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## Borderplex Business Barometer, Volume 2, Number 12

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# BORDERPLEX BUSINESS BAROMETER

**December 2018**

**Border Region Modeling Project**

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*Border Commerce & Economics*

Borderplex Business Barometer, Volume 2, Number 12

**Seasons Greetings**

The Federal Reserve Bank of Dallas Business Cycle Index for the El Paso metropolitan economy reached another record in October. The combination of private sector payroll growth and a historically low El Paso unemployment rate continue to bolster the local index. Personal income data are still not available, but wage and salary disbursements have undoubtedly strengthened this year, also.

With the metropolitan economy performing so well, the El Paso Household Economic Stress Index continues to perform well. In October, this gauge remained below 4 for a third consecutive month. Continued increases in interest rates are likely to cause this index to rise at least slightly in coming months. Barring a national downturn, local households should remain in relatively good shape in 2019. Along those lines, supplemental nutrition assistance program (SNAP or food stamp) enrollments dropped to 170,000 in November for the first time since May 2014.

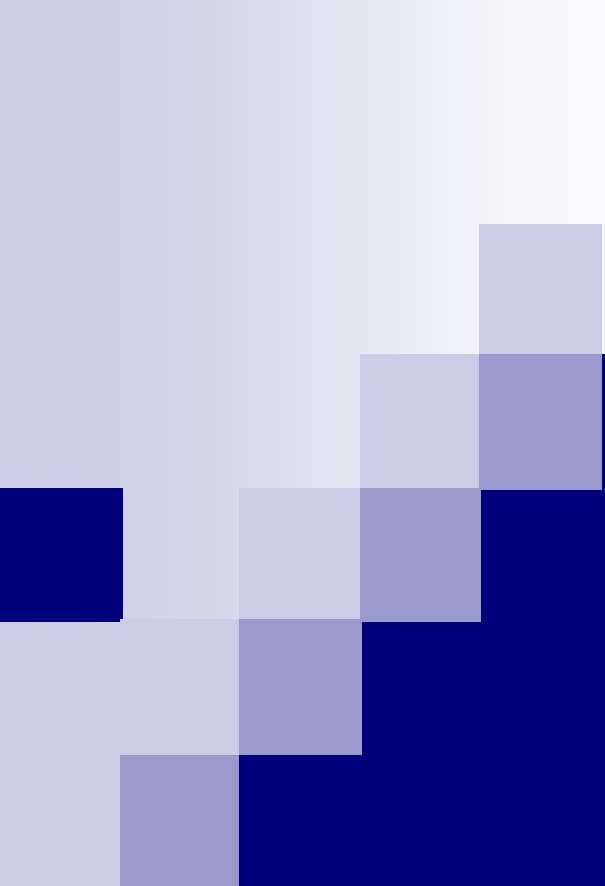
At \$155,000, the median housing price for single-family units was 5.3 percent above its corresponding level in October 2017. The months of housing supply for El Paso remained below 5.0 months again in October. How tight are inventories? Average sales time dipped below 90 days for the third time in 2018 in October.

The average price for regular unleaded gasoline in El Paso fell below \$2.50 per gallon in November. Although gasoline and diesel prices often decline after Labor Day each year, national stocks have been higher than anticipated for several months. International producing regions are attempting to cut oil output. If those cuts materialize, gasoline prices may not increase very much due to relatively weak global economic conditions. If those cuts do not occur, pump prices may decline further.

The Doña Ana County unemployment rate fell again in October. In a marked change from prior months, the Mesilla Valley civilian labor force grew on a year-over-year basis. That growth was more than offset by payroll expansions. The improvement in labor market strength was accompanied by another slight decline in Las Cruces Area SNAP caseloads. SNAP enrollments have remained below 28,000 for nineteen straight months.

The peso-per-dollar nominal exchange rate held steady in October. The magnitude of the gap between the nominal exchange rate and the Borderplex restaurant price ratio indicates that the peso could easily appreciate in coming months. Currency market jitters have been pronounced in 2018, however, as uncertainties abound with respect to international trade agreements, macroeconomic policy decisions, and global business cycle developments. In spite of the latter, cargo vehicle traffic volumes across the international bridges increased on a year-to-year basis, again, in October. On a nominal basis, El Paso Customs District total trade flows exceeded \$10 billion.

Ciudad Juárez export manufacturing employment increased to nearly 273,000 in September. More increases are likely. Northern region manufacturing orders increased on a year-over-year basis for a sixth consecutive month in November. Construction activity in the State of Chihuahua also grew on year-over-year basis in both August and September.

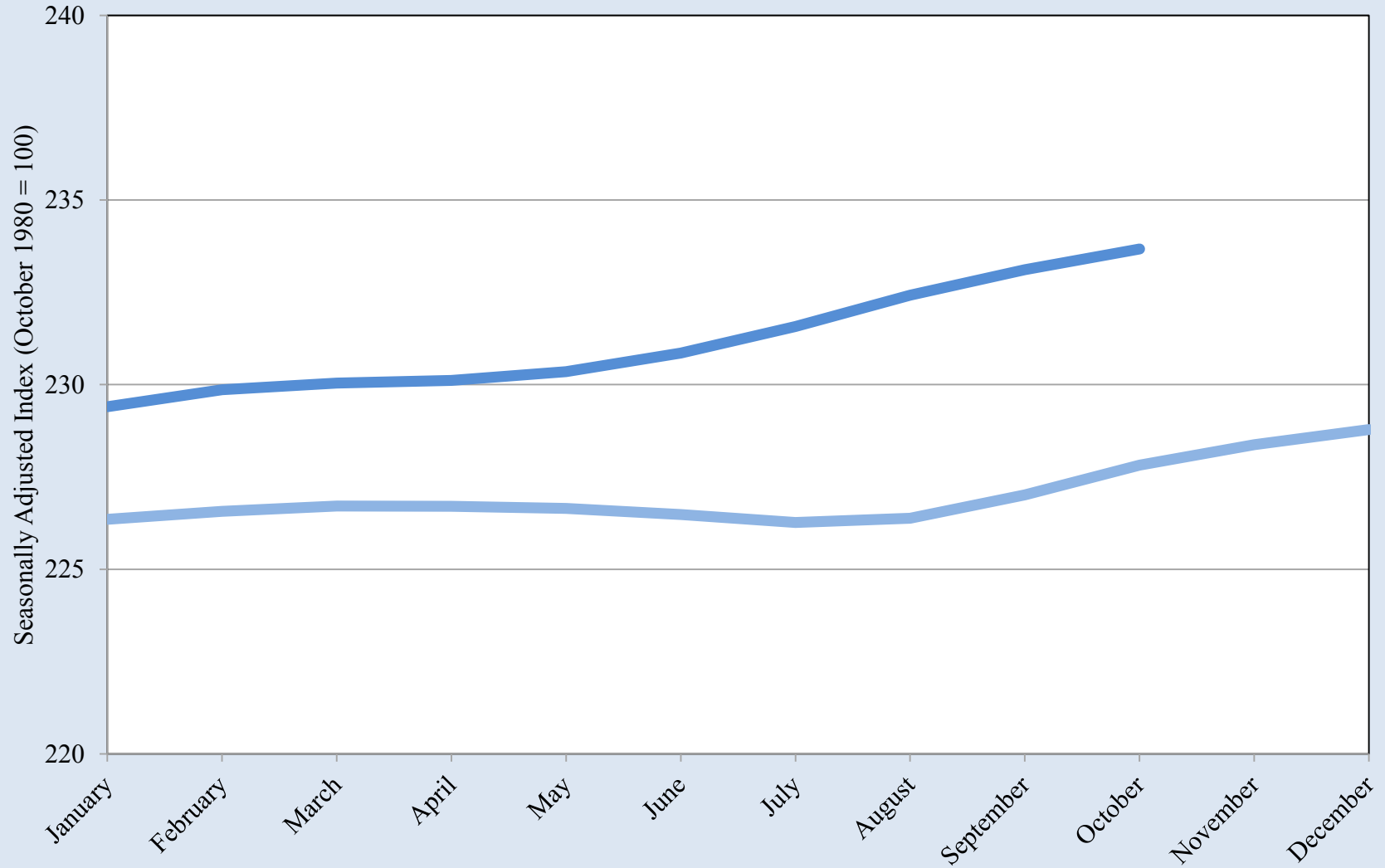


# **Borderplex Business Barometer**

Border Region Modeling Project  
Department of Economics & Finance  
University of Texas at El Paso

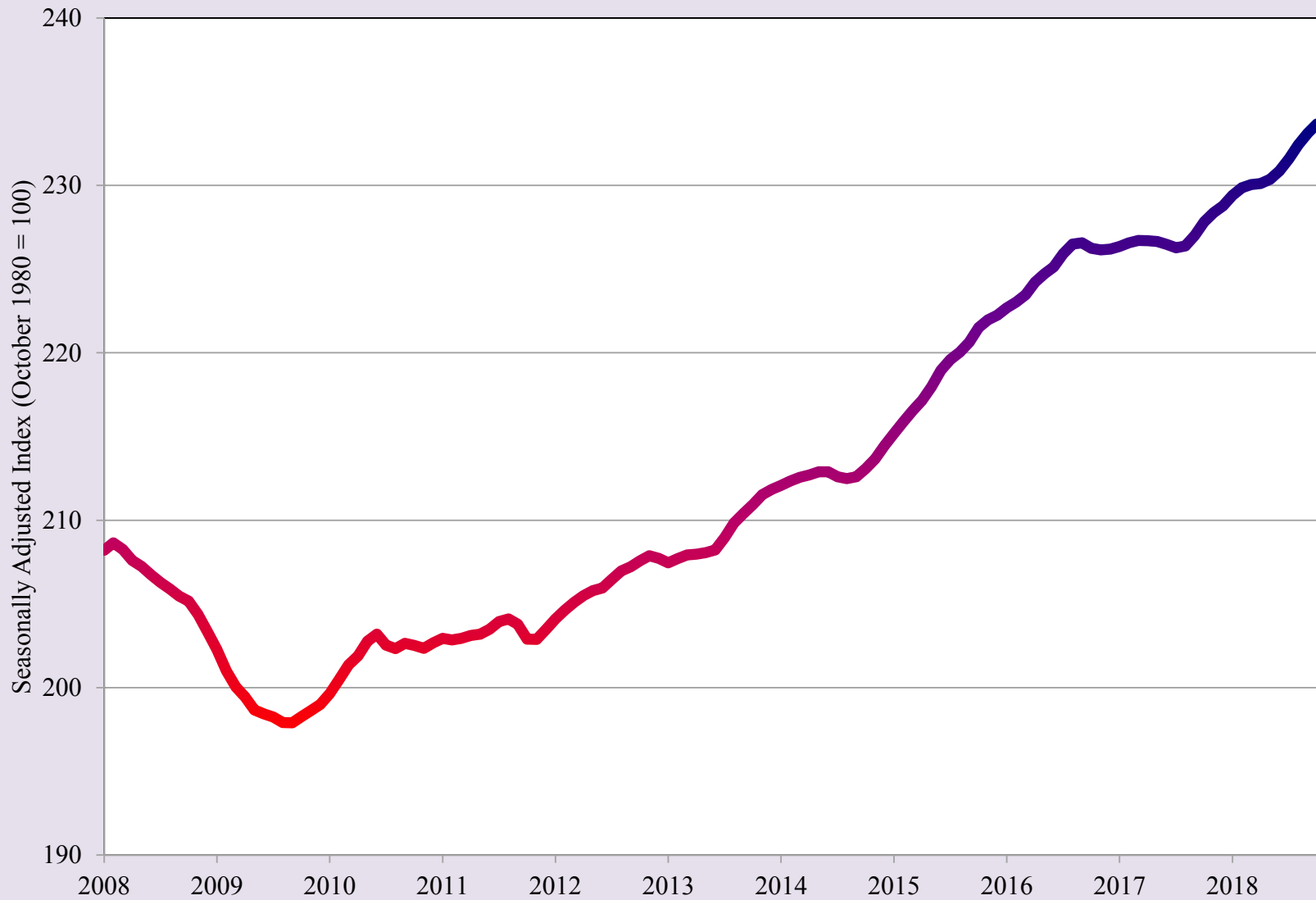
## Metro Business-Cycle Index for El Paso

2017 2018



Source: Federal Reserve Bank of Dallas

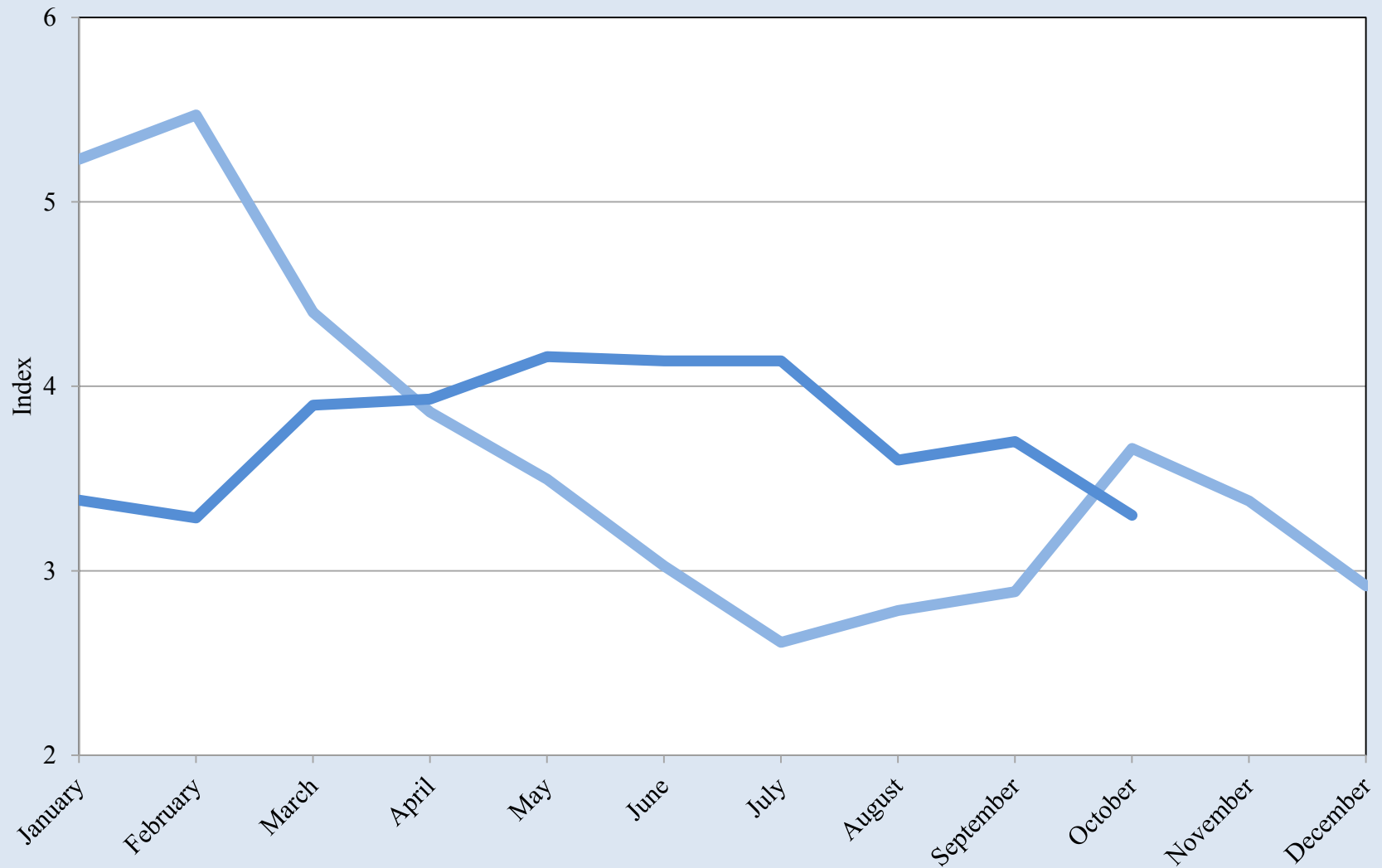
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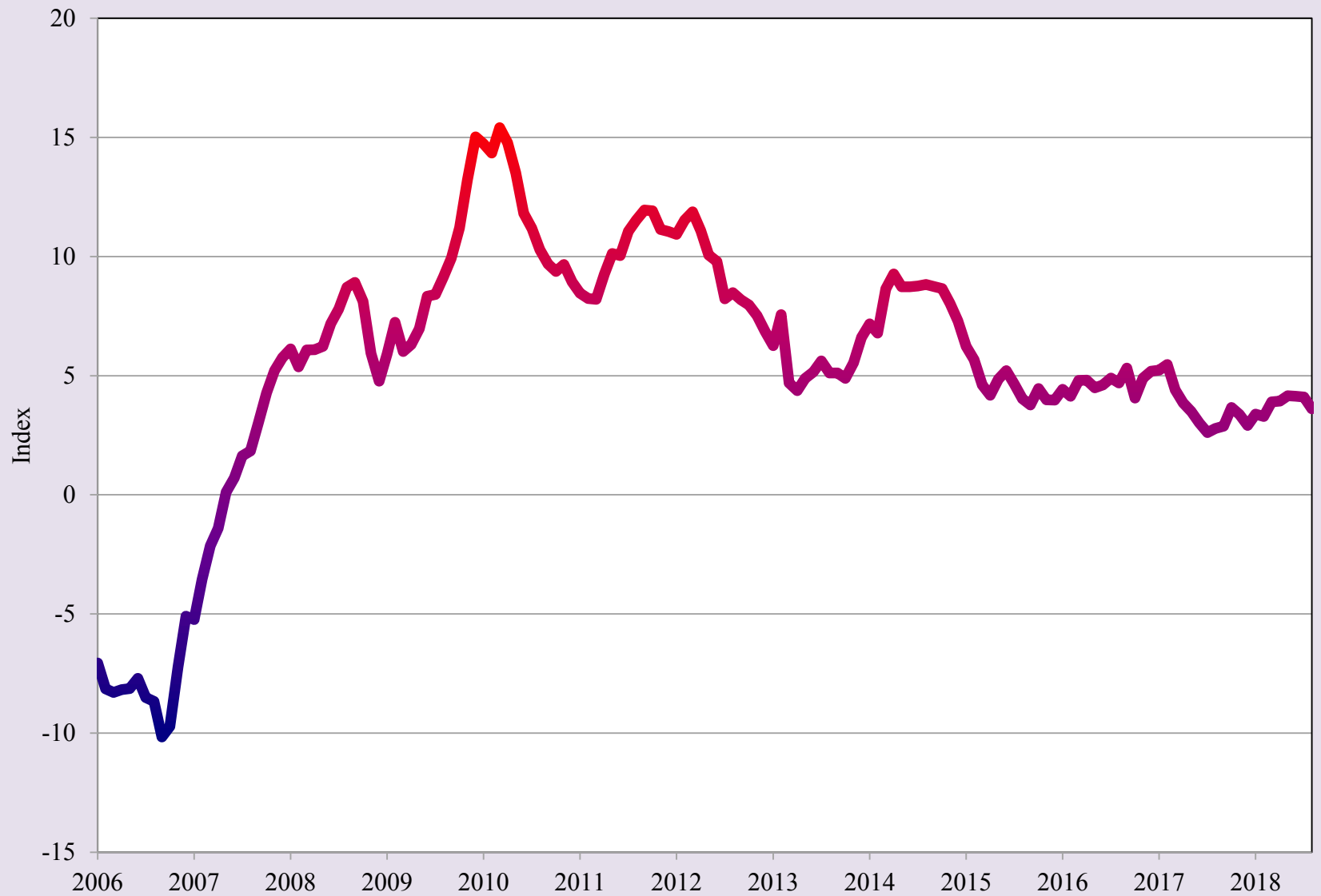
## El Paso Household Economic Stress Index

— 2017 — 2018



Source: UTEP Border Region Modeling Project

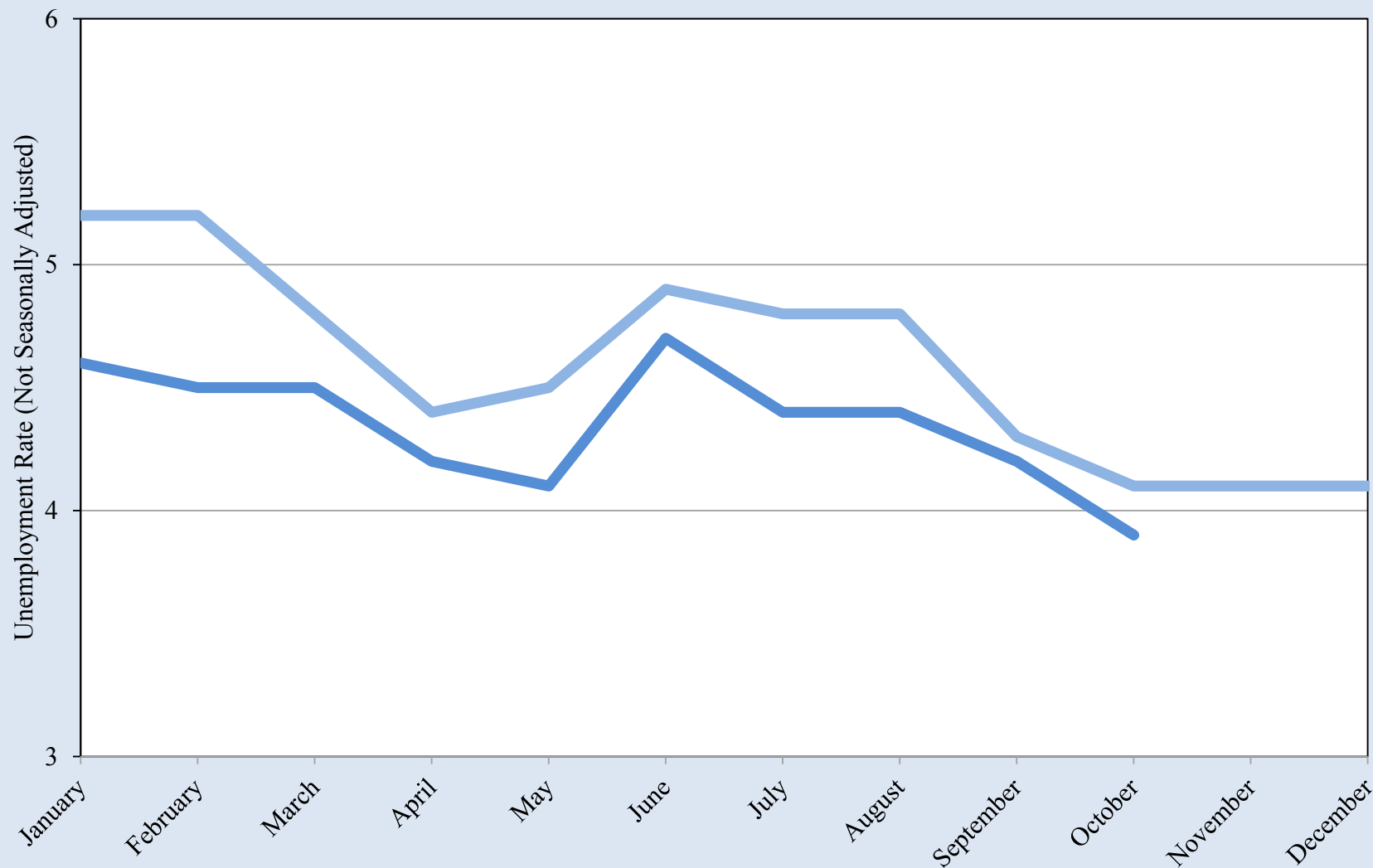
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

## El Paso County Unemployment Rate

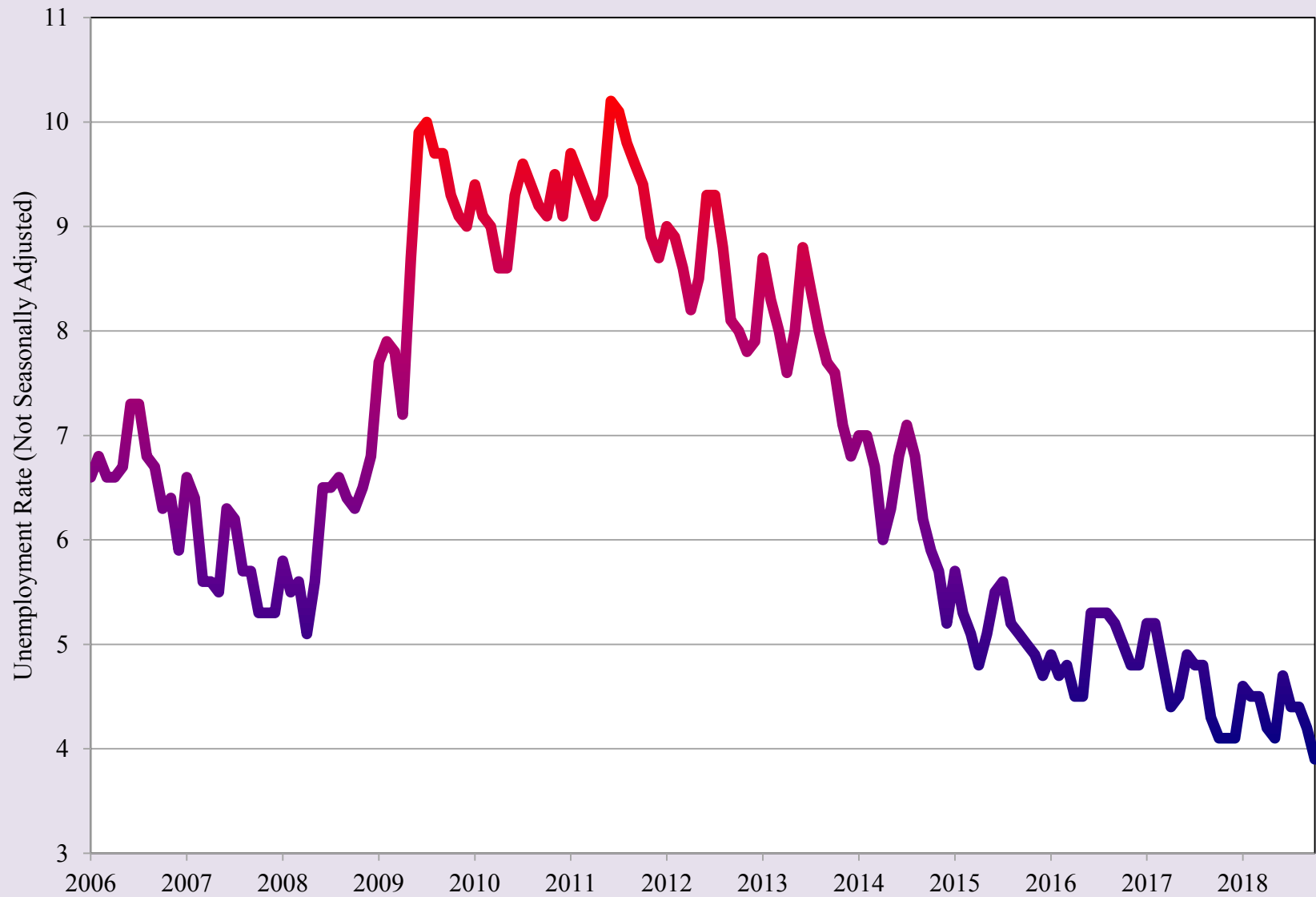
— 2017 — 2018



Source: Bureau of Labor Statistics

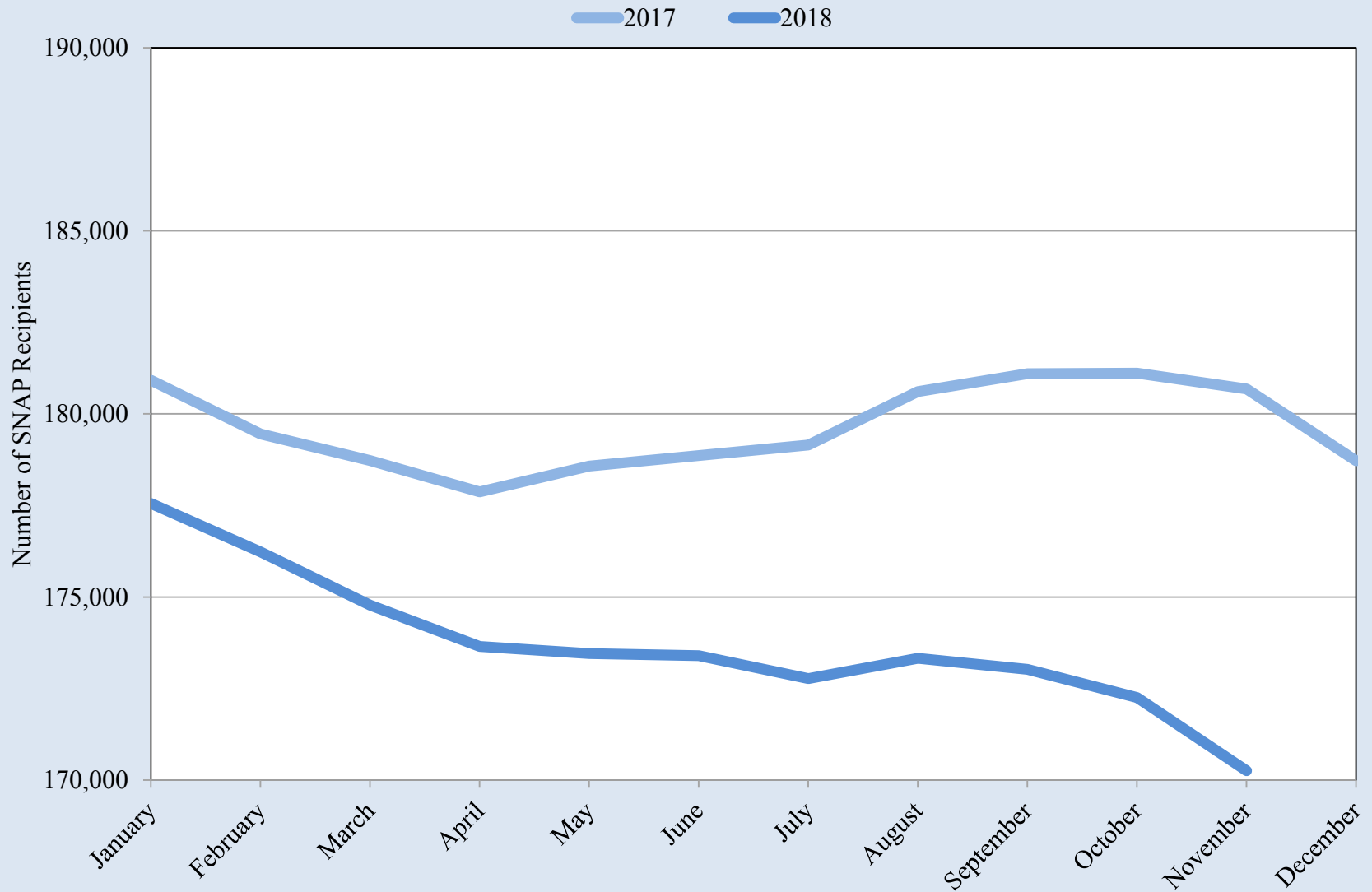


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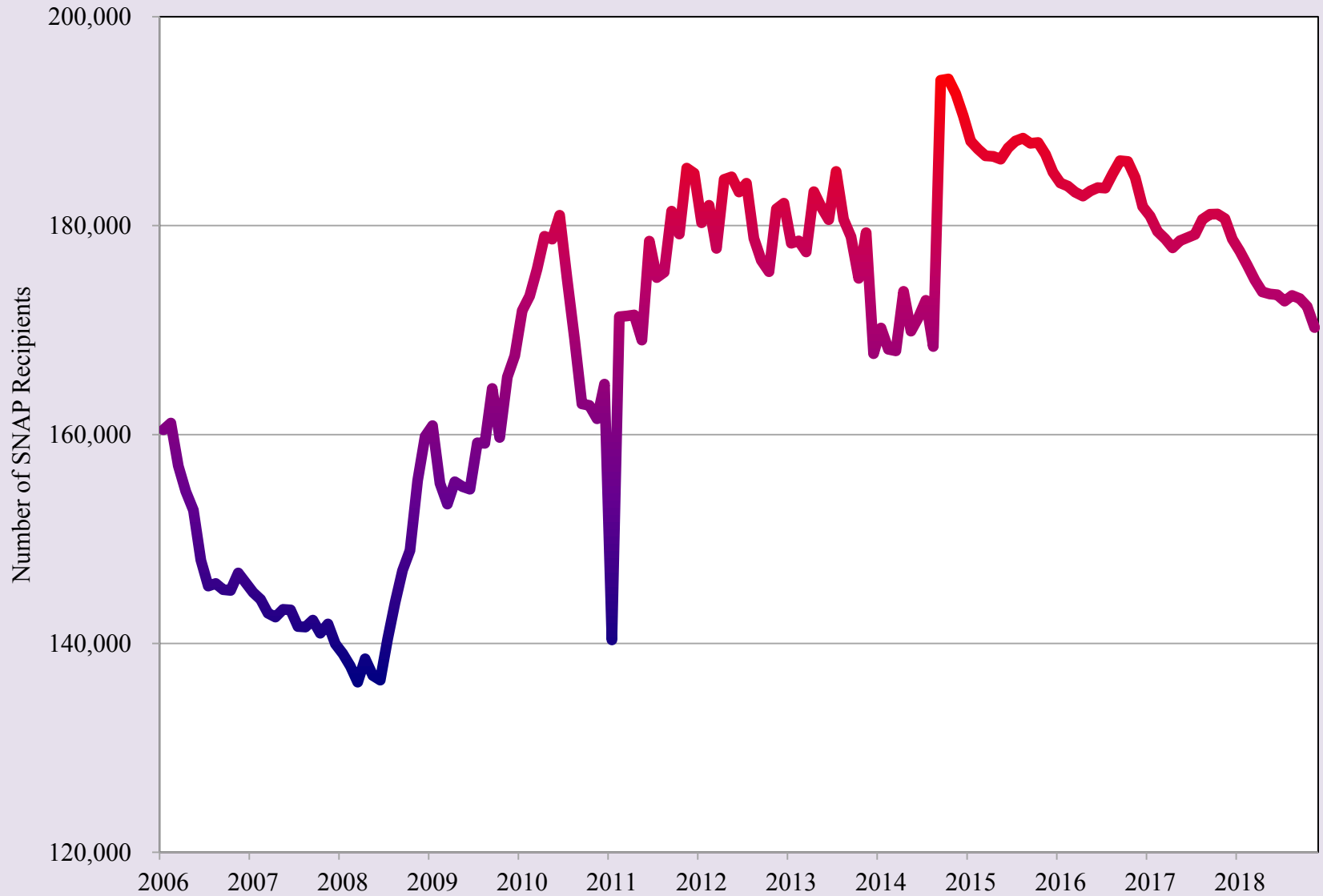
Source: Bureau of Labor Statistics

## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

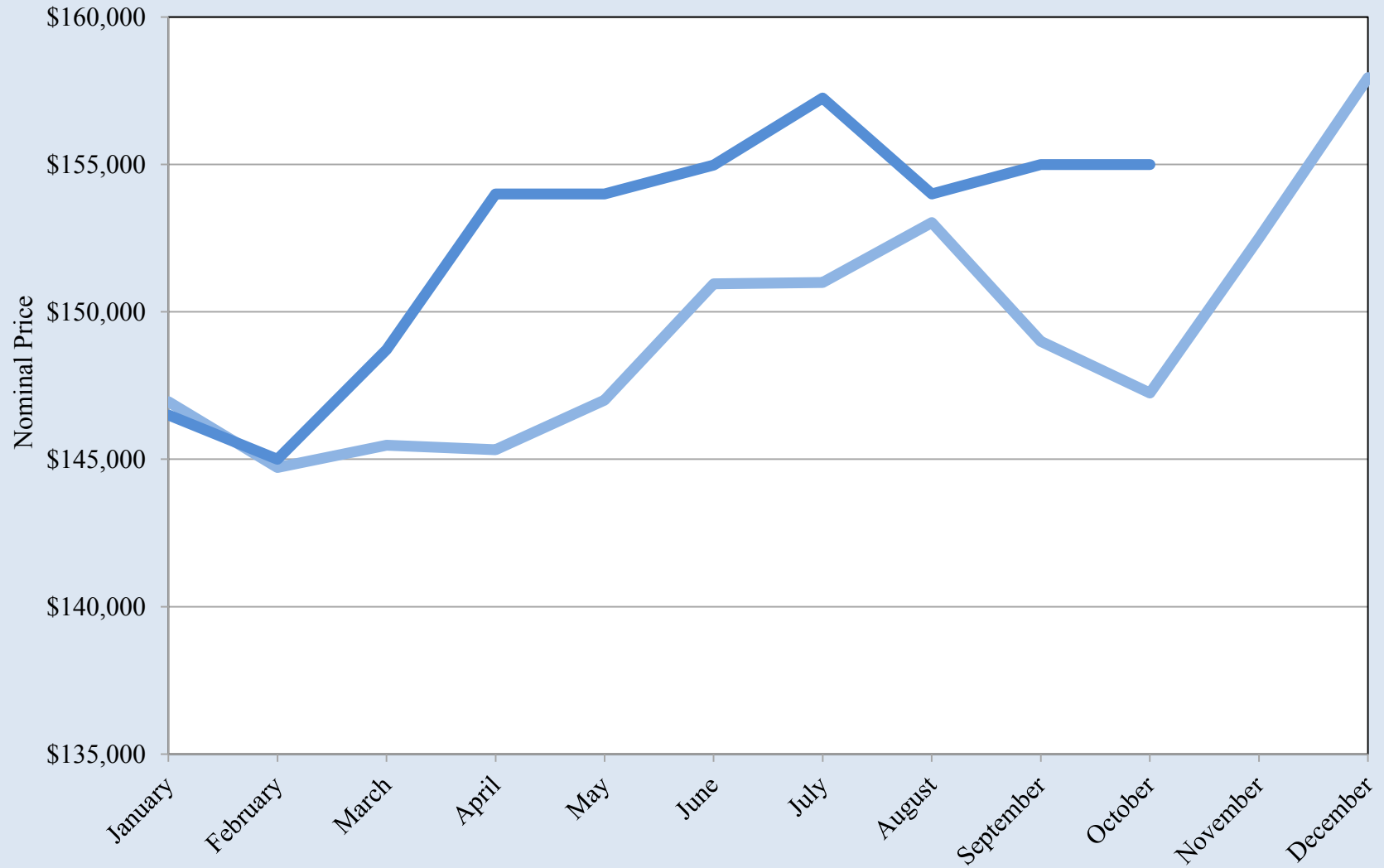
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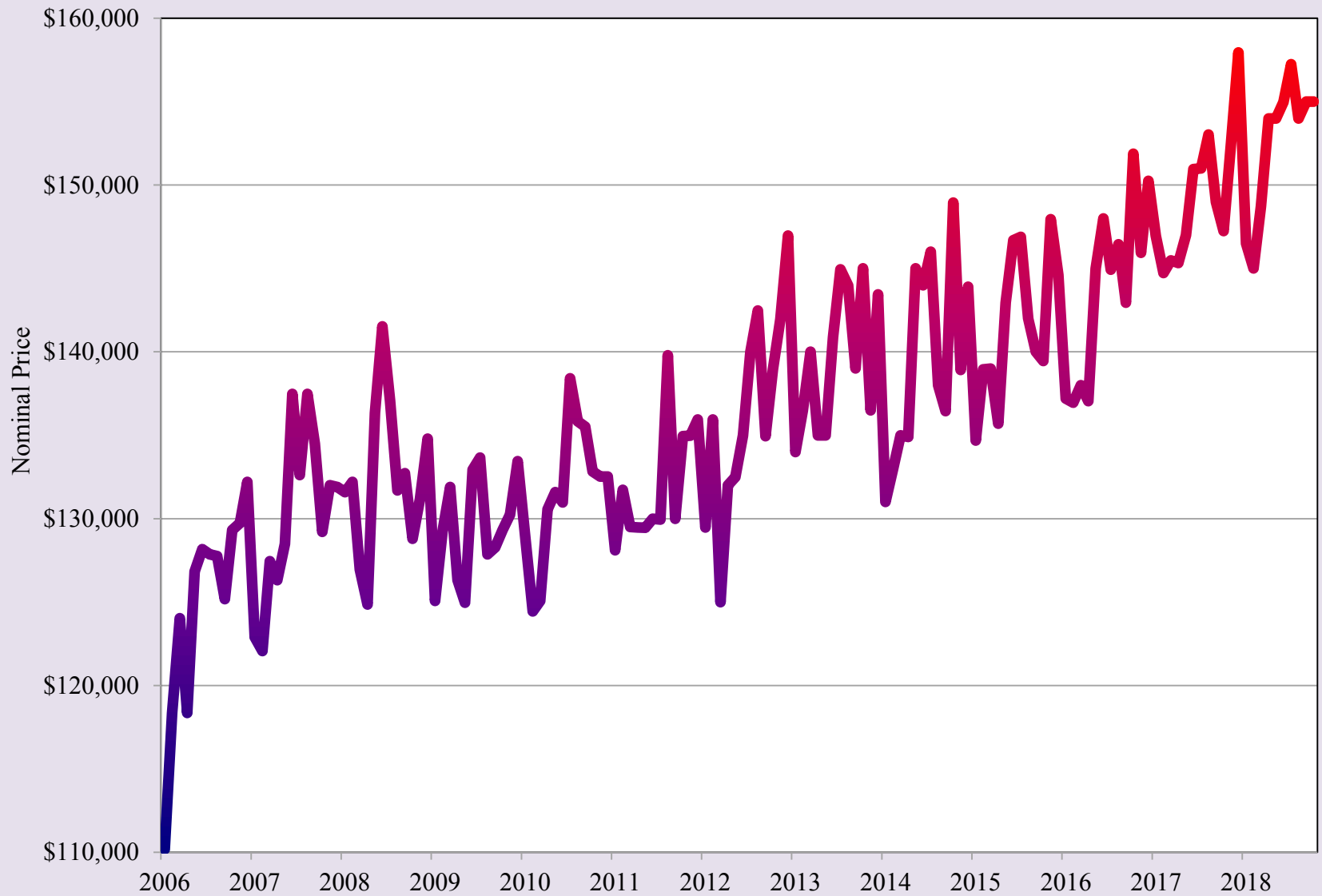
## El Paso Median Housing Prices

— 2017 — 2018

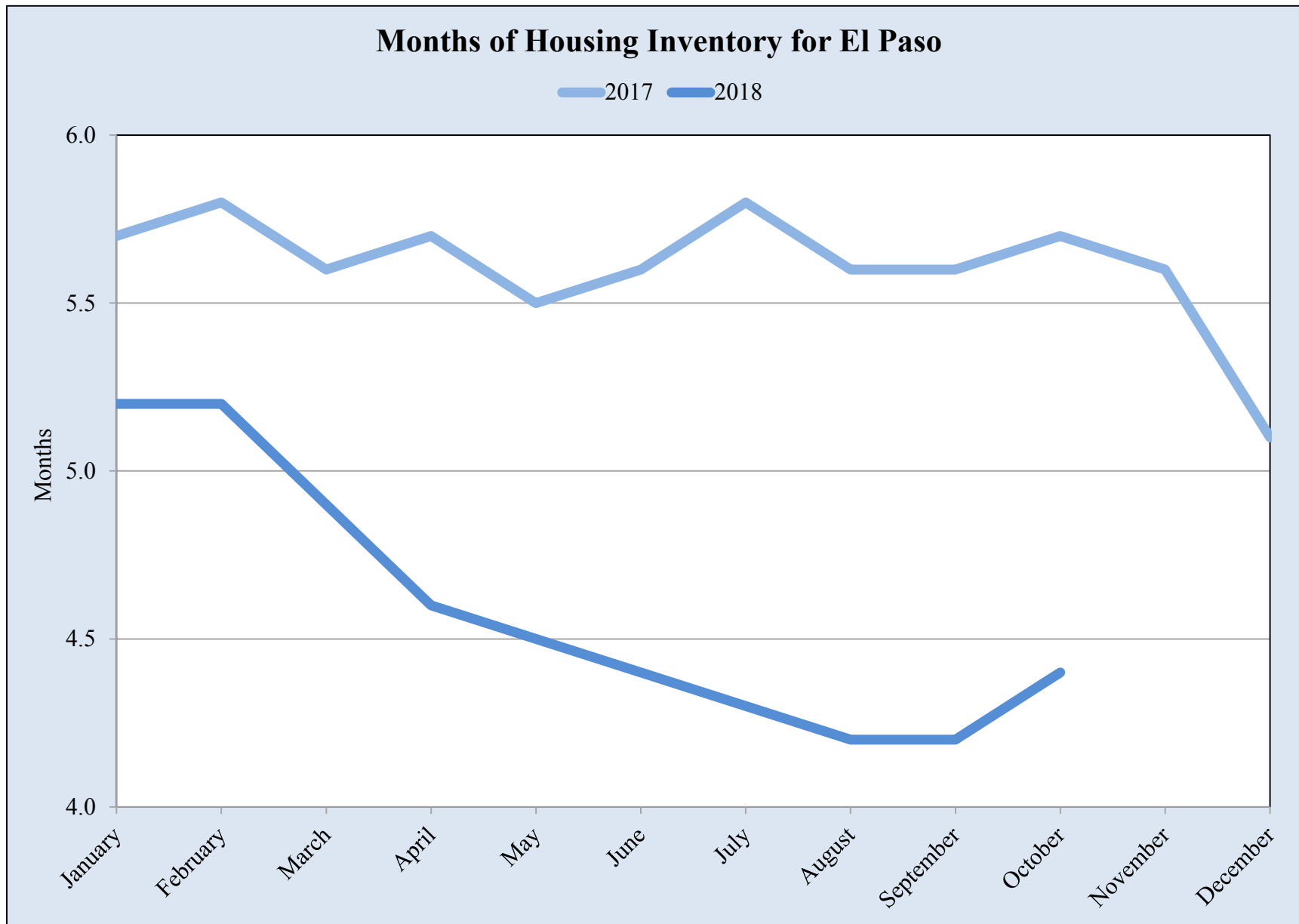


Source: Texas A&M Real Estate Center

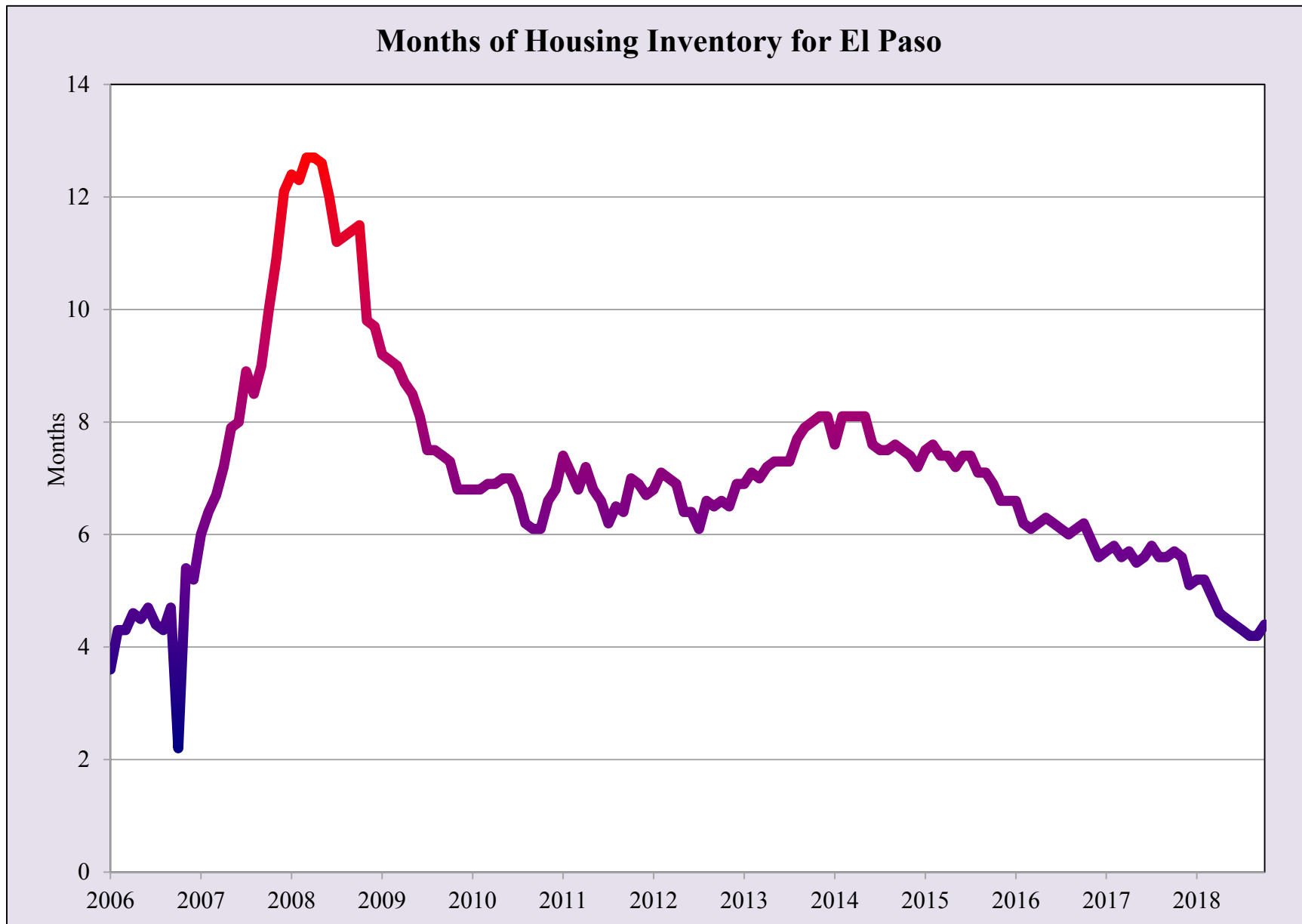
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Source: Texas A&M Real Estate Center



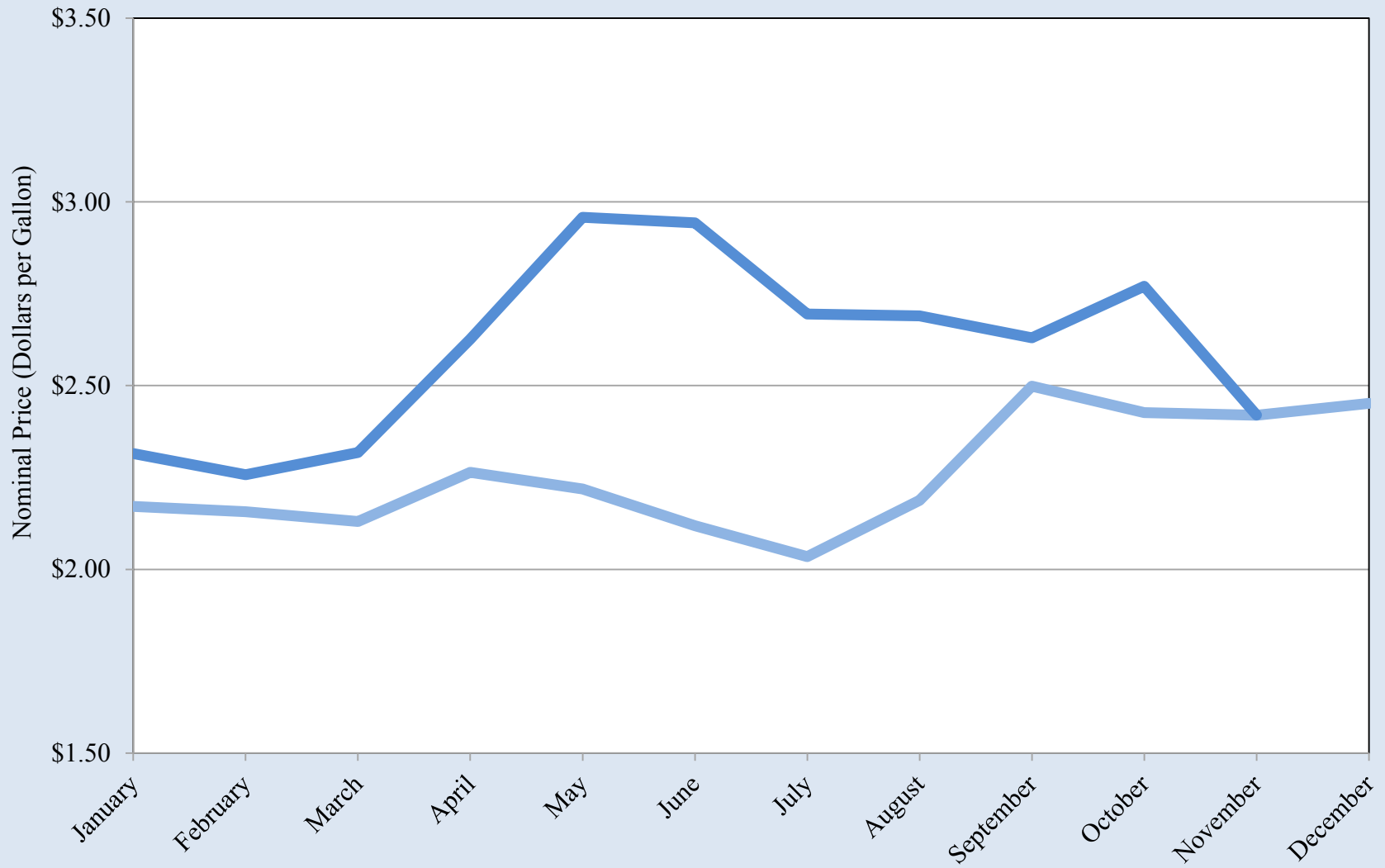
Source: Texas A&M Real Estate Center



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## El Paso Gasoline Prices

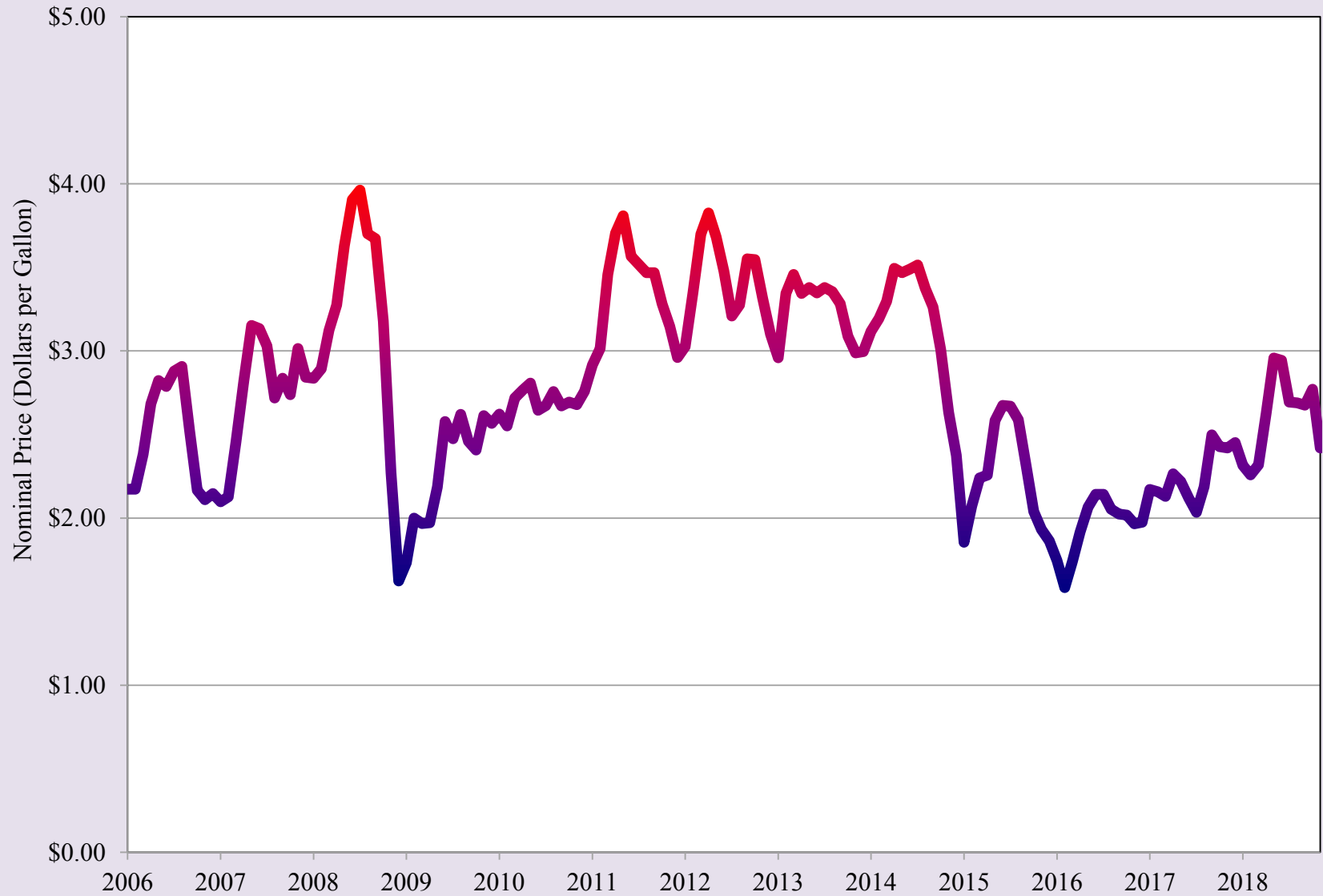
— 2017 — 2018



Source: GasBuddy.com



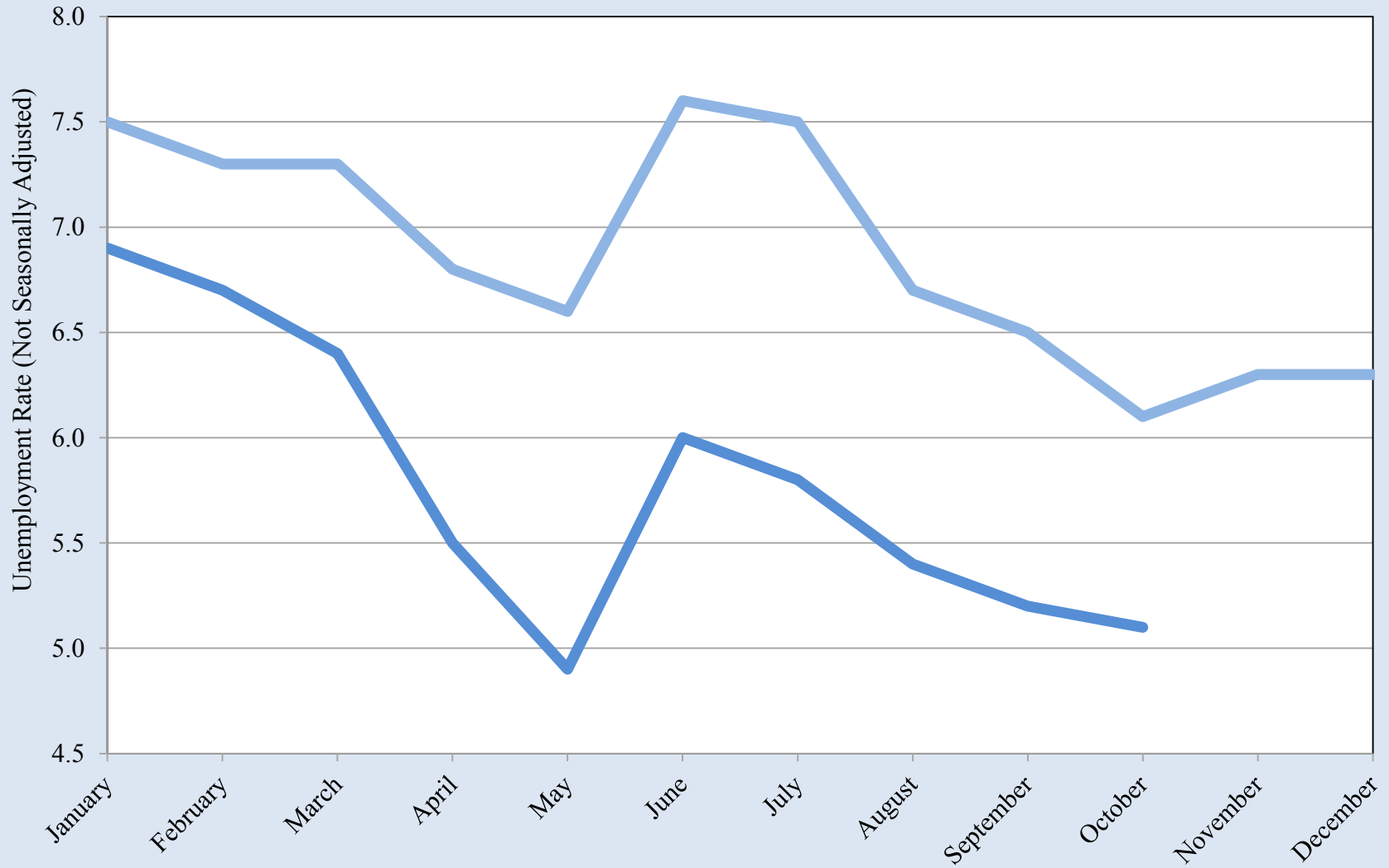
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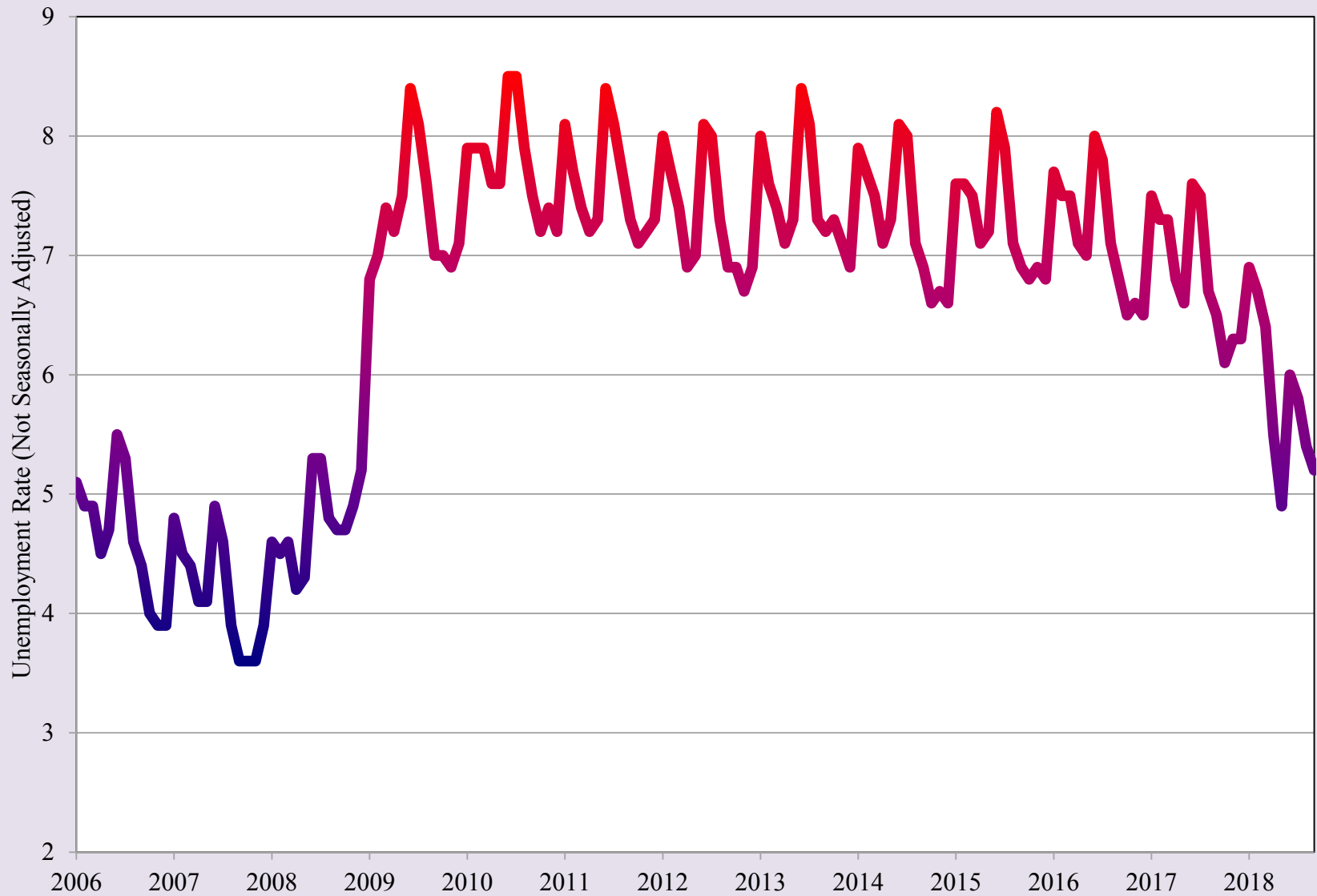
## Doña Ana County Unemployment Rate

— 2017 — 2018



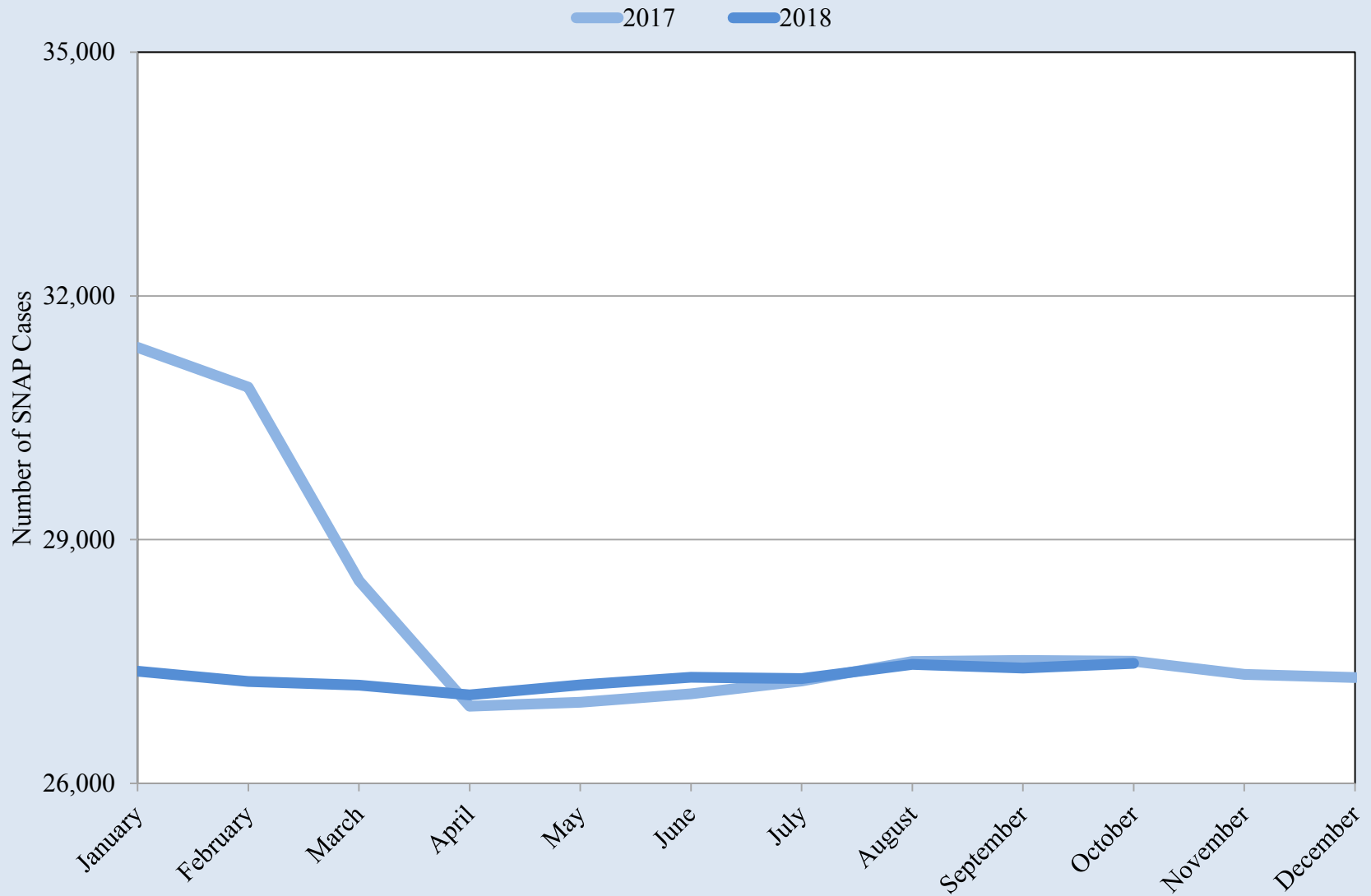
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



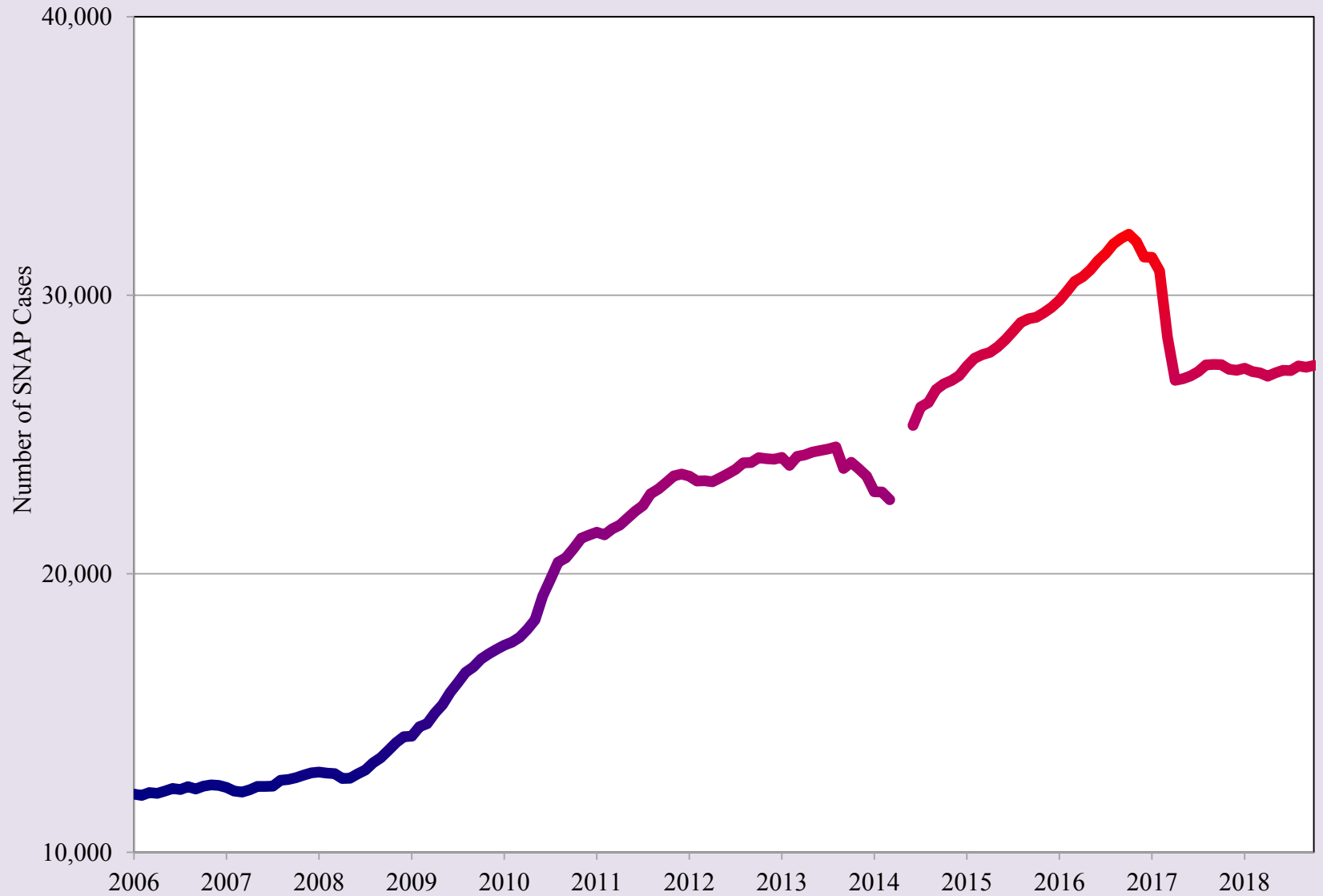
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



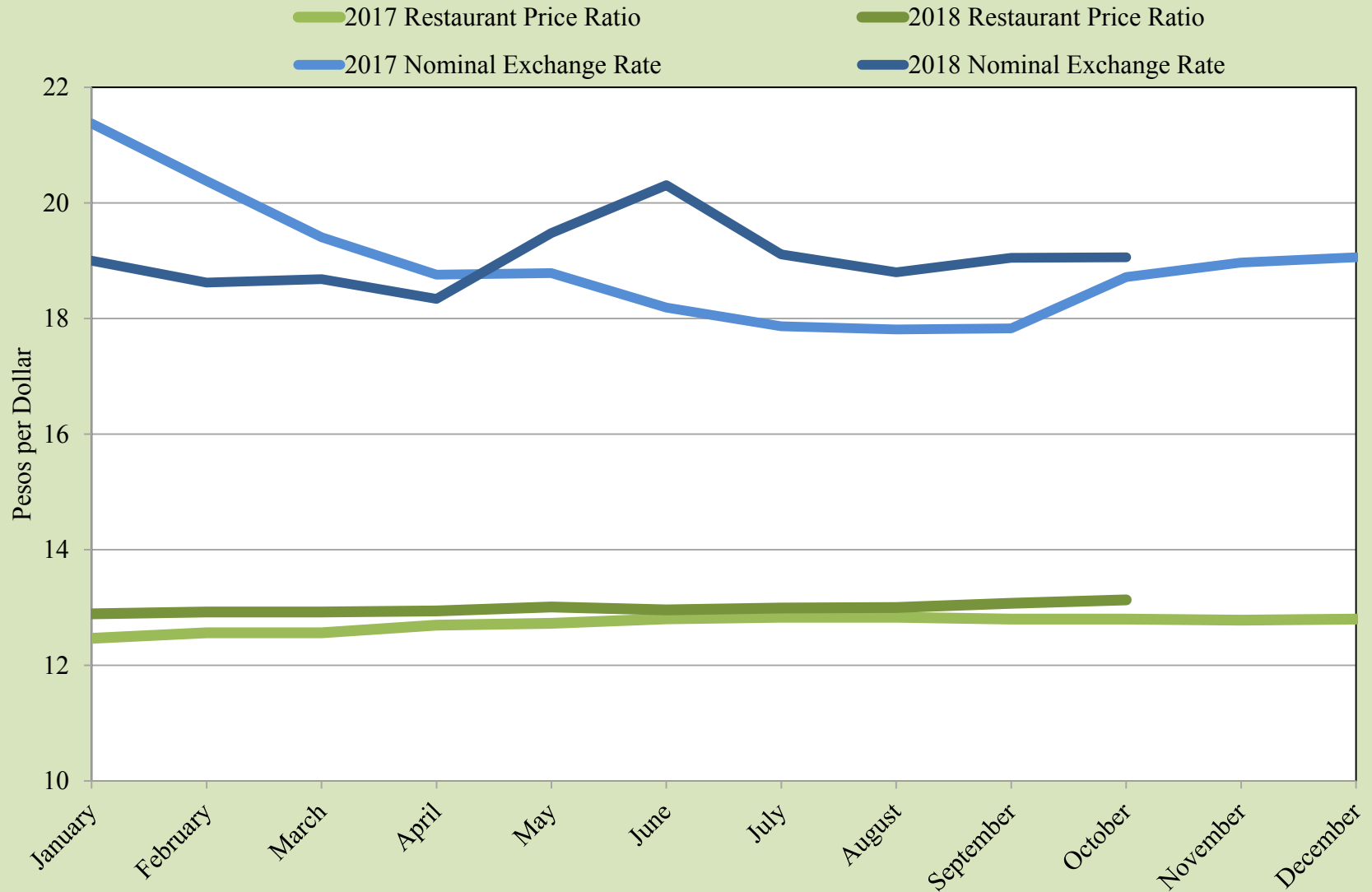
Source: New Mexico Human Services Department

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Source: New Mexico Human Services Department

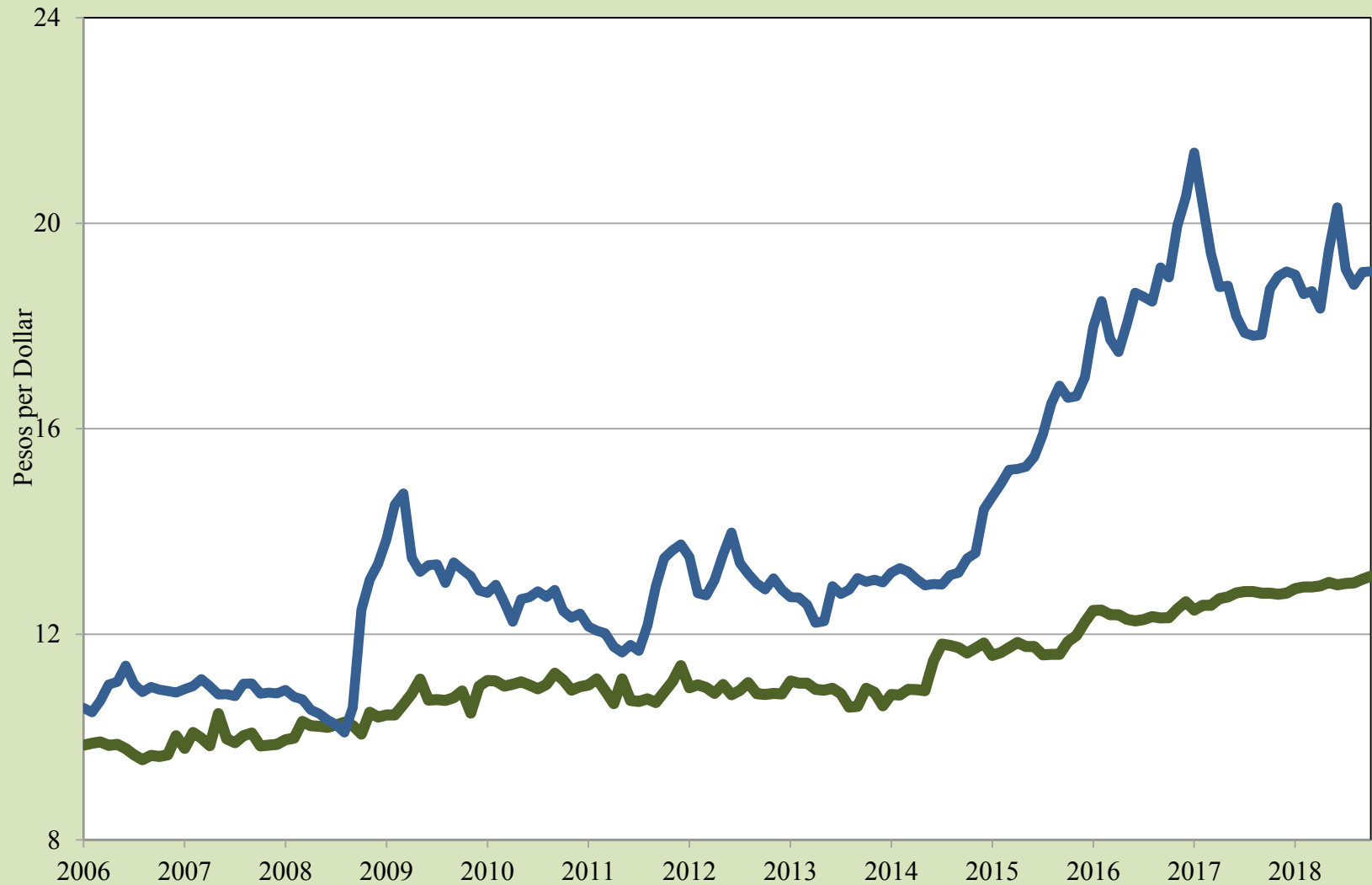
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

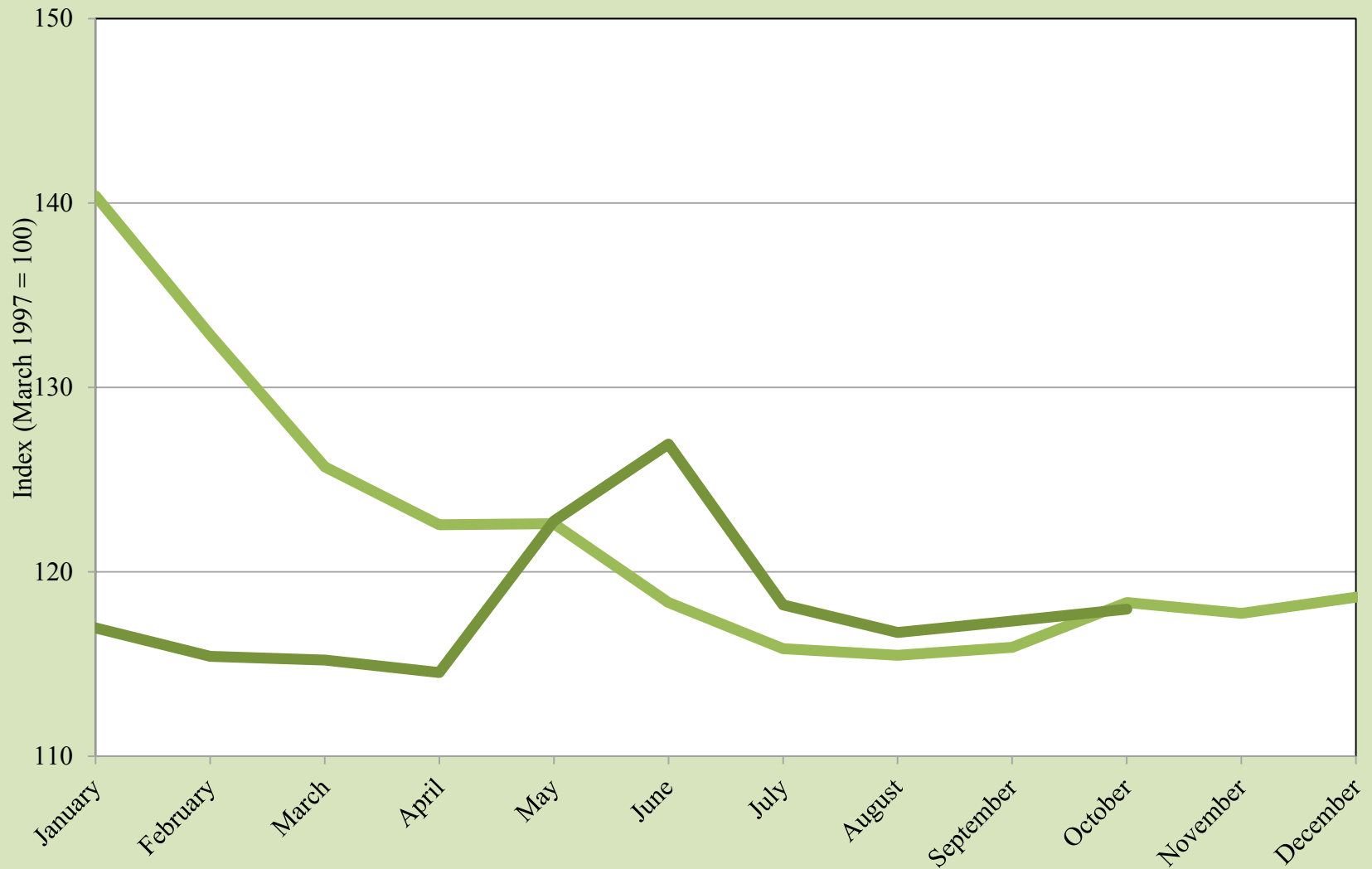
Price Ratio Exchange Rate



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



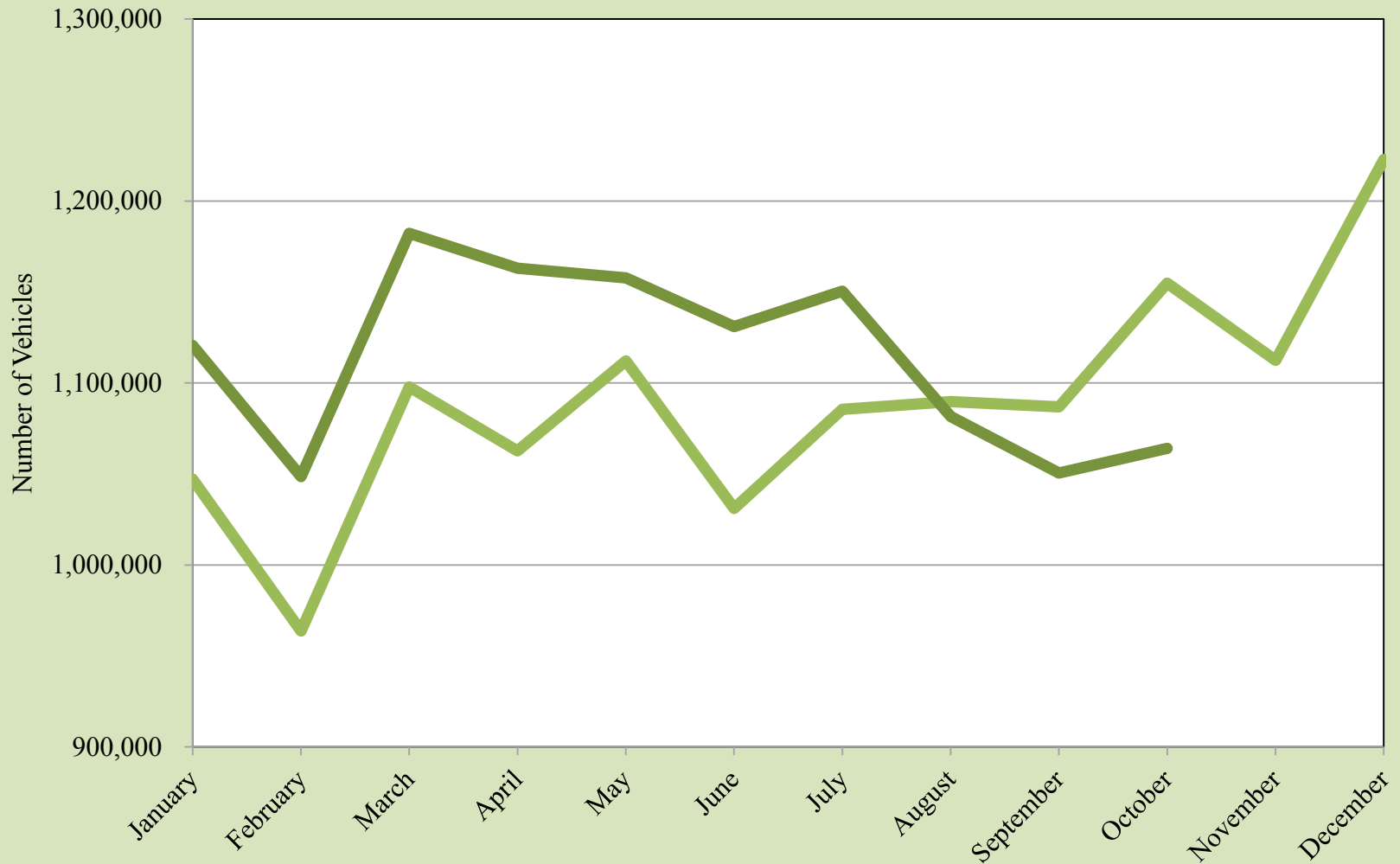
## Real Peso-per-Dollar Exchange Rate Index



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

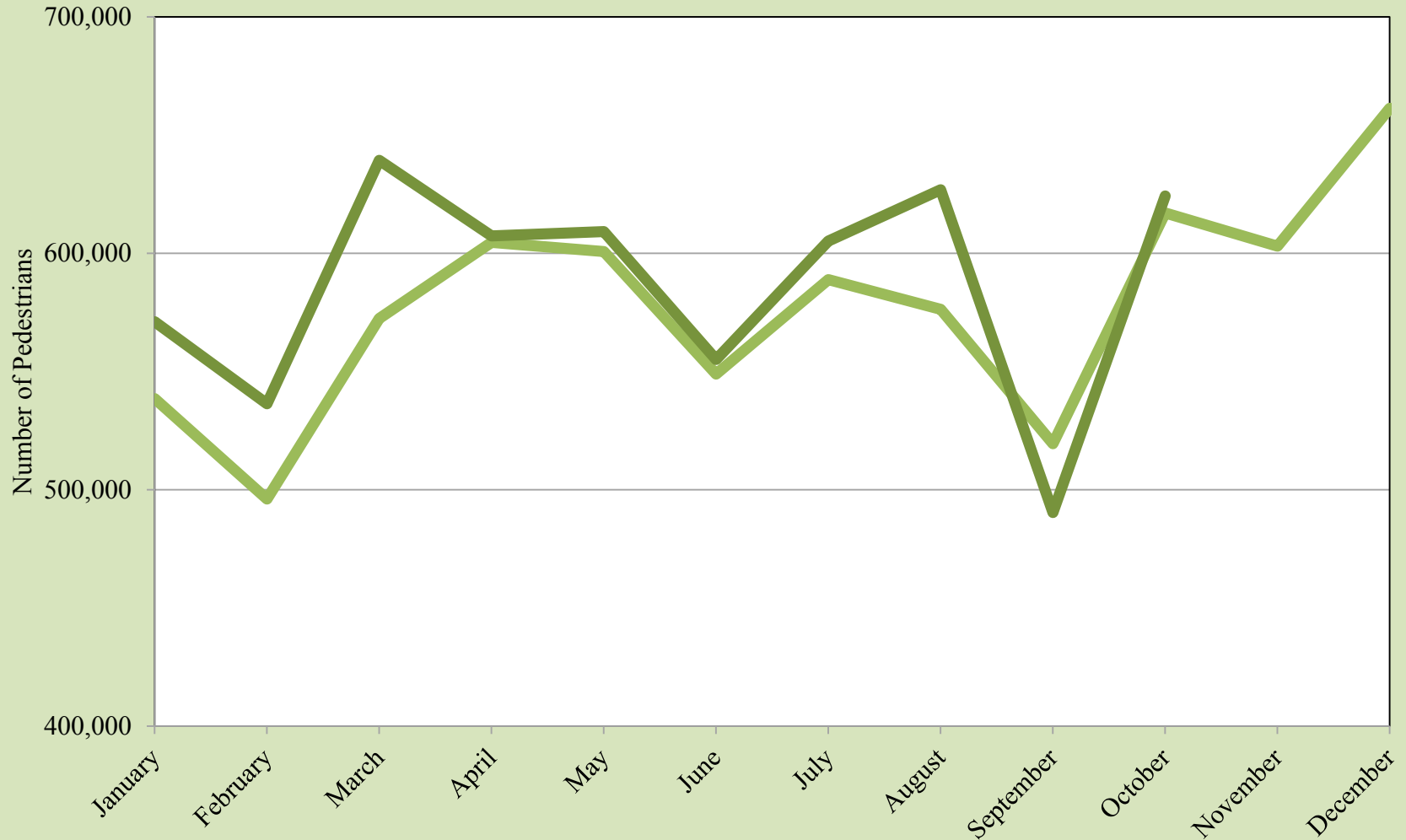
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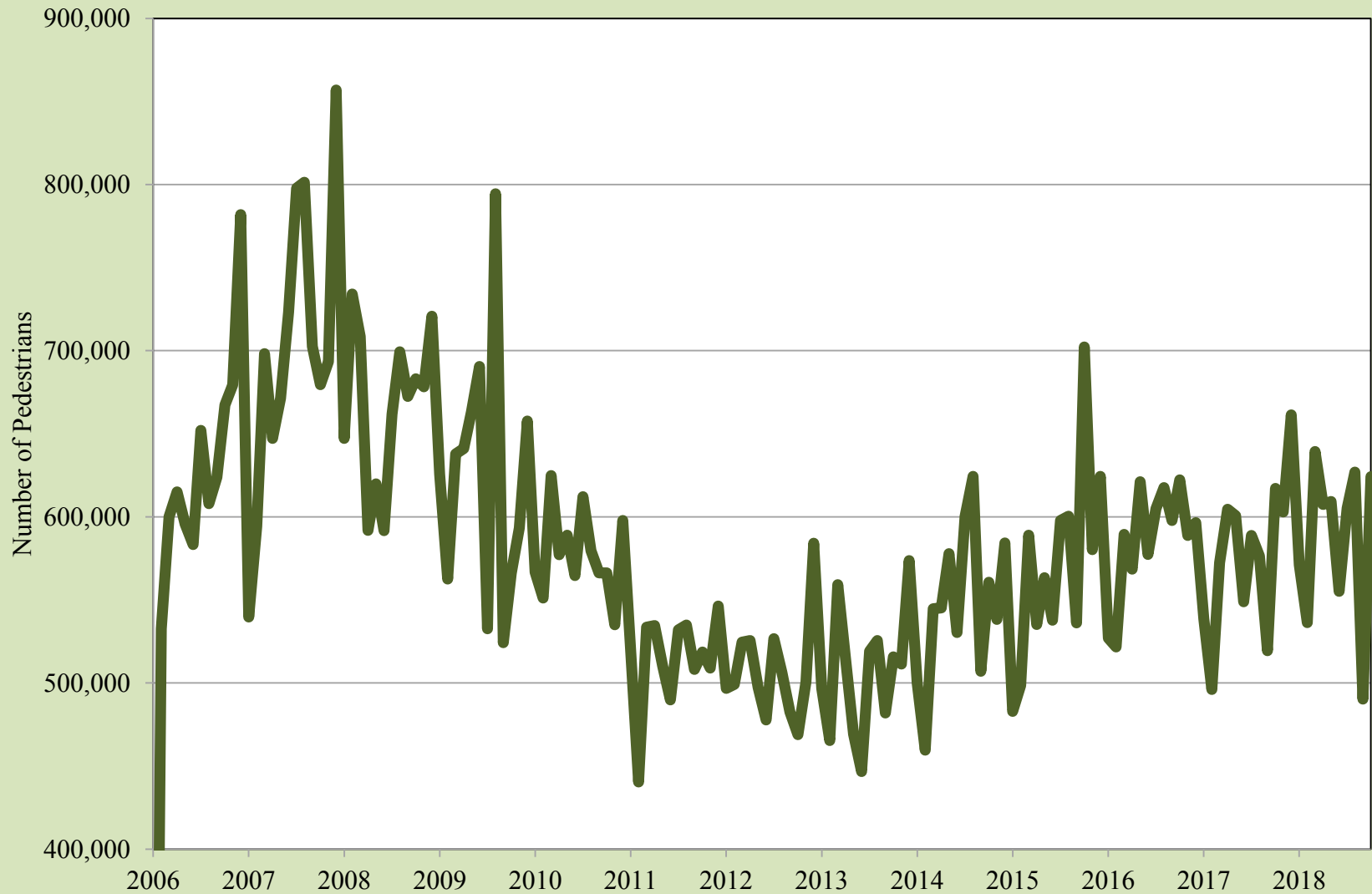
## Pedestrian International Bridge Crossings to El Paso

2017 2018



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

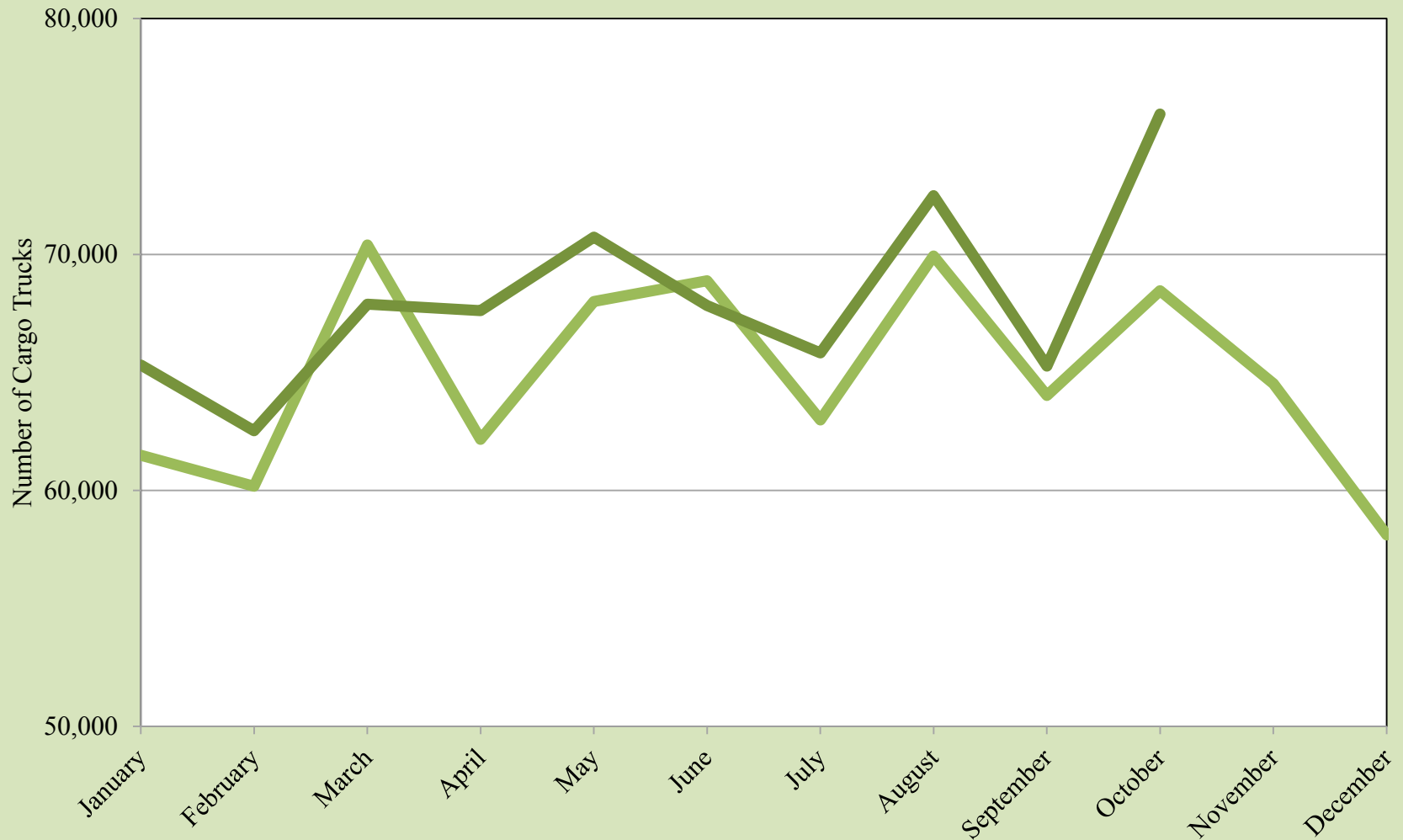
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Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

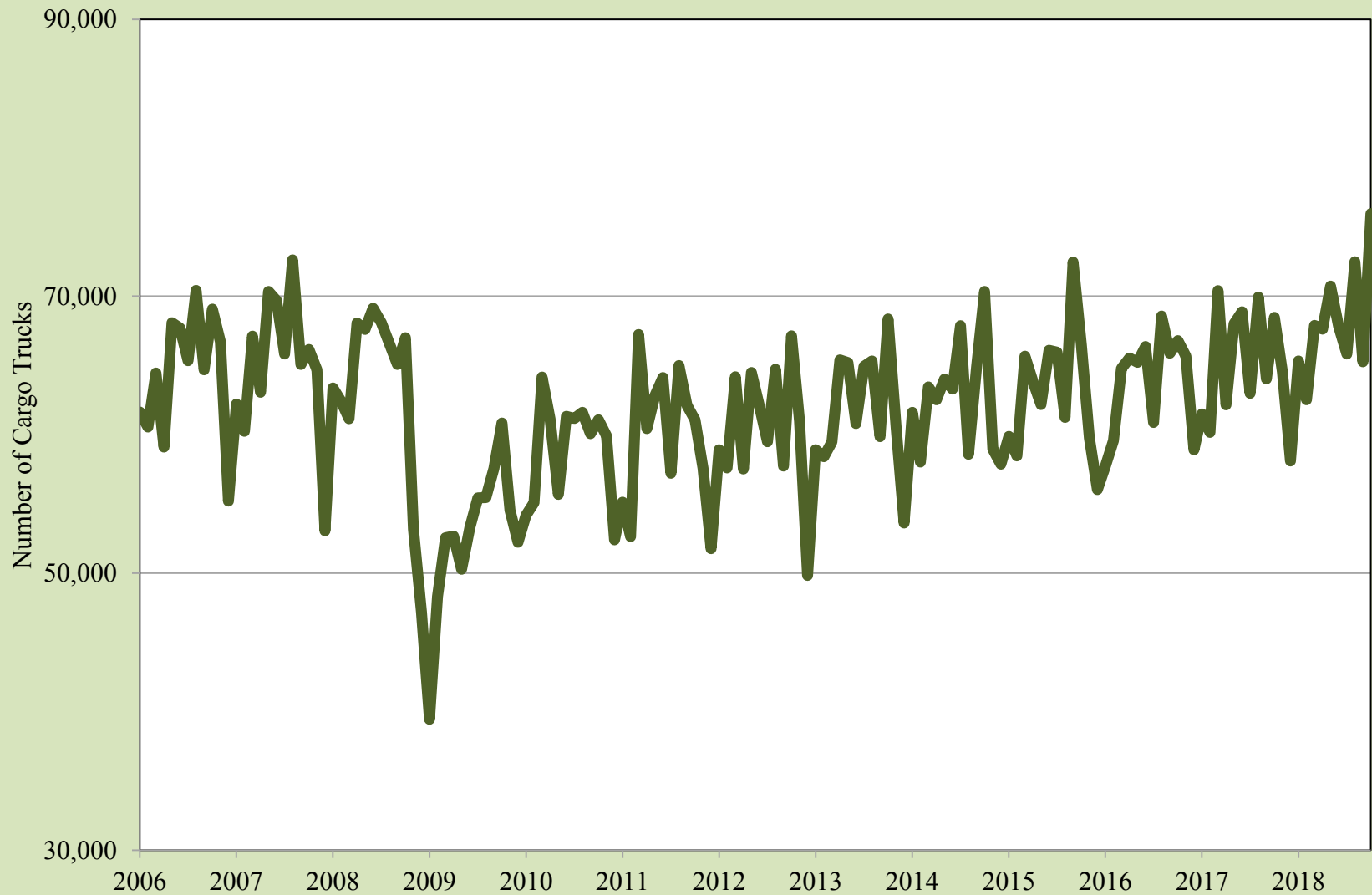
## Cargo Truck International Bridge Crossings to El Paso

2017 2018



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

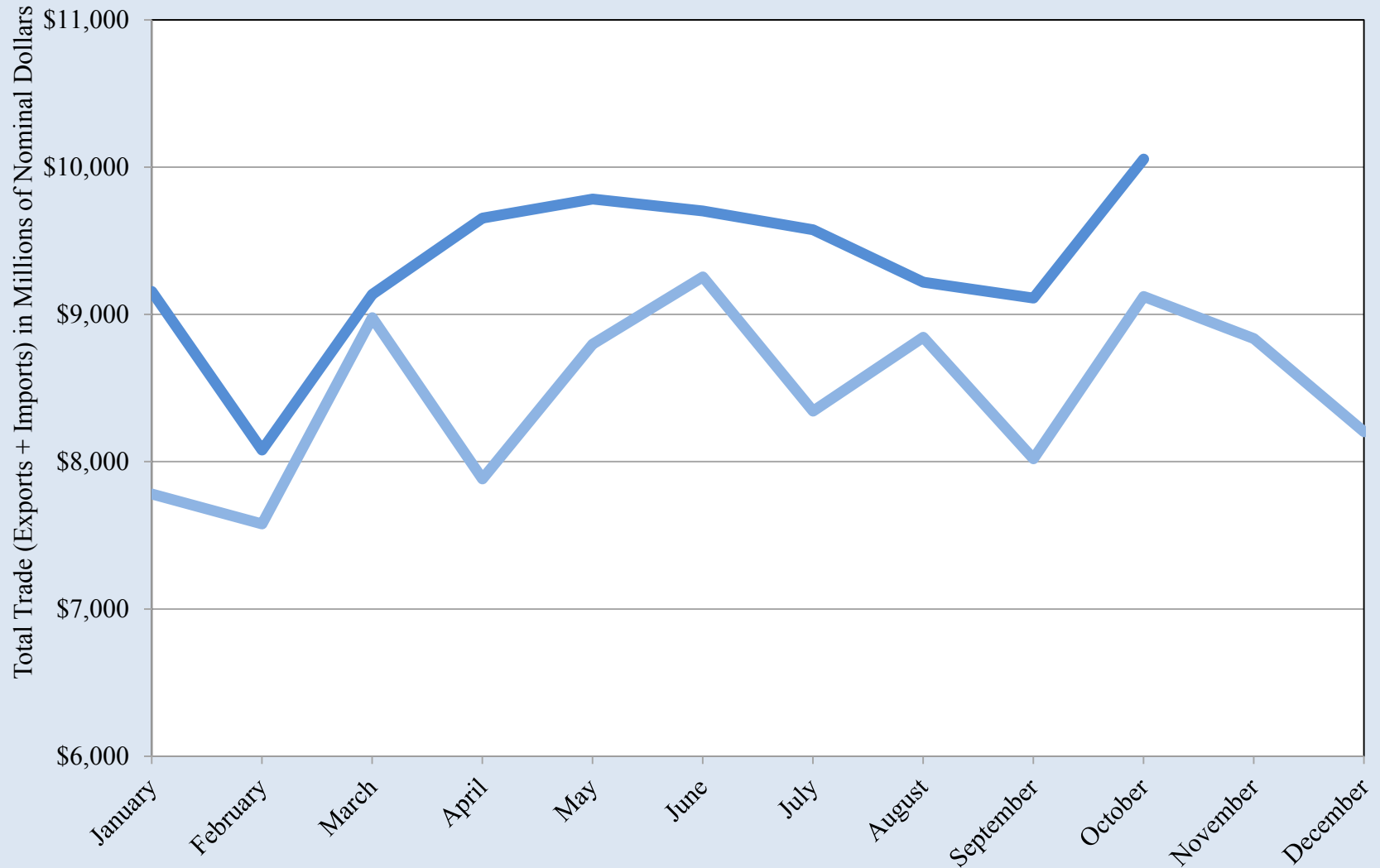
## Cargo Truck International Bridge Crossings to El Paso



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

## Total Trade through the El Paso Customs District

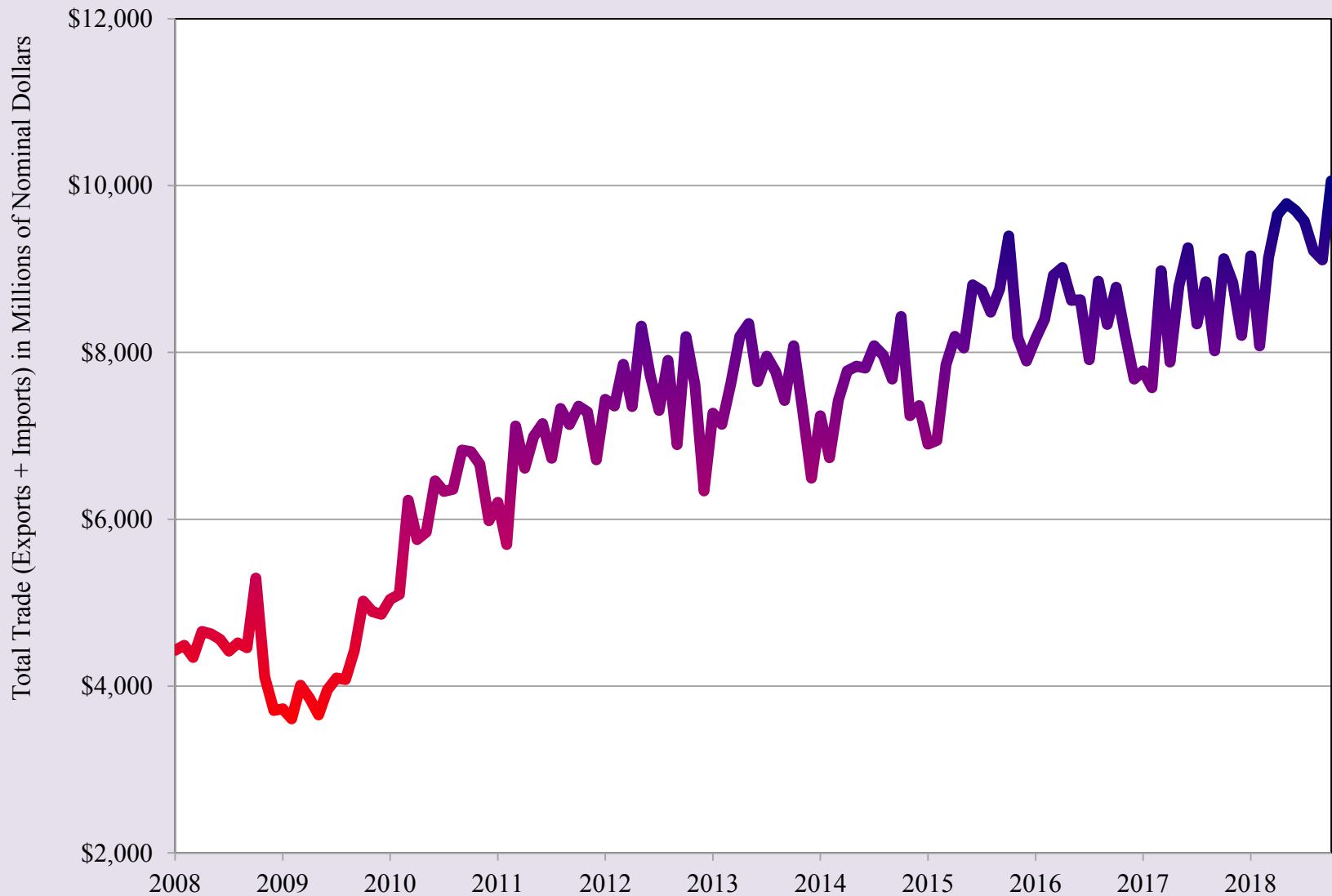
— 2017 — 2018



Source: U.S. International Trade Commission



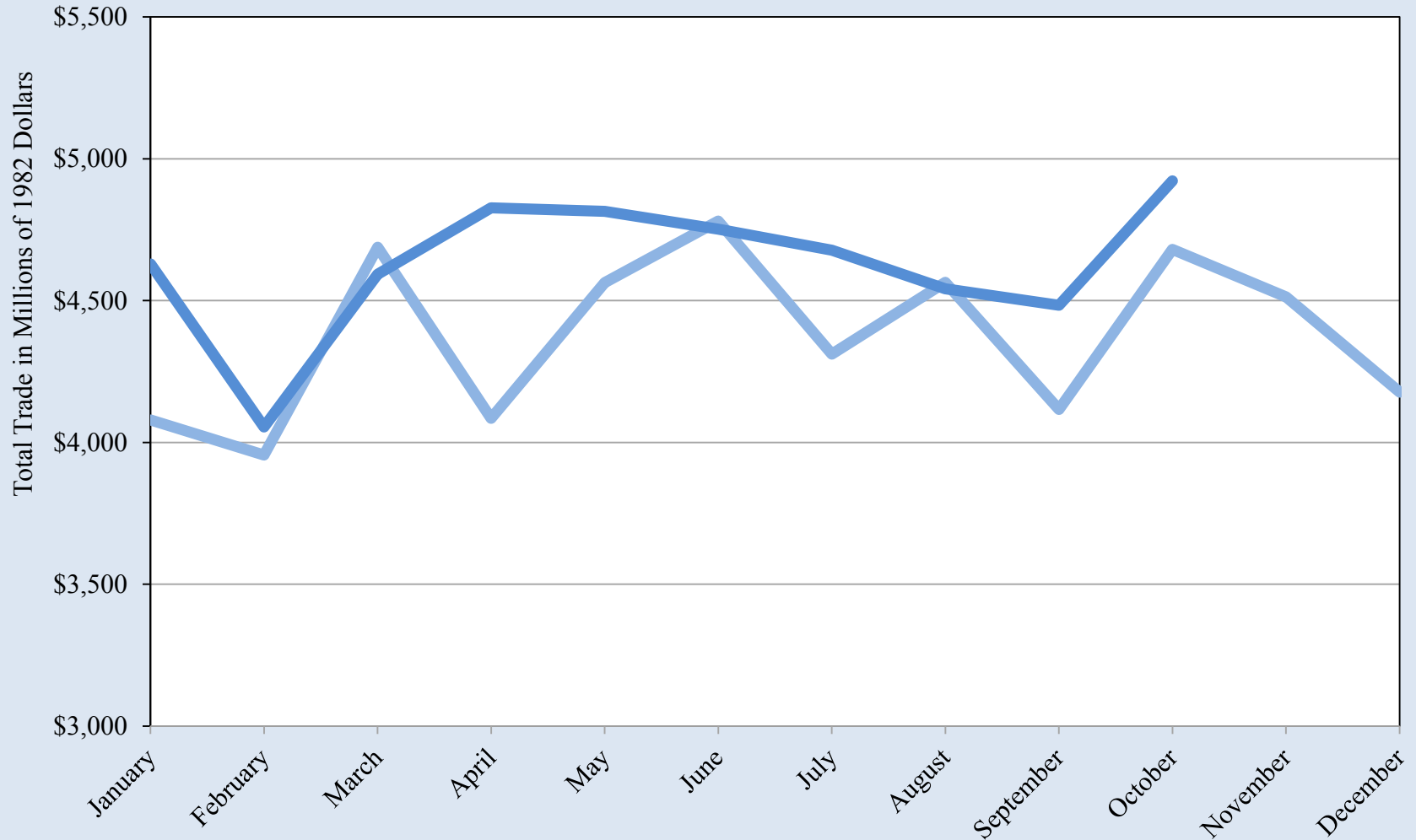
## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

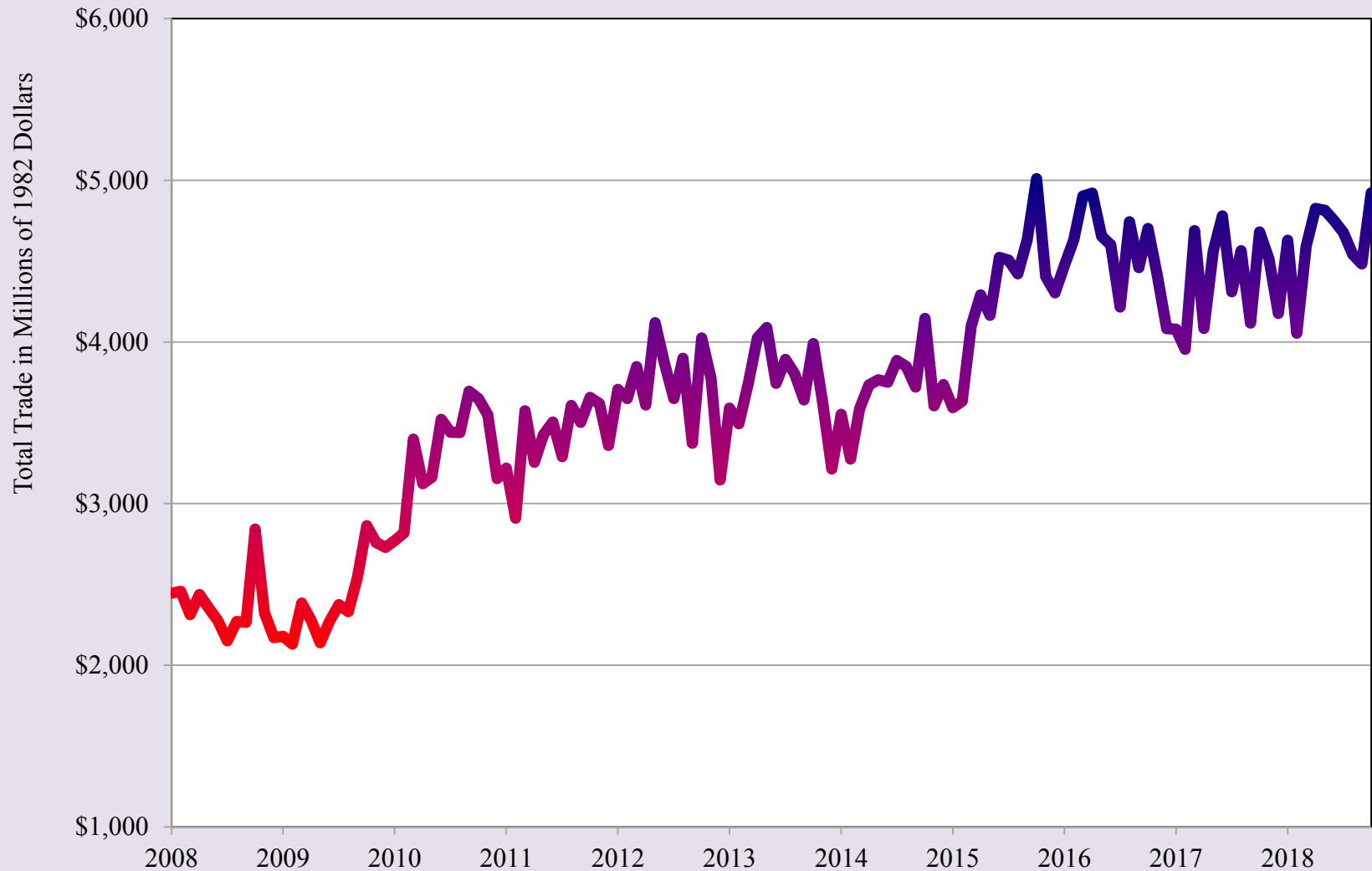
## Real Total Trade through the El Paso Customs District

— 2017 — 2018



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

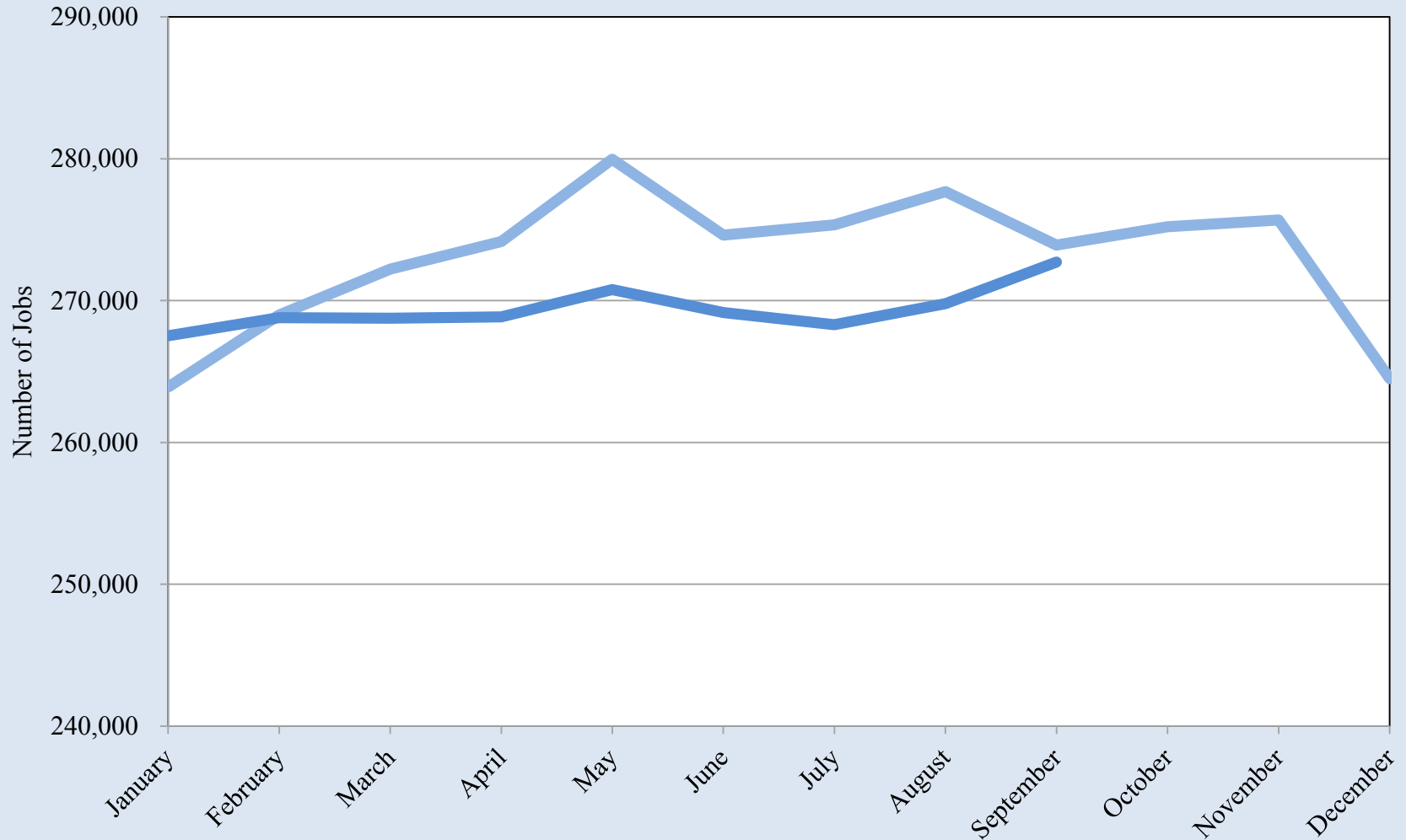
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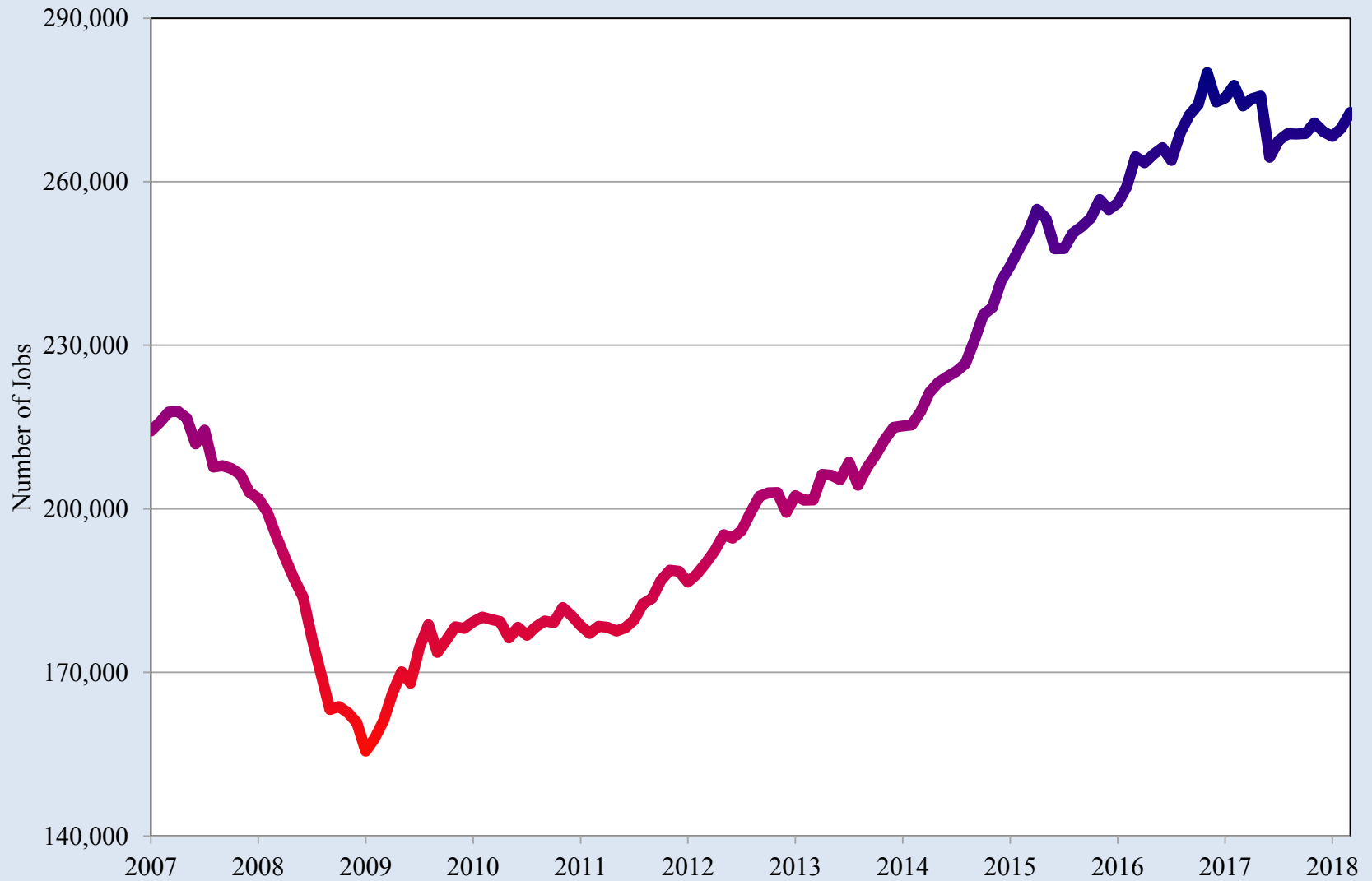
## Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2017 — 2018



Source: INEGI

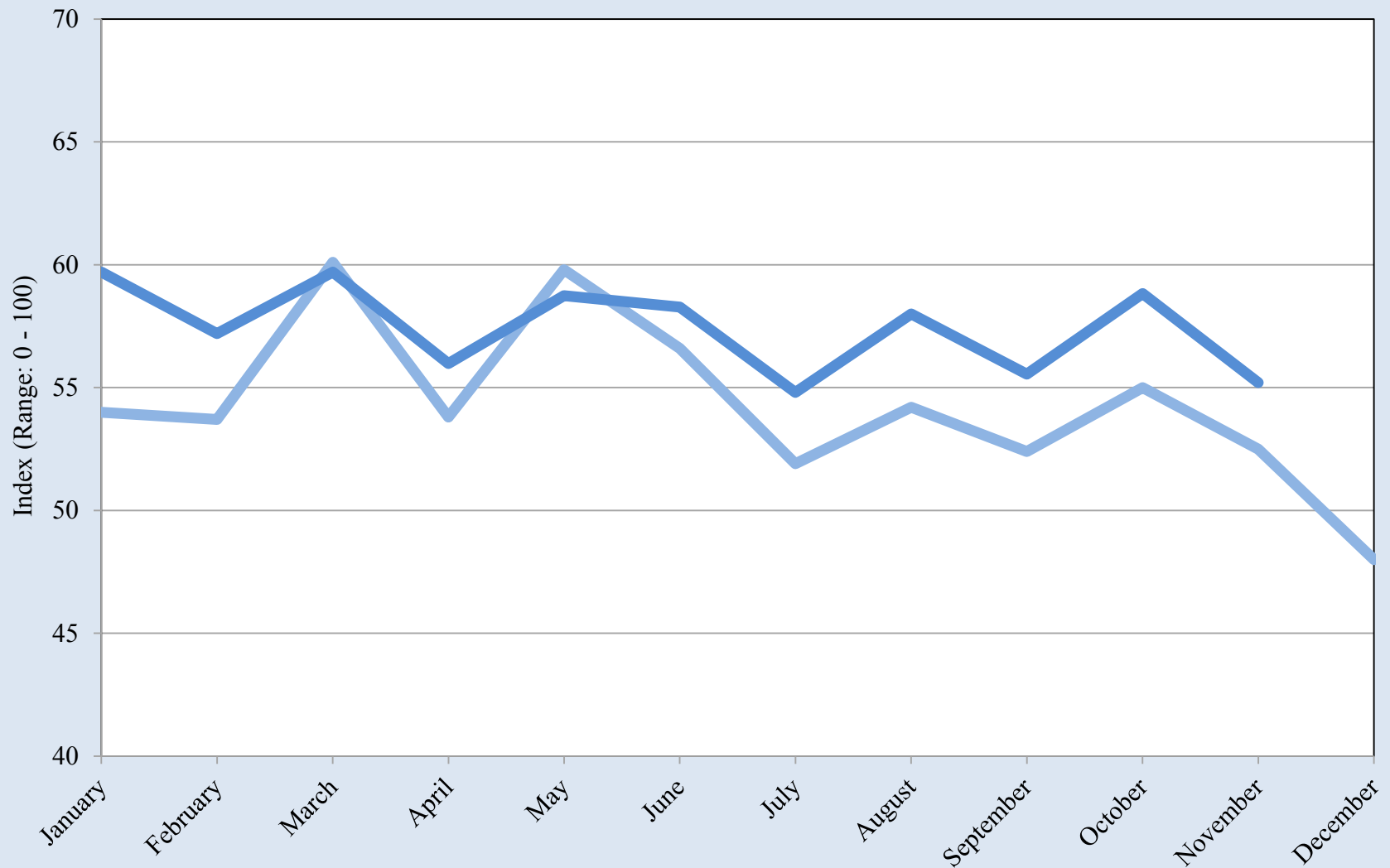
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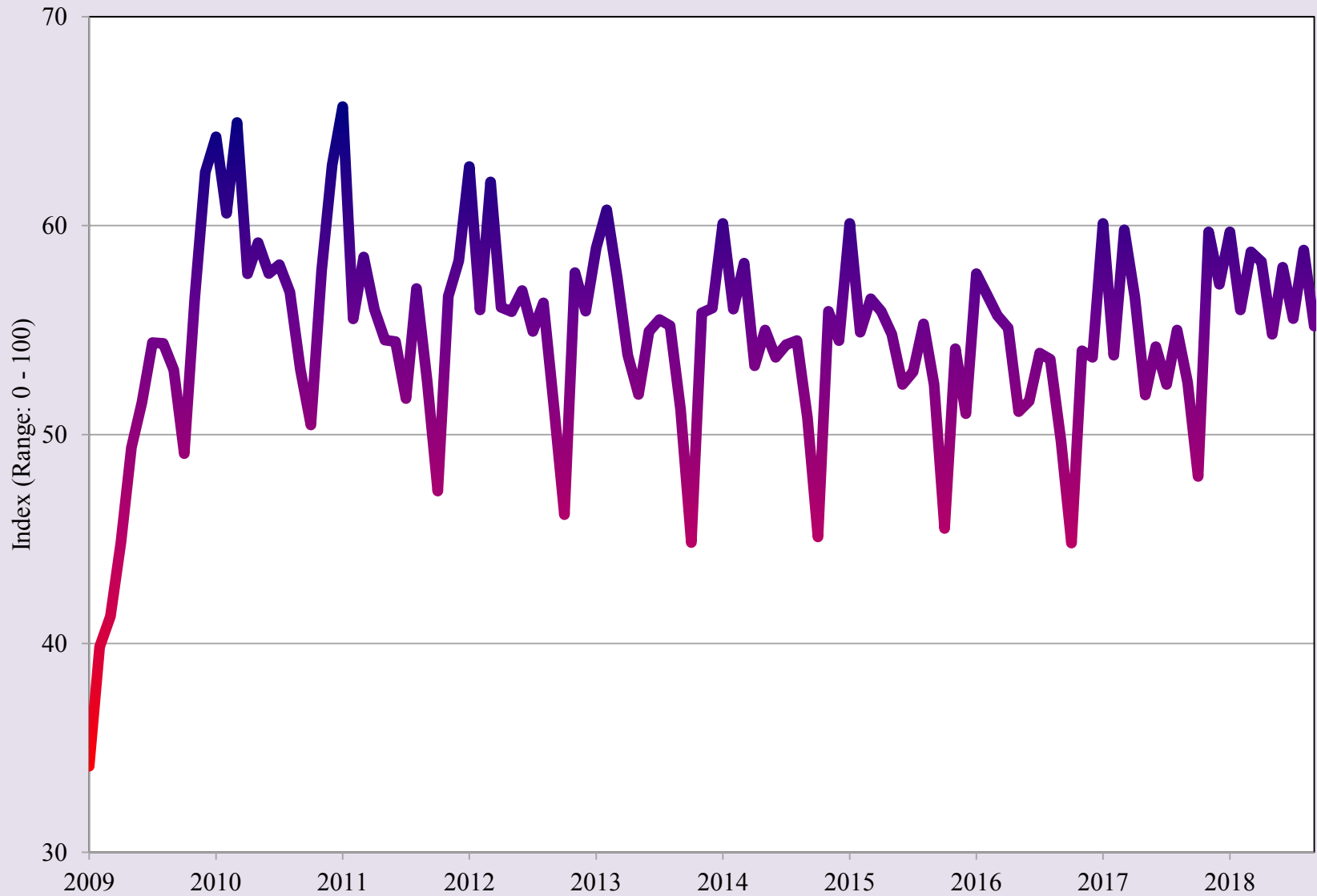
## Northern Mexico Manufacturing Orders Index

— 2017 — 2018



Source: Banco de México

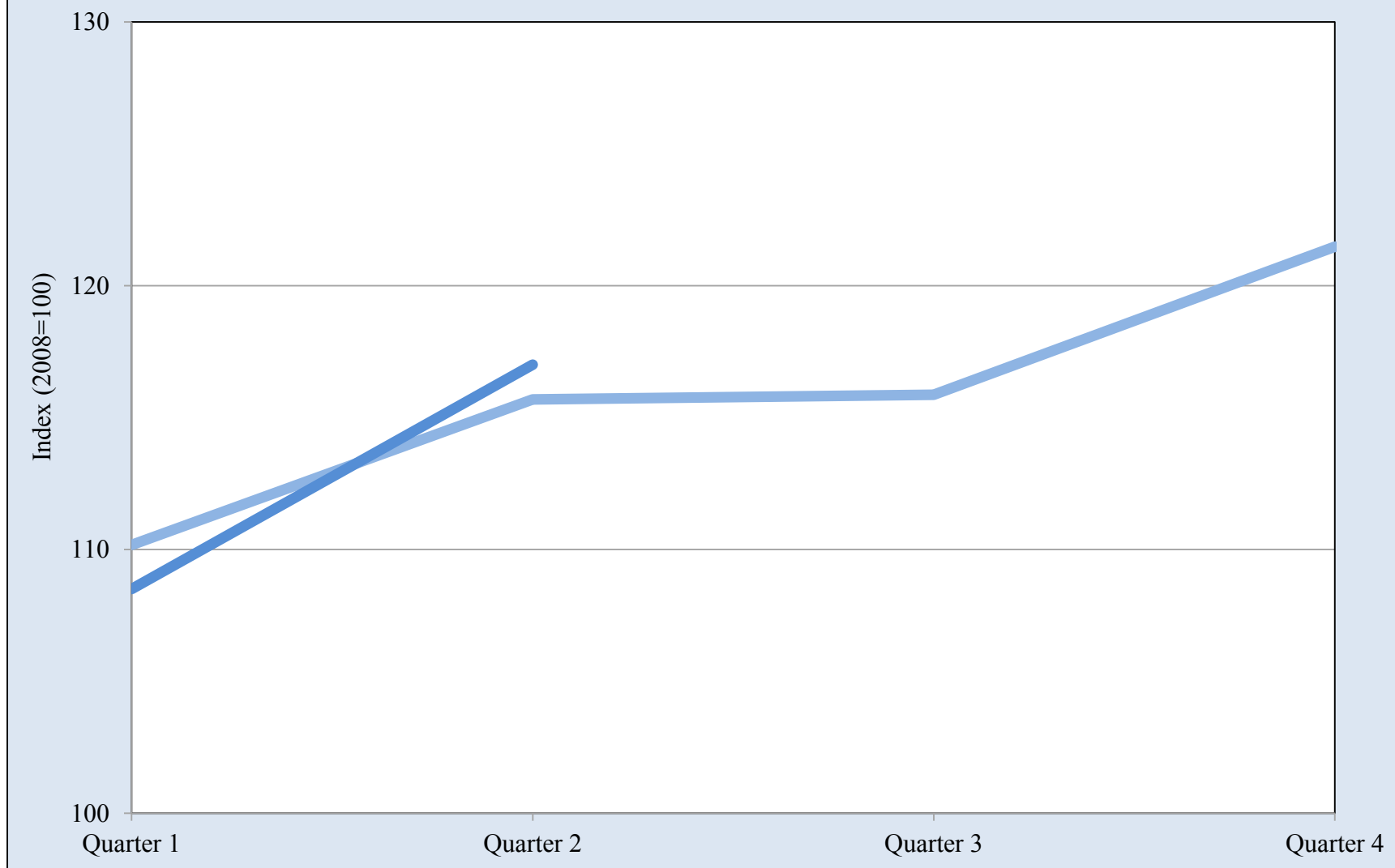
## Northern Mexico Manufacturing Orders Index



Source: Banco de México

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

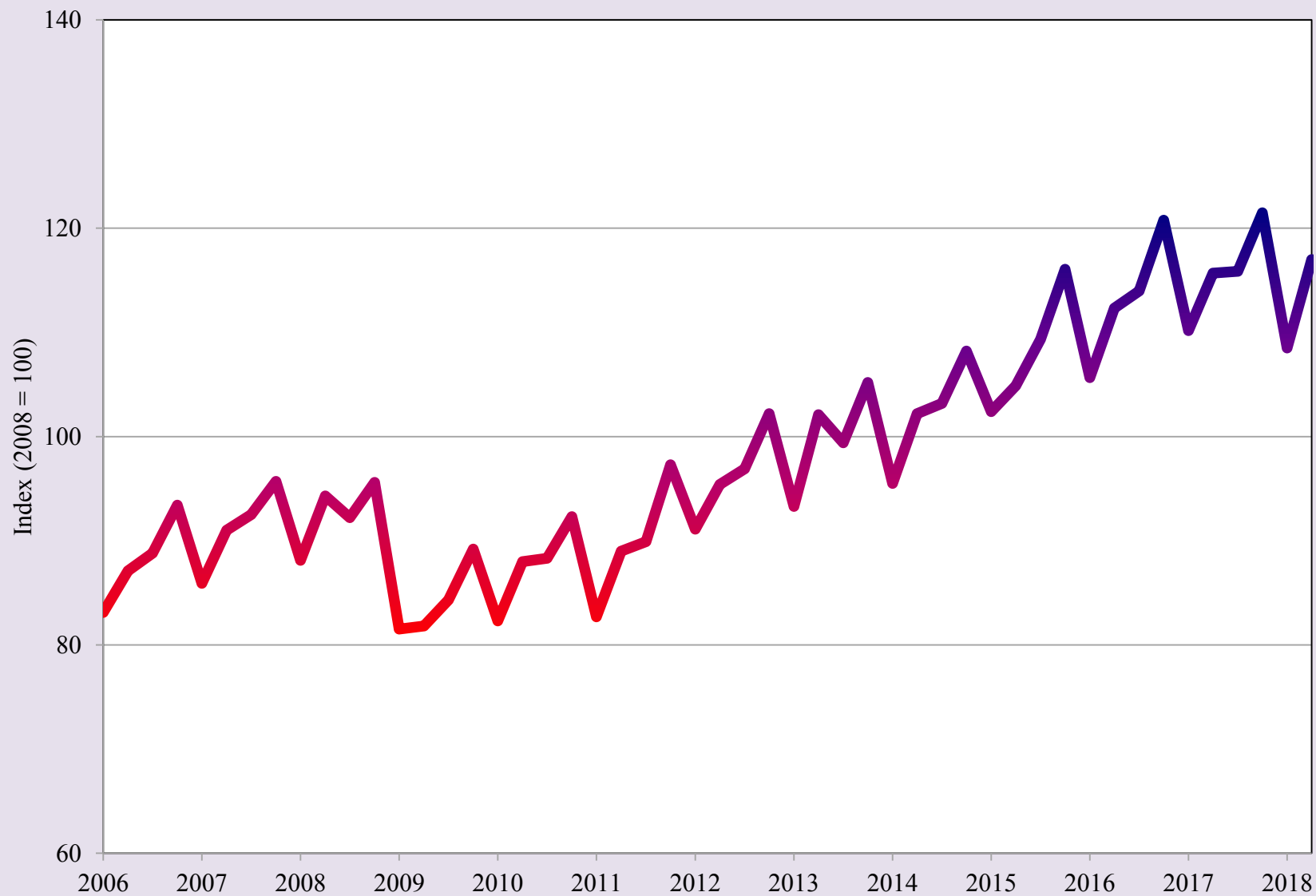
— 2017 — 2018



Source: INEGI



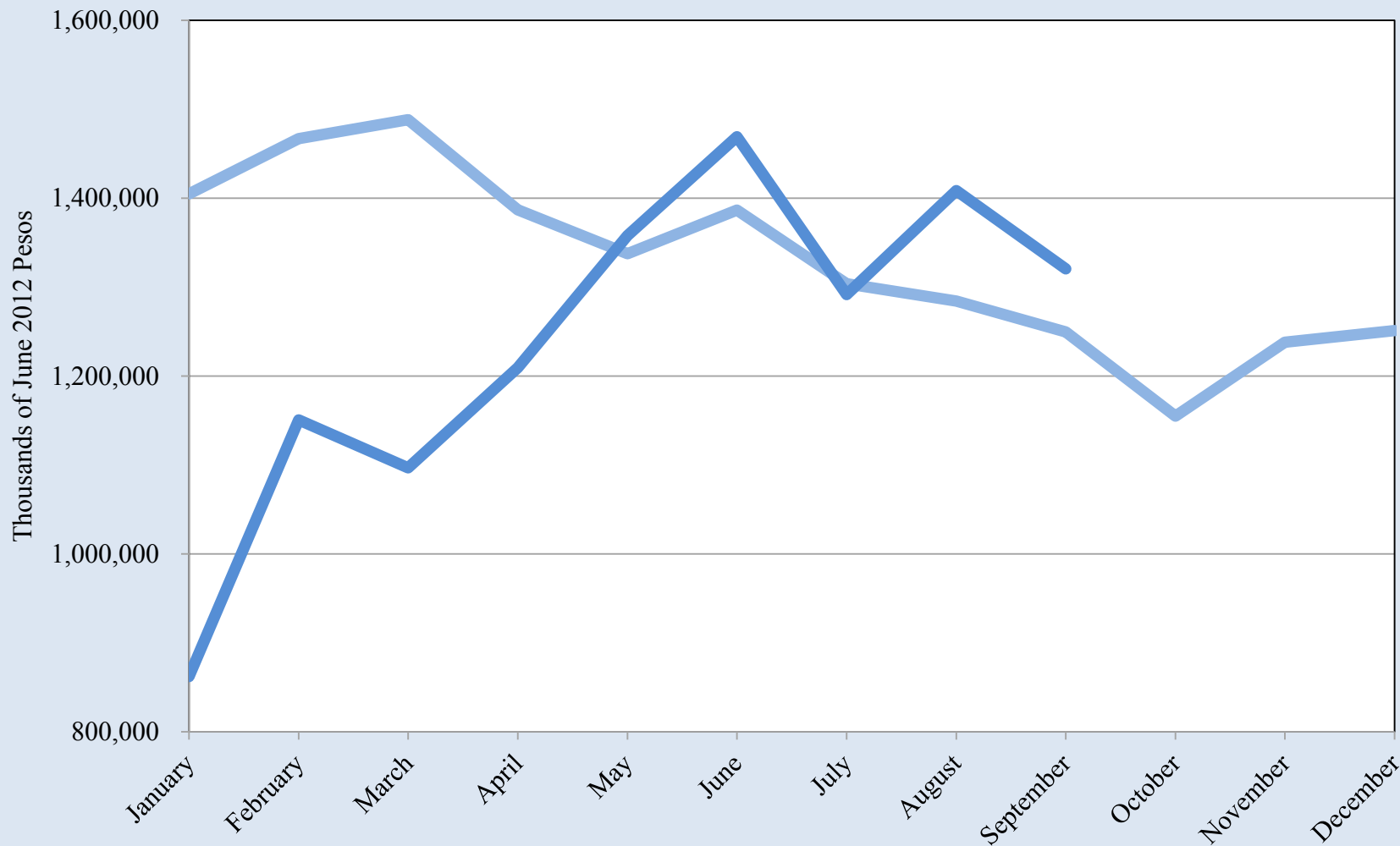
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Source: INEGI

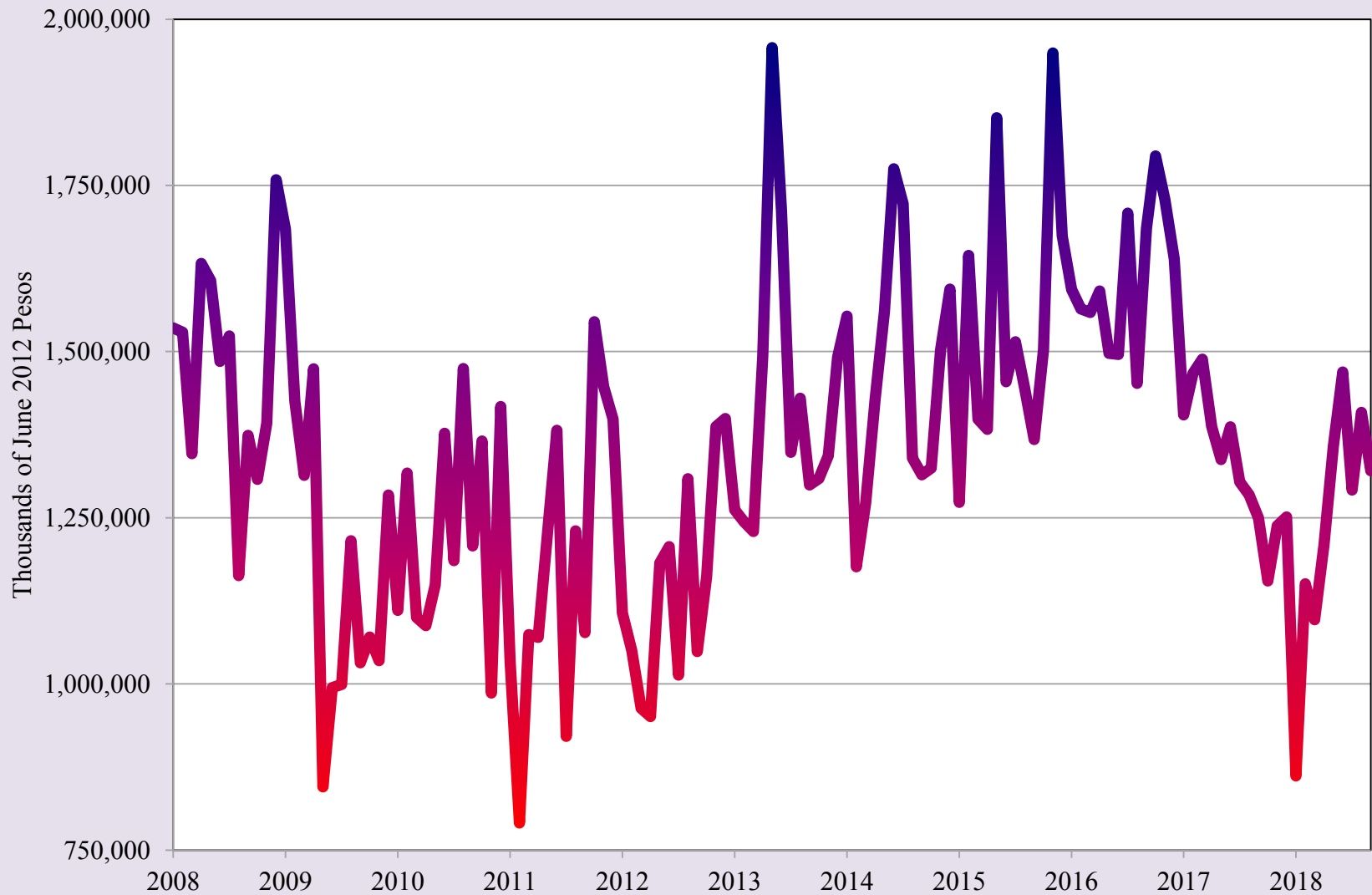
## Total Value of Construction in the State of Chihuahua

— 2017 — 2018



Source: INEGI

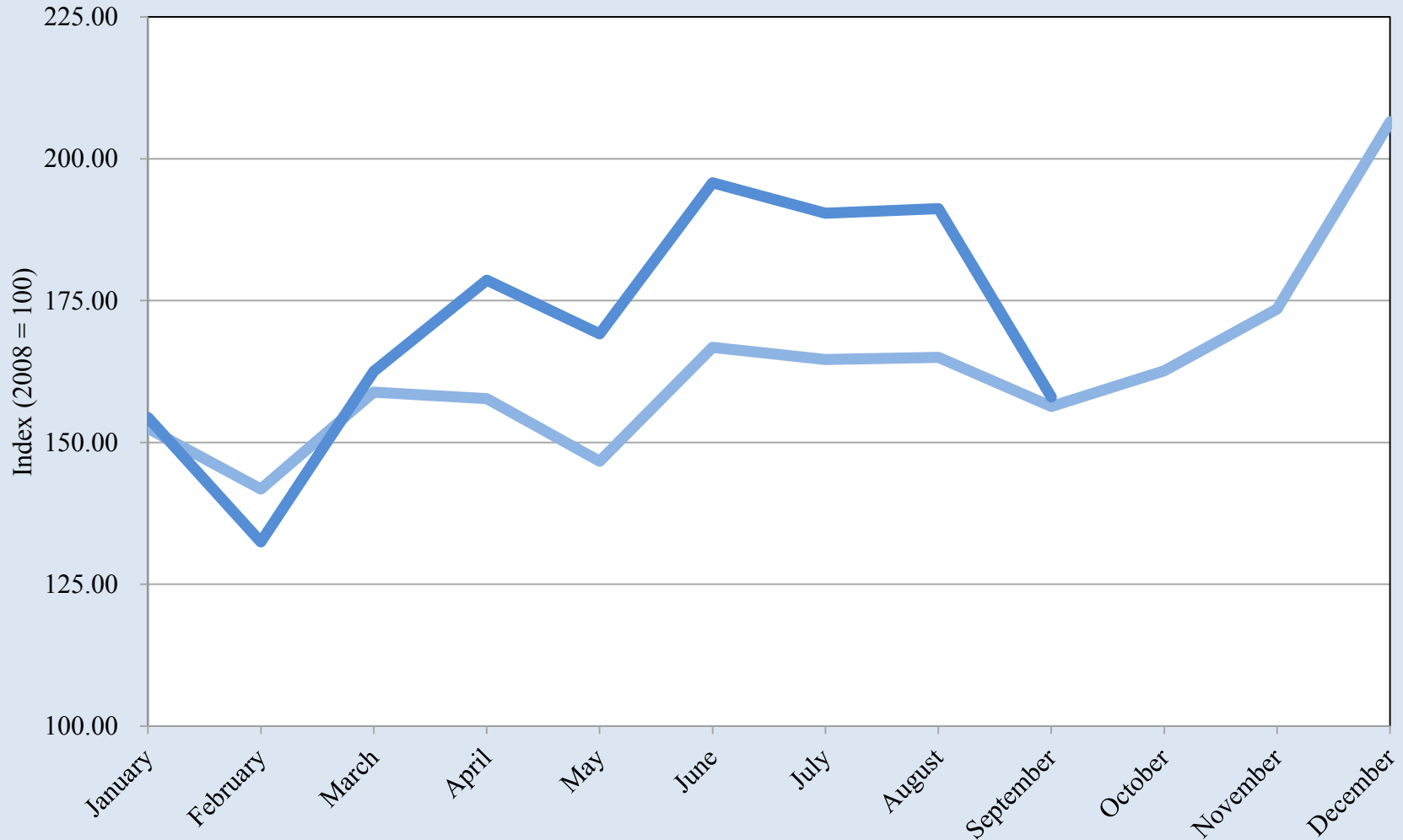
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Source: INEGI

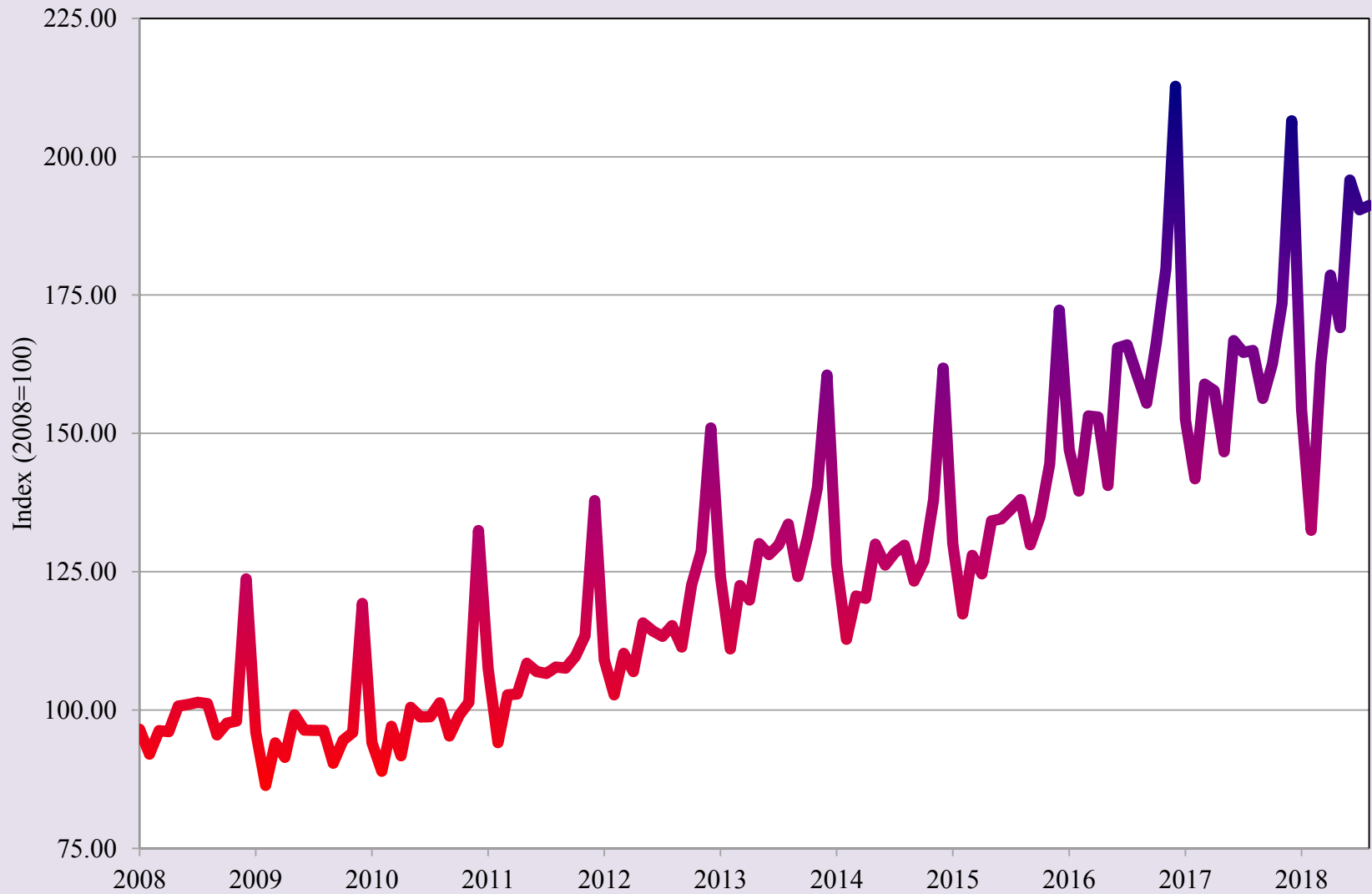
## Real Retail Activity Index for the State of Chihuahua

— 2017 — 2018



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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