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Borderplex Business Barometer, Volume 3, Number 4

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BORDERPLEX BUSINESS BAROMETER

April 2019

Border Region Modeling Project

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[For more information about the Border Region Modeling Project \(click here\)](#)

Border Commerce & Economics

Borderplex Business Barometer, Volume 3, Number 4

Border Logistical Nightmares

The El Paso Metropolitan Business Cycle Index continued to increase at a steady pace in March. Reflective of favorable conditions exhibited by the business cycle monitor, the El Paso Household Economic Stress Index fell to 1.7 in February. That marks the first time since August 2007 that this measure has gone below 2.0. At 4.3 percent, the February El Paso County unemployment rate is below its year-ago level. Encouragingly, the number of El Paso County supplemental nutrition assistance program (SNAP or food stamp) enrollments also fell on a year-over-year basis, again, in March.

First quarter El Paso median housing prices remained above year-ago levels in January, February, and March, with the latter month coming in at \$157,950. Months of housing inventory have stayed below 4.0 months for five consecutive months, housing prices, well below the average 6.9 figure that has prevailed from 2006 to the present. If the supply of units for sale continues to be this tight, median housing prices are likely to increase further. El Paso gasoline prices rose to \$2.35 in March, and additional price increases are expected this summer.

The Doña Ana County unemployment rate inched above year-ago levels during the first quarter. The culprit is decelerating employment growth in commerce, business services, and the public sector. Despite slightly higher unemployment rates, Las Cruces Area SNAP enrollments have held steady and finished February at 27,155.

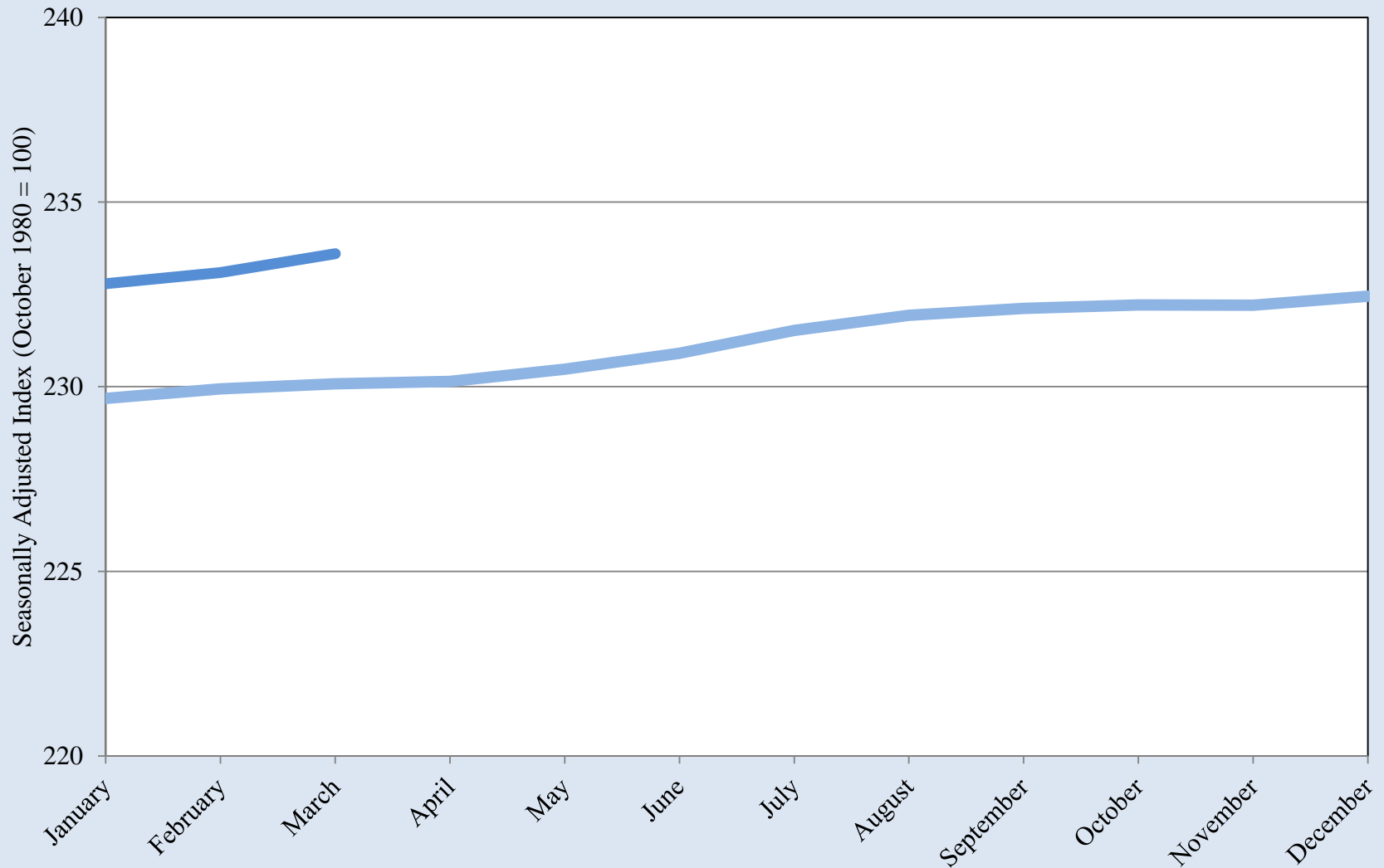
The peso-per-dollar nominal exchange rate continued to oscillate near the P/\$ 19.20 mark throughout the first quarter. Although the Borderplex restaurant price ratio inched above first quarter 2018 levels, it continues to lag the currency market by more than 40 percent. Historically, that size of a gap implies that the peso is undervalued and/or the dollar is overvalued. Perhaps not surprisingly, the real exchange rate index continued to move sideways in recent months.

Personal vehicle flows across the international bridges nosedived below the 1.0 million mark in February. Personnel re-assignments related to Central American migrant caravan arrivals, plus White House threats to close the border contributed to this unexpected downturn. Northbound pedestrian traffic similarly plummeted to 381.2 thousand in February, the lowest volume of foot-borne entrants via the ports of entry in nearly two decades. Although badly snarled by all of administrative disruptions, the February 2019 volume of cross-border cargo traffic increased by 5.5 percent relative to the same month in 2018. Total trade through the El Paso Customs district also grew in February. With durable goods orders still growing, further trade expansion this quarter is also likely through the El Paso district.

Export-oriented manufacturing employment in Ciudad Juarez stood at 280,674 in January 2019, a 4.9 percent increase relative to the same month in 2018. Through December 2018, the Northern Mexico Manufacturing Orders Index was six percentage points higher, on average, in 2018 relative to 2017. The total value of construction in the state of Chihuahua began the year on a relatively high note but has leveled out since then. That series is somewhat volatile and additional growth should occur in future months, barring, of course, any national economics declines in the United States or Mexico.

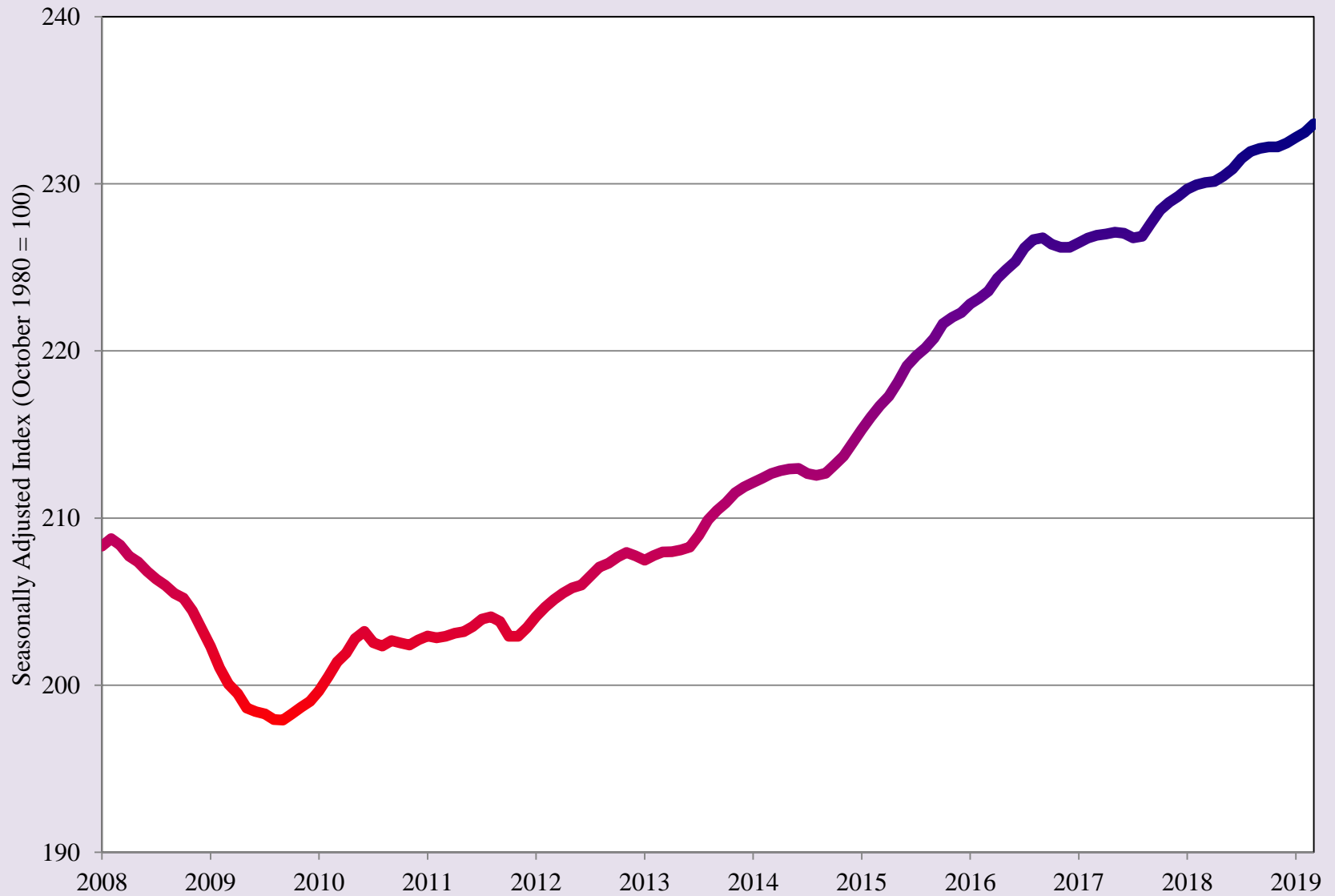
Metro Business-Cycle Index for El Paso

— 2018 — 2019



Source: Federal Reserve Bank of Dallas

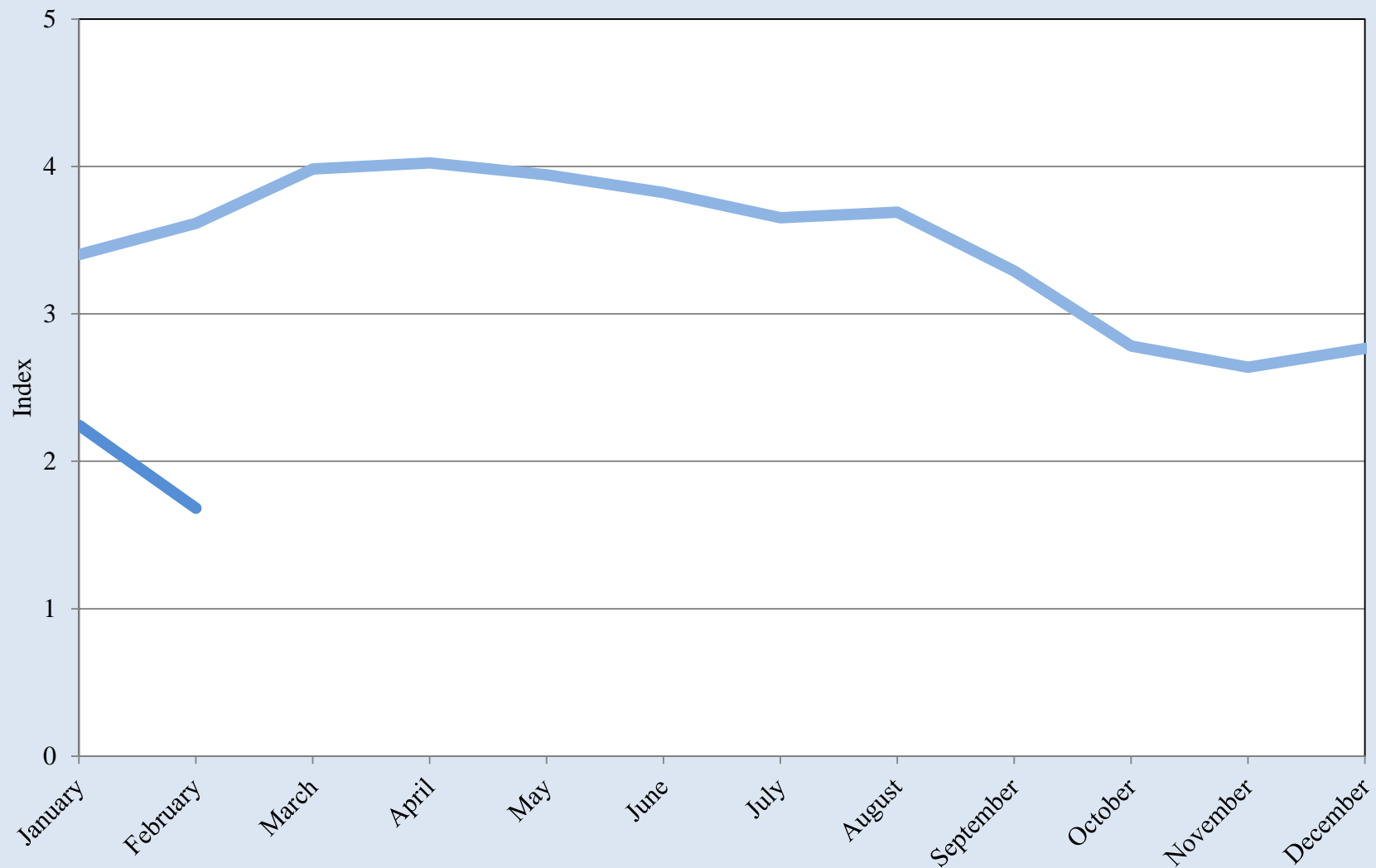
Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

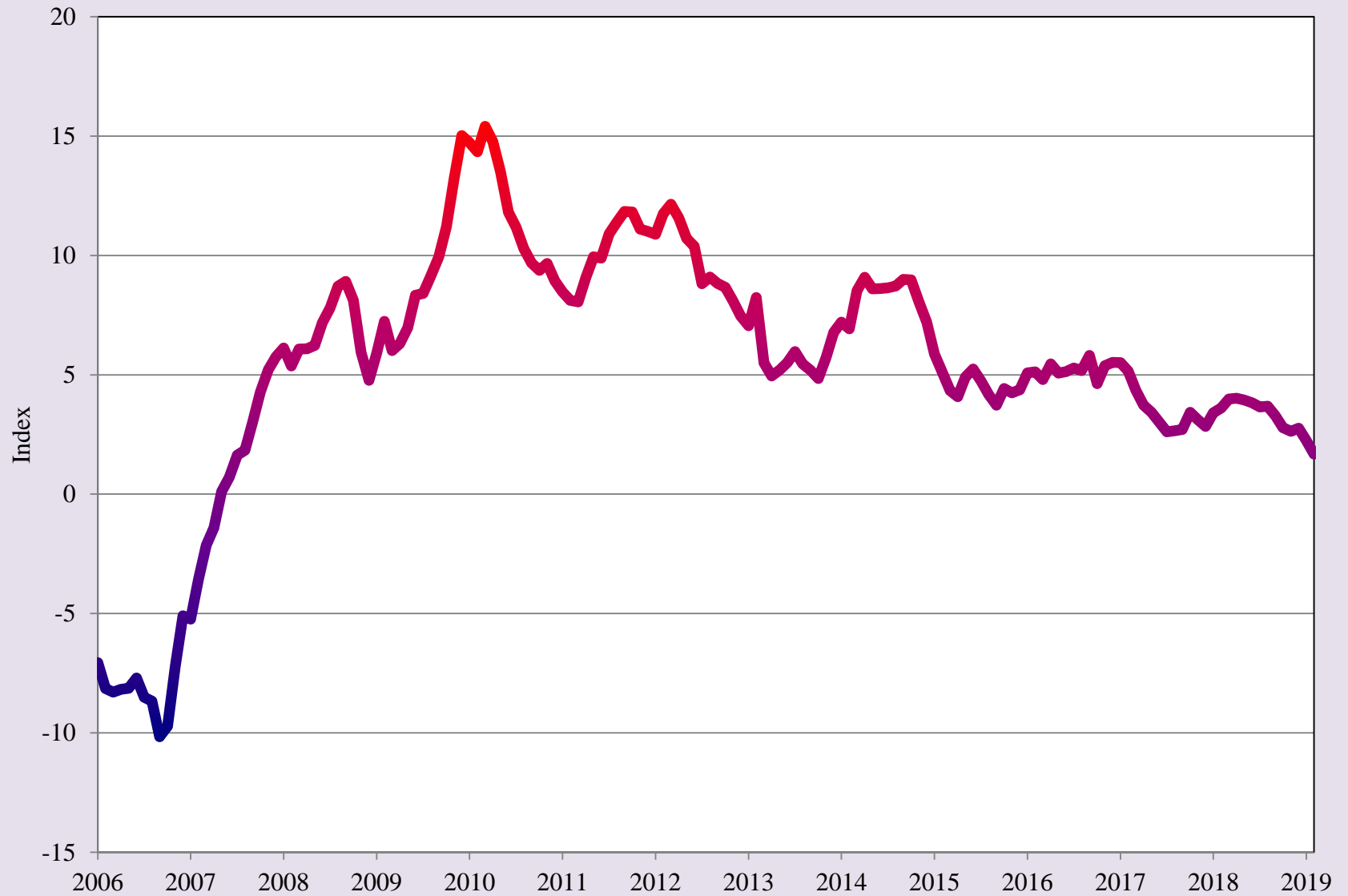
El Paso Household Economic Stress Index

— 2018 — 2019



Source: UTEP Border Region Modeling Project

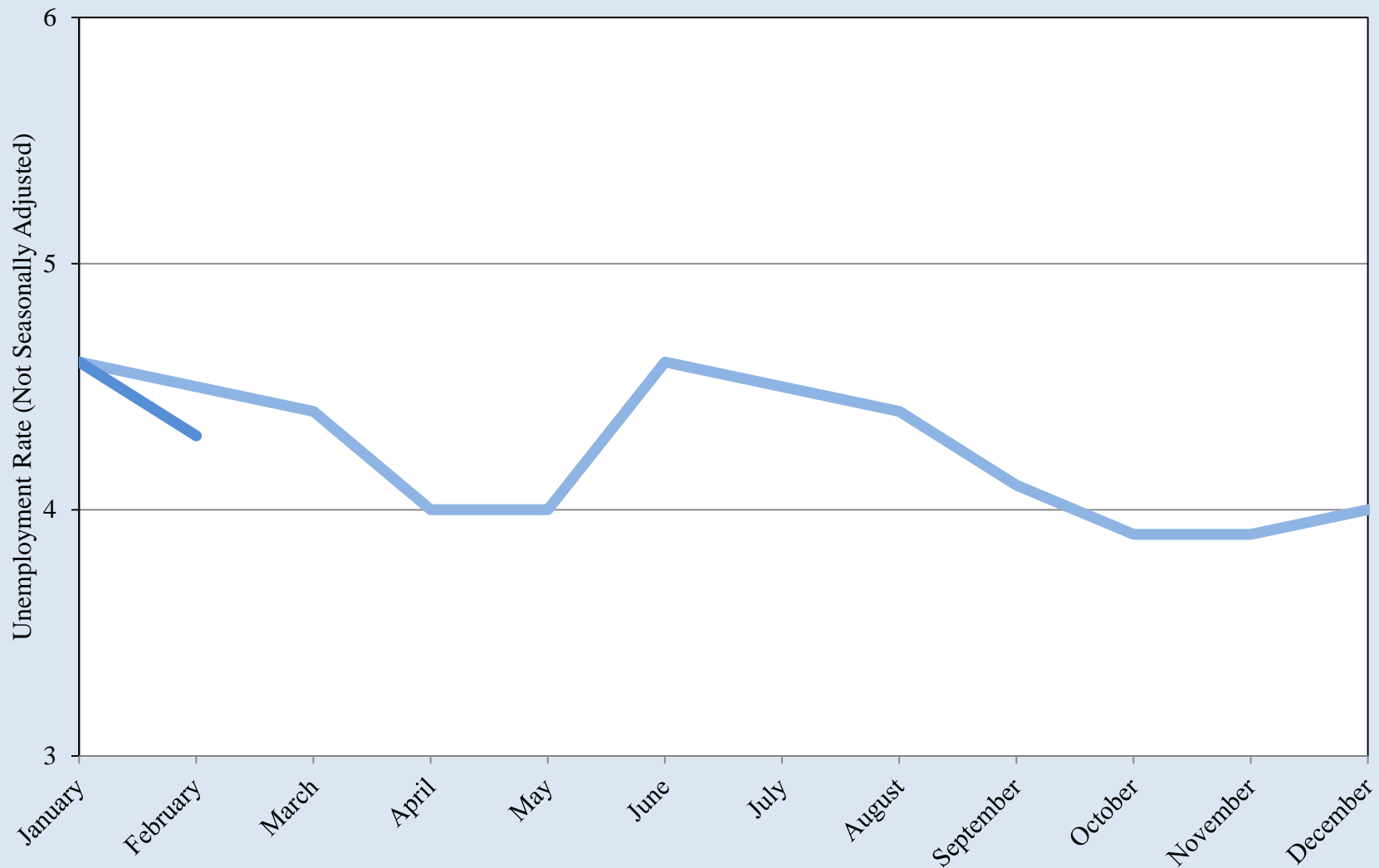
El Paso Household Economic Stress Index



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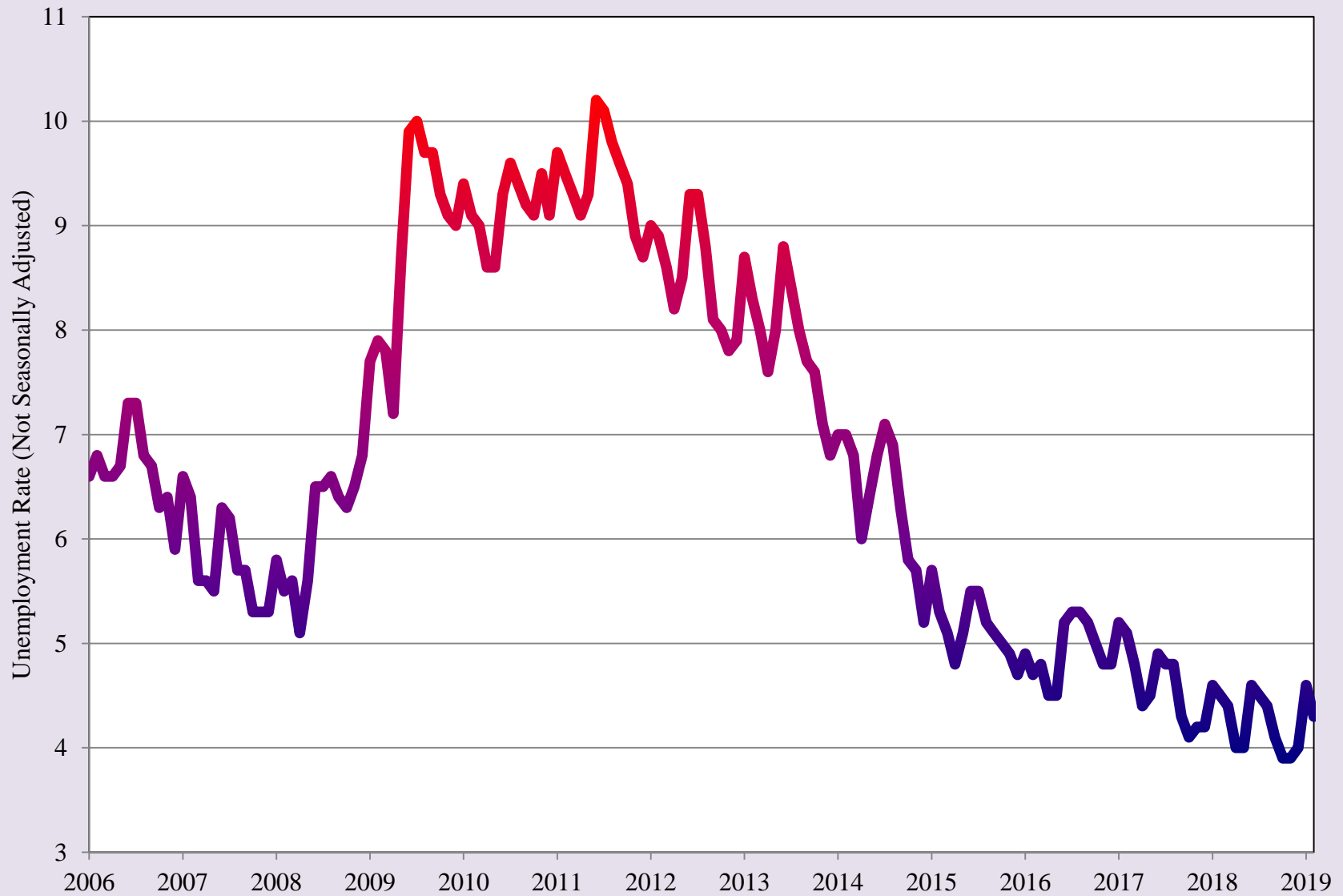
El Paso County Unemployment Rate

— 2018 — 2019



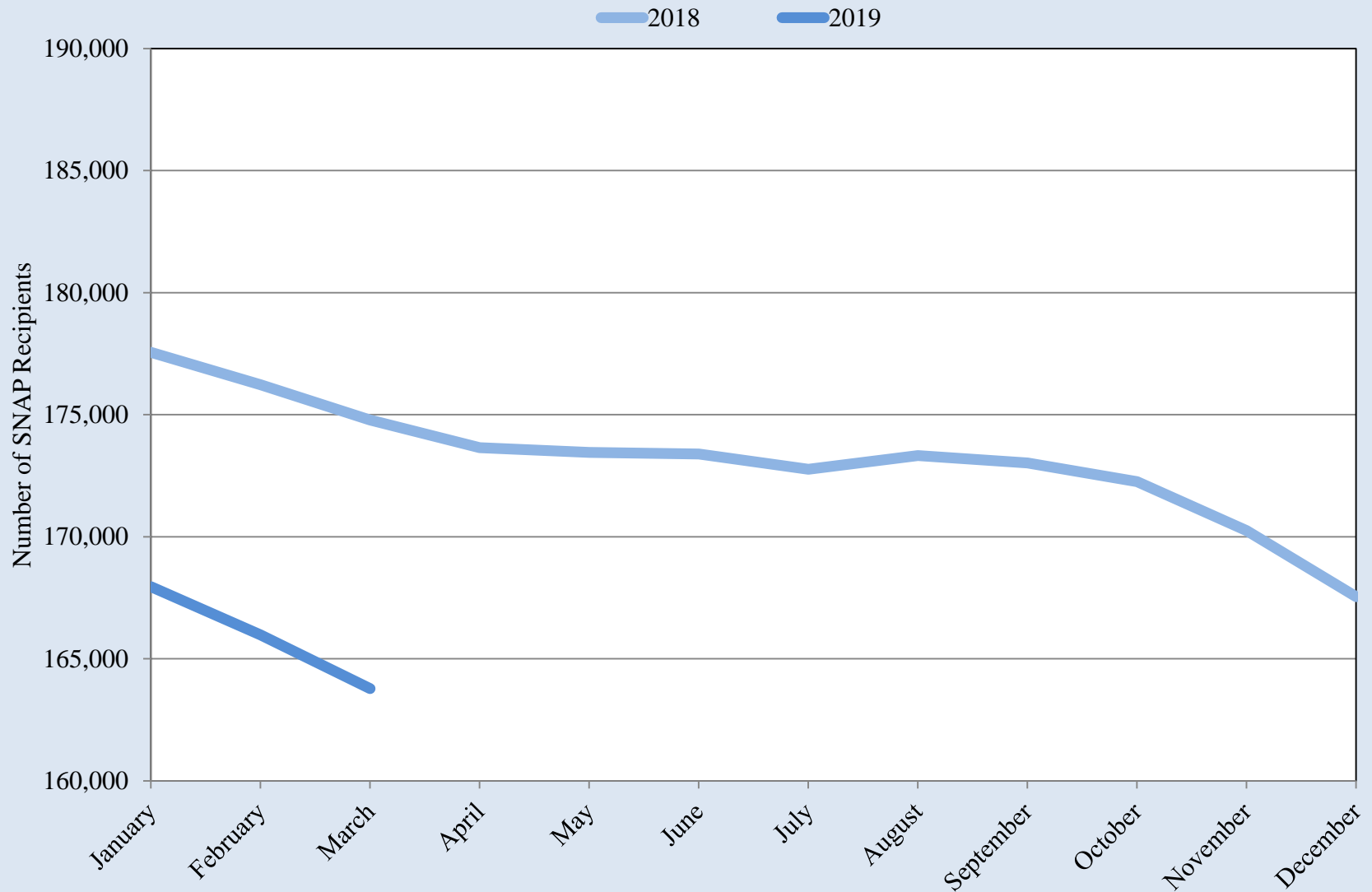
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



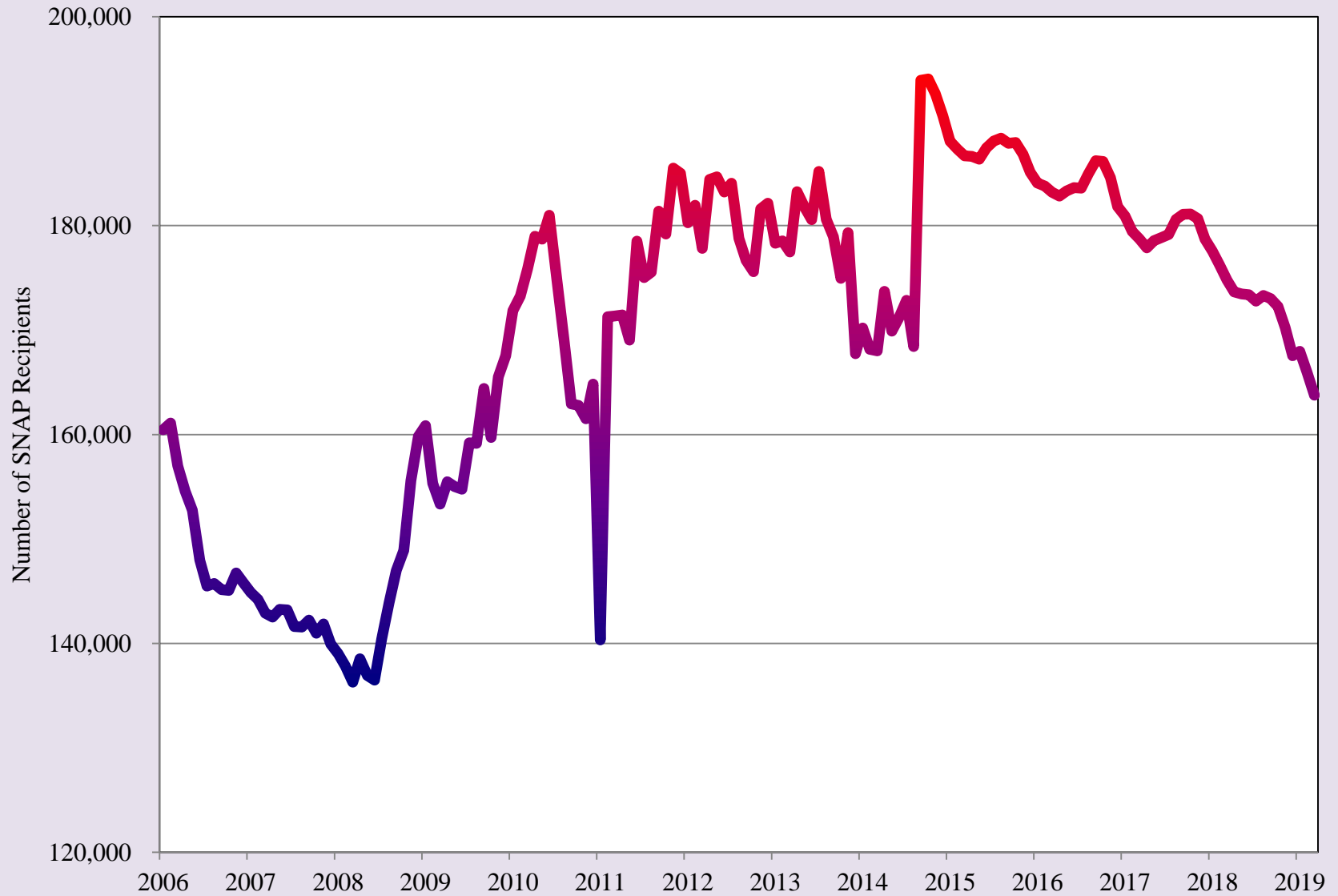
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

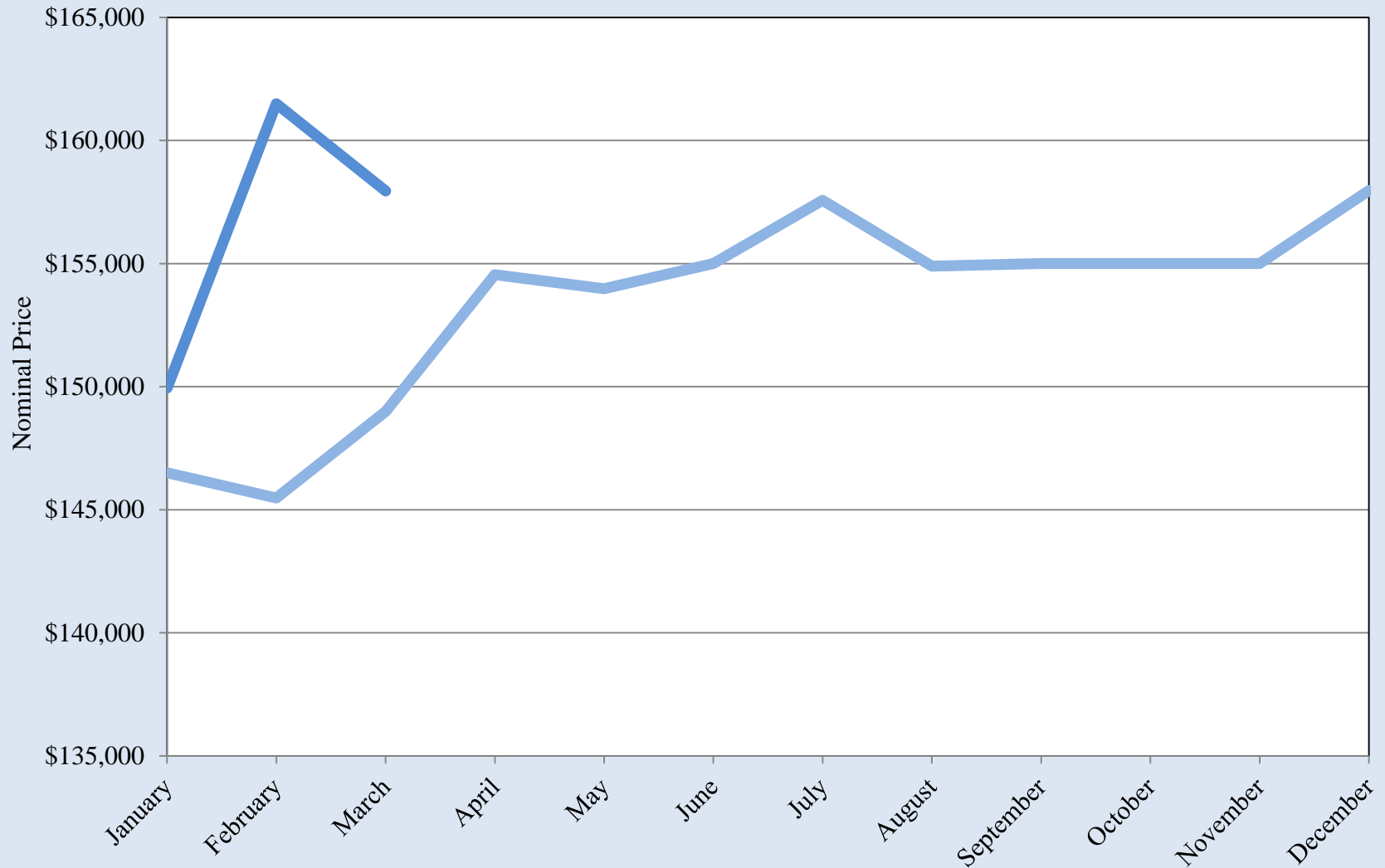
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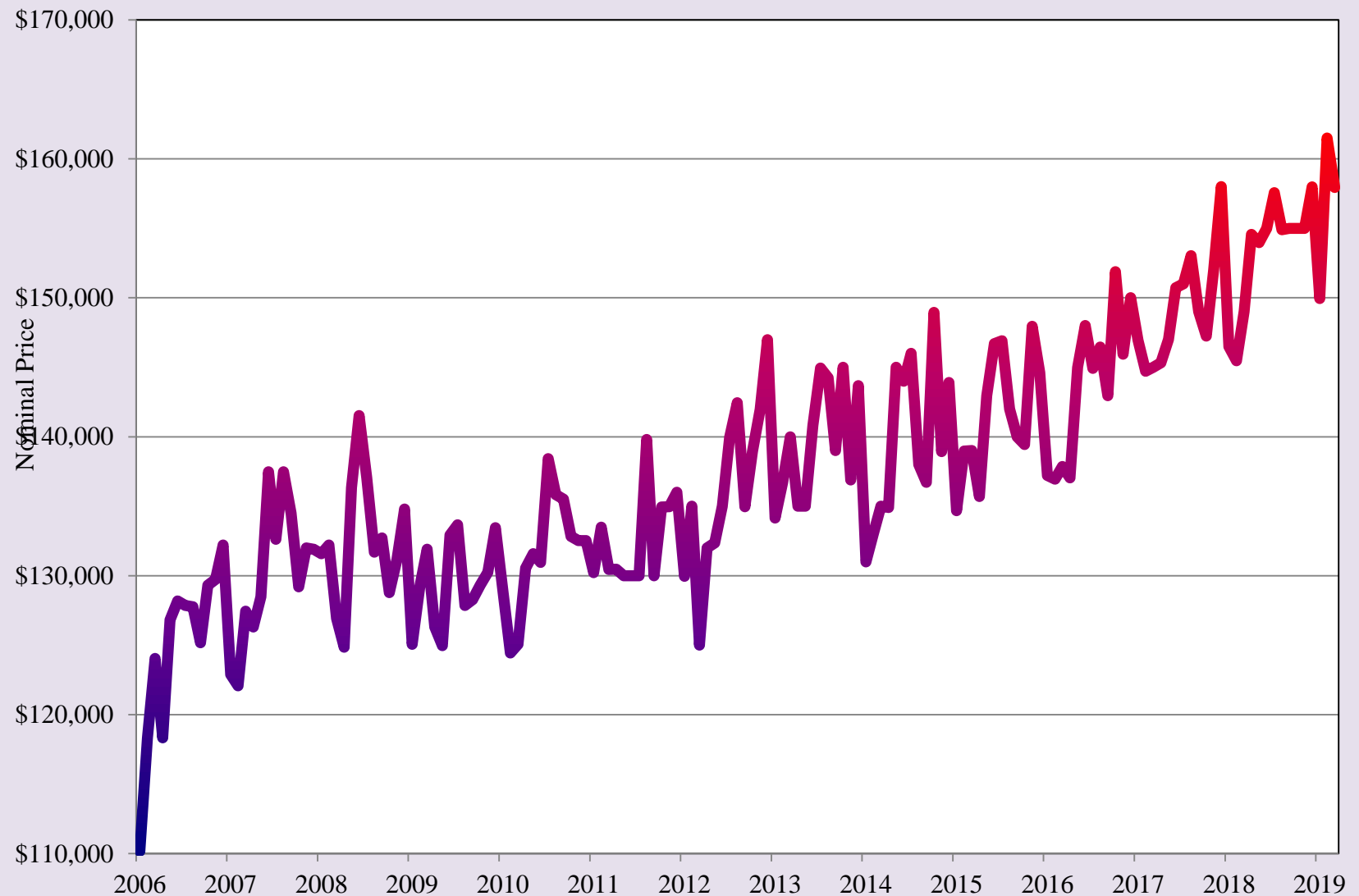
El Paso Median Housing Prices

— 2018 — 2019



Source: Texas A&M Real Estate Center

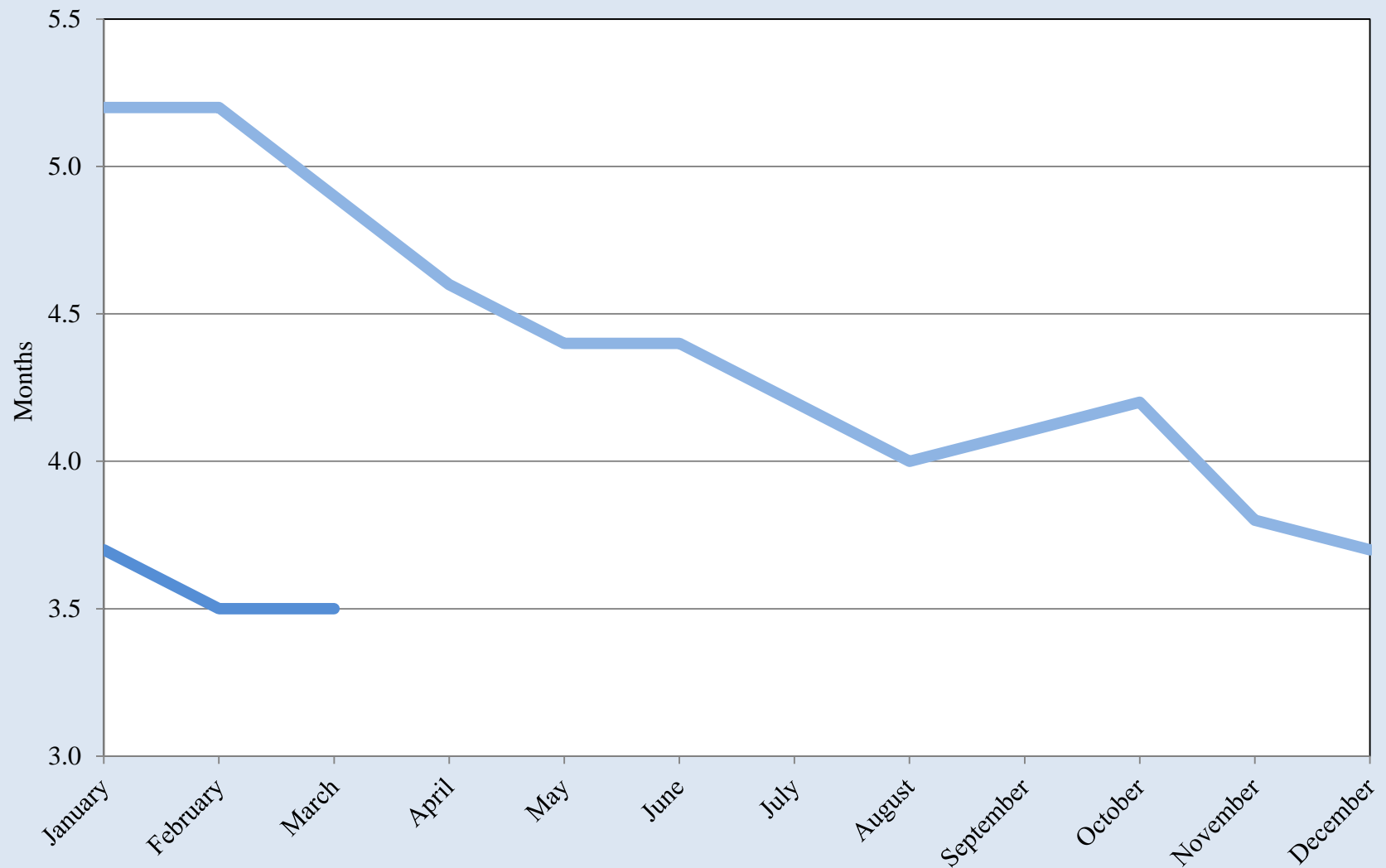
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Source: Texas A&M Real Estate Center

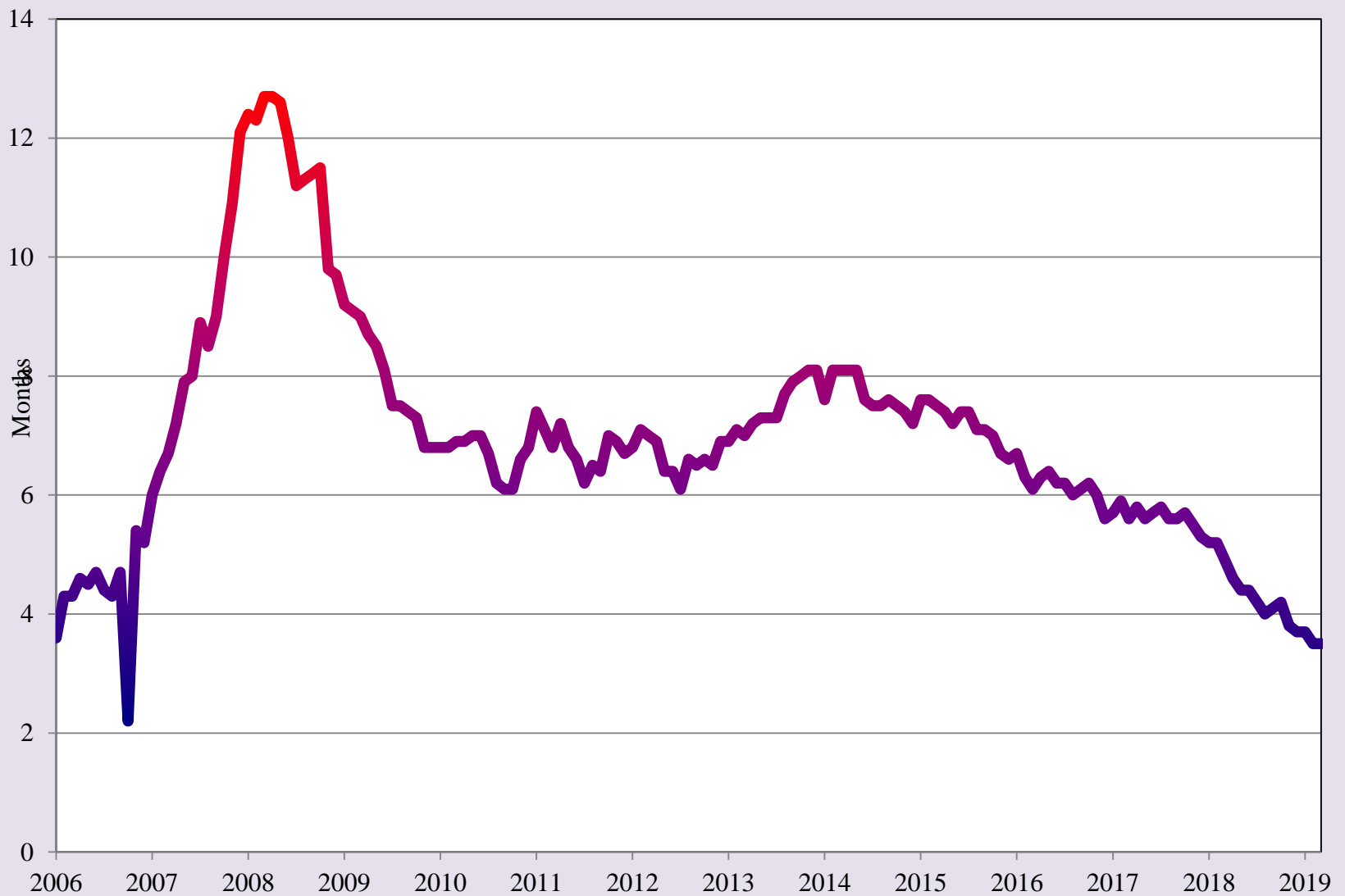
Months of Housing Inventory for El Paso

— 2018 — 2019



Source: Texas A&M Real Estate Center

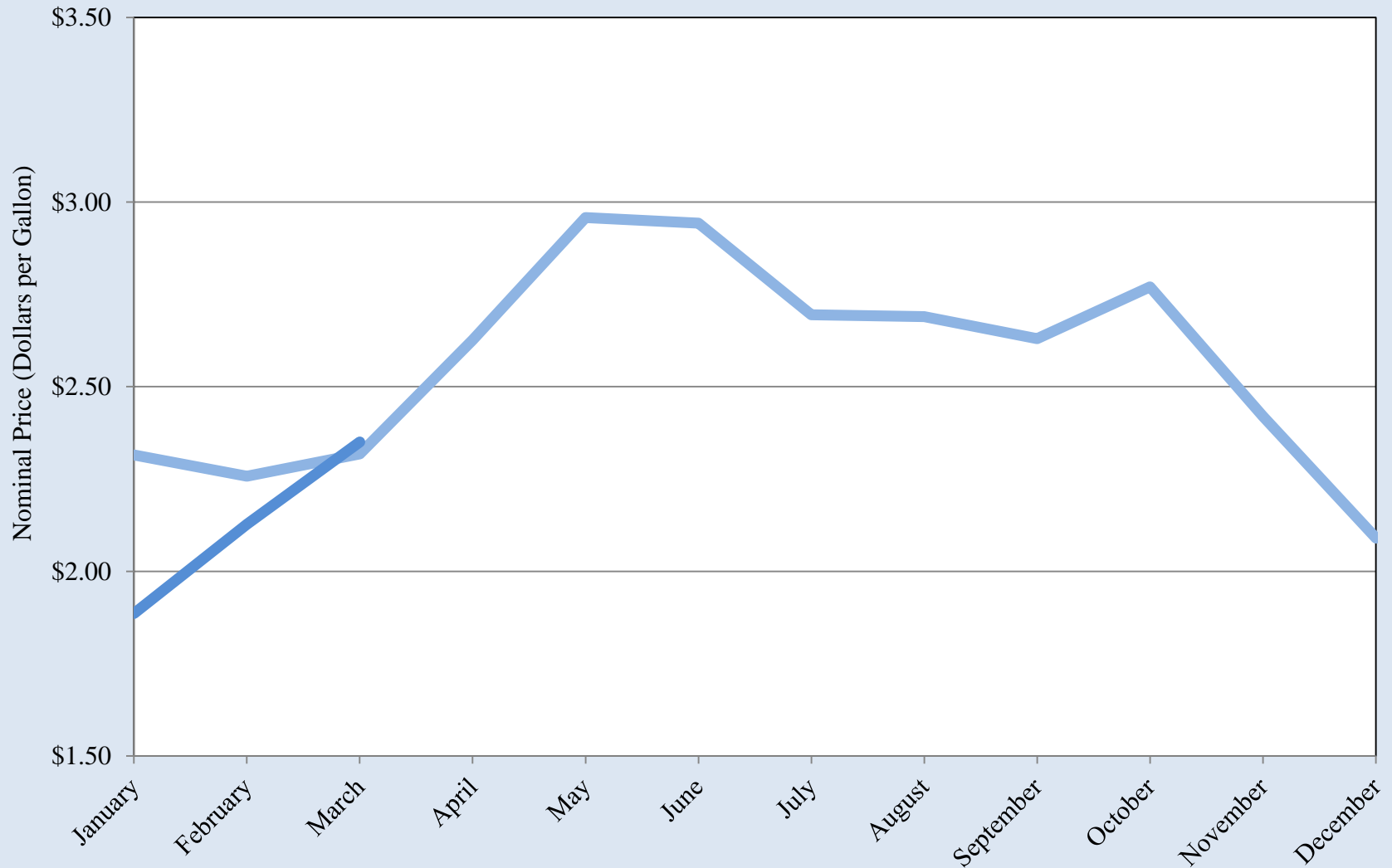
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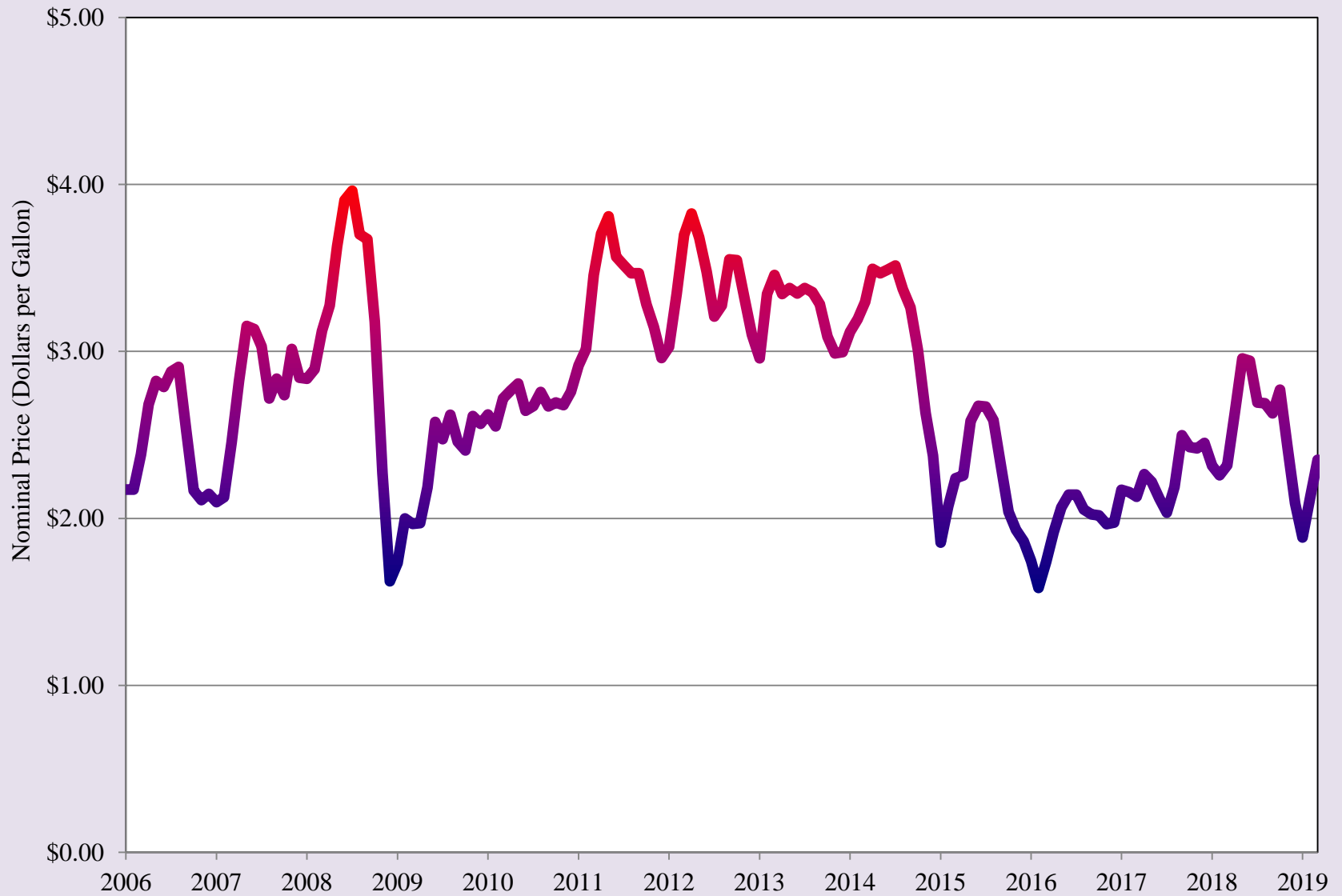
El Paso Gasoline Prices

— 2018 — 2019



Source: GasBuddy.com

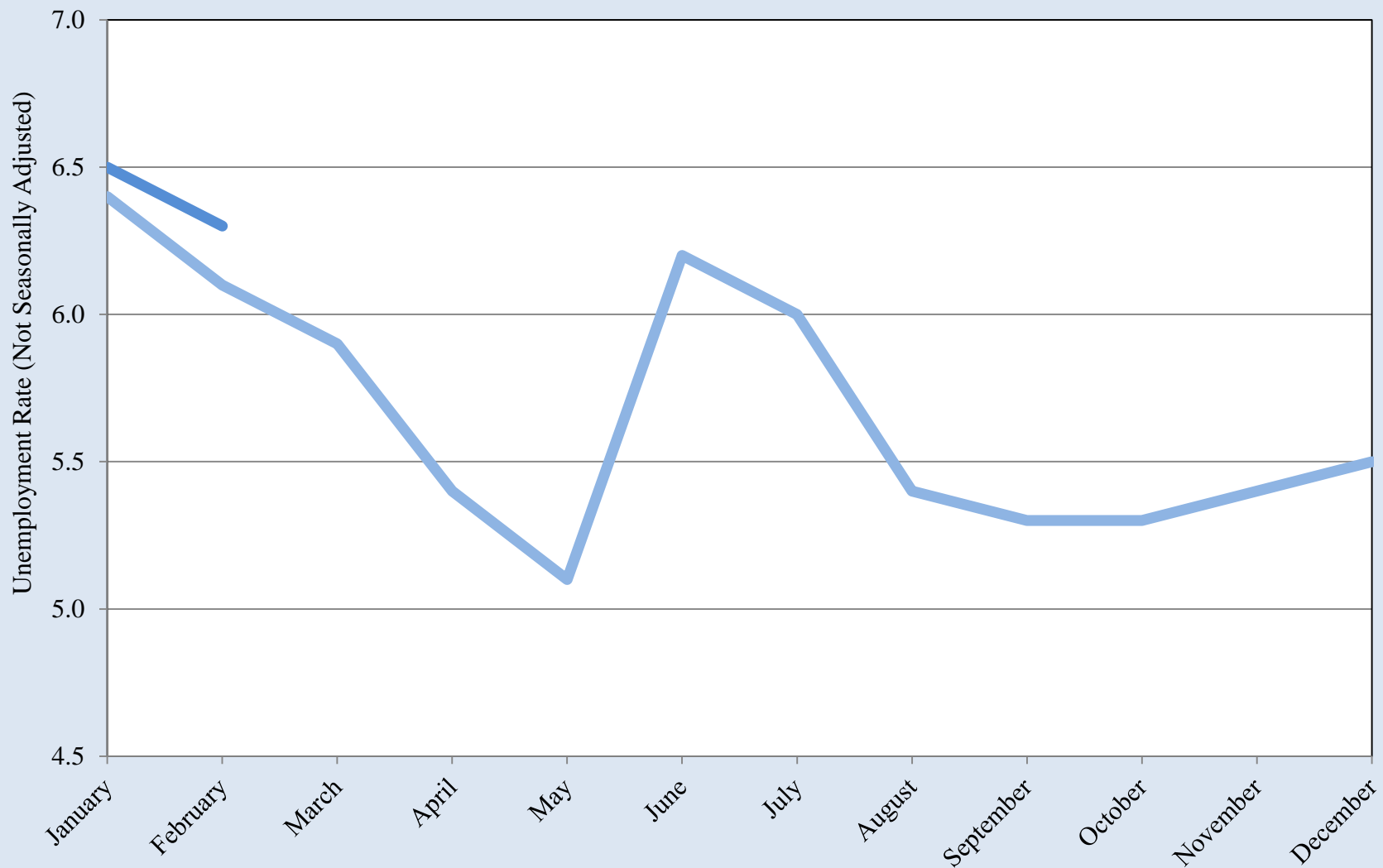
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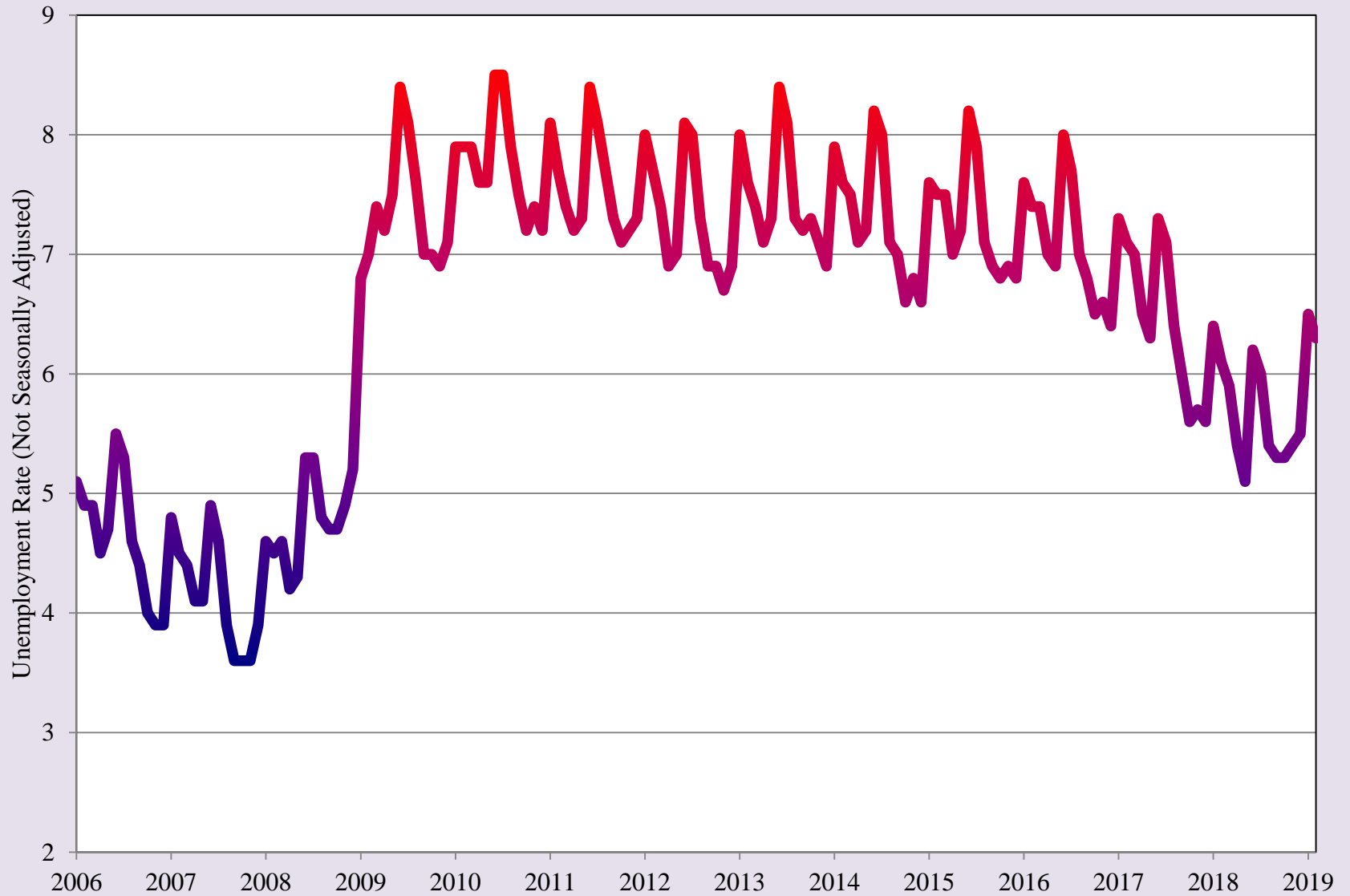
Doña Ana County Unemployment Rate

— 2018 — 2019



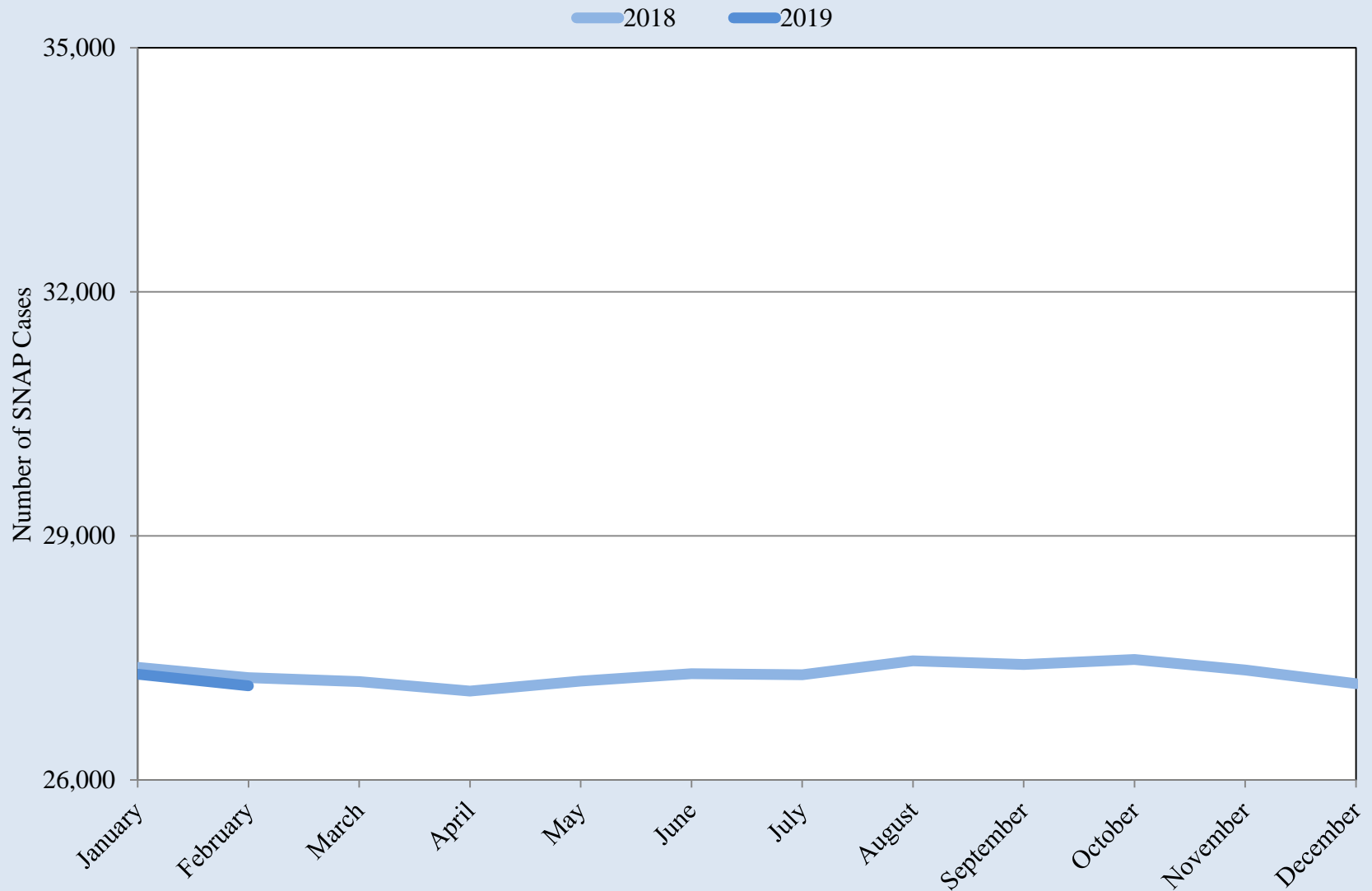
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



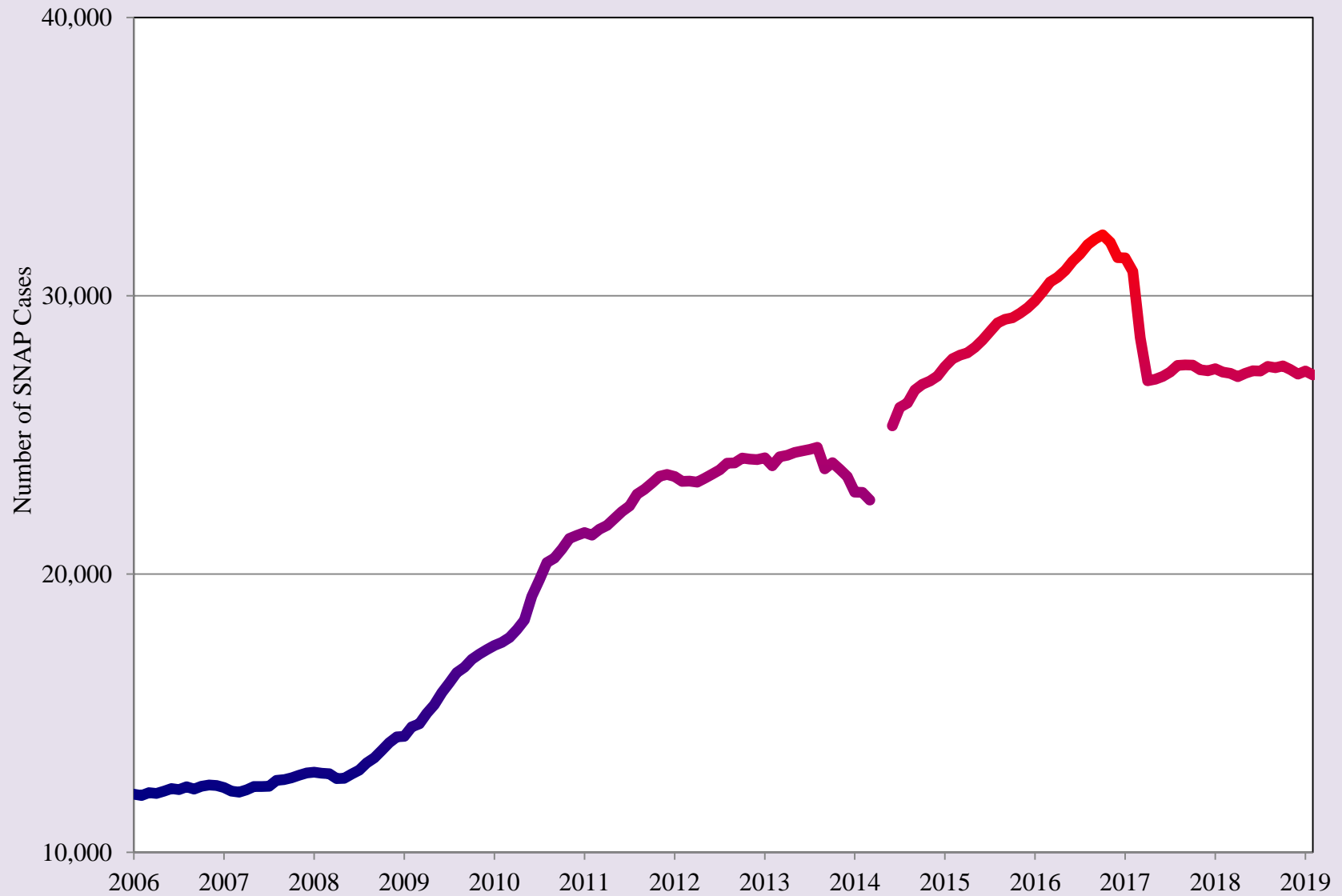
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



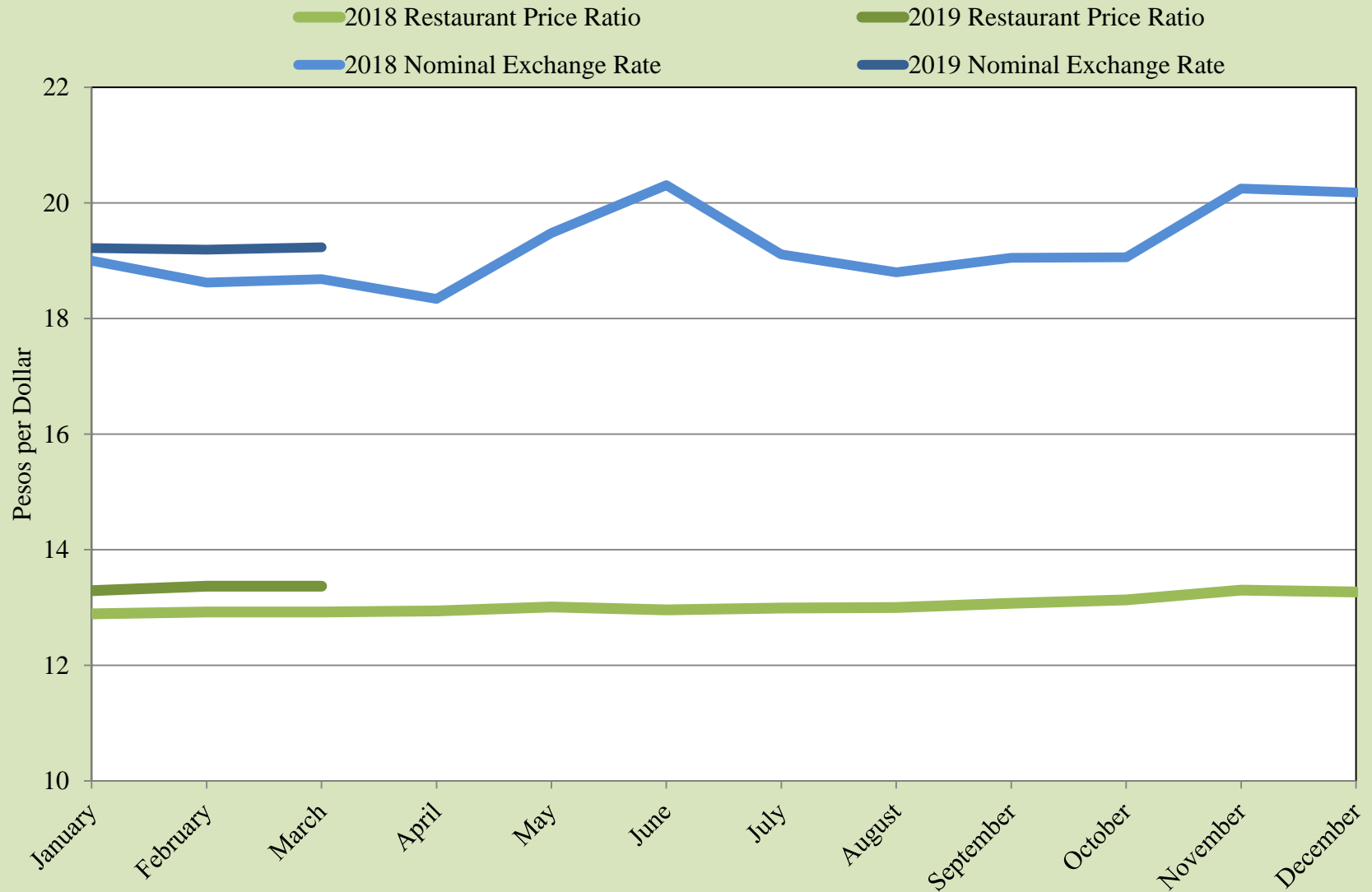
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

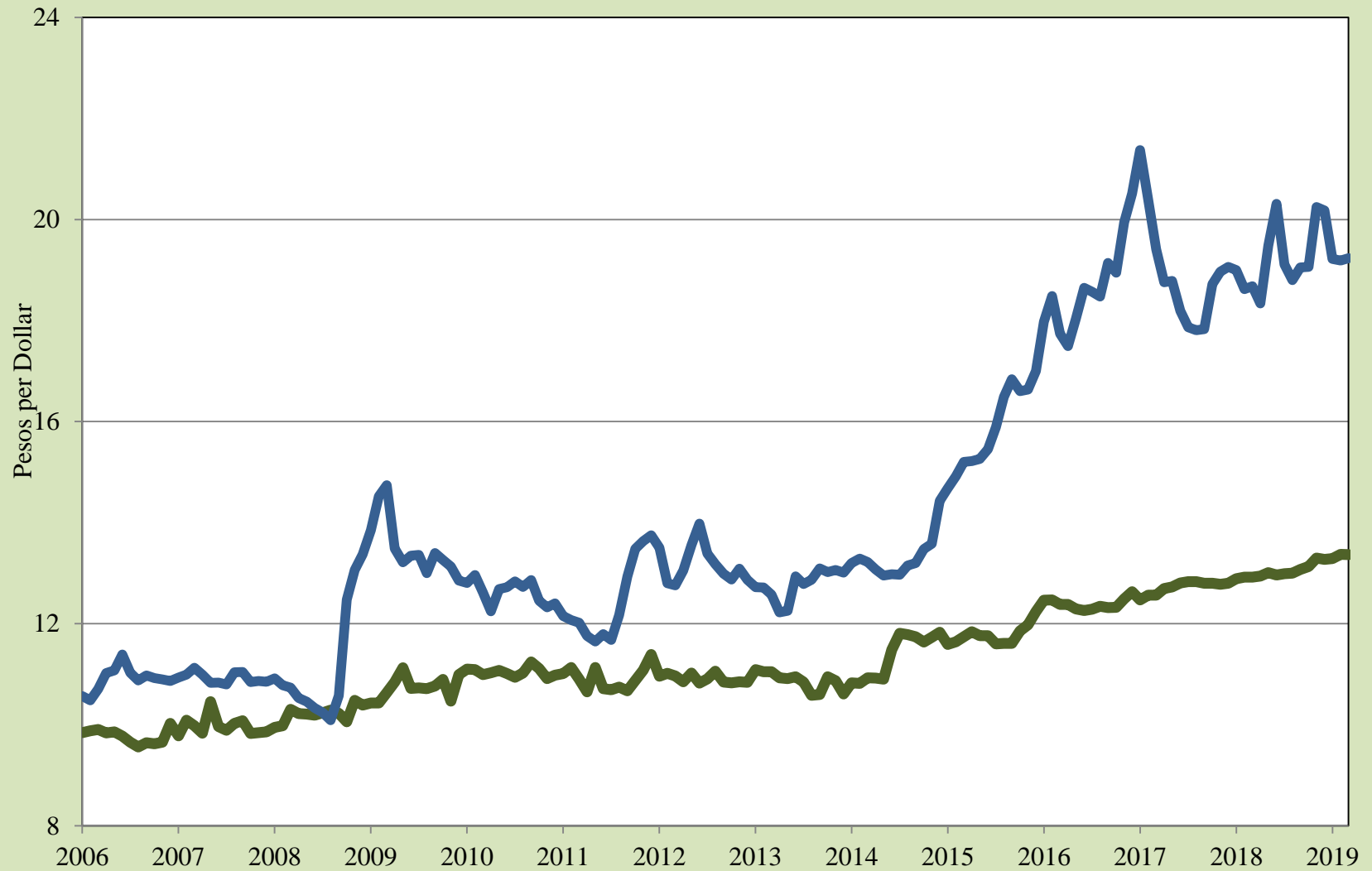
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

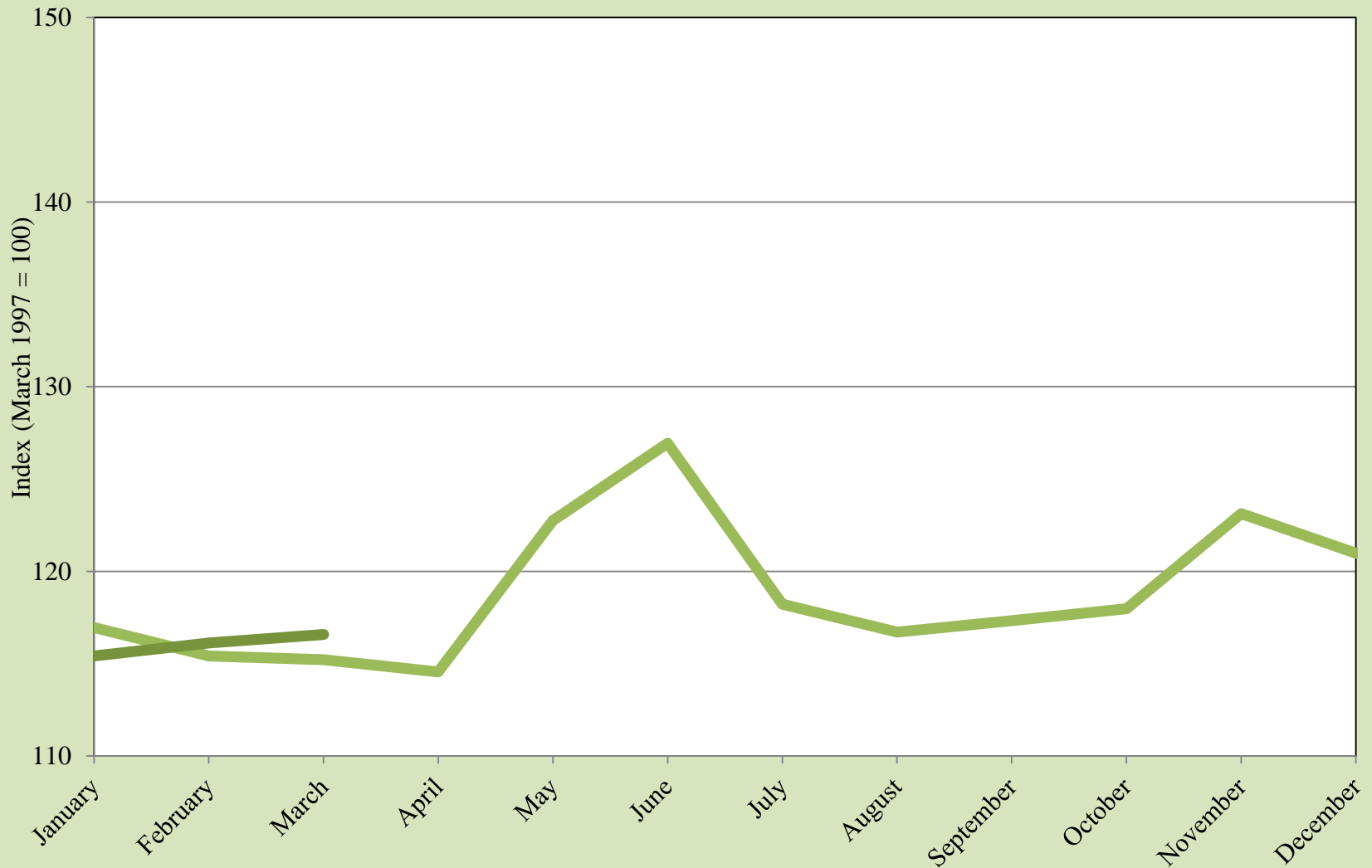
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2018 — 2019



Source: UTEP Border Region Modeling Project

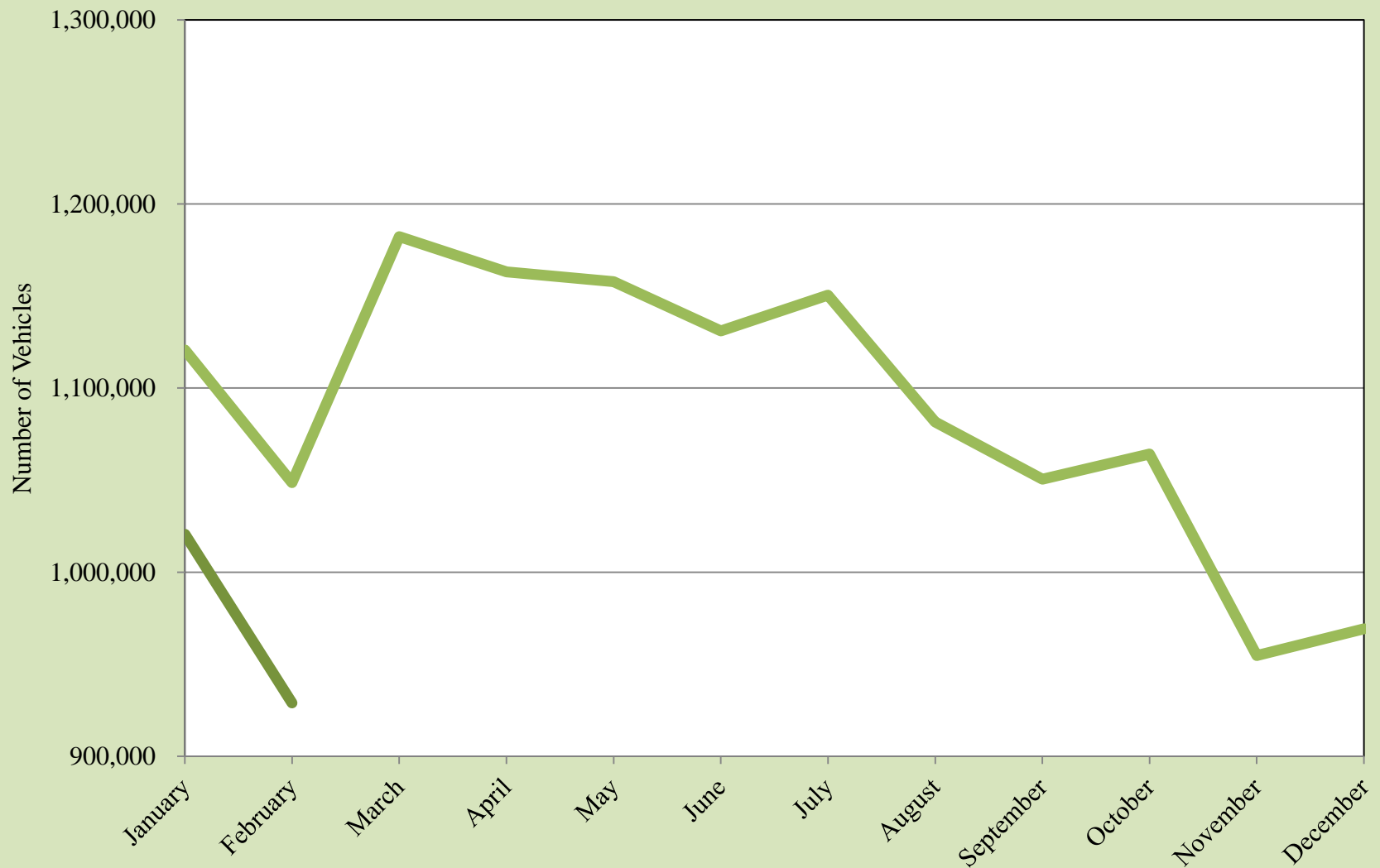
Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

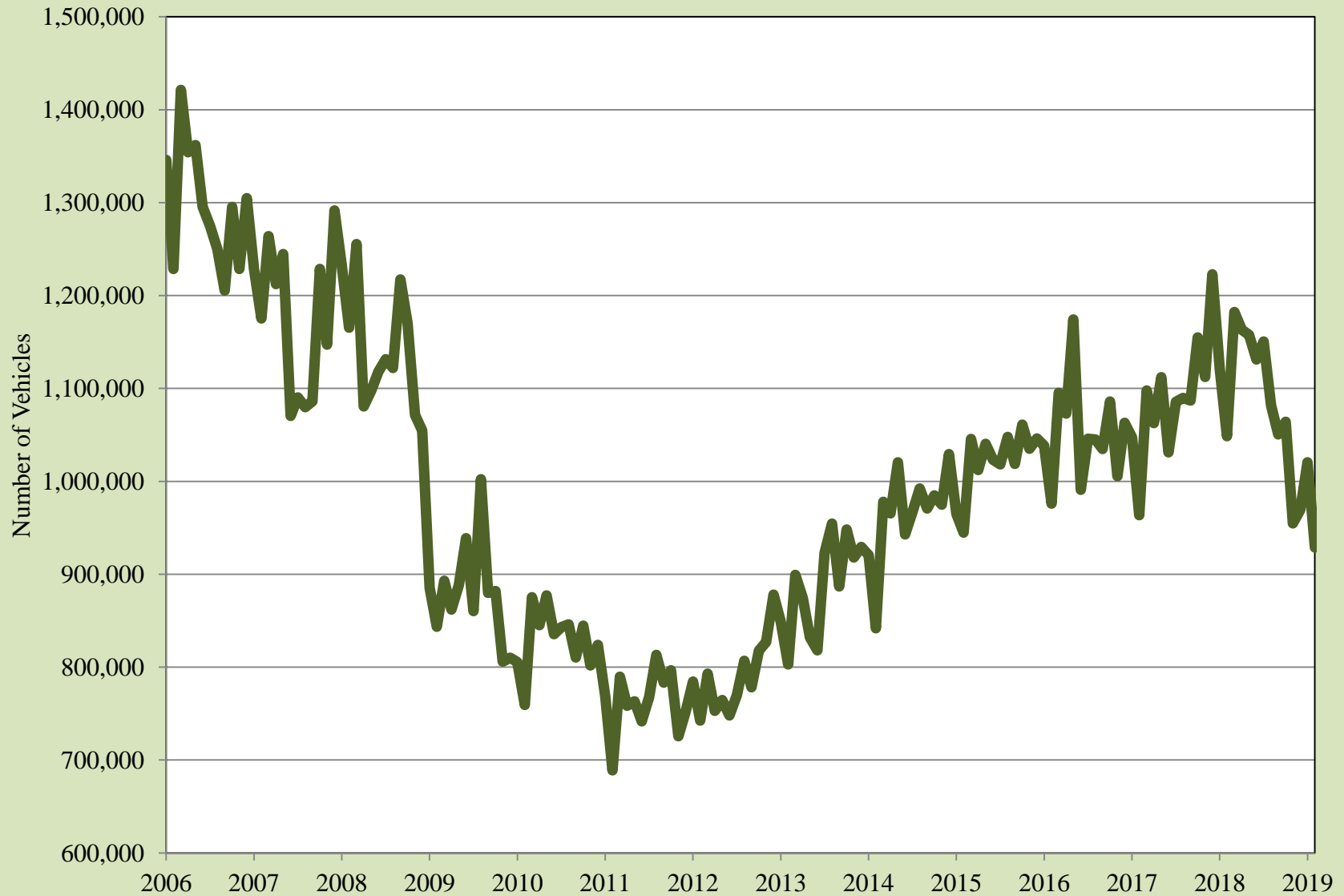
Personal Vehicle International Bridge Crossings to El Paso

— 2018 — 2019



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

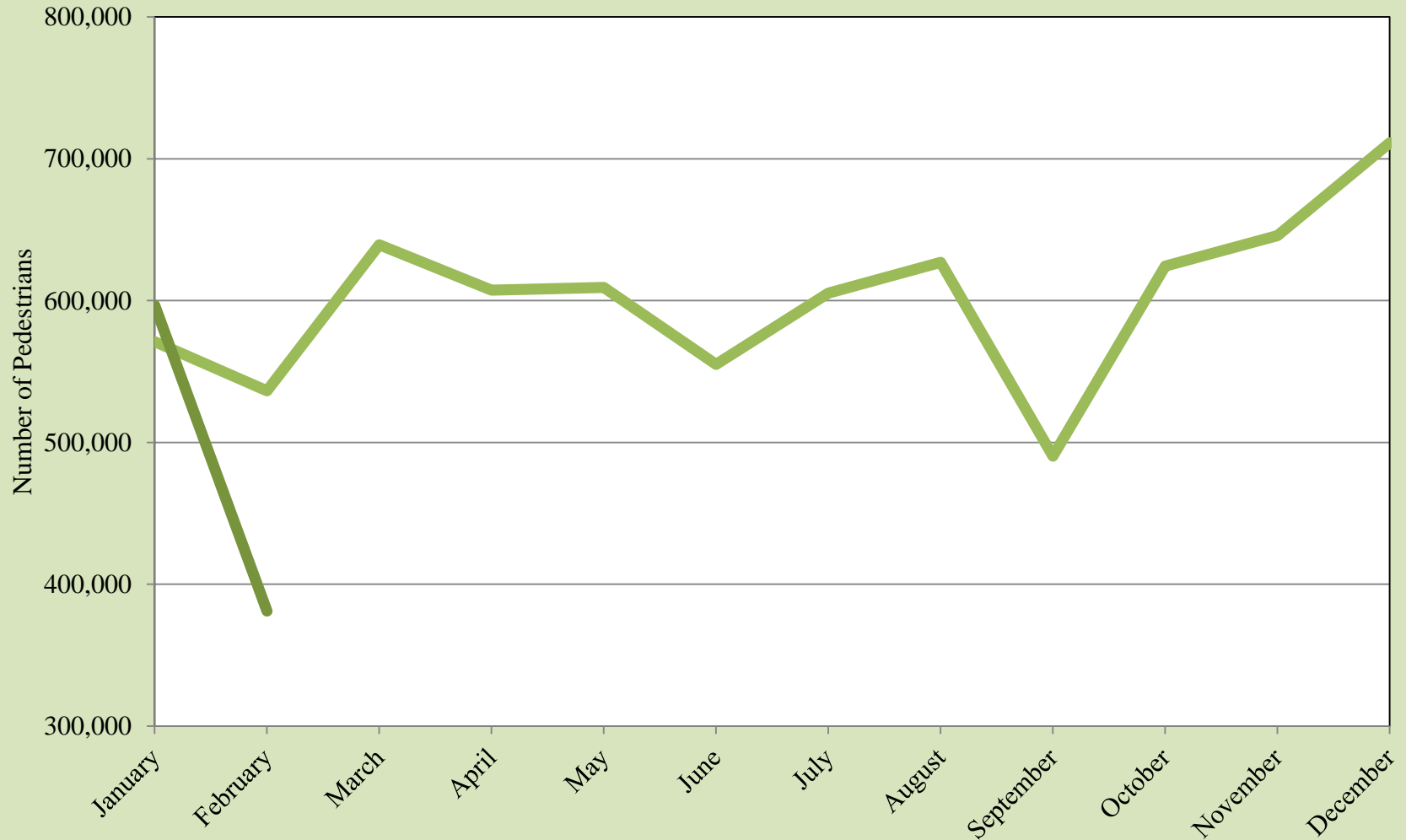
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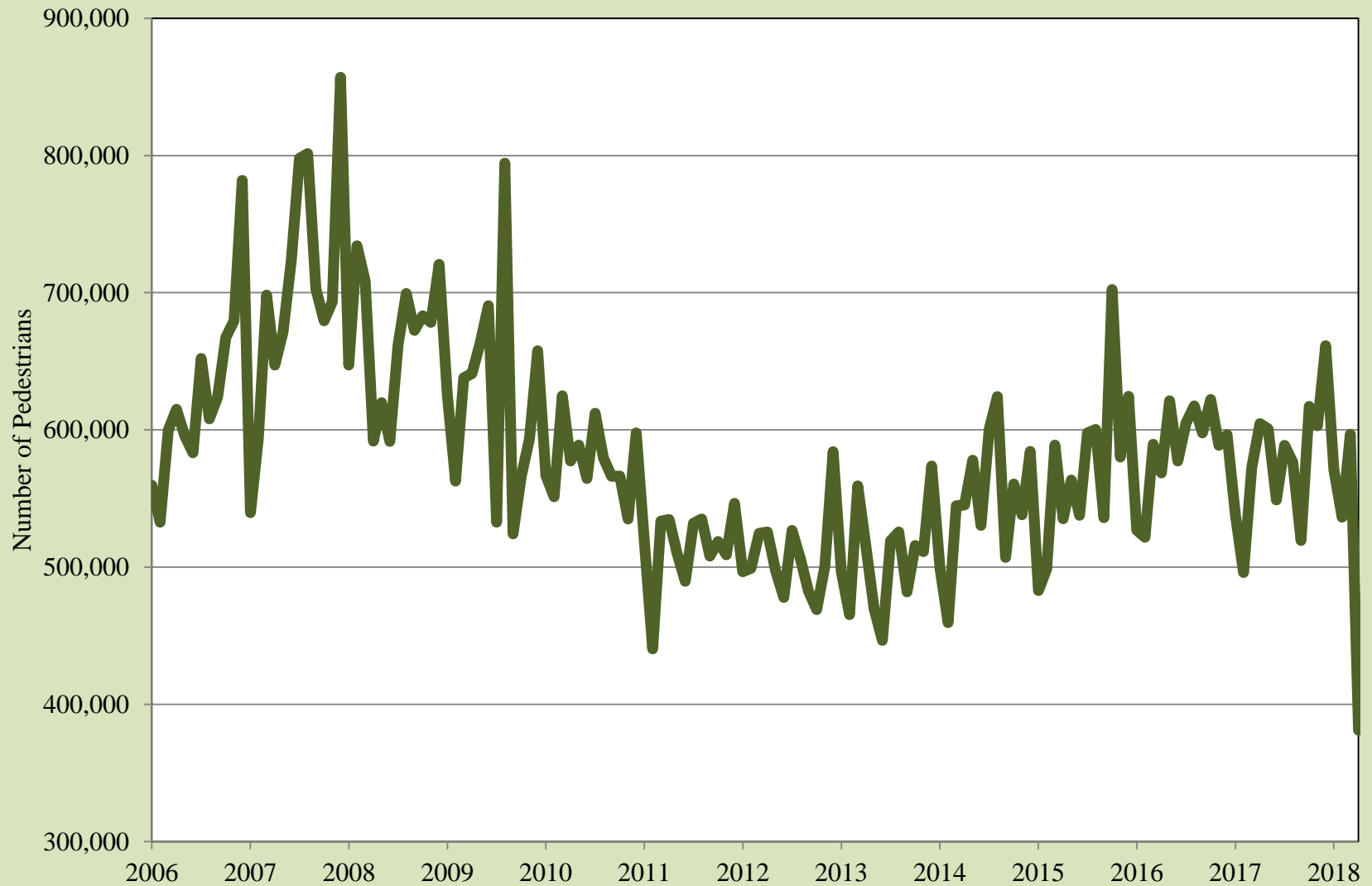
Pedestrian International Bridge Crossings to El Paso

2018 2019



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

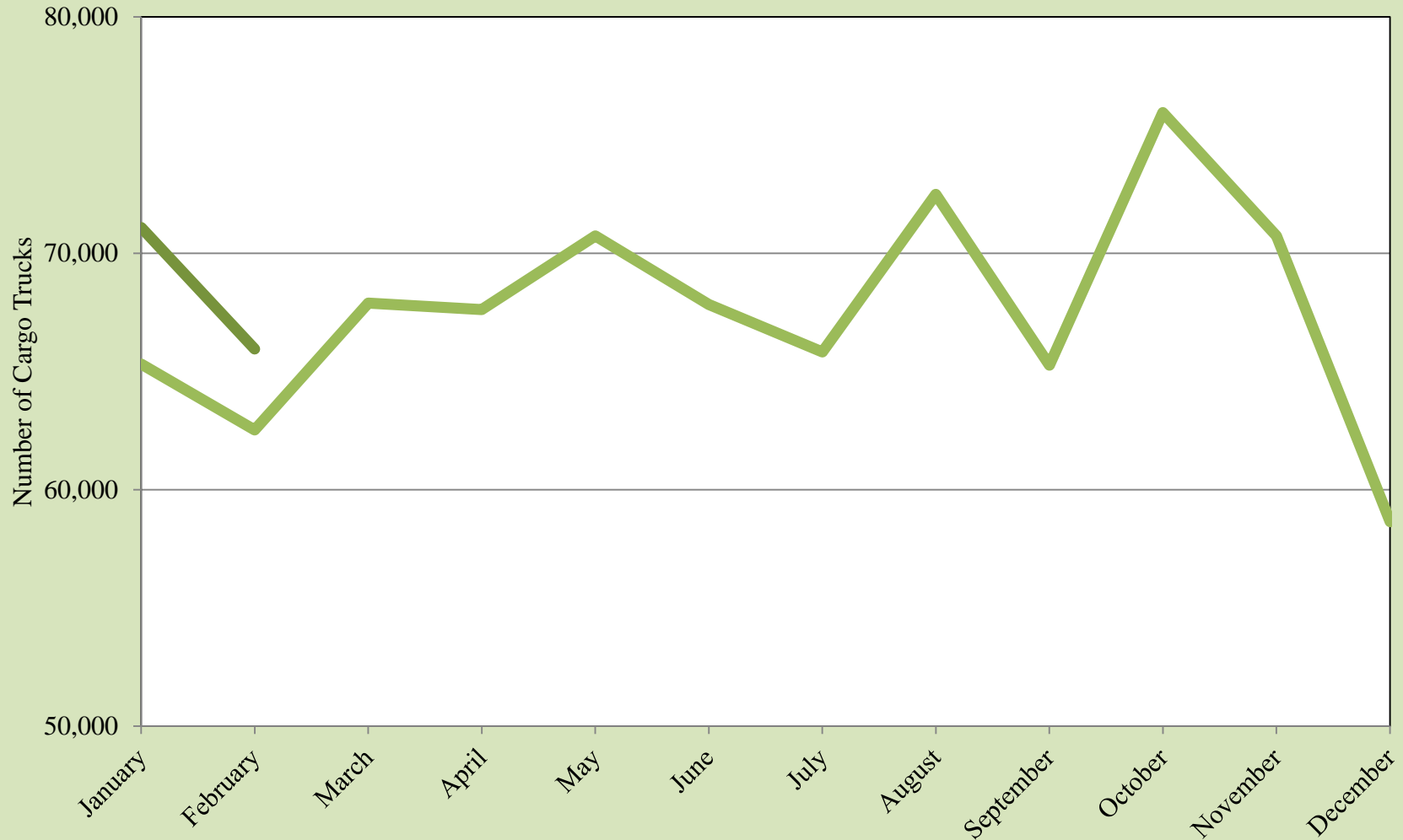
Pedestrian International Bridge Crossings to El Paso



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

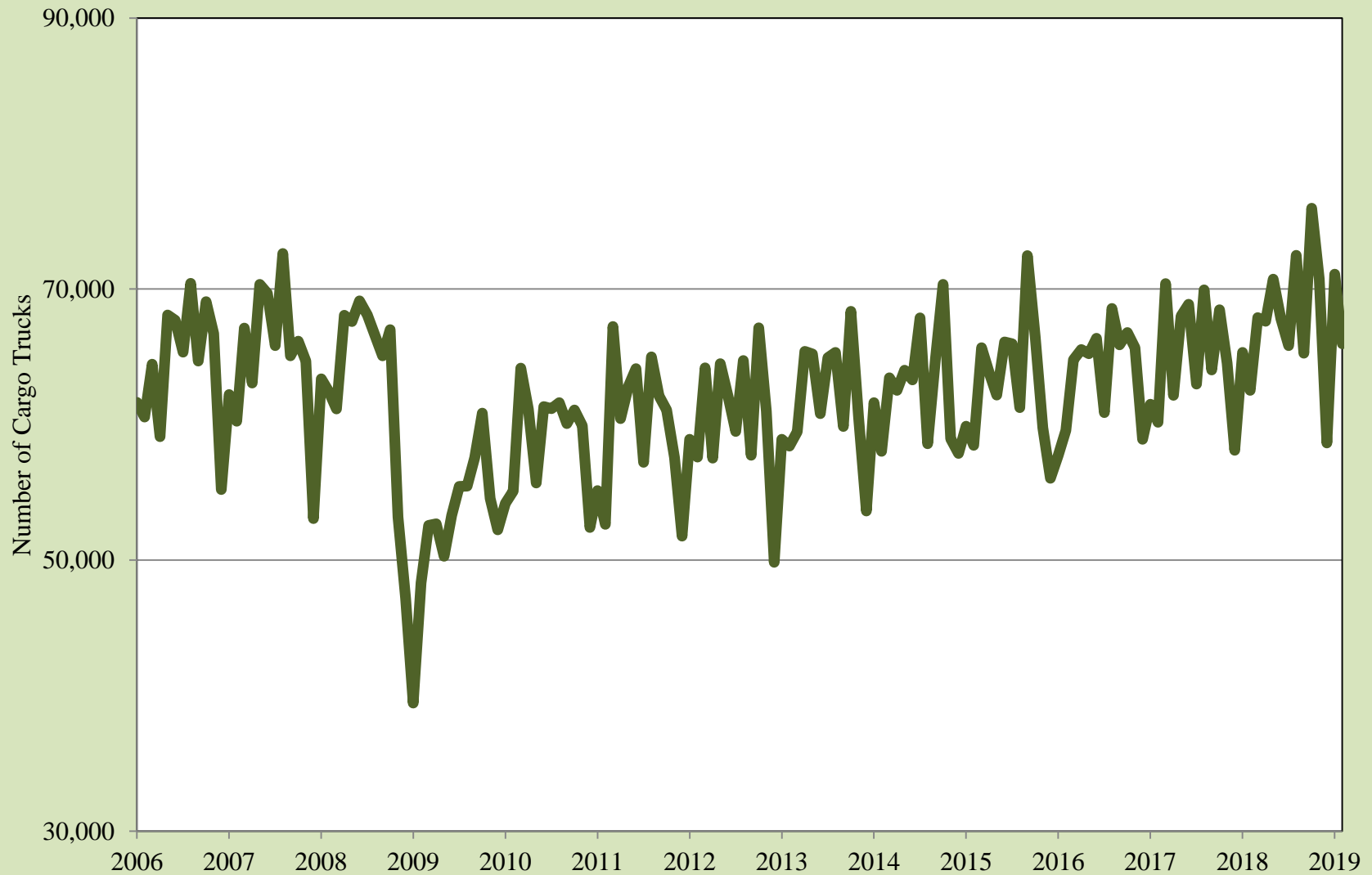
Cargo Truck International Bridge Crossings to El Paso

2018 2019



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

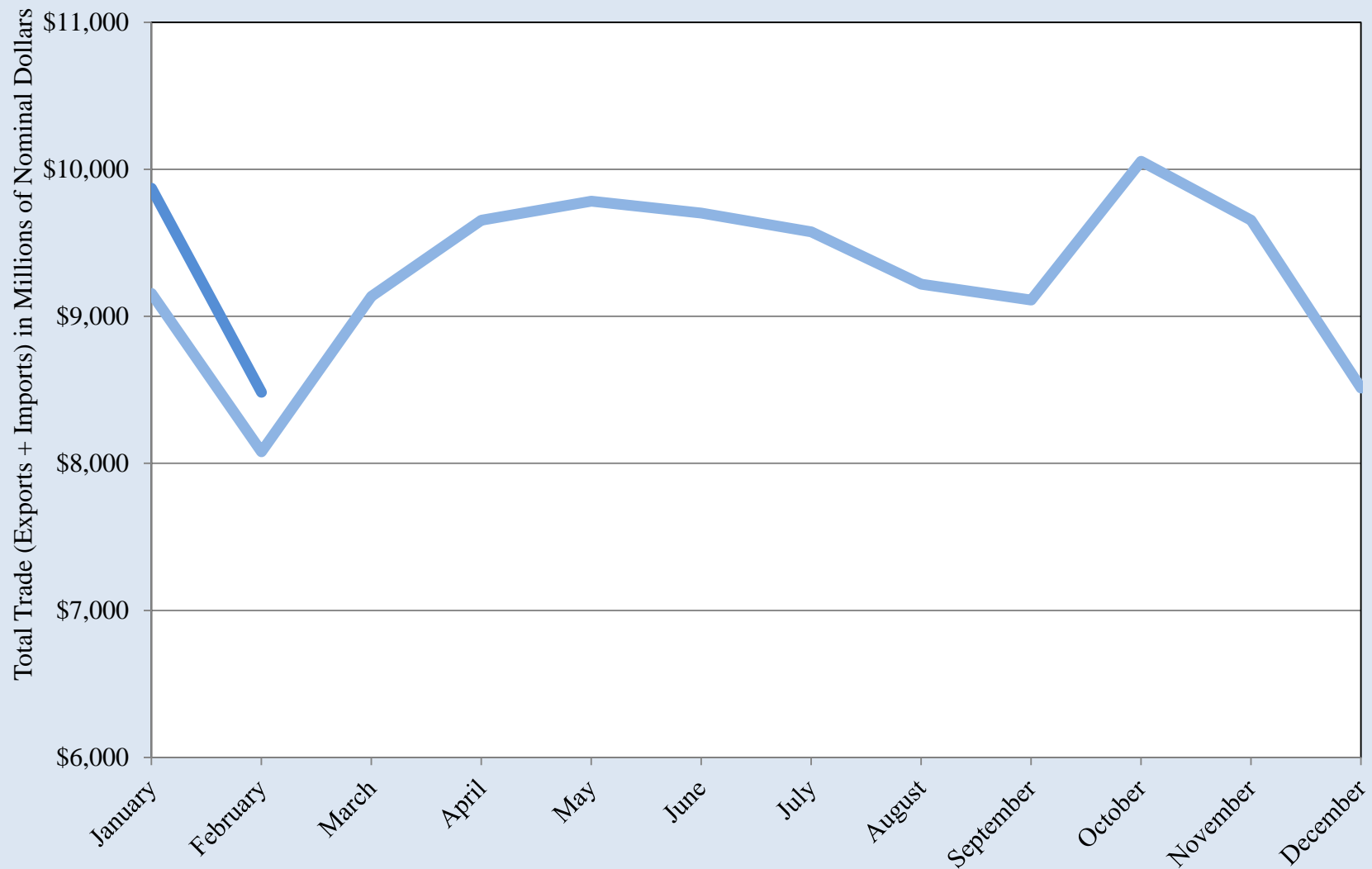
Cargo Truck International Bridge Crossings to El Paso



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

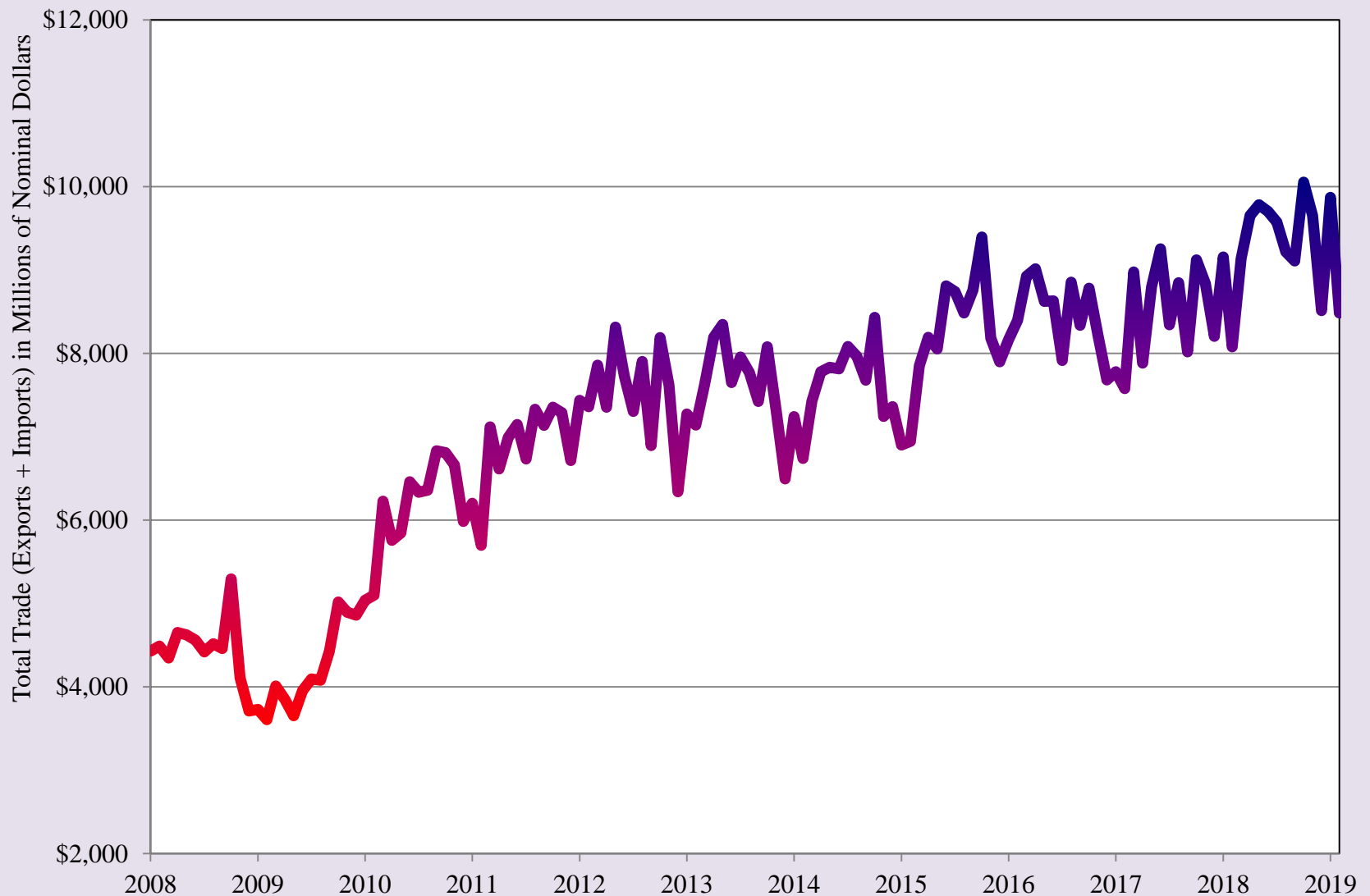
Total Trade through the El Paso Customs District

— 2018 — 2019



Source: U.S. International Trade Commission

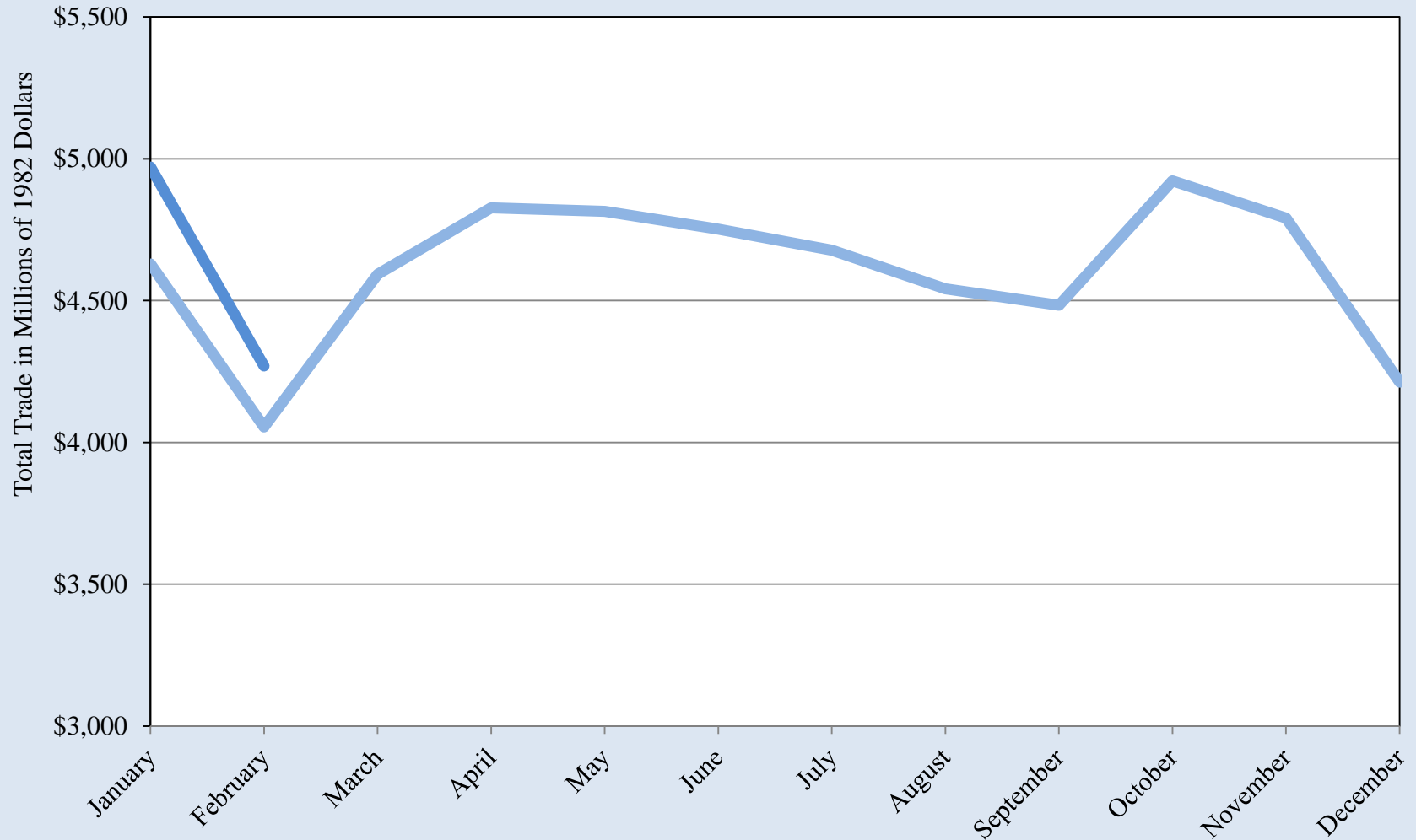
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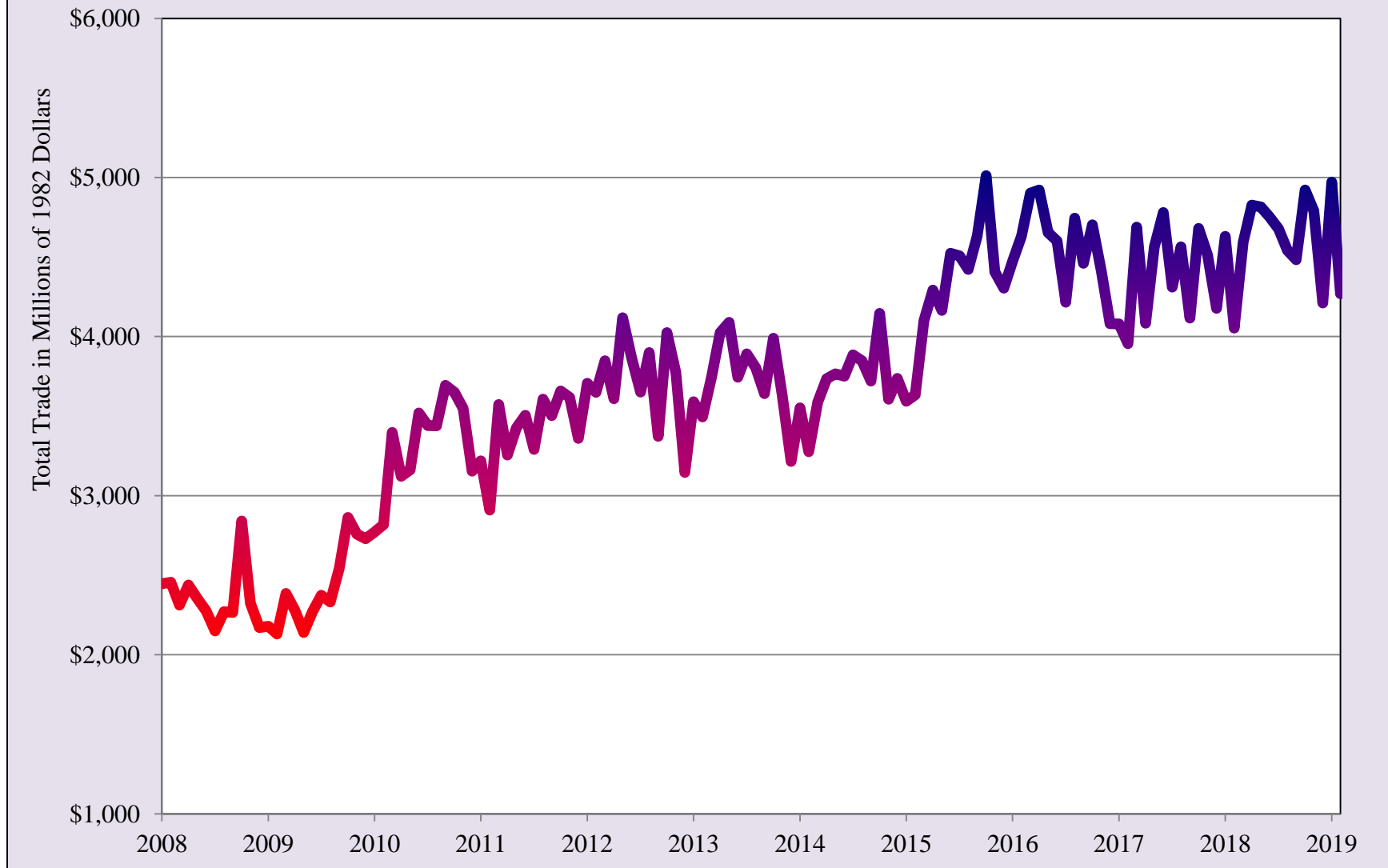
Real Total Trade through the El Paso Customs District

— 2018 — 2019



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

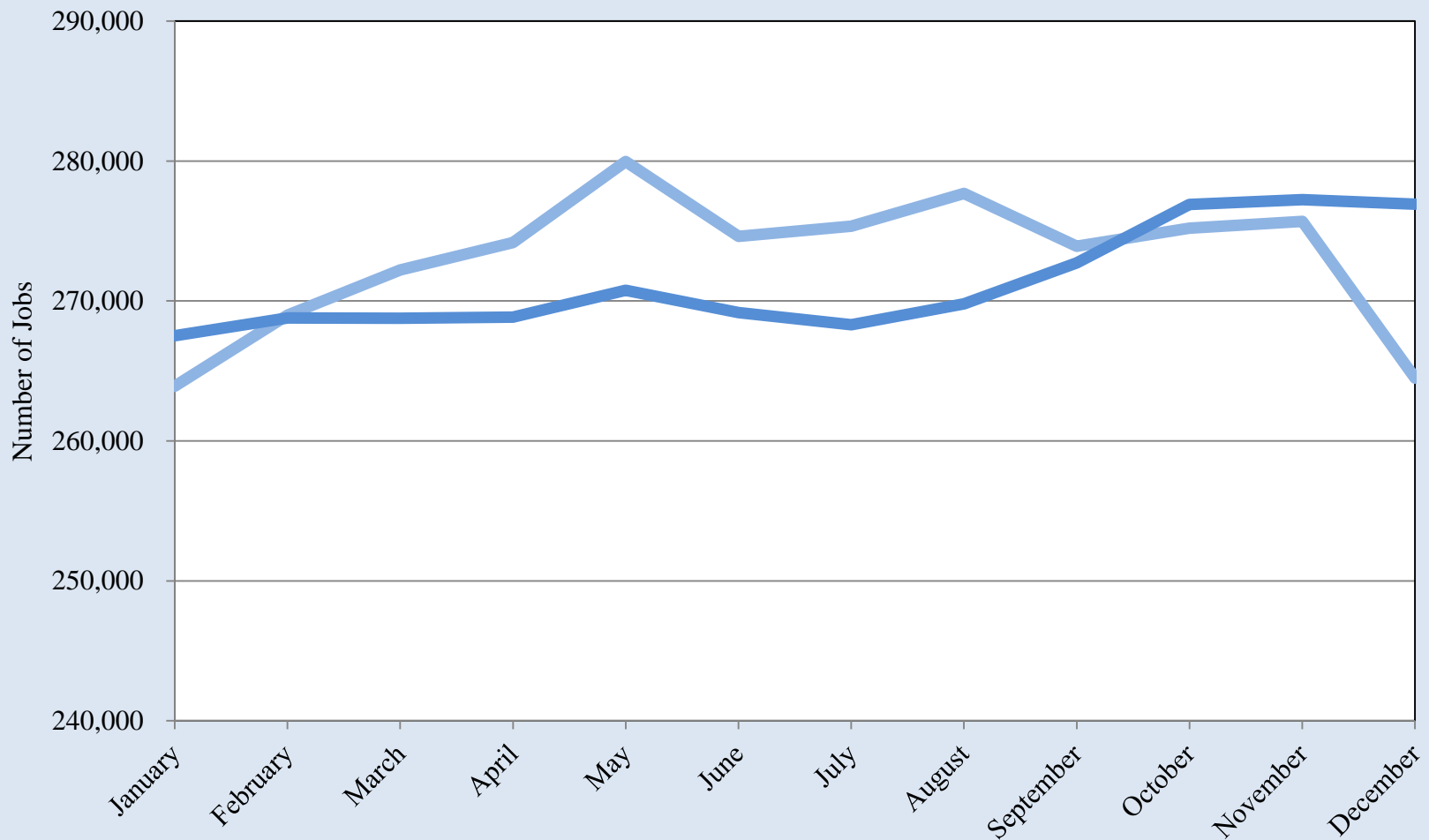
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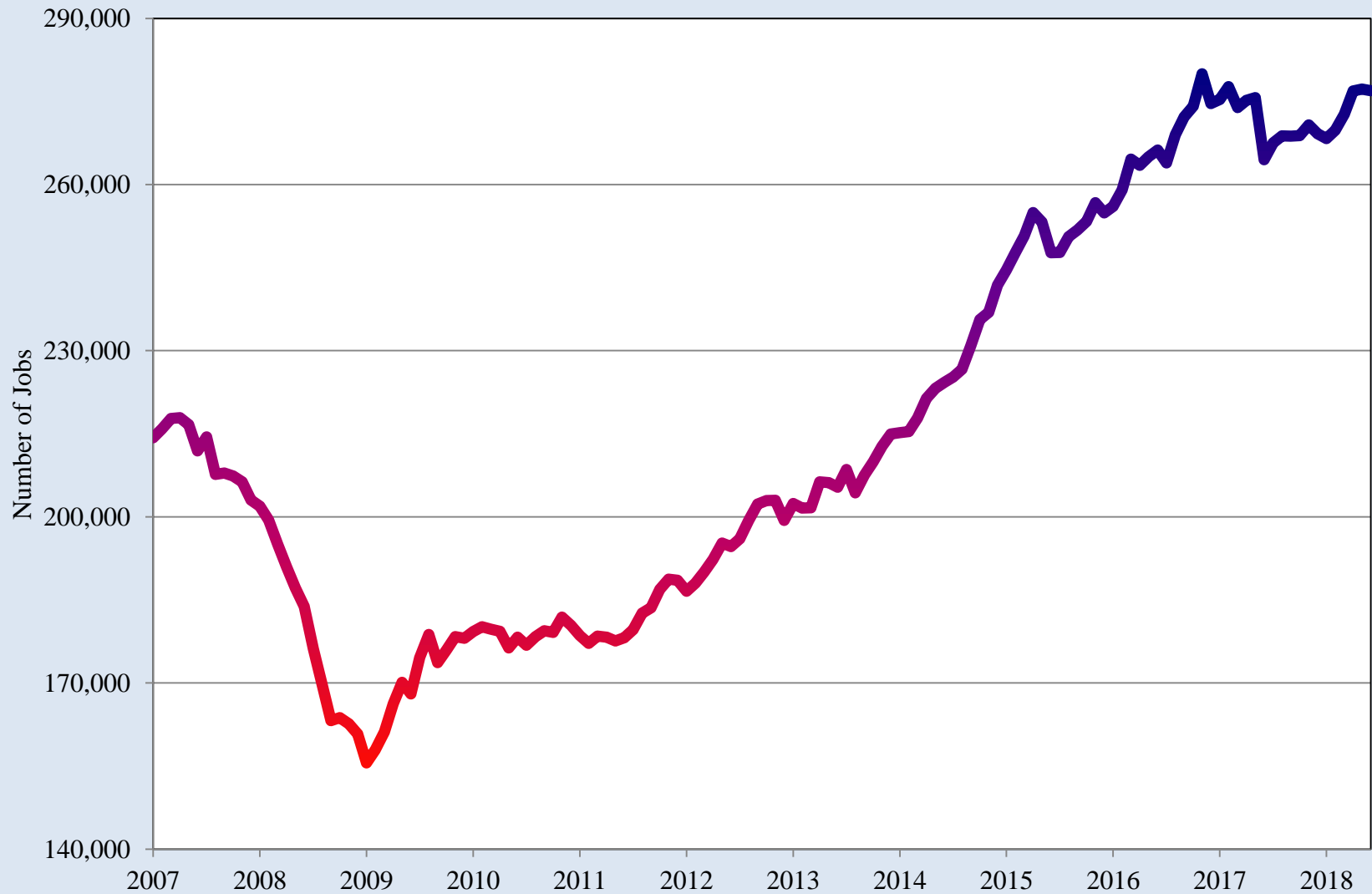
Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2017 — 2018



Source: INEGI

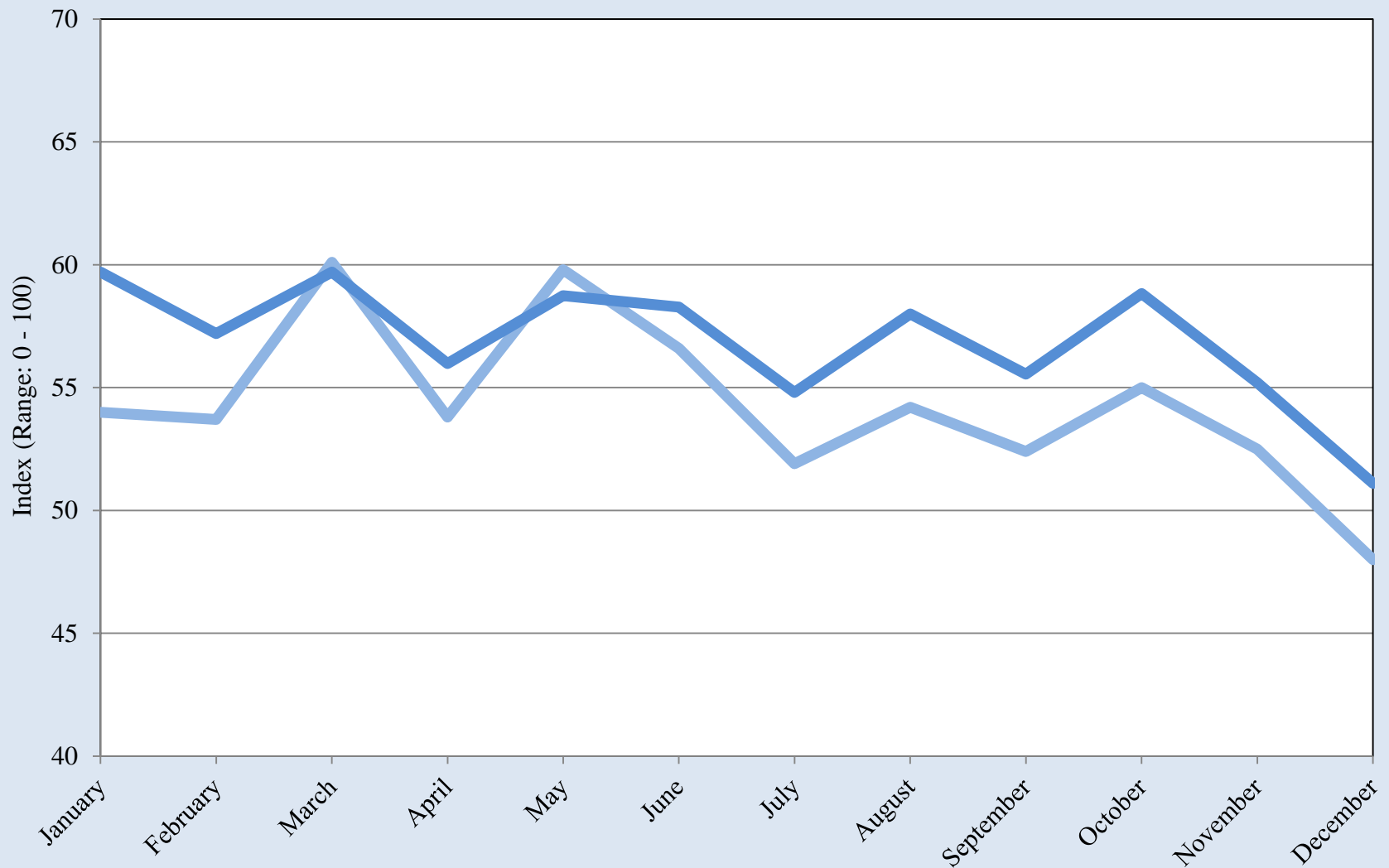
Export-Oriented Manufacturing Employment in Ciudad Juárez



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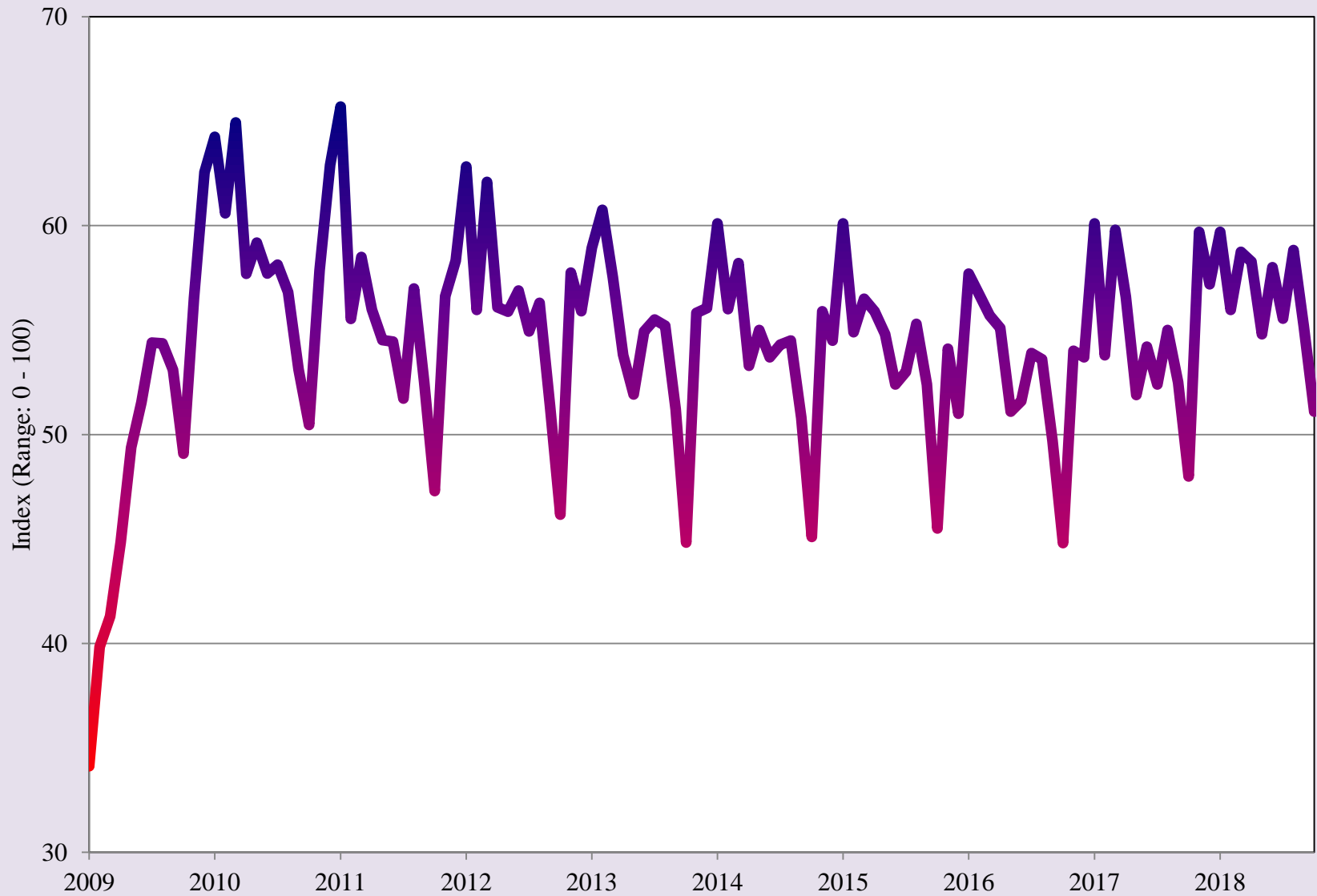
Northern Mexico Manufacturing Orders Index

— 2017 — 2018



Source: Banco de México

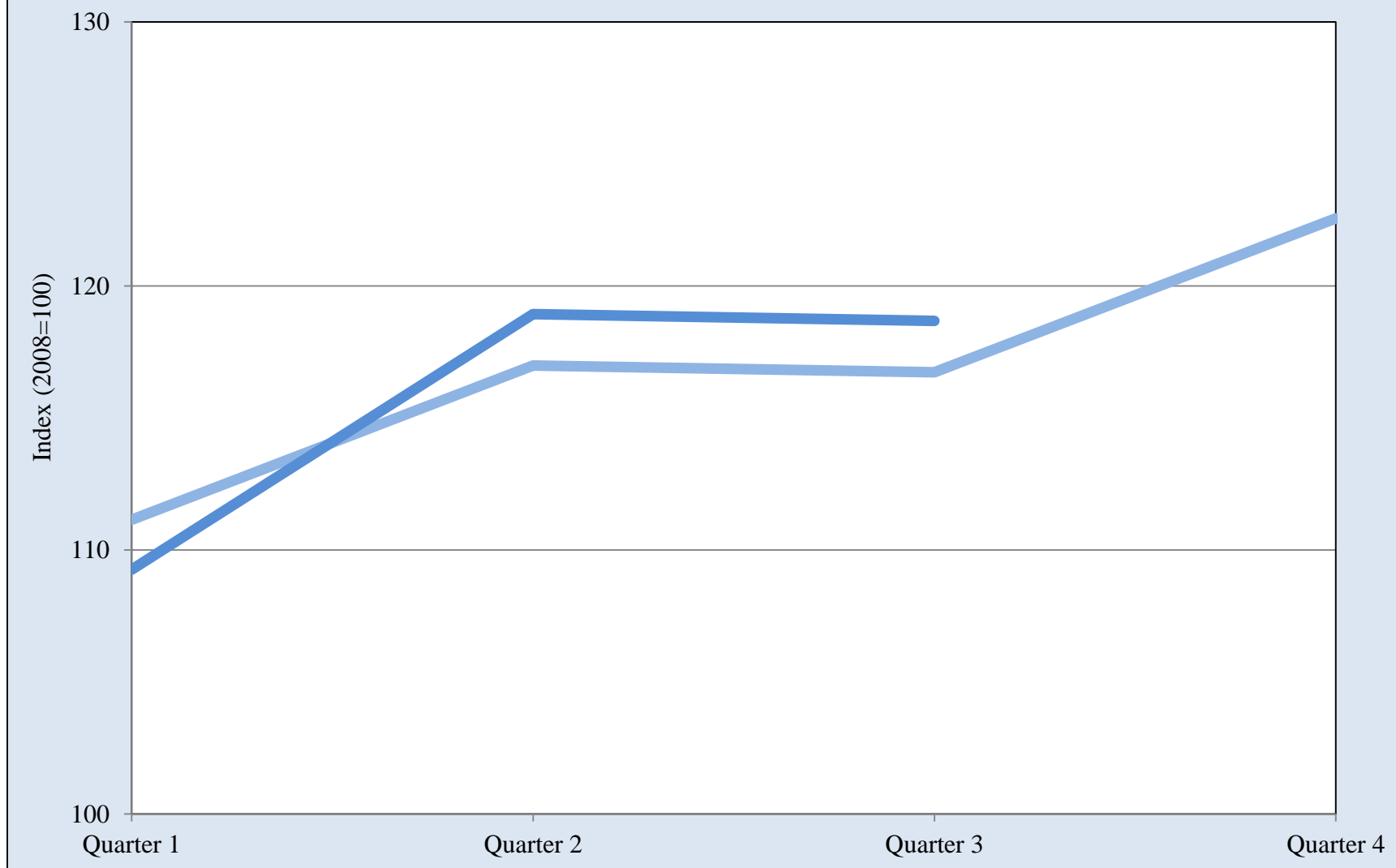
Northern Mexico Manufacturing Orders Index



Source: Banco de México

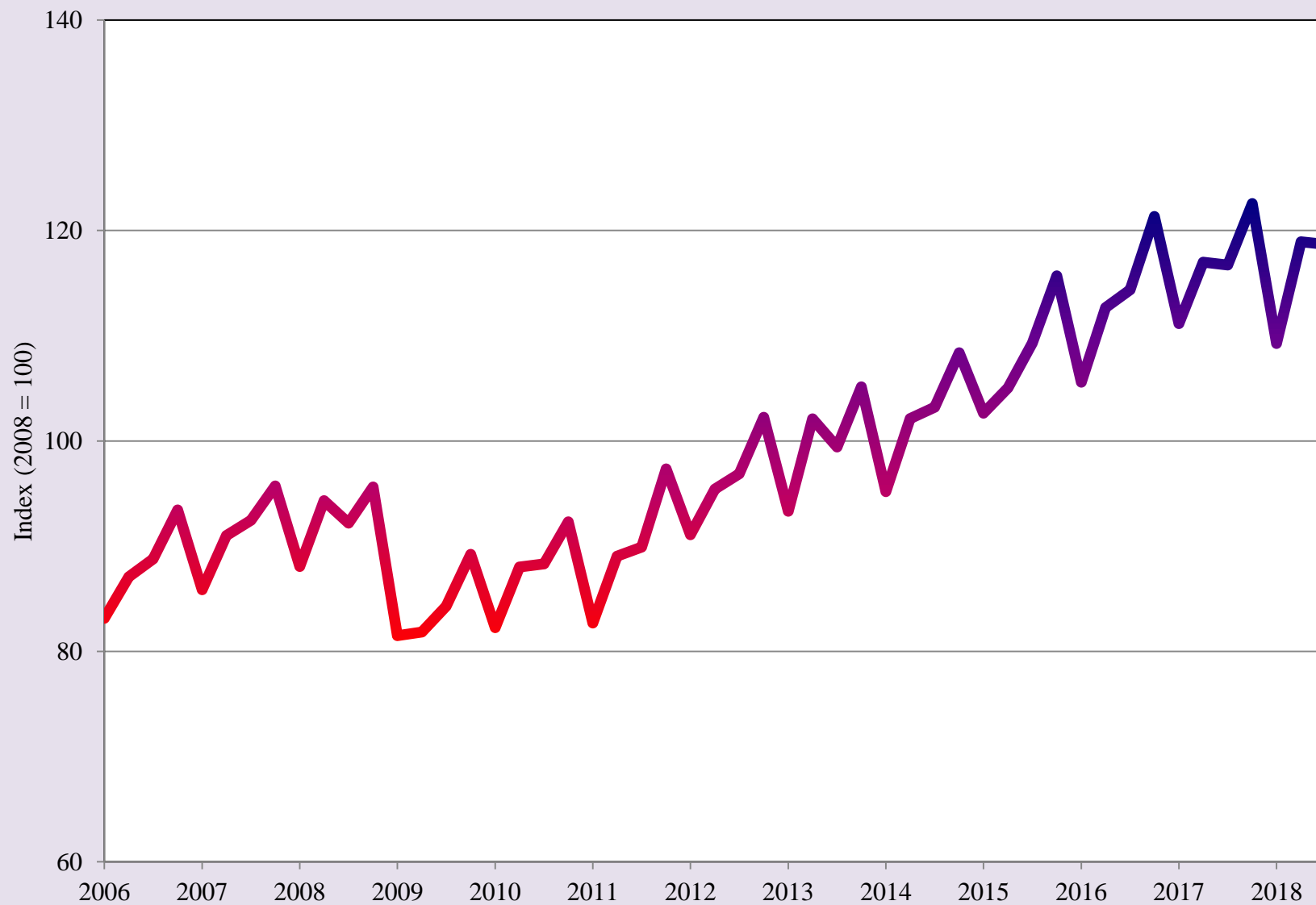
Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2017 — 2018



Source: INEGI

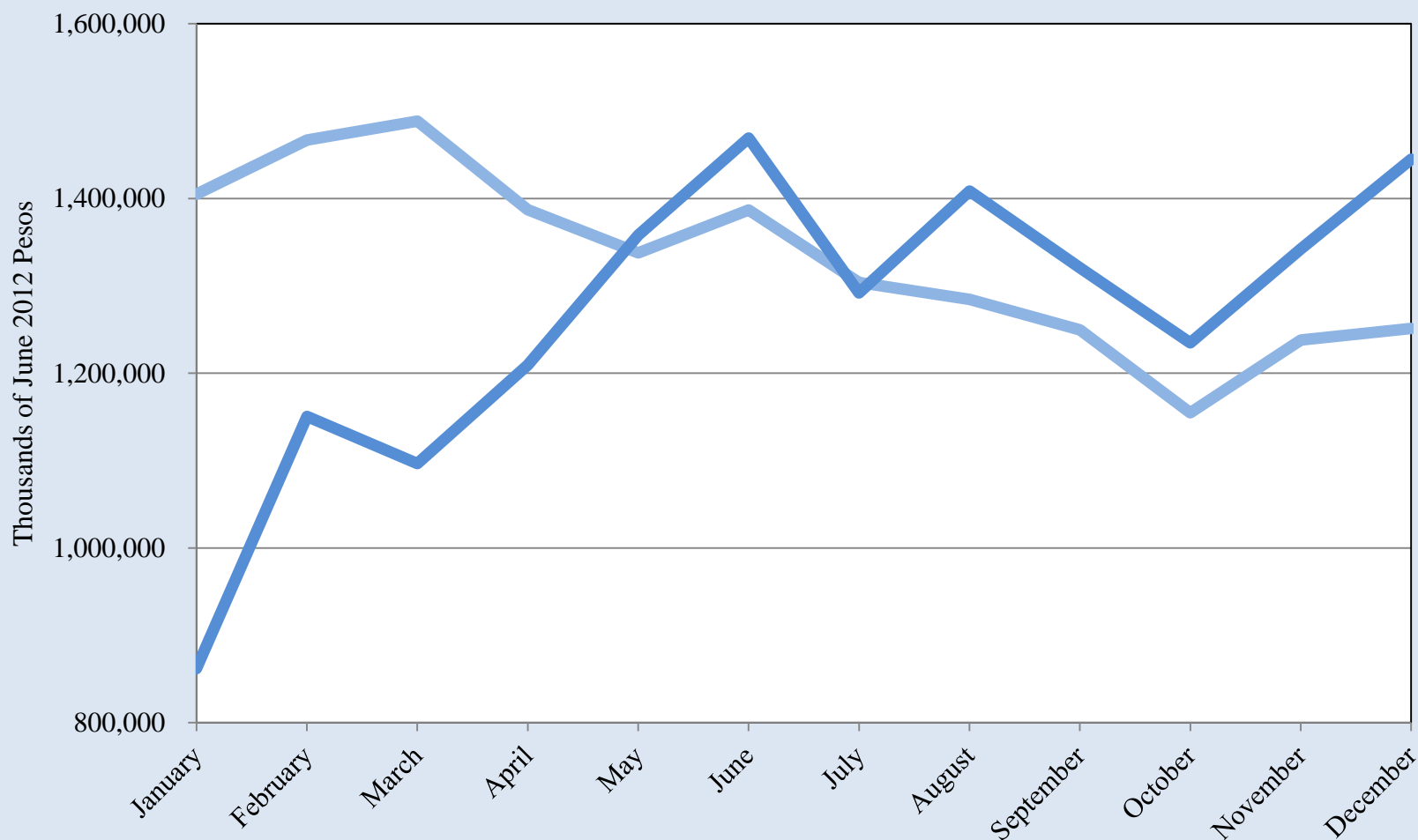
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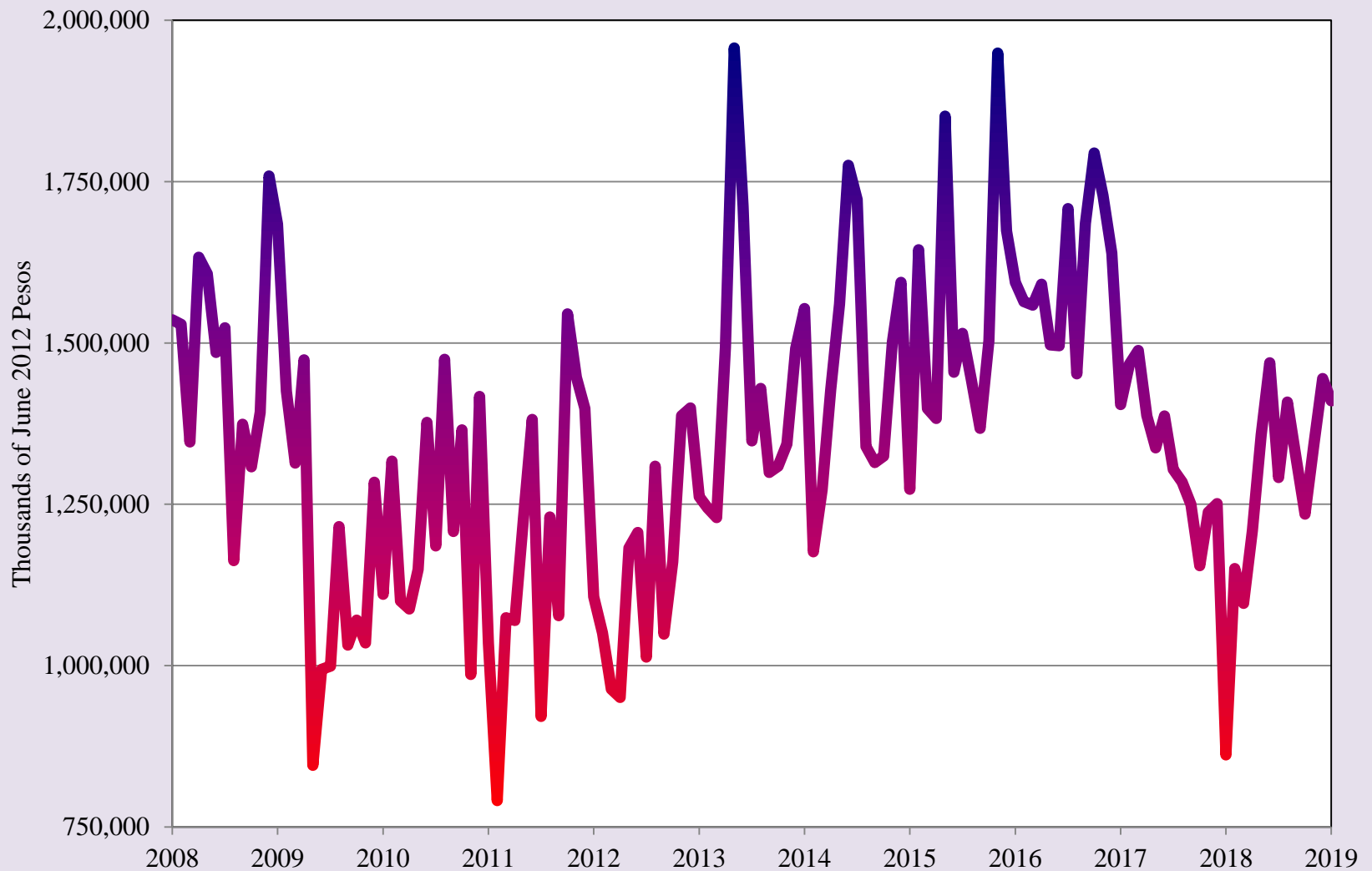
Total Value of Construction in the State of Chihuahua

— 2017 — 2018



Source: INEGI

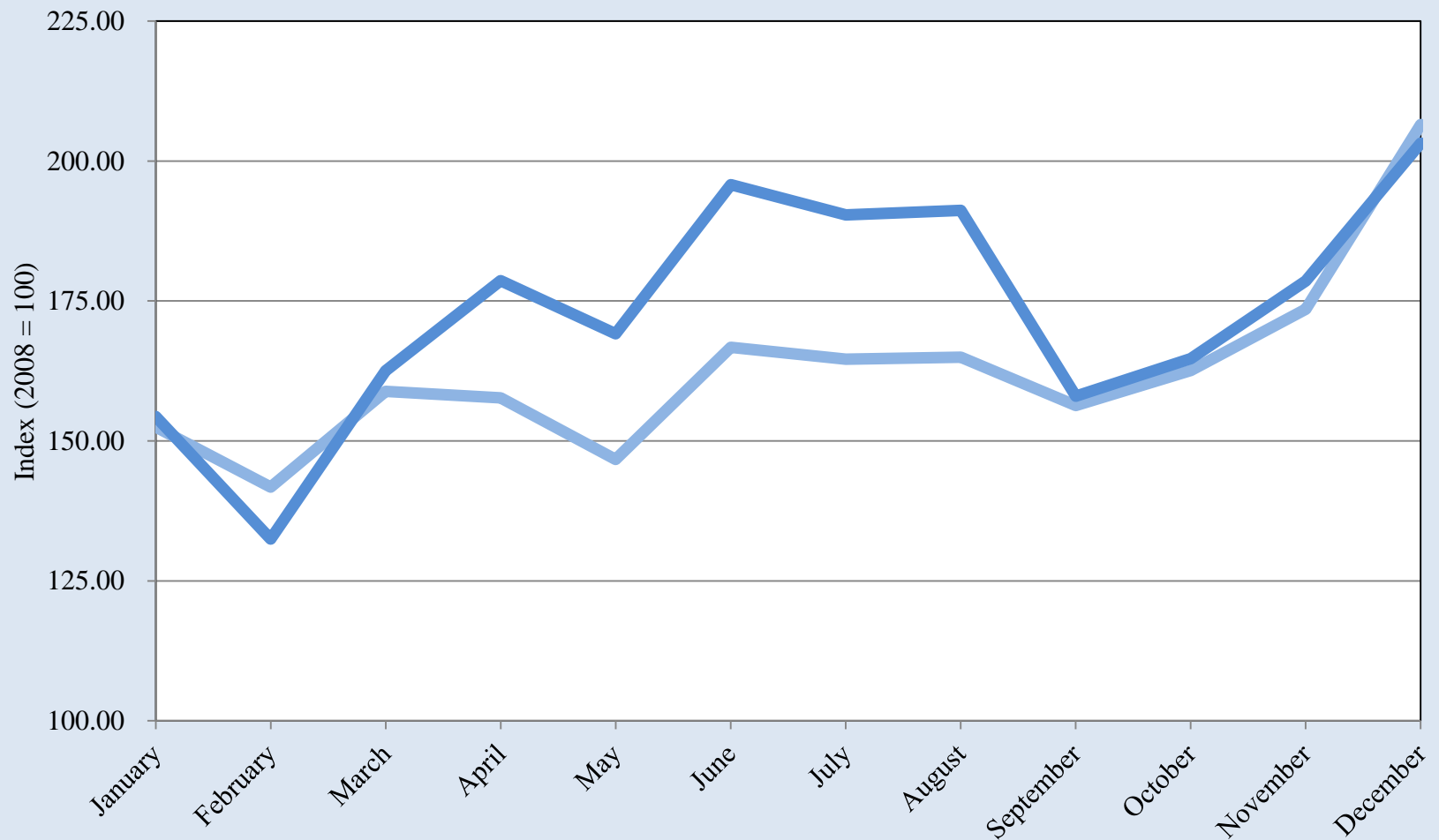
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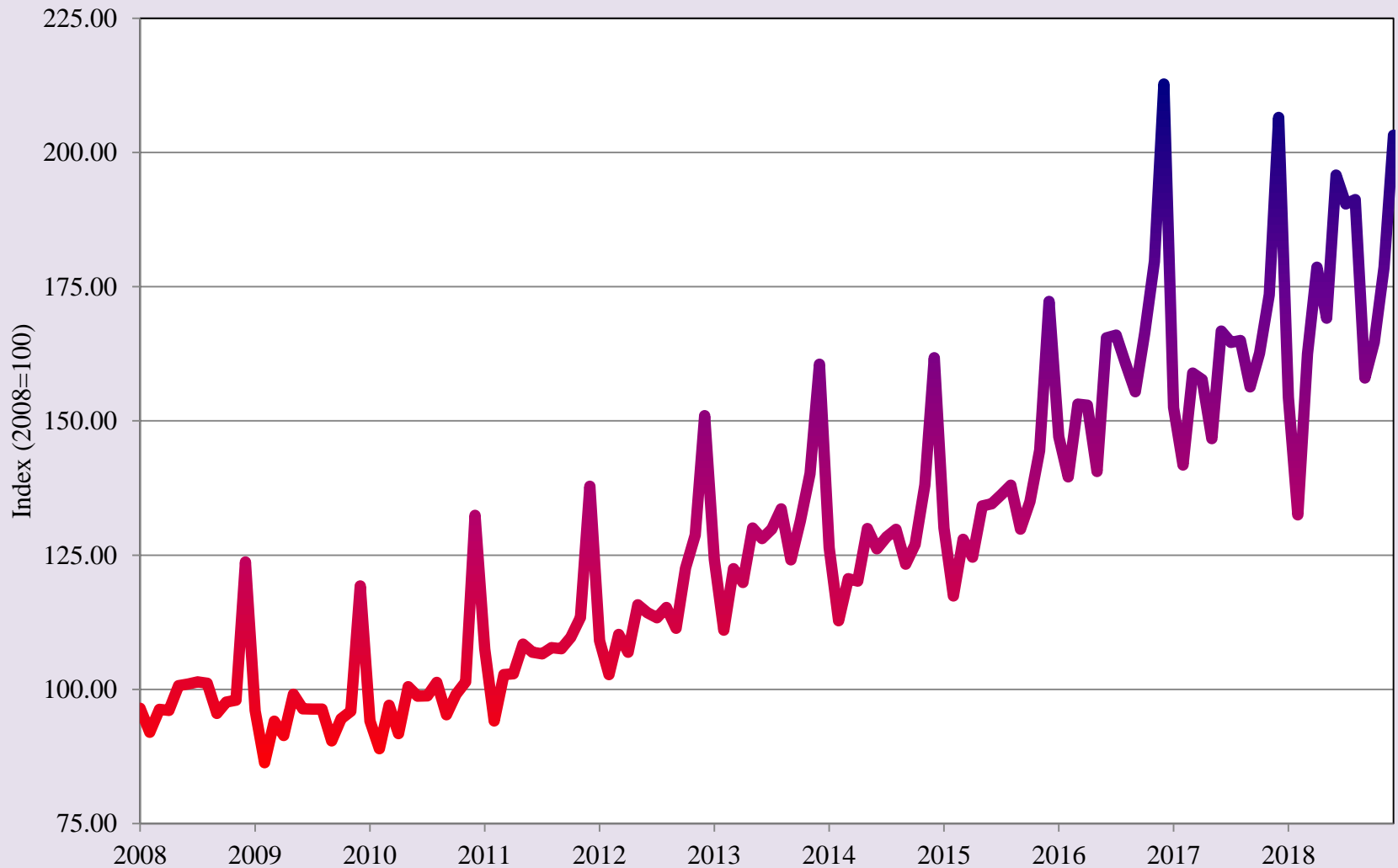
Real Retail Activity Index for the State of Chihuahua

— 2017 — 2018



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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