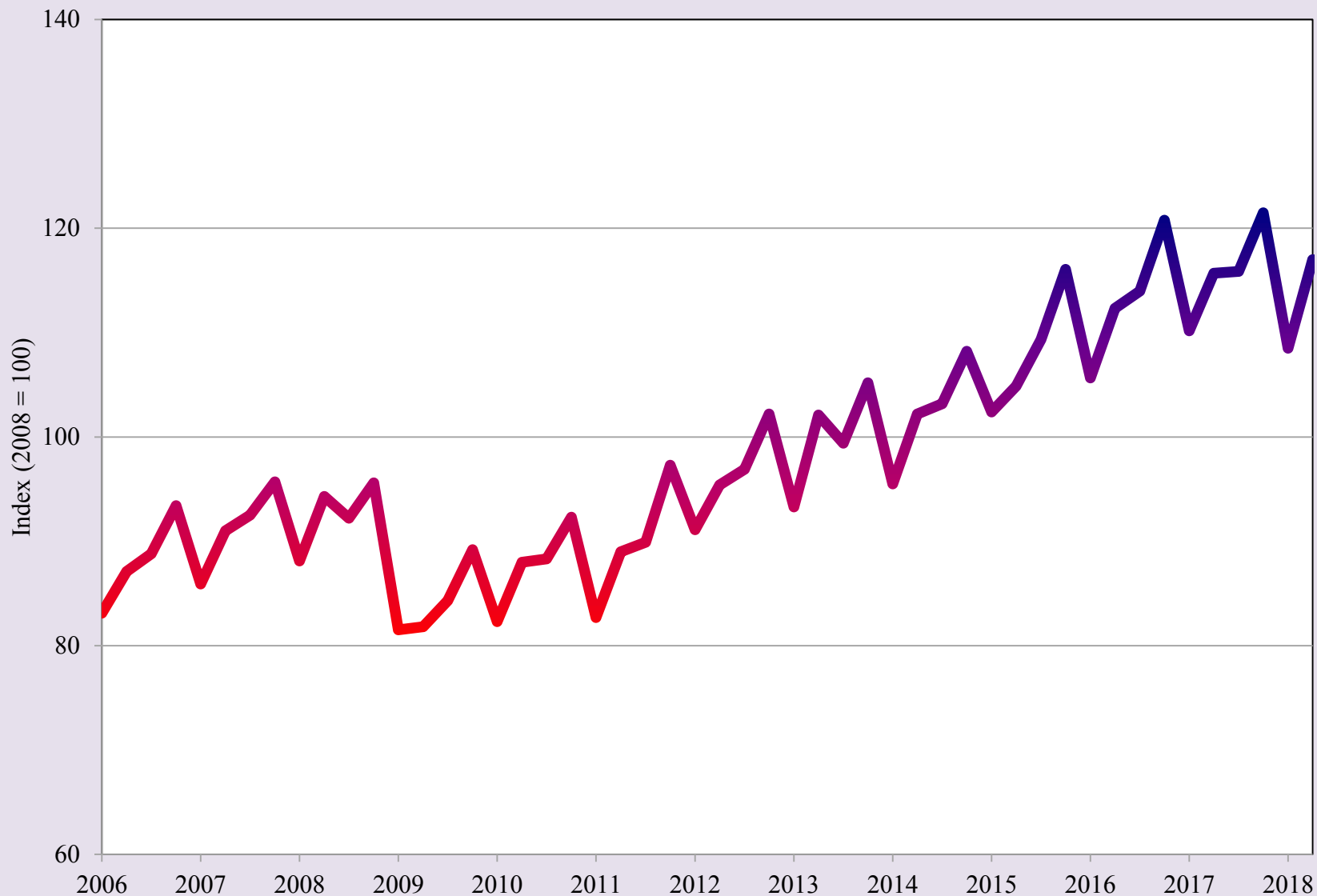
Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2017 — 2018



Source: INEGI

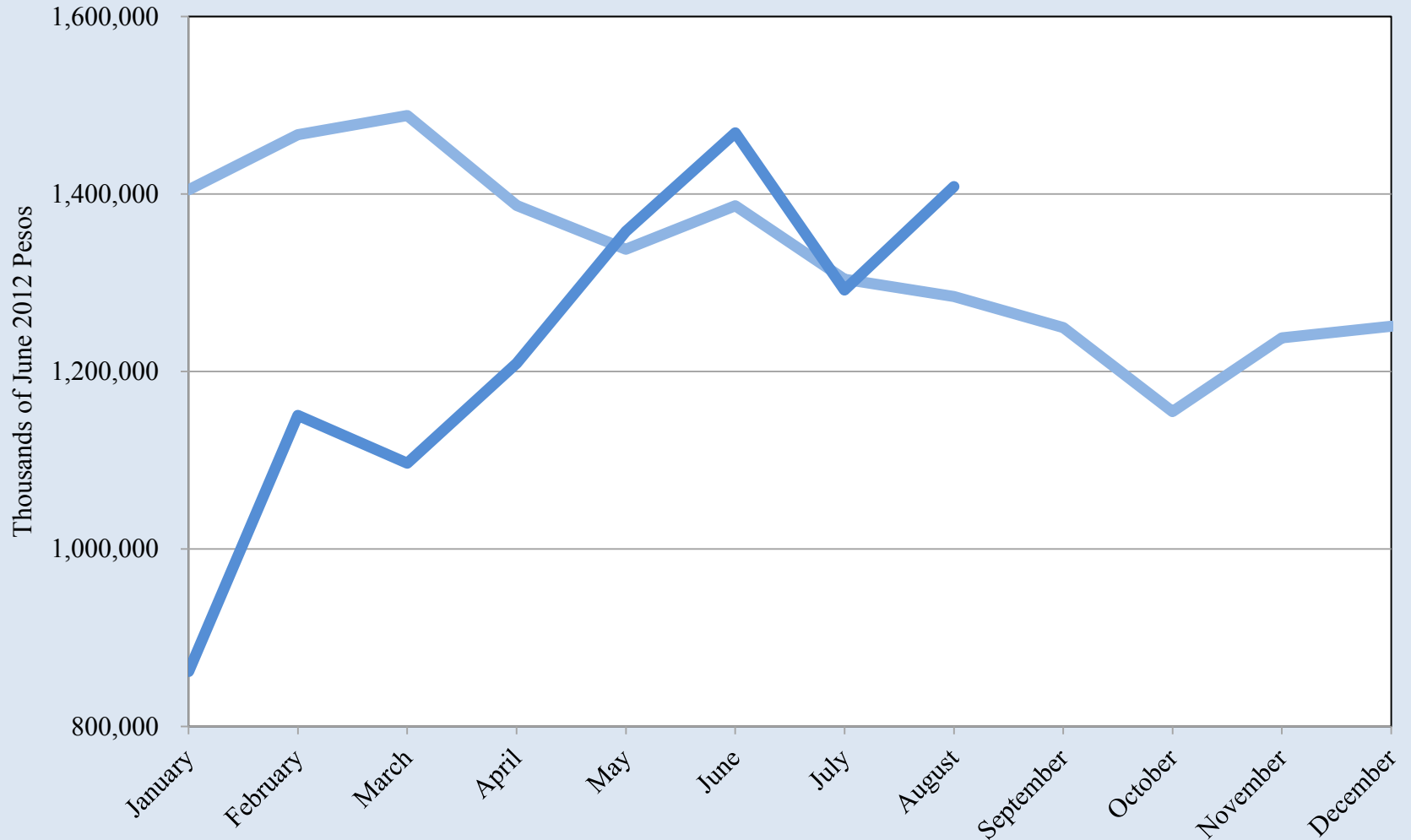
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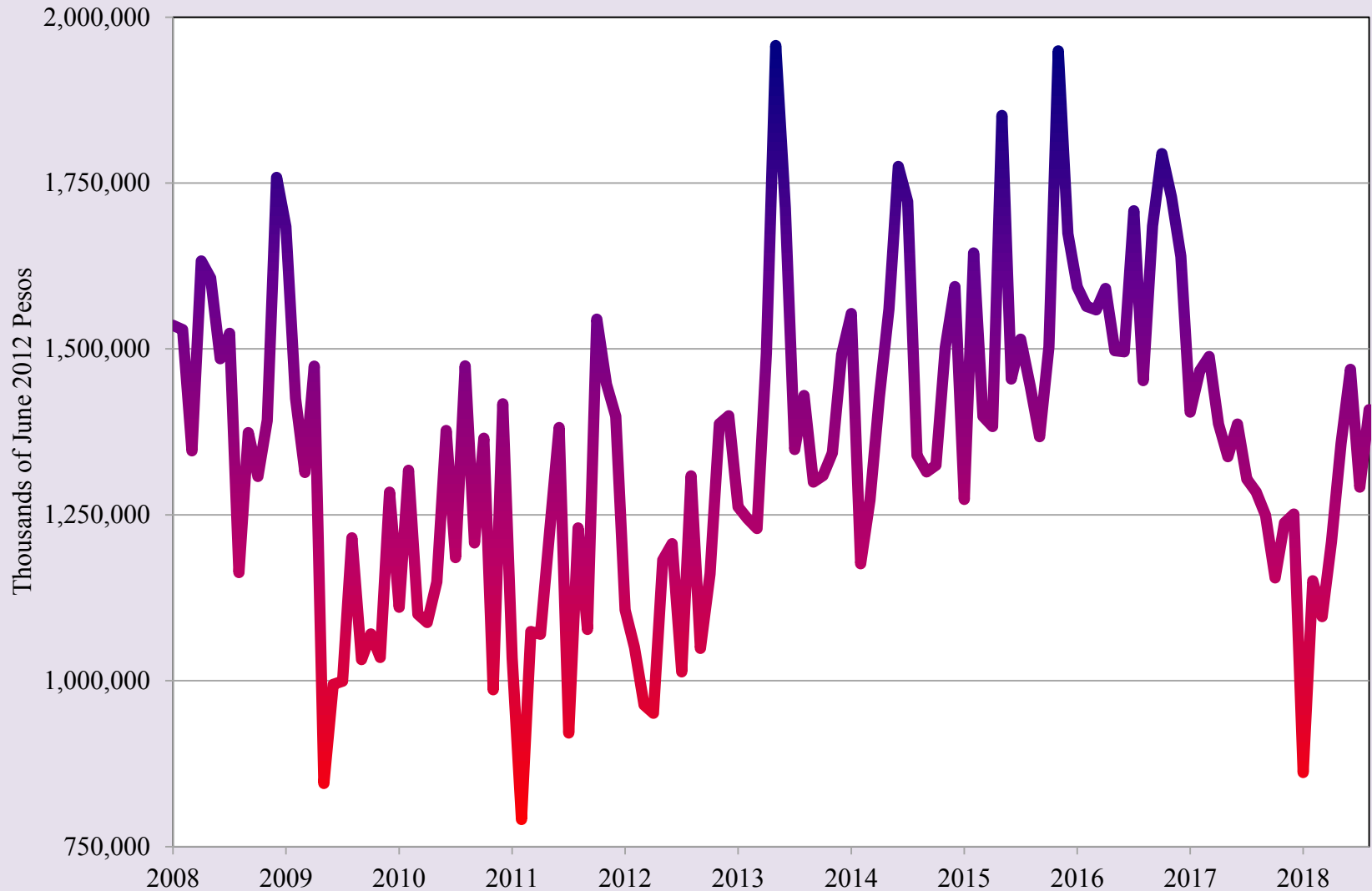
Total Value of Construction in the State of Chihuahua

— 2017 — 2018



Source: INEGI

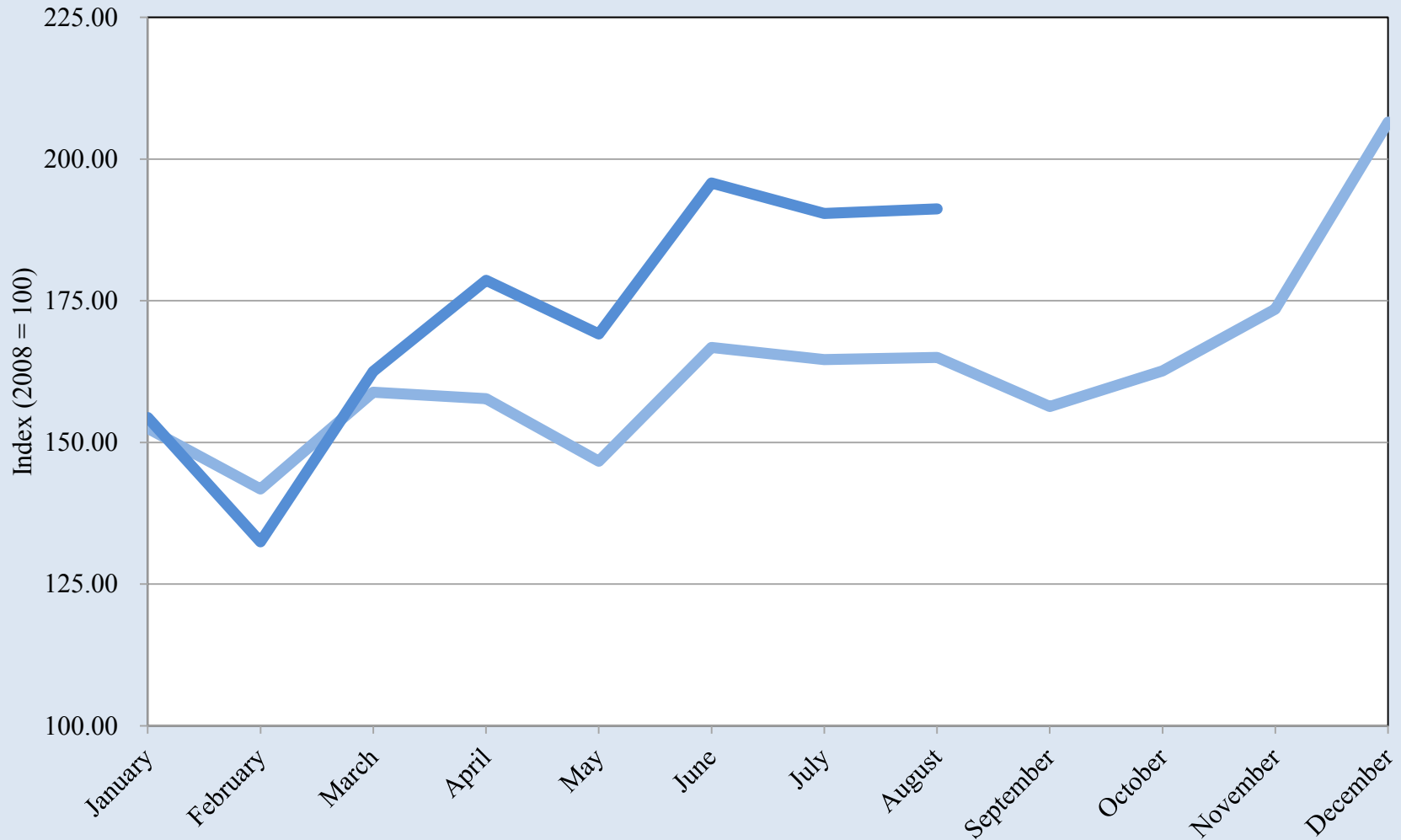
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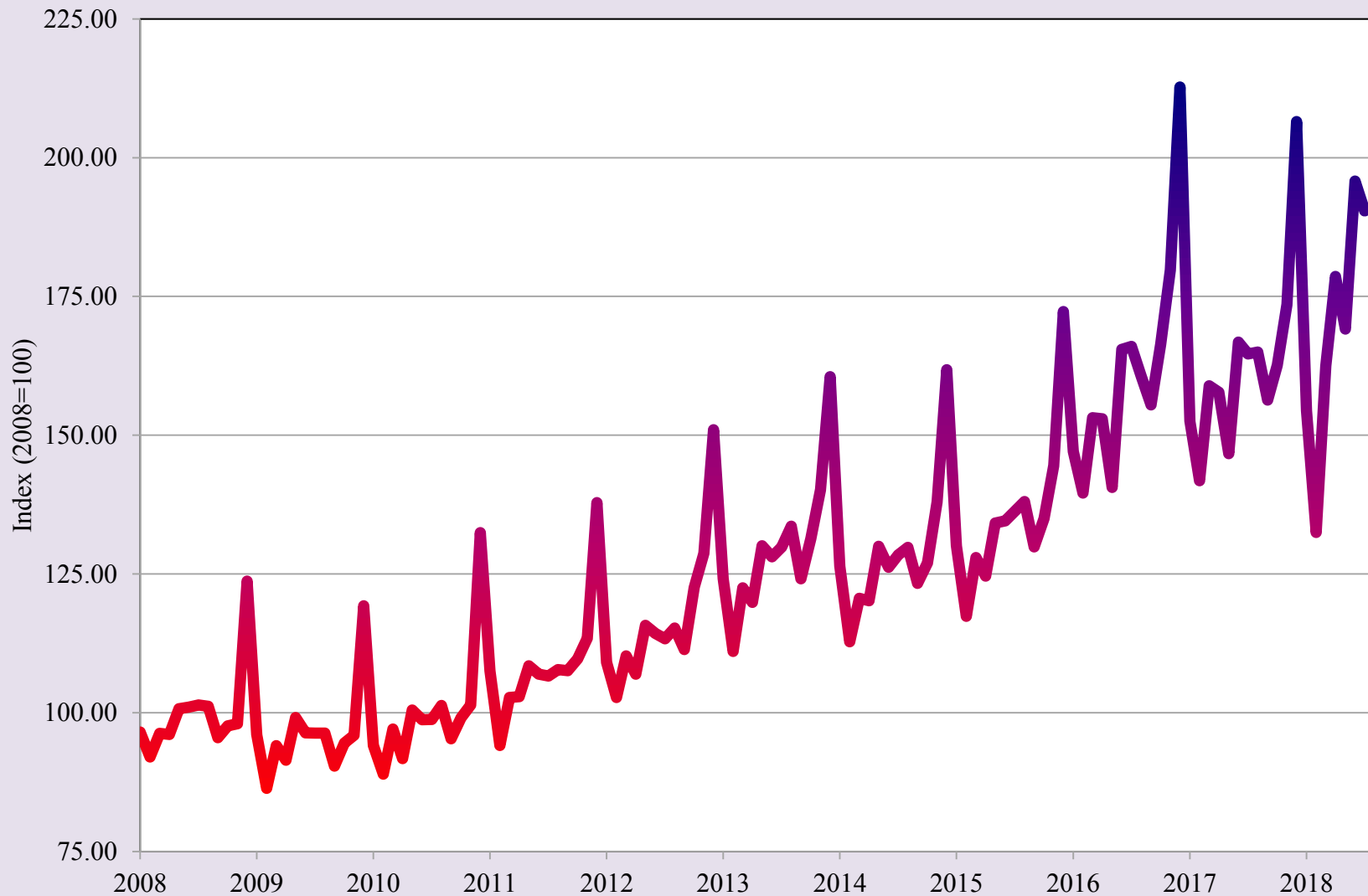
Real Retail Activity Index for the State of Chihuahua

— 2017 — 2018



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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