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Borderplex Business Barometer, Volume 3, Number 5

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BORDERPLEX BUSINESS BAROMETER

May 2019

Border Region Modeling Project

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

Border Commerce & Economics

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Could be Worse!

The El Paso Metropolitan Business Cycle Index increased, again, in April. That marks 21 consecutive months of upward movements in this gauge. Against that backdrop, the El Paso Household Economic Stress Index declined for the fourth straight month in March. That metric is now at its lowest level since June 2007, prior to the onset of the Great Recession. Similarly, the El Paso County Unemployment Rate declined to 3.9 percent in March, more than 50 basis points below the rate observed in March 2018. El Paso County Supplemental Nutrition Assistance Program (SNAP or Food Stamp) enrollment declined sharply to 150,553 in April. That represents a reduction of more than 23,000 cases compared to year-ago levels.

On a year-over-year basis, the median housing price for existing units in El Paso rose by 3.2 percent to \$159,500 in April. Underlying that upward movement in prices, the April 2019 housing inventory levels remain below 4 months for a sixth consecutive month. The average price for regular gasoline inched above \$2.53 per gallon in April. That price is close to year-ago levels, but remains comfortably below what was observed throughout 2014 when prices averaged more than \$3 per gallon for most of the year.

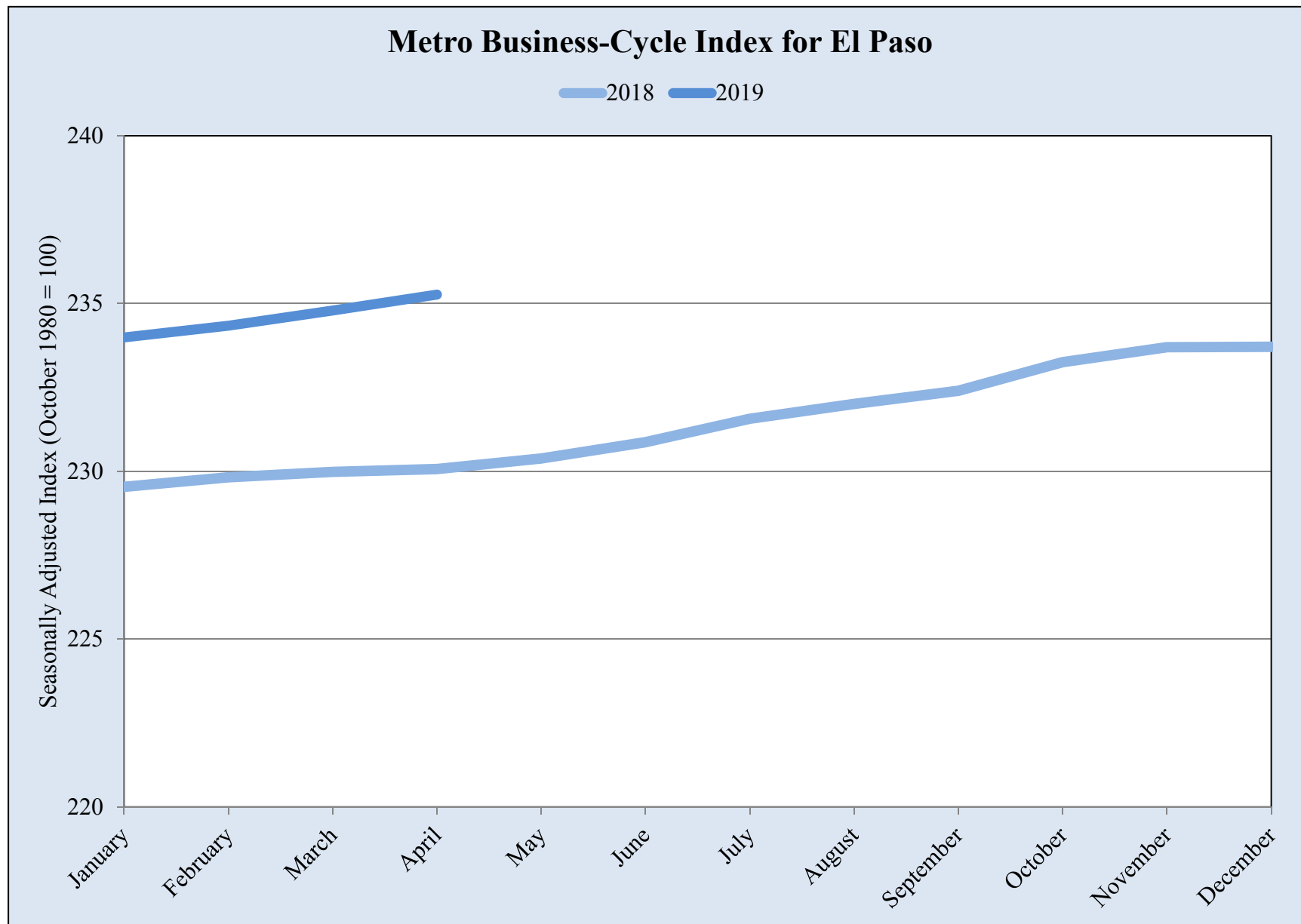
At 5.7 percent, the March Doña Ana County unemployment rate was 20 basis points below year-ago levels. Because the labor force expanded during the twelve preceding months, the drop in the jobless rate reflects local labor market strength. Along those lines, Las Cruces Area SNAP (Food Stamp) enrollments declined to 26,958 in March.

The peso-per-dollar nominal exchange rate has lingered near P/\$ 19.00 during the first four months of 2019. The 40 percent gap separating the exchange rate from Borderplex restaurant price ratio indicates that peso is substantially undervalued against the dollar. Barring any financial or economic disasters, more peso strengthening is likely. As downtown retailers in El Paso are aware, real peso appreciation makes goods and services priced in dollars become more affordable to customers from Mexico.

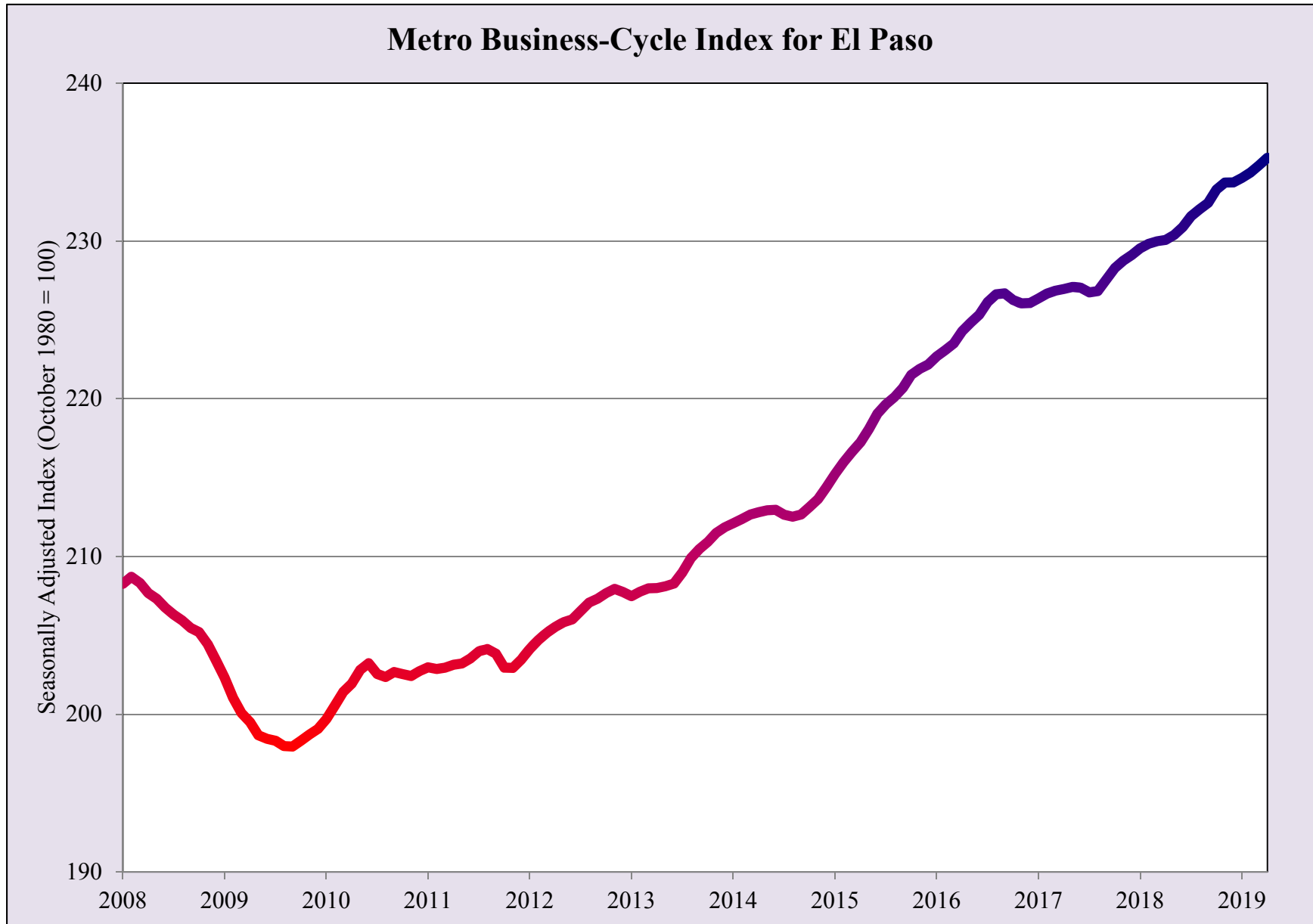
The extended delays caused by insufficient bridge staffing continues to impact personal vehicle traffic flows across the international bridges. In spite of those delays, cargo vehicle flows across the bridges increased during the first quarter, suggesting that regional trade relations between the United States and Mexico remain salubrious. Even after adjusting for inflation, total trade through the El Paso Customs District also grew during the first quarter.

Export manufacturing employment in Ciudad Juarez grew at a fast clip in both January and February. That is not surprising. The Northern Mexico Manufacturing

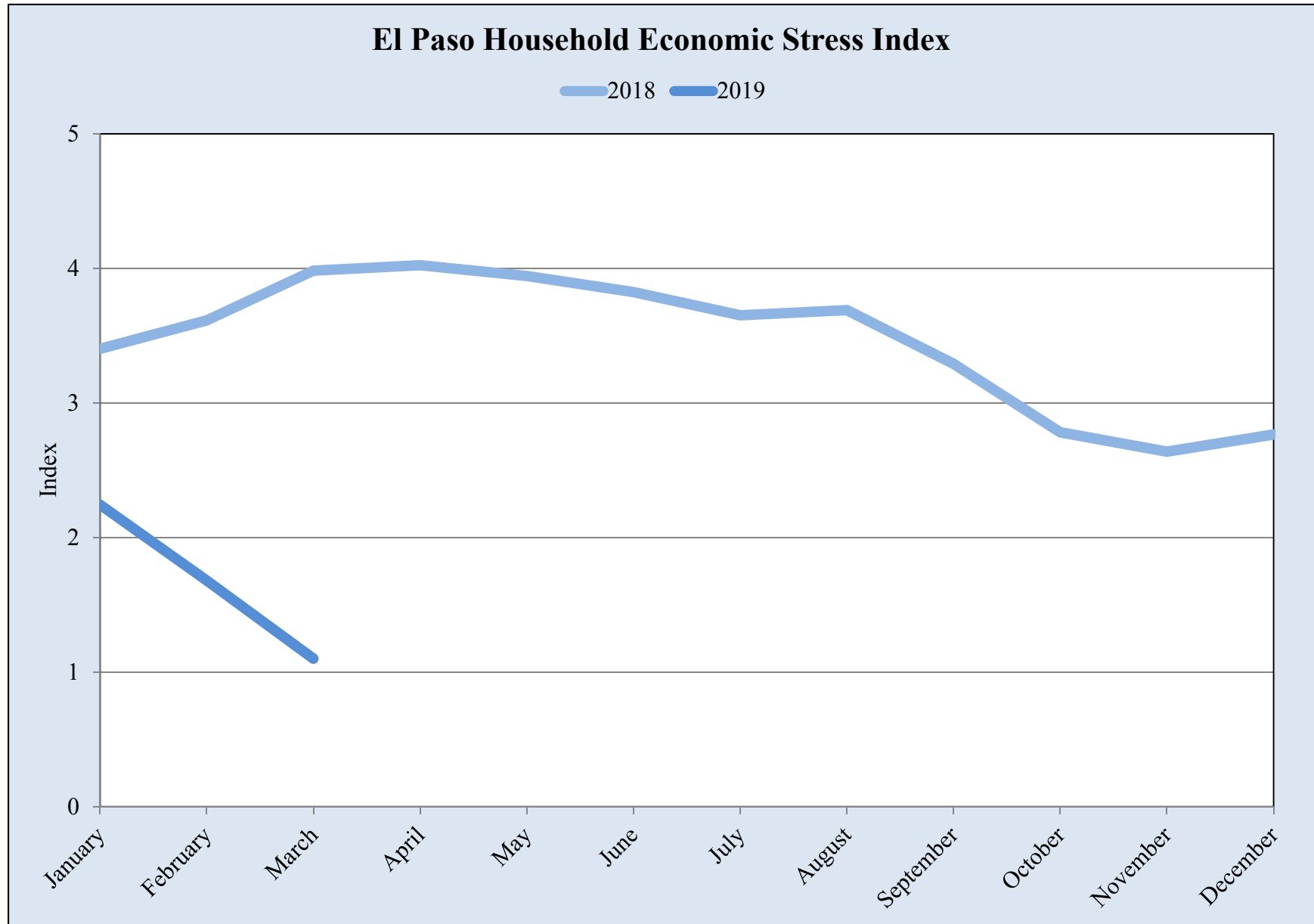
Orders Index was six percentage points higher, on average, in 2018 than in 2017. The quarterly indicator of Economic activity for the State of Chihuahua was also higher during most of 2018 than it was in 2017. Unfortunately, policy uncertainties seem to have affected regional investment flows and Chihuahua State construction volumes fell on a year-to-year basis in February 2019. On a more positive note, real retail activity was higher in both January and February than it was during the corresponding months in 2018.



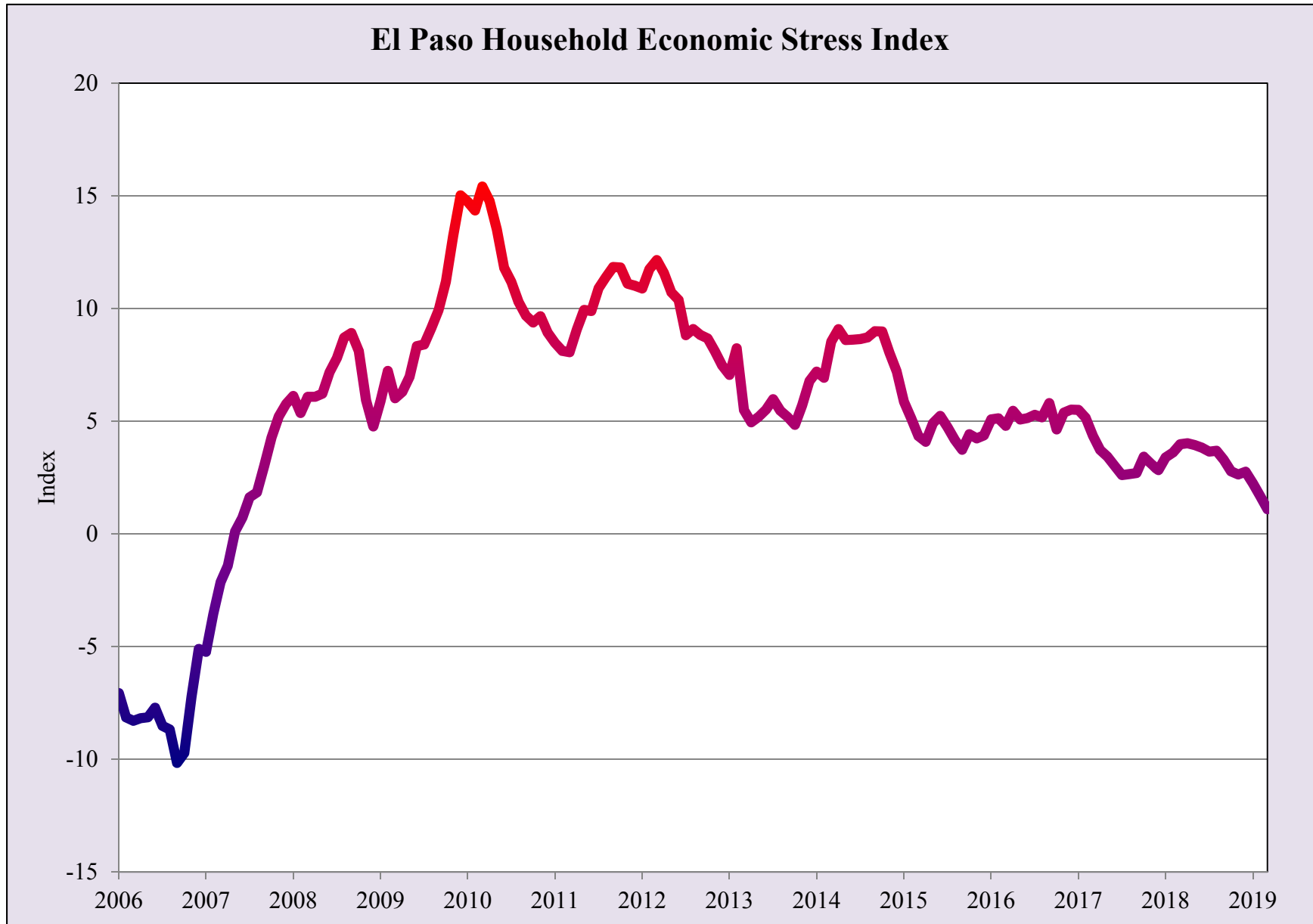
Source: Federal Reserve Bank of Dallas



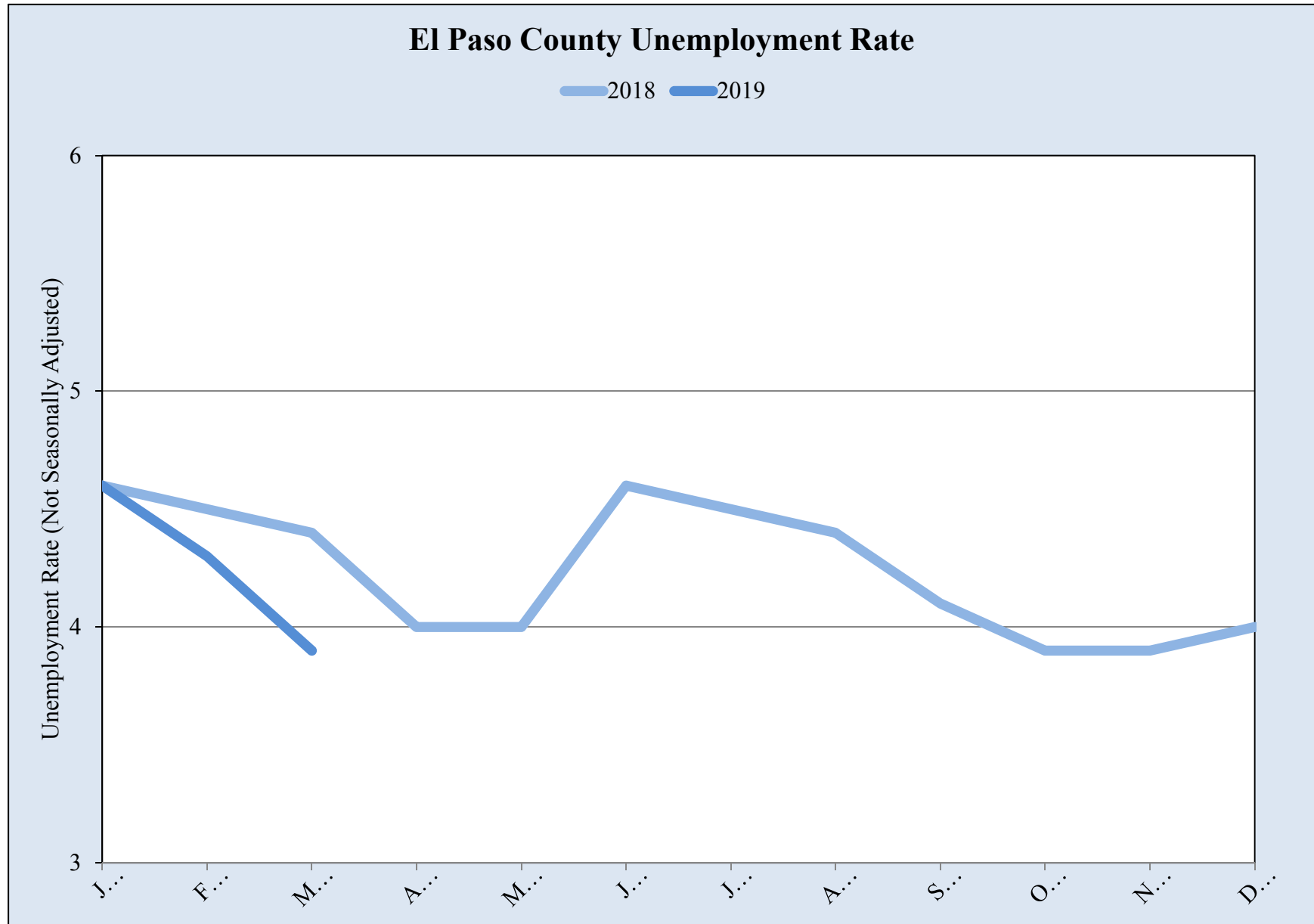
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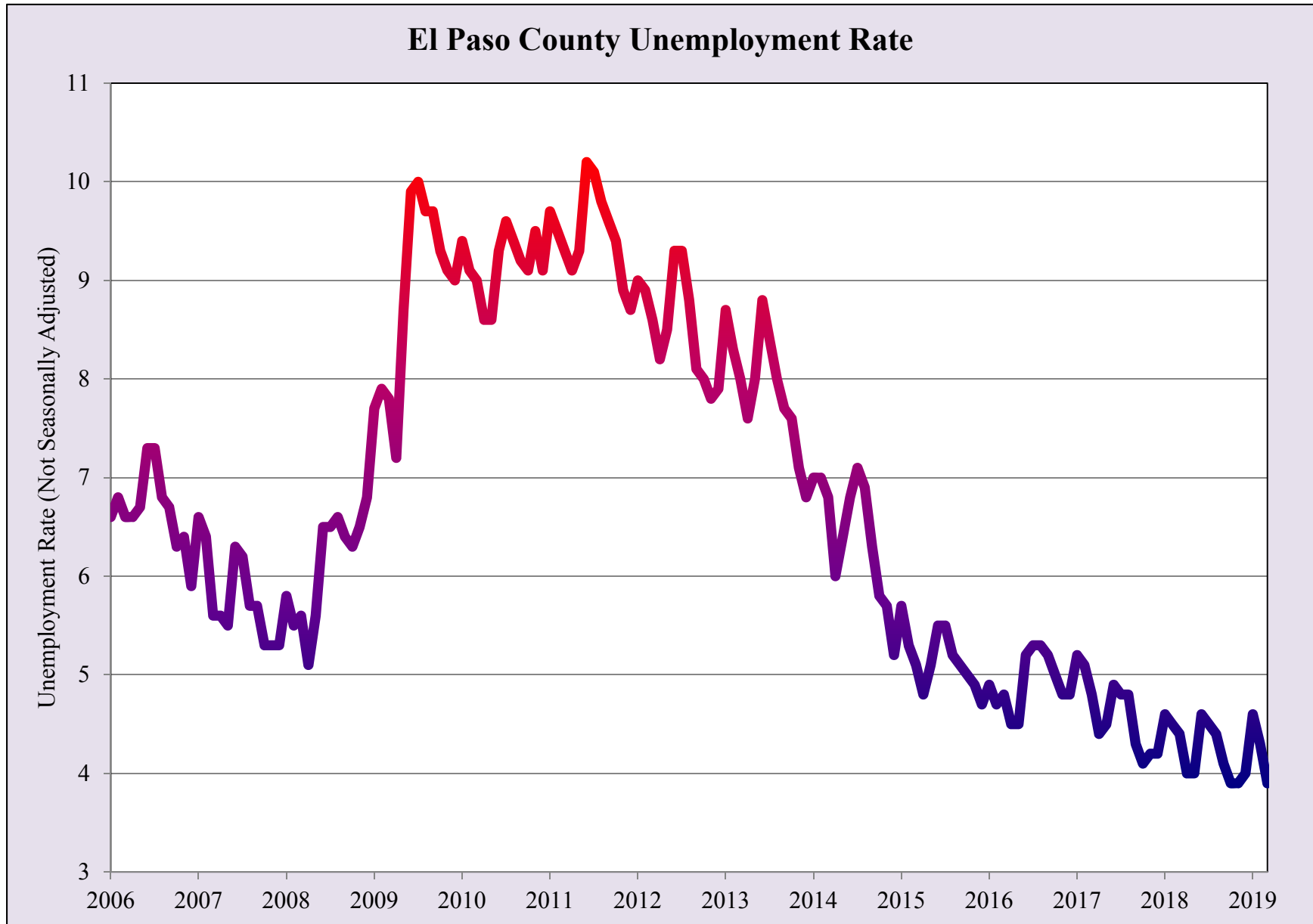
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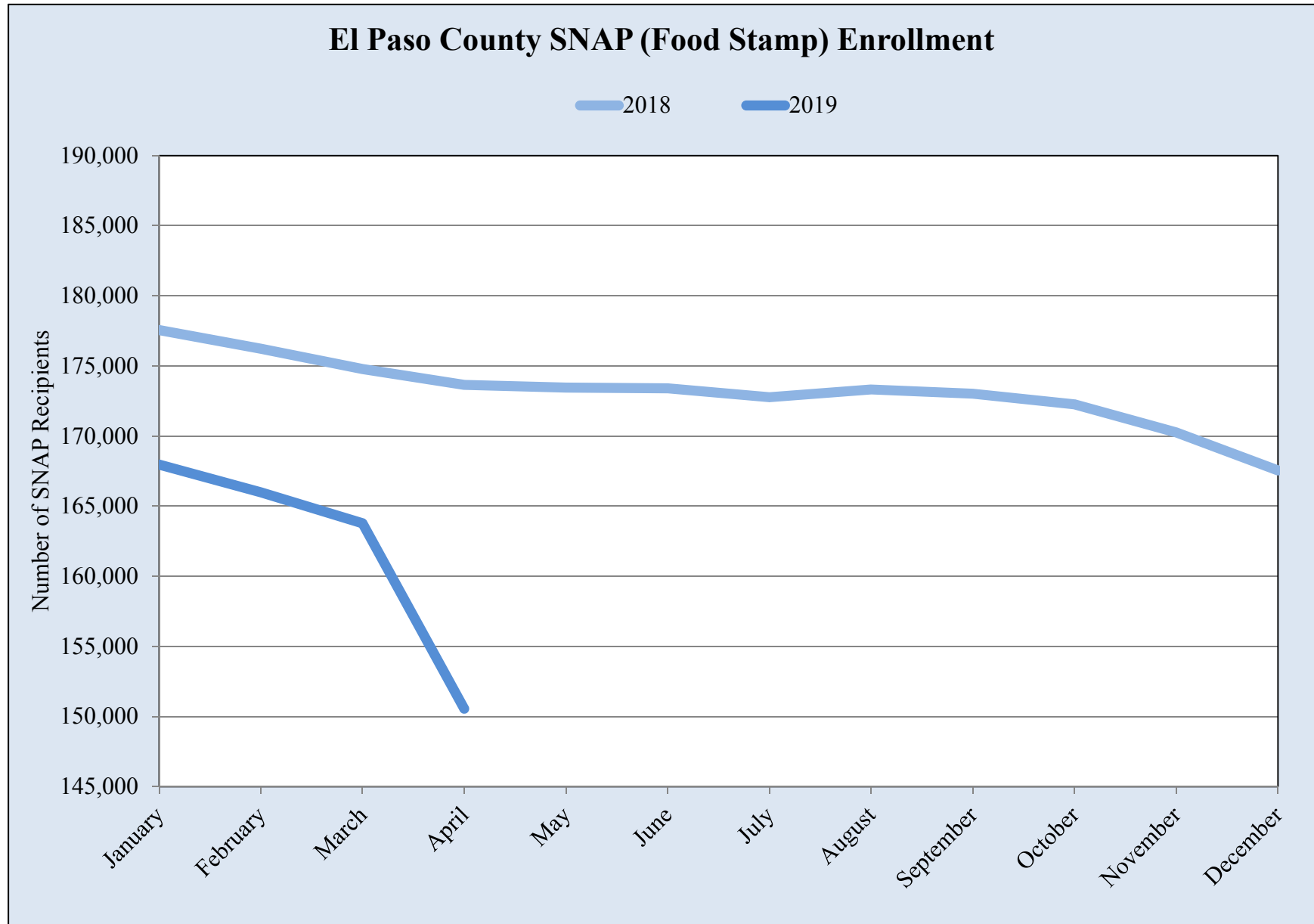
Source: UTEP Border Region Modeling Project



Source: Bureau of Labor Statistics



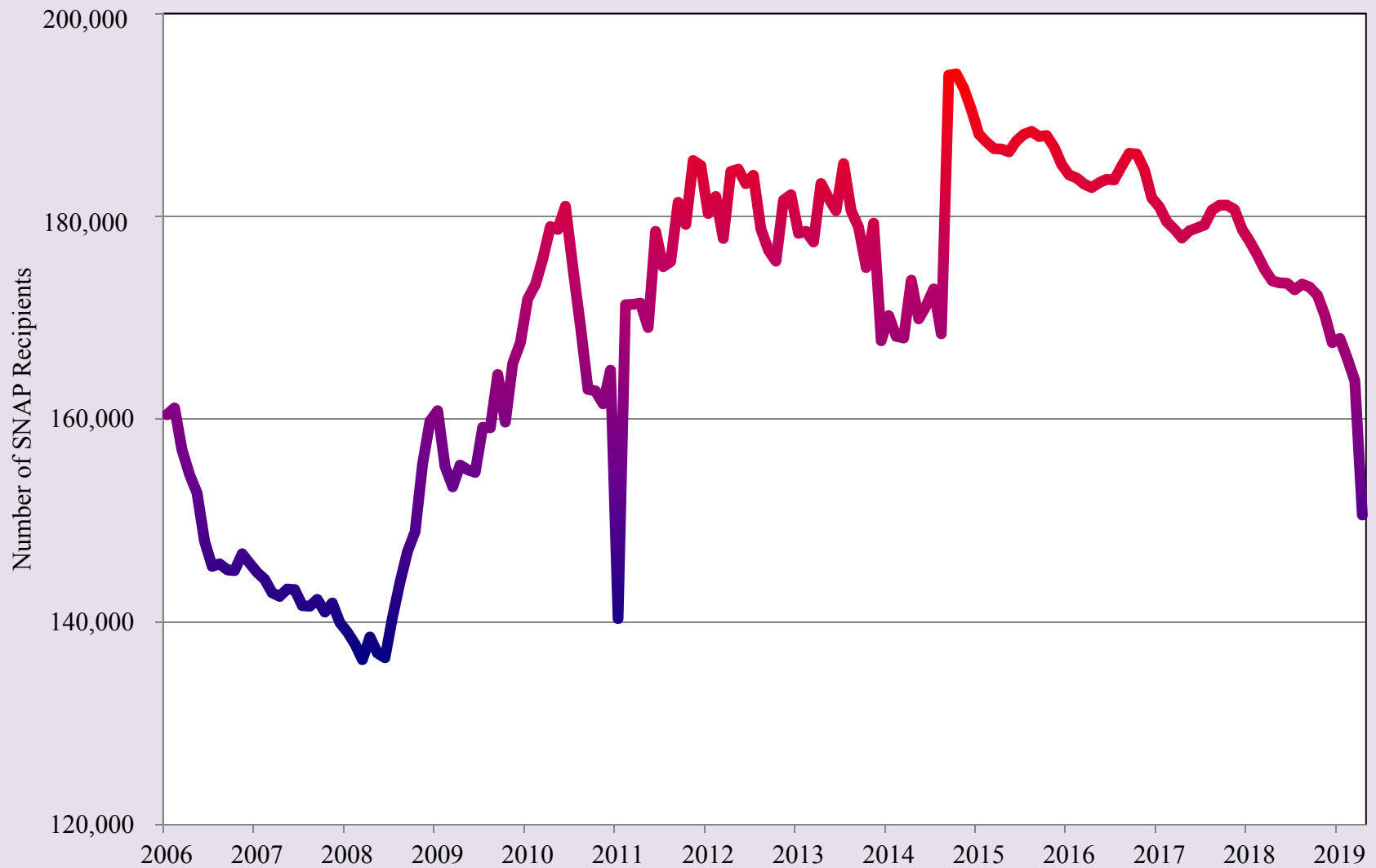
Source: Bureau of Labor Statistics



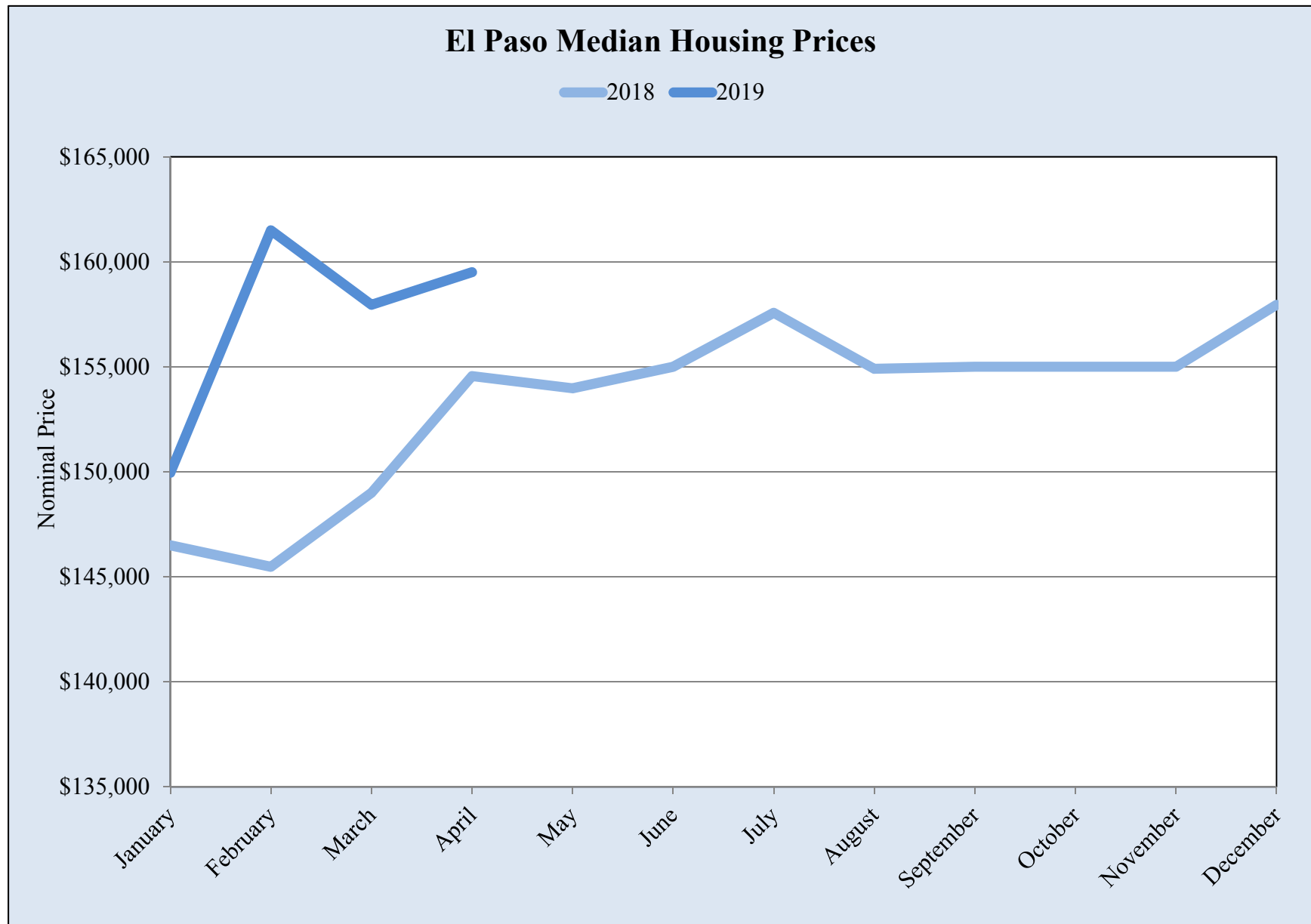
Source: Texas Health and Human Services Commission



El Paso County SNAP (Food Stamp) Enrollment



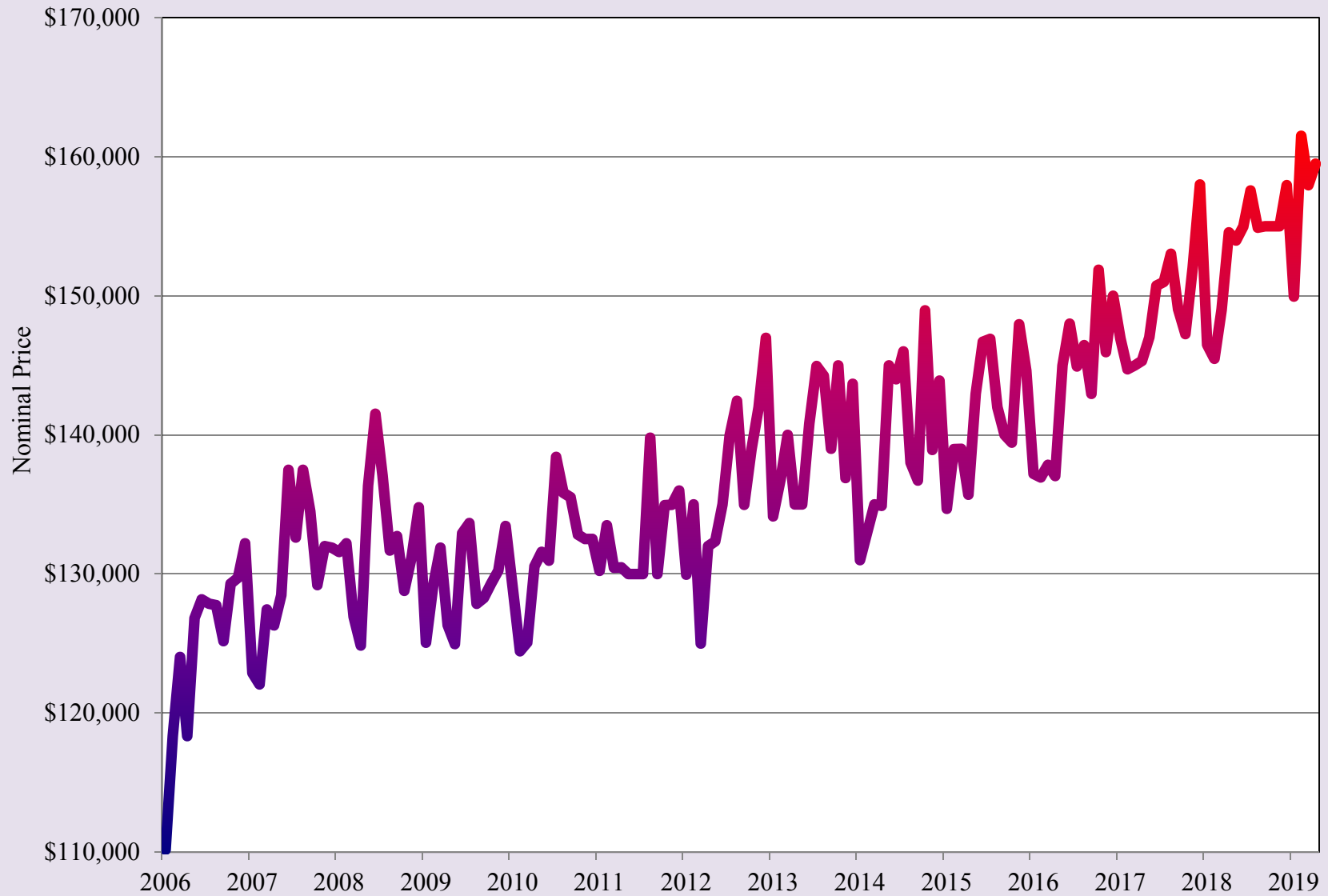
Source: Texas Health and Human Services Commission



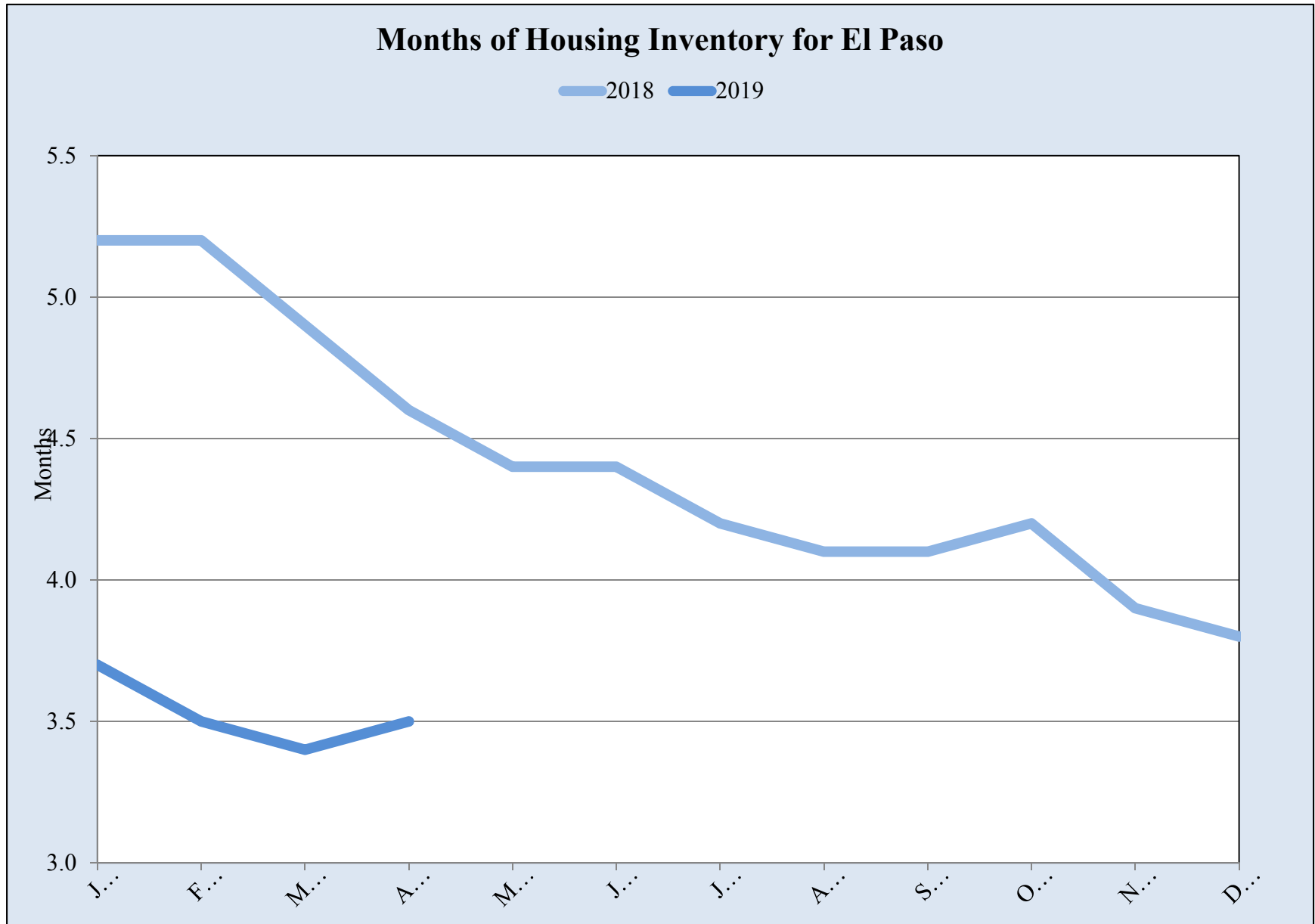
Source: Texas A&M Real Estate Center



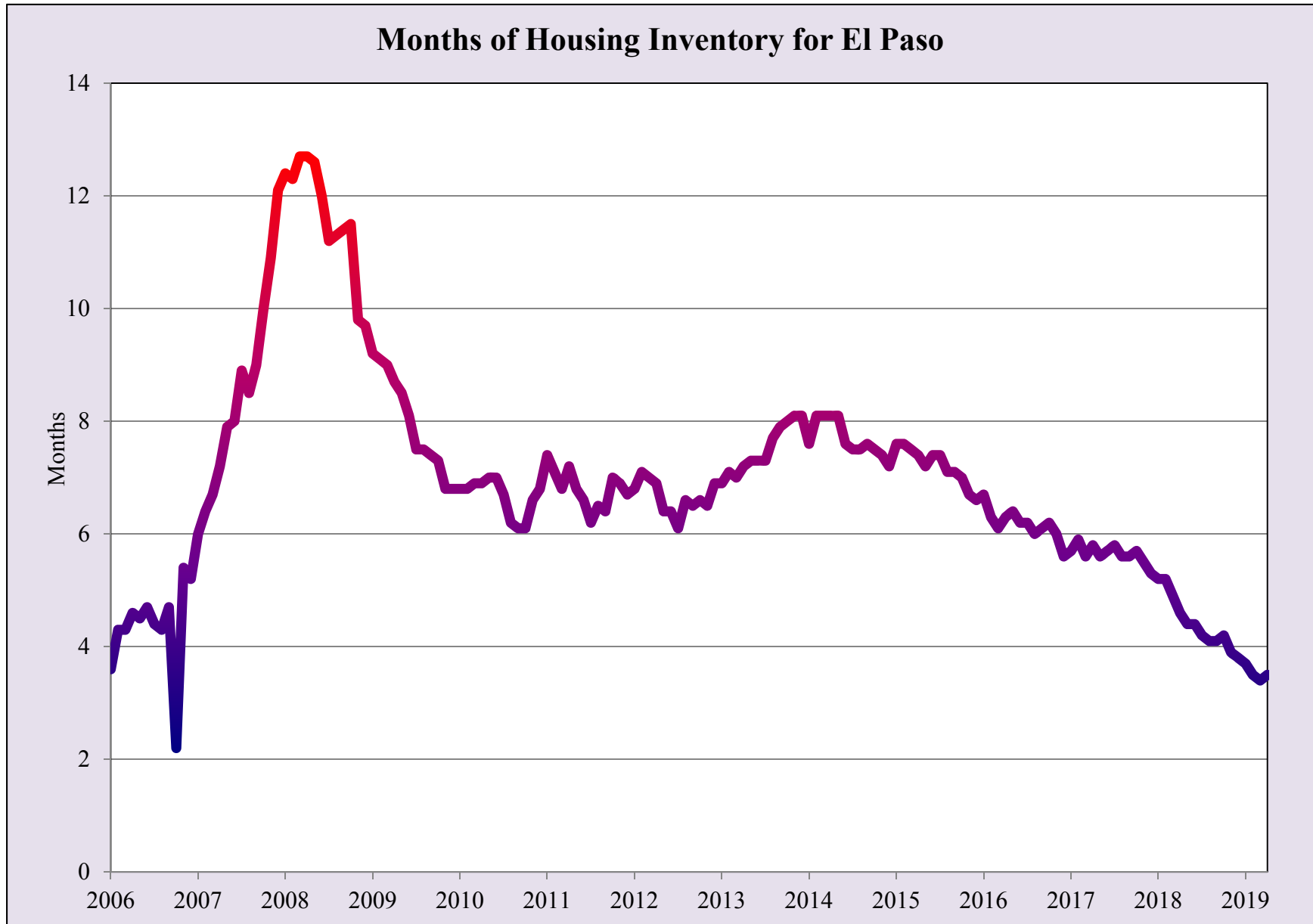
El Paso Median Housing Prices



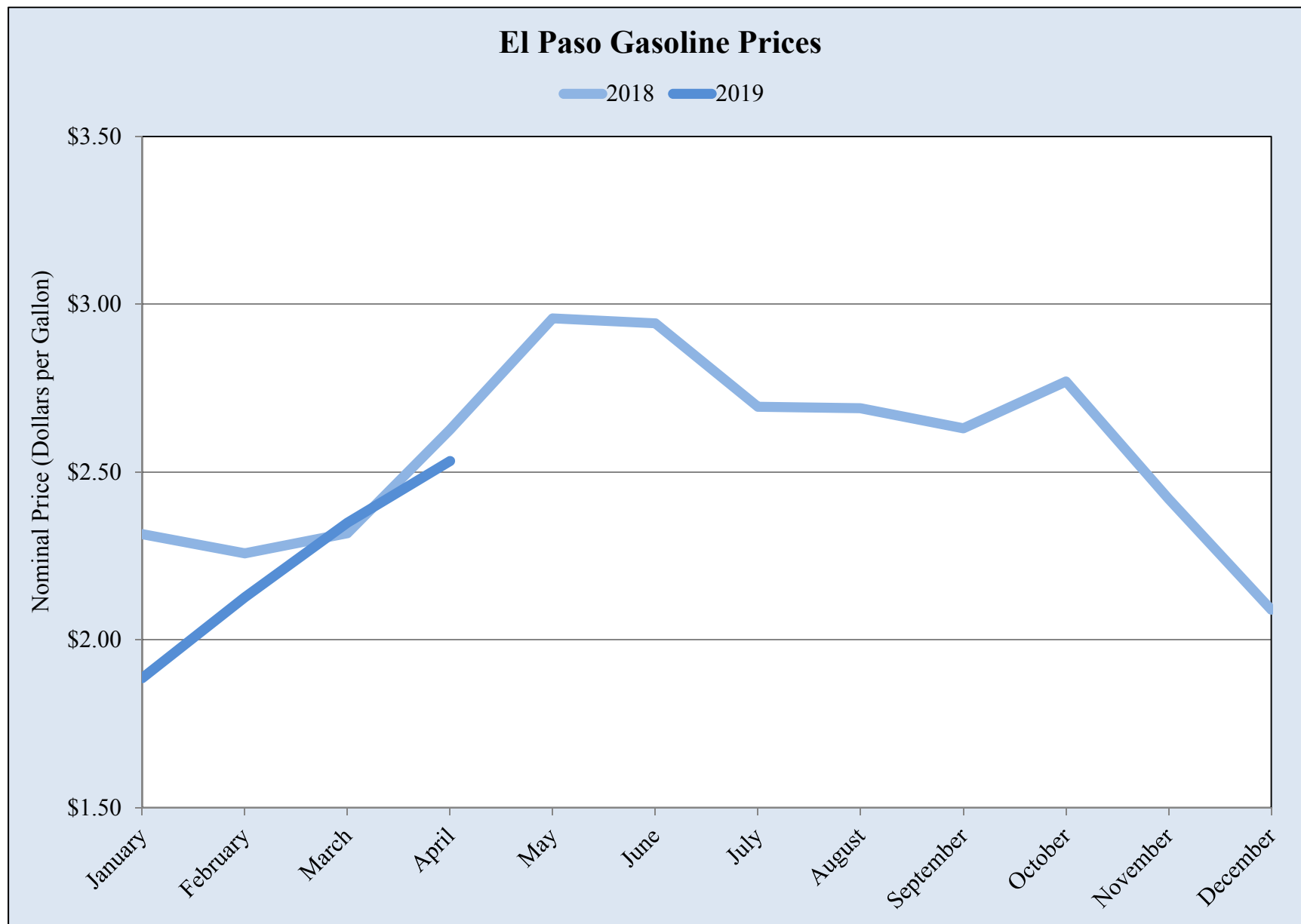
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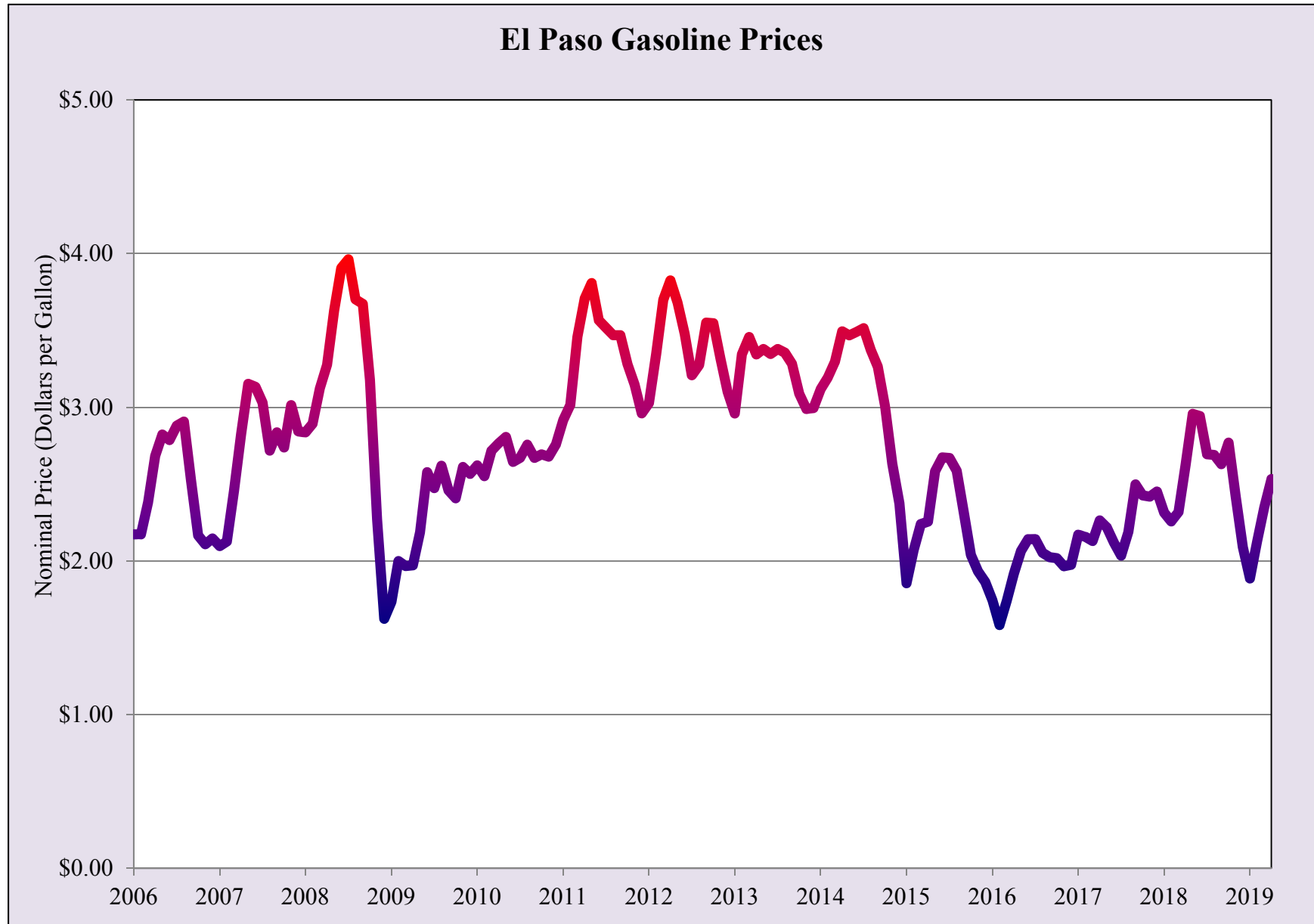
Source: Texas A&M Real Estate Center



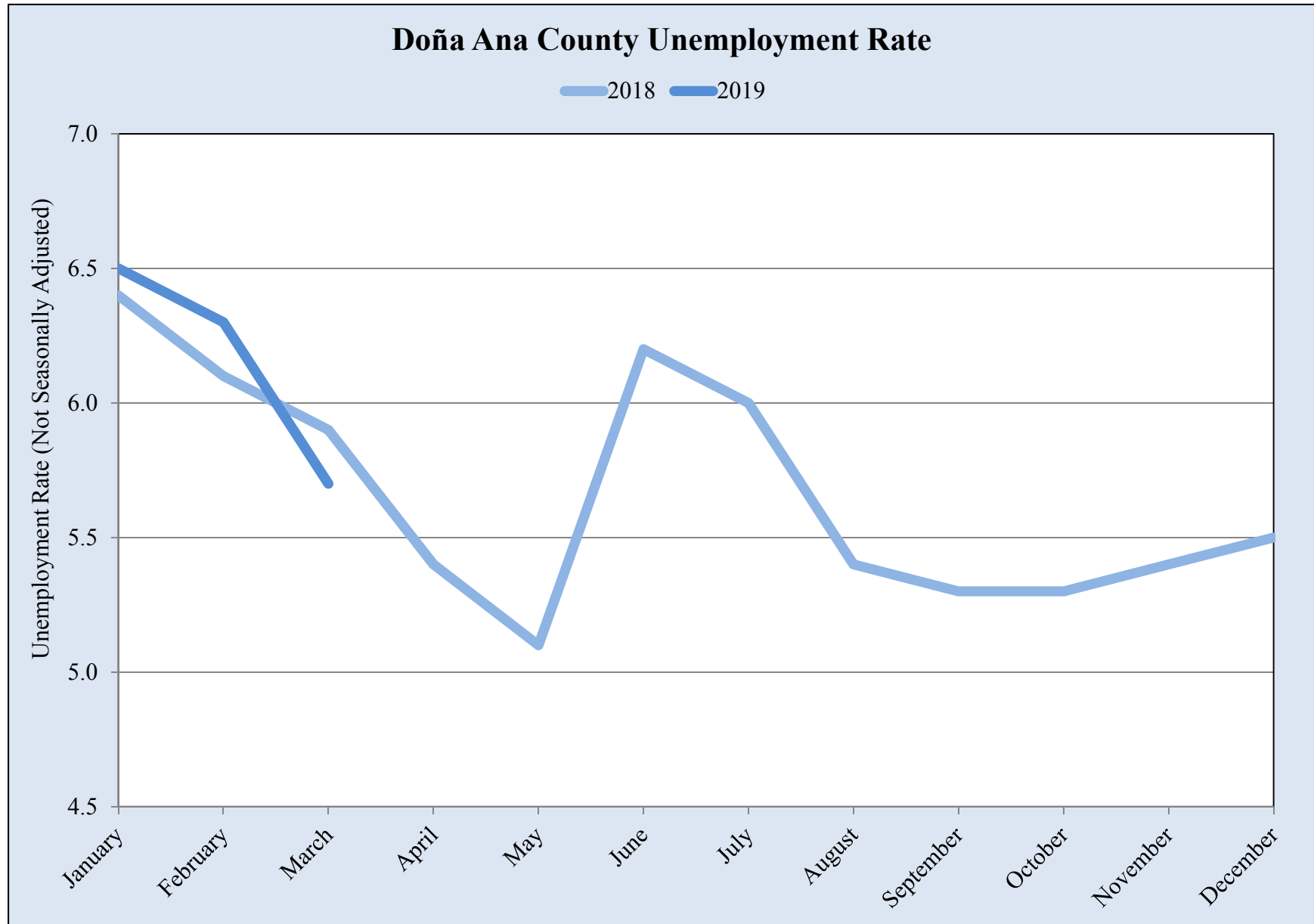
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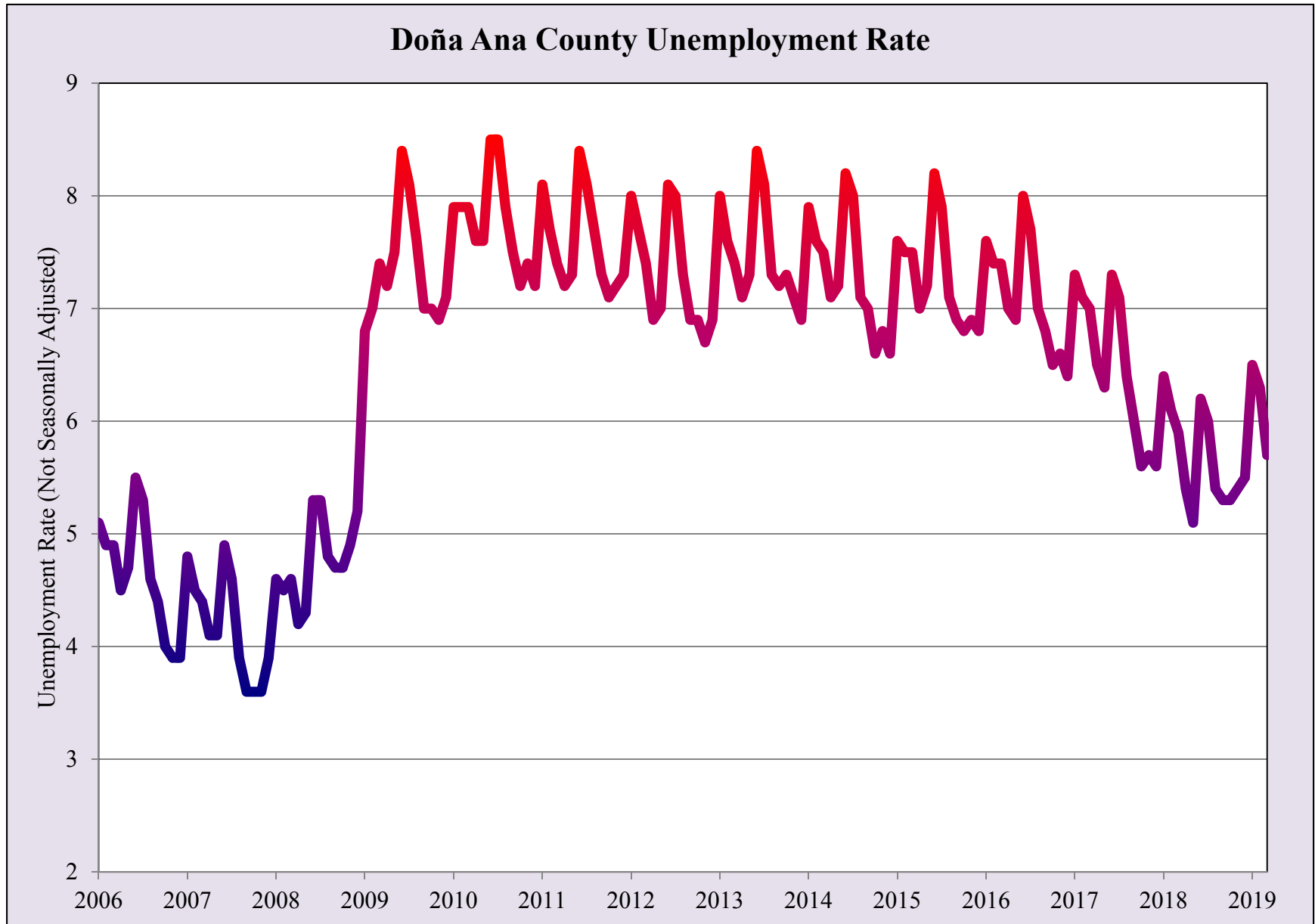
Source: GasBuddy.com



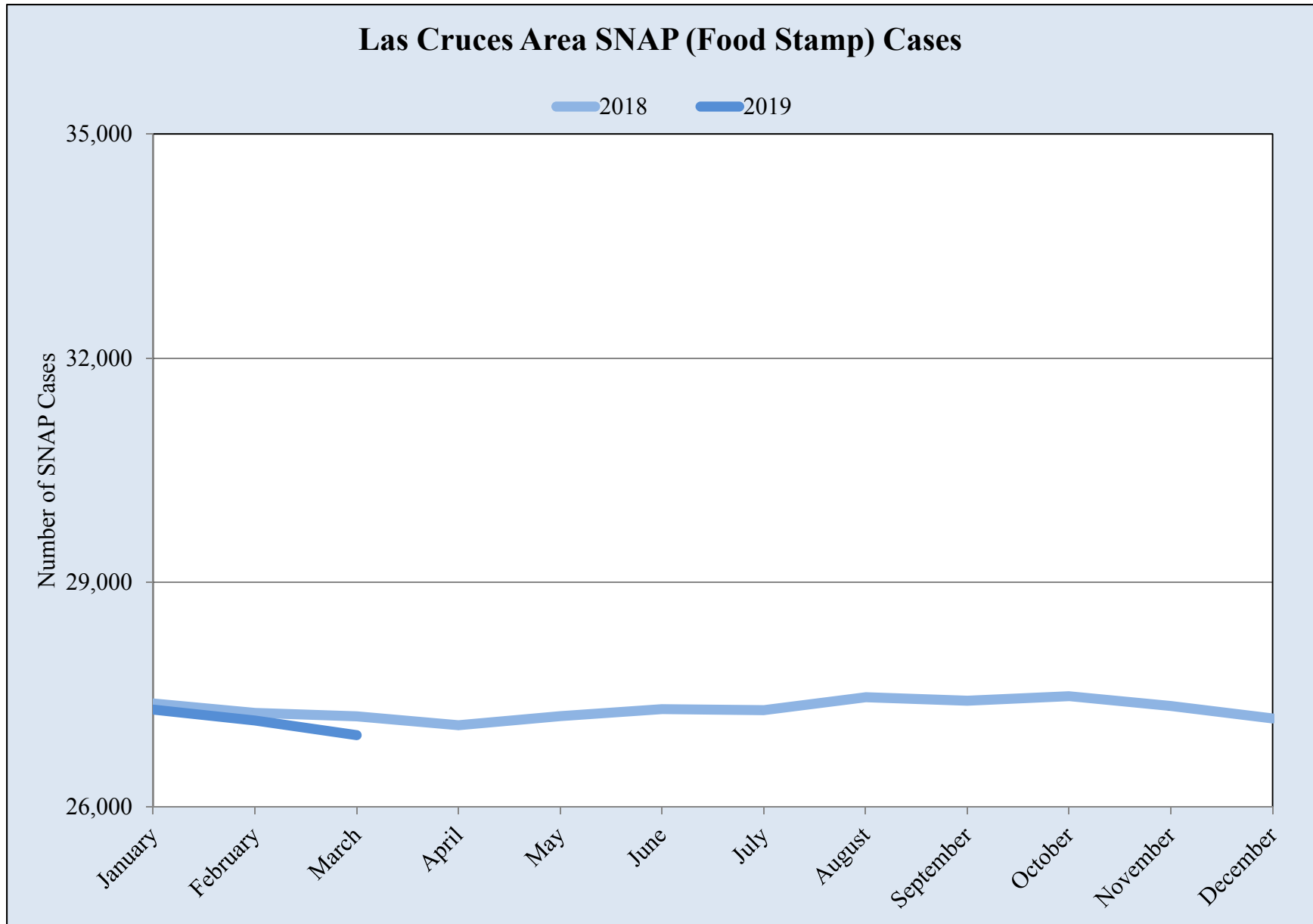
Source: GasBuddy.com



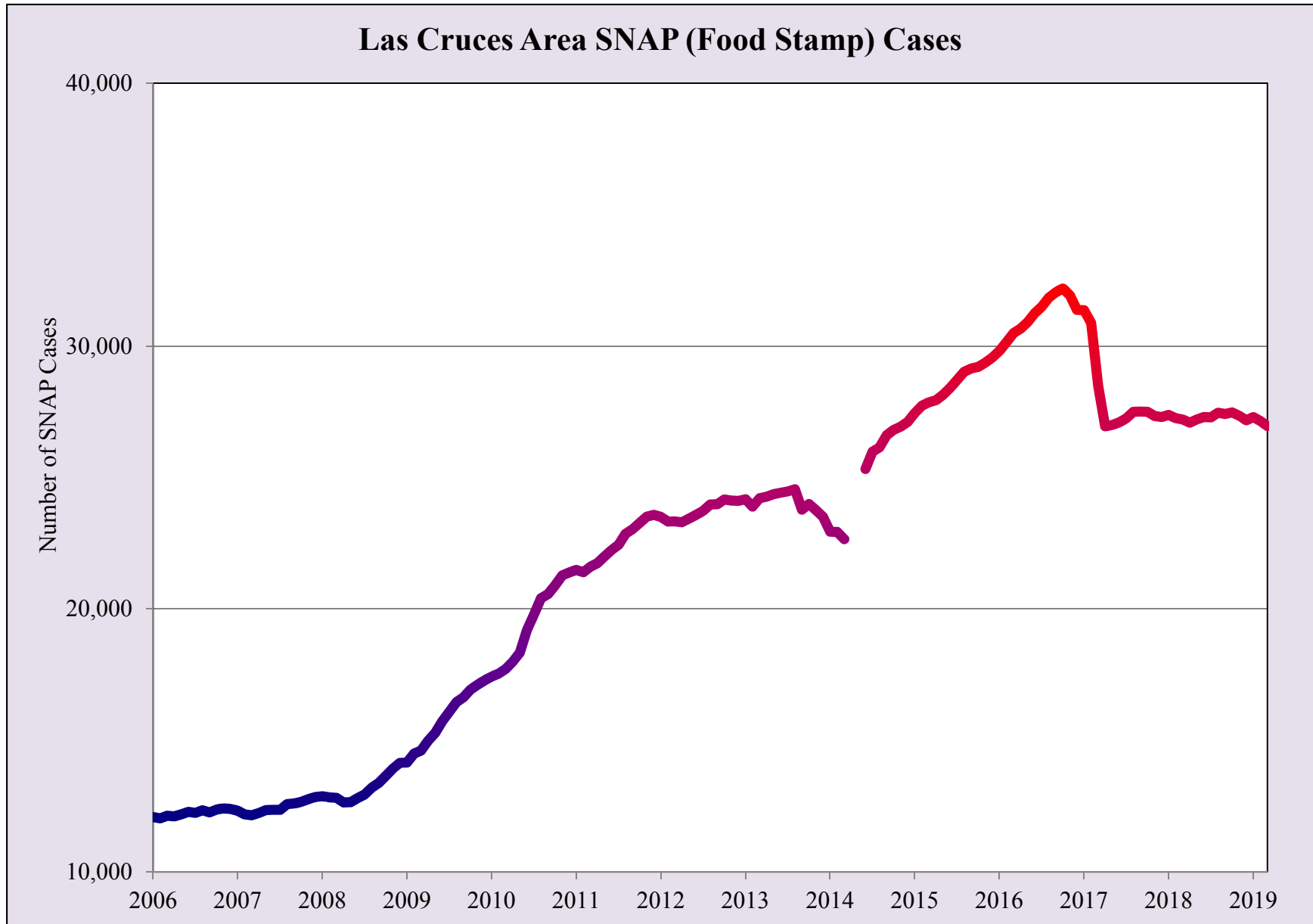
Source: Bureau of Labor Statistics



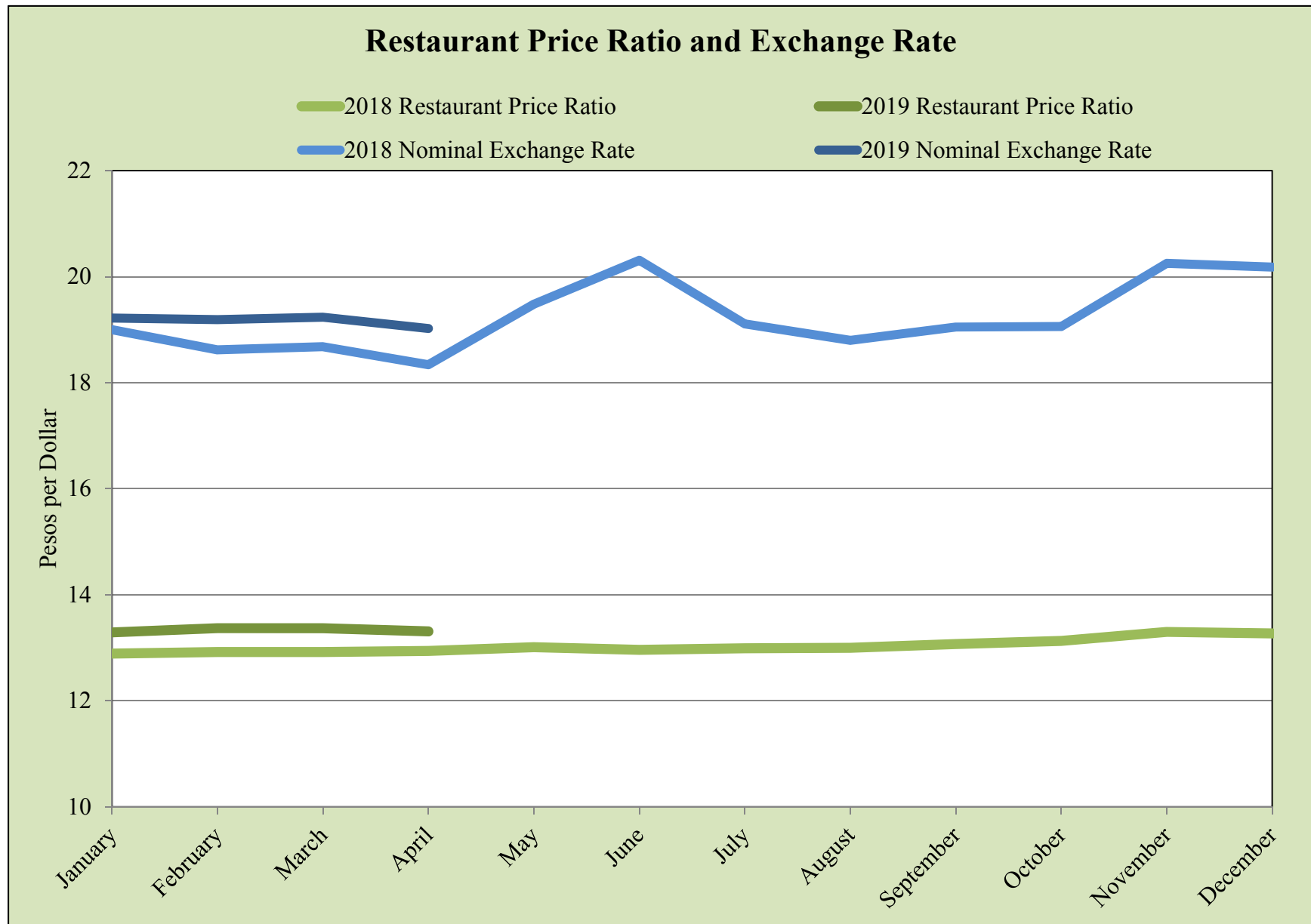
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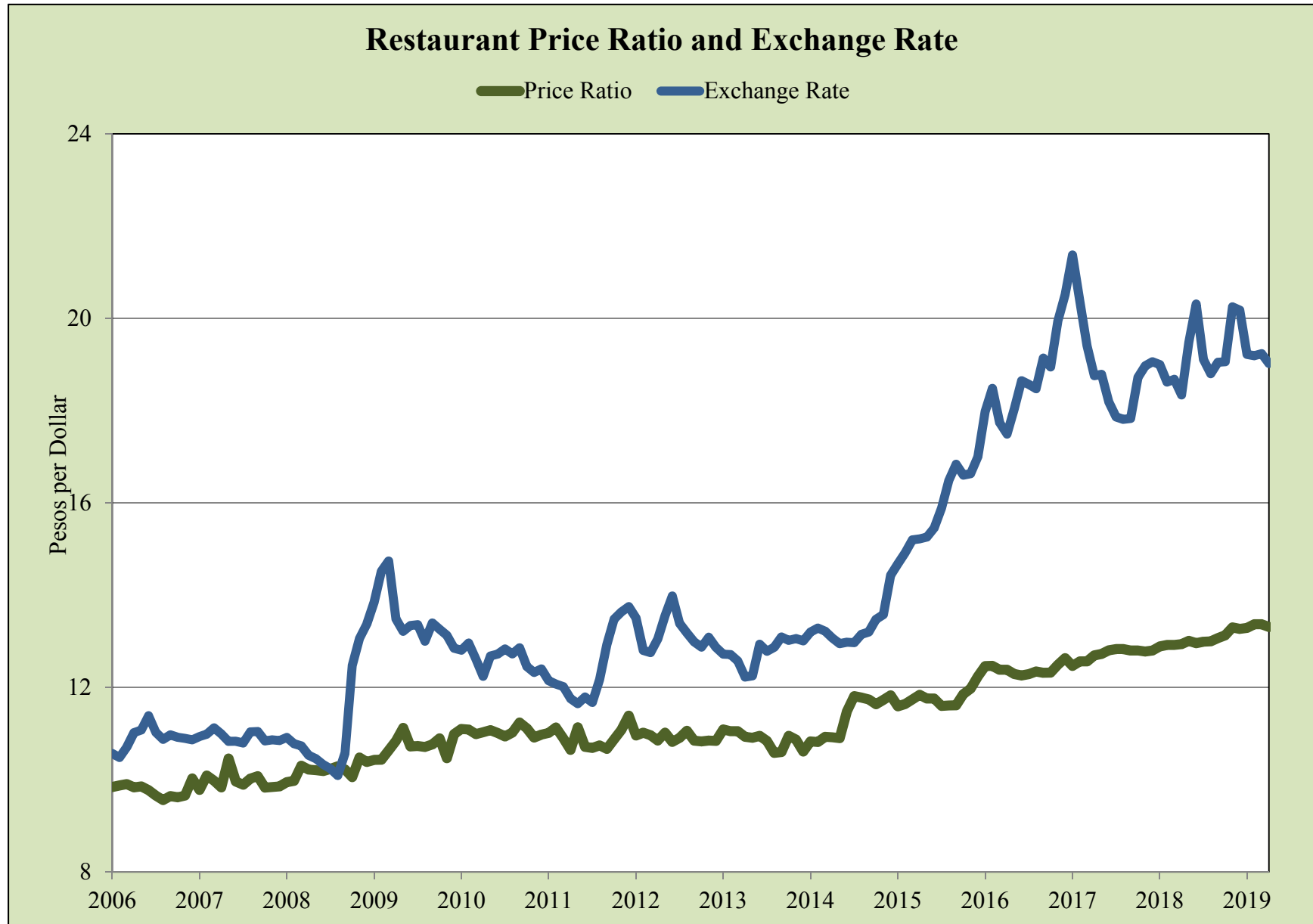
Source: New Mexico Human Services Department



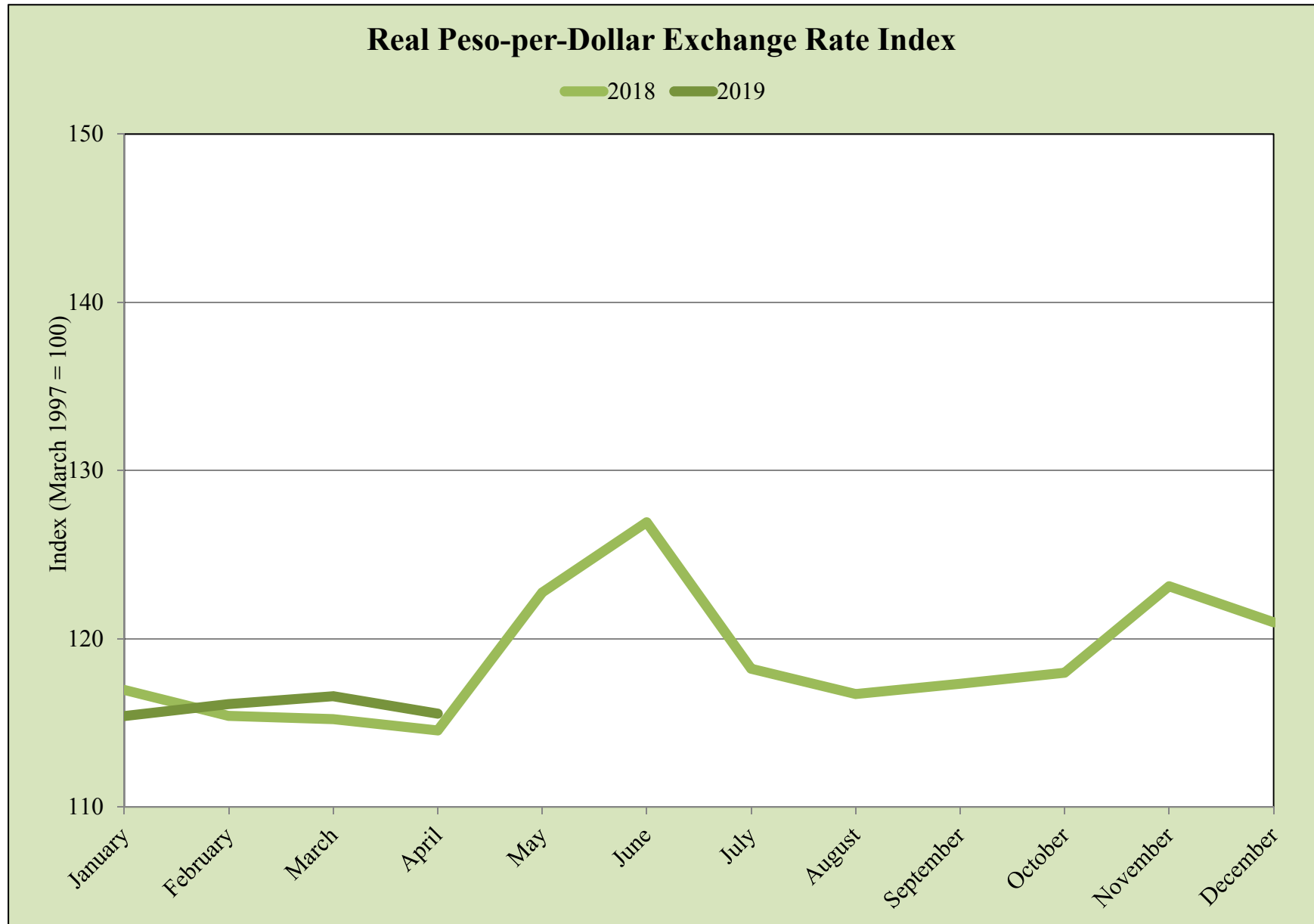
Source: New Mexico Human Services Department



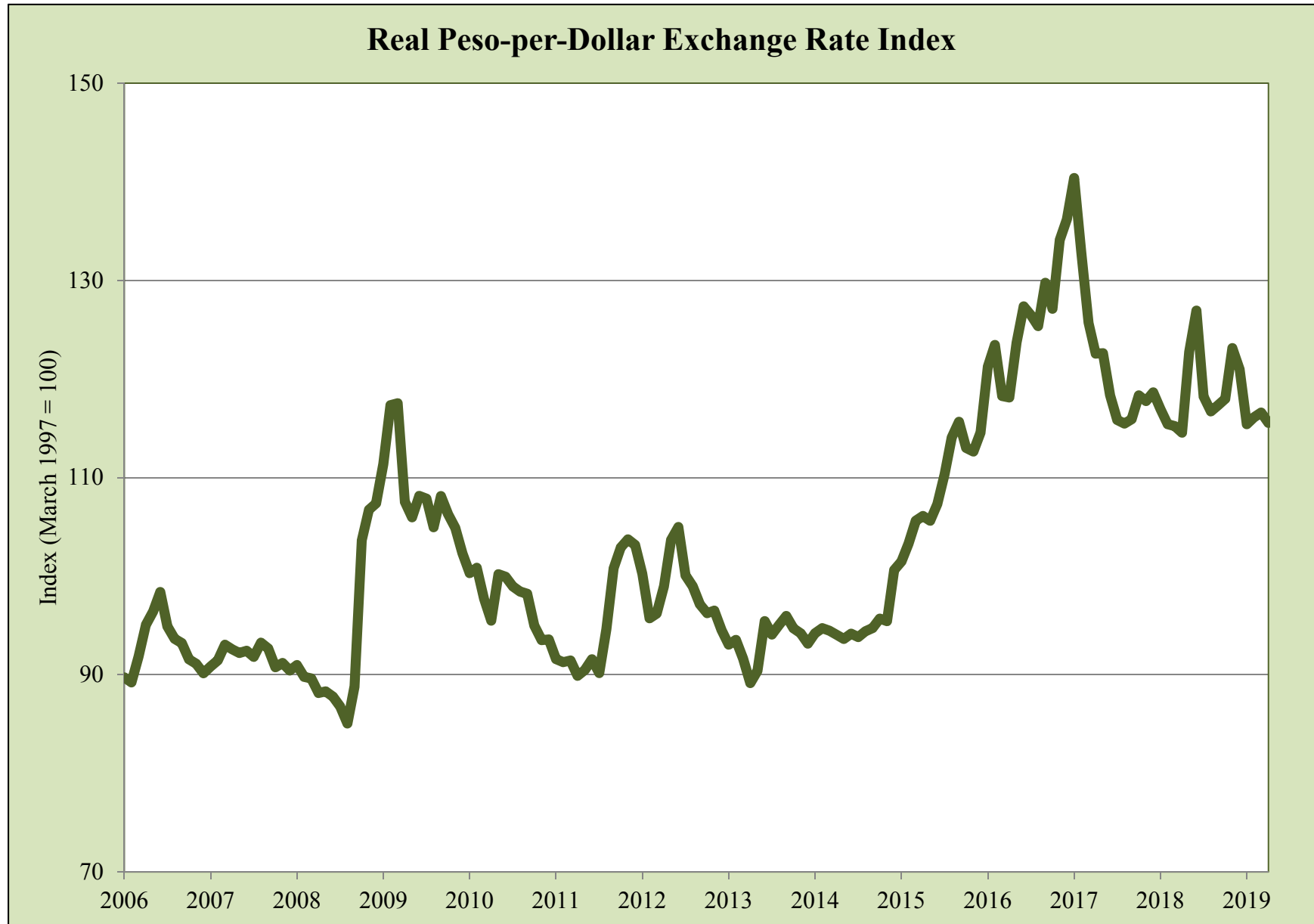
Source: UTEP Border Region Modeling Project and Banco de Mexico



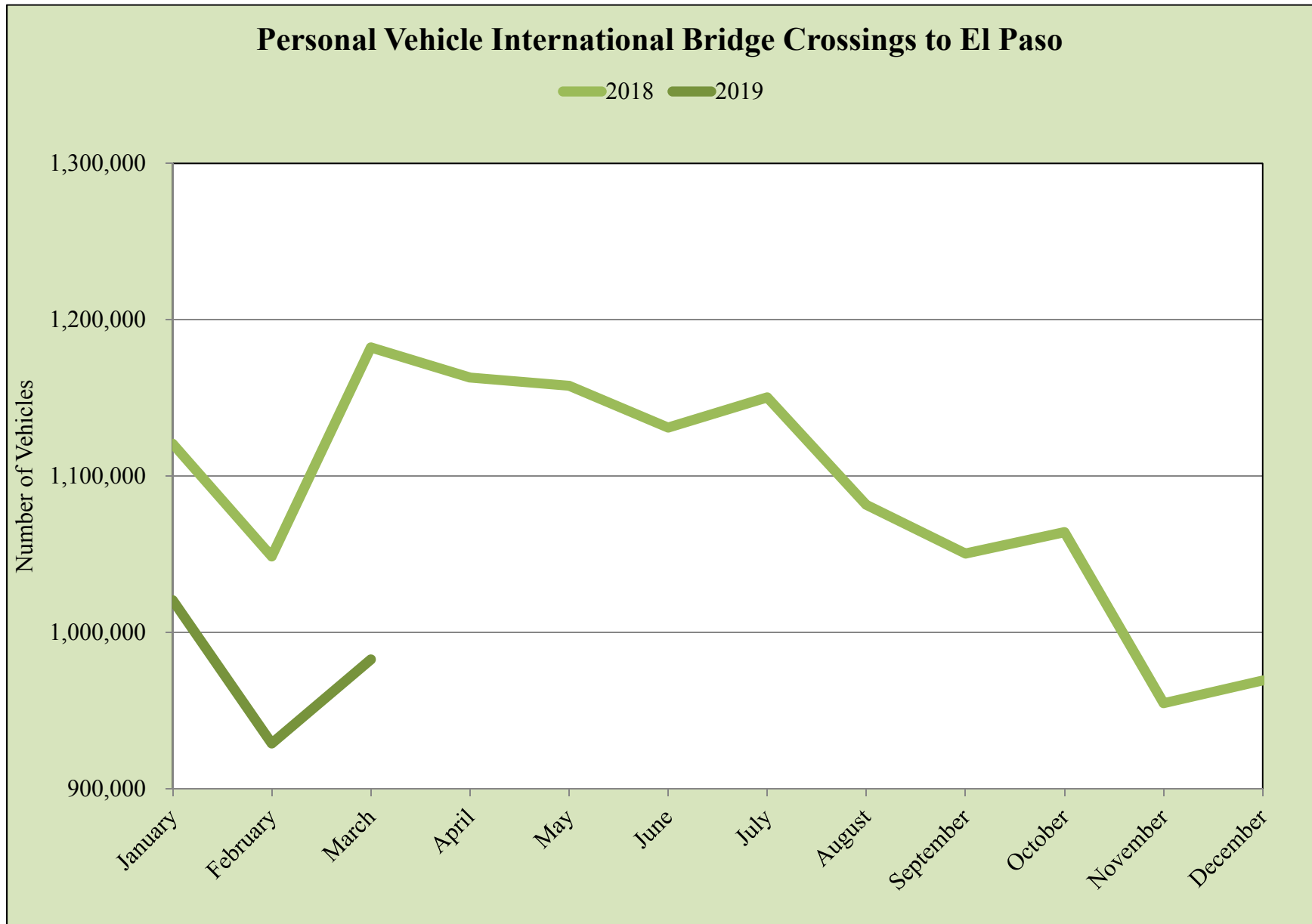
Source: UTEP Border Region Modeling Project and Banco de Mexico



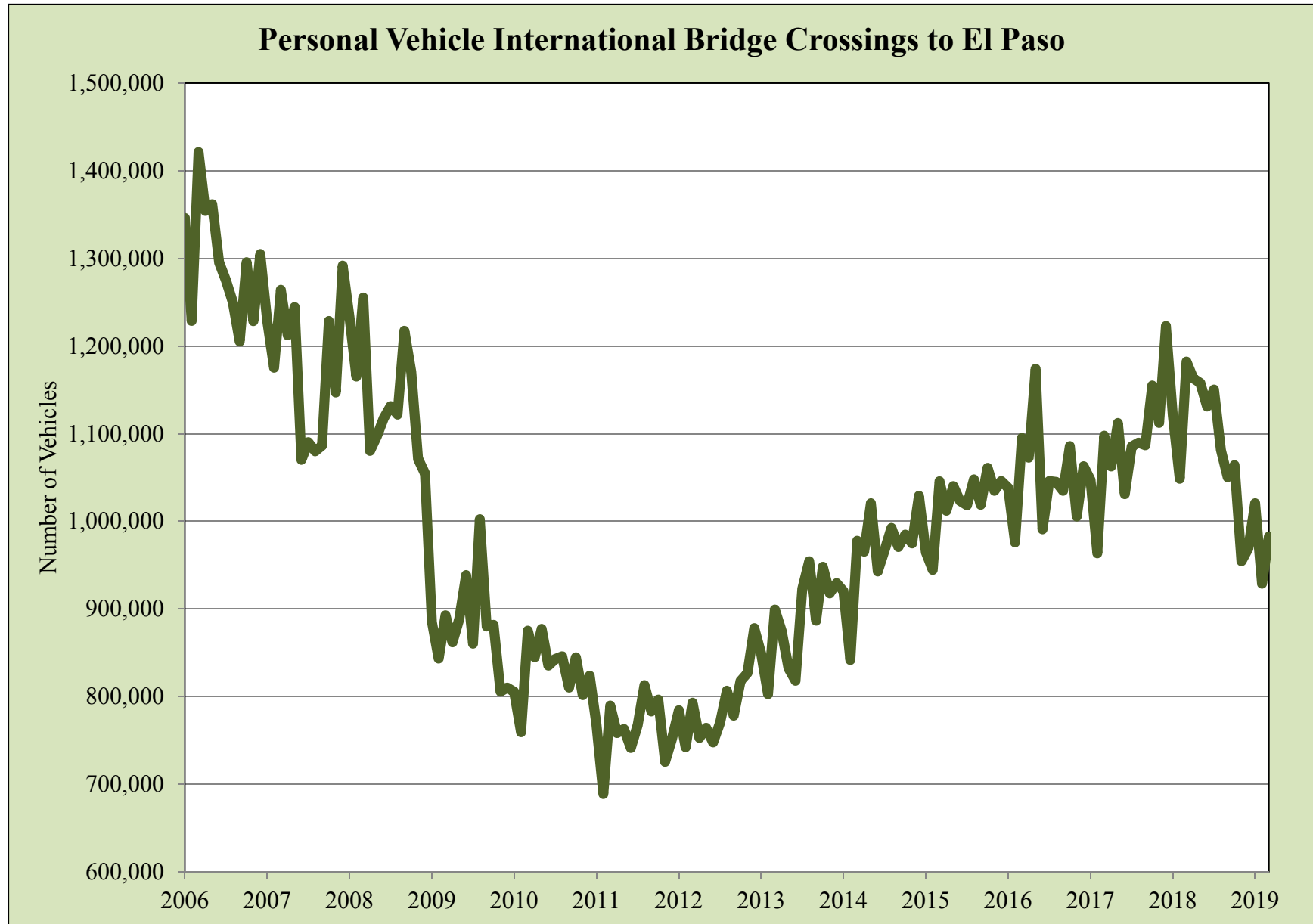
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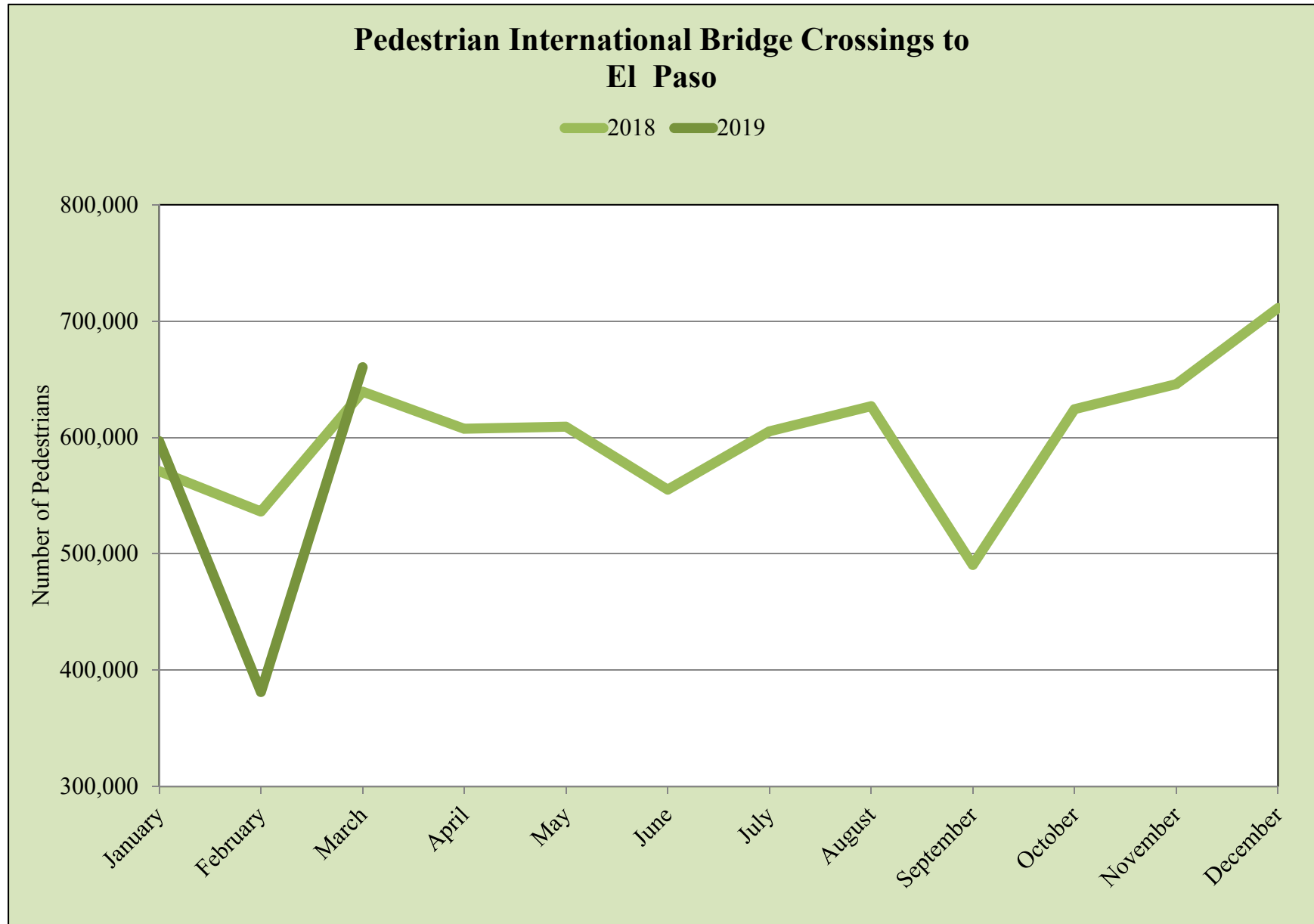
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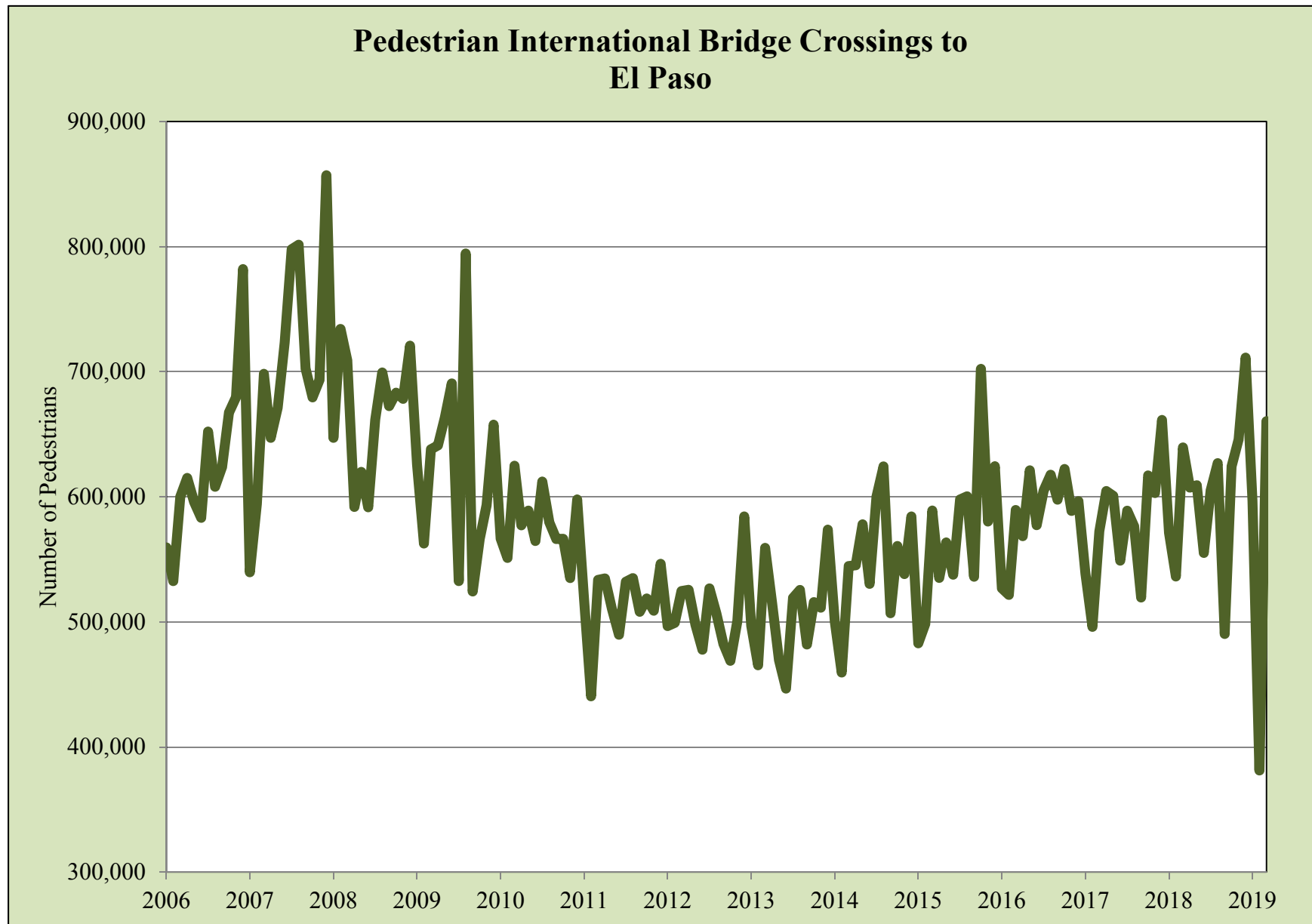
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



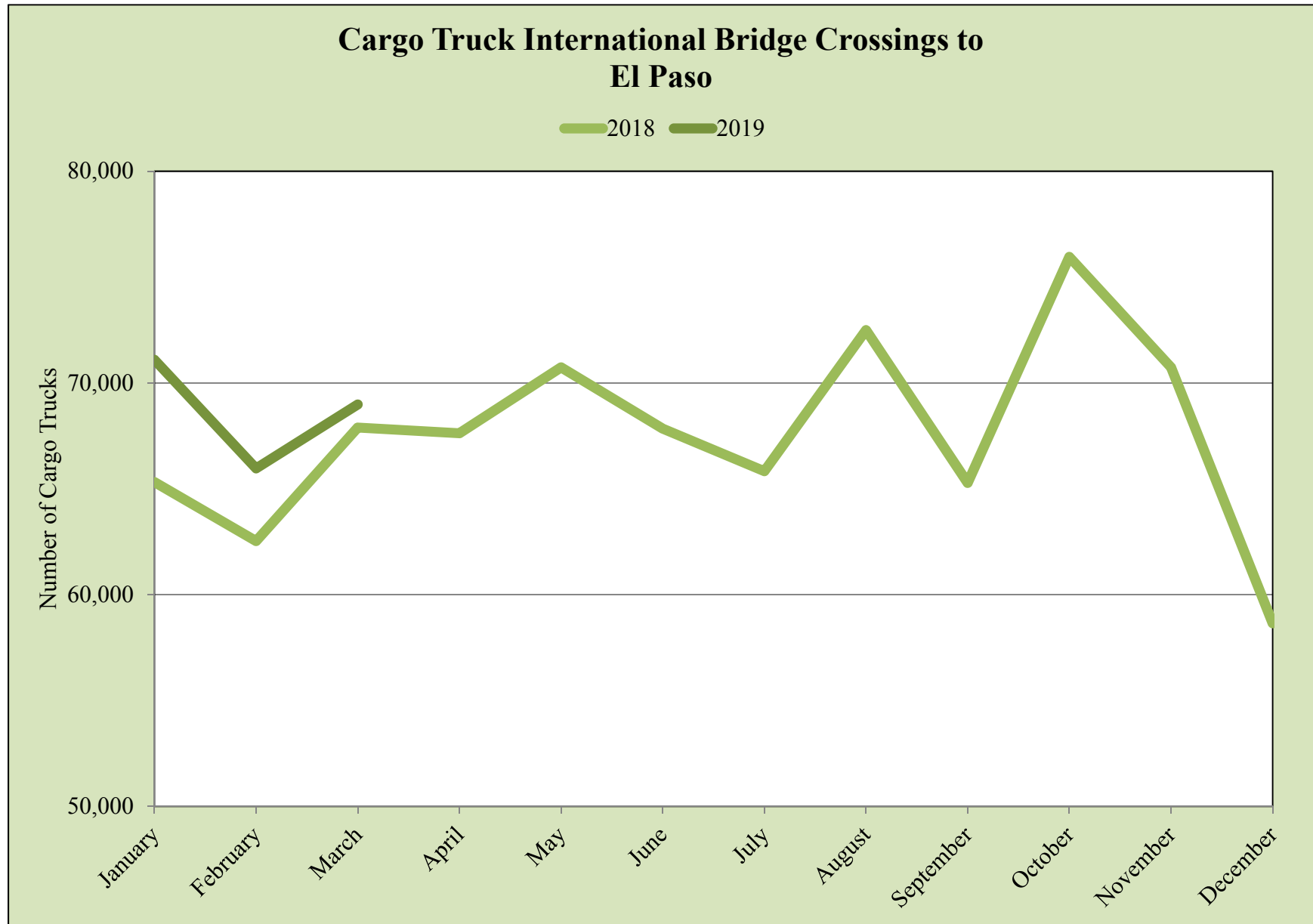
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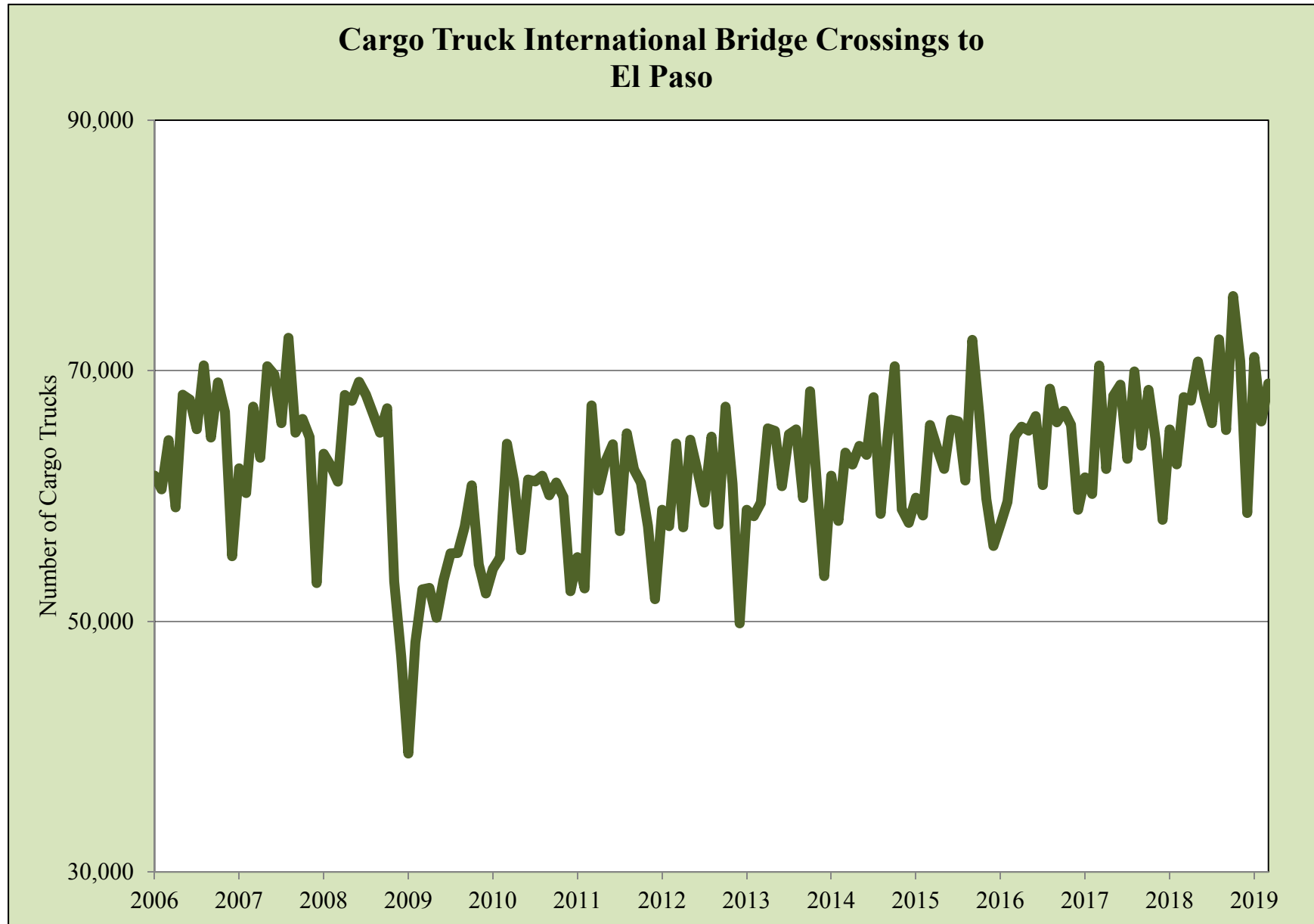
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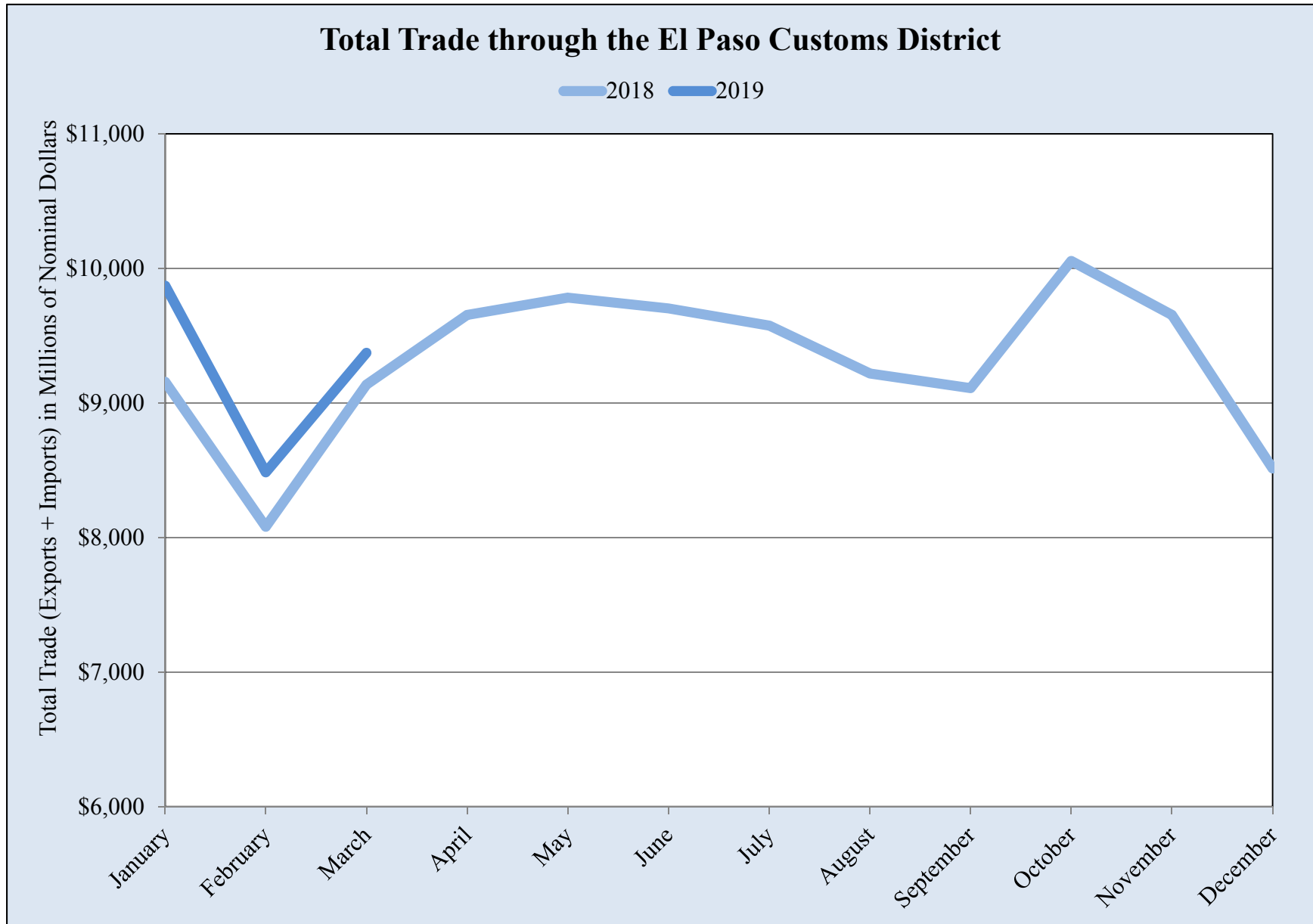
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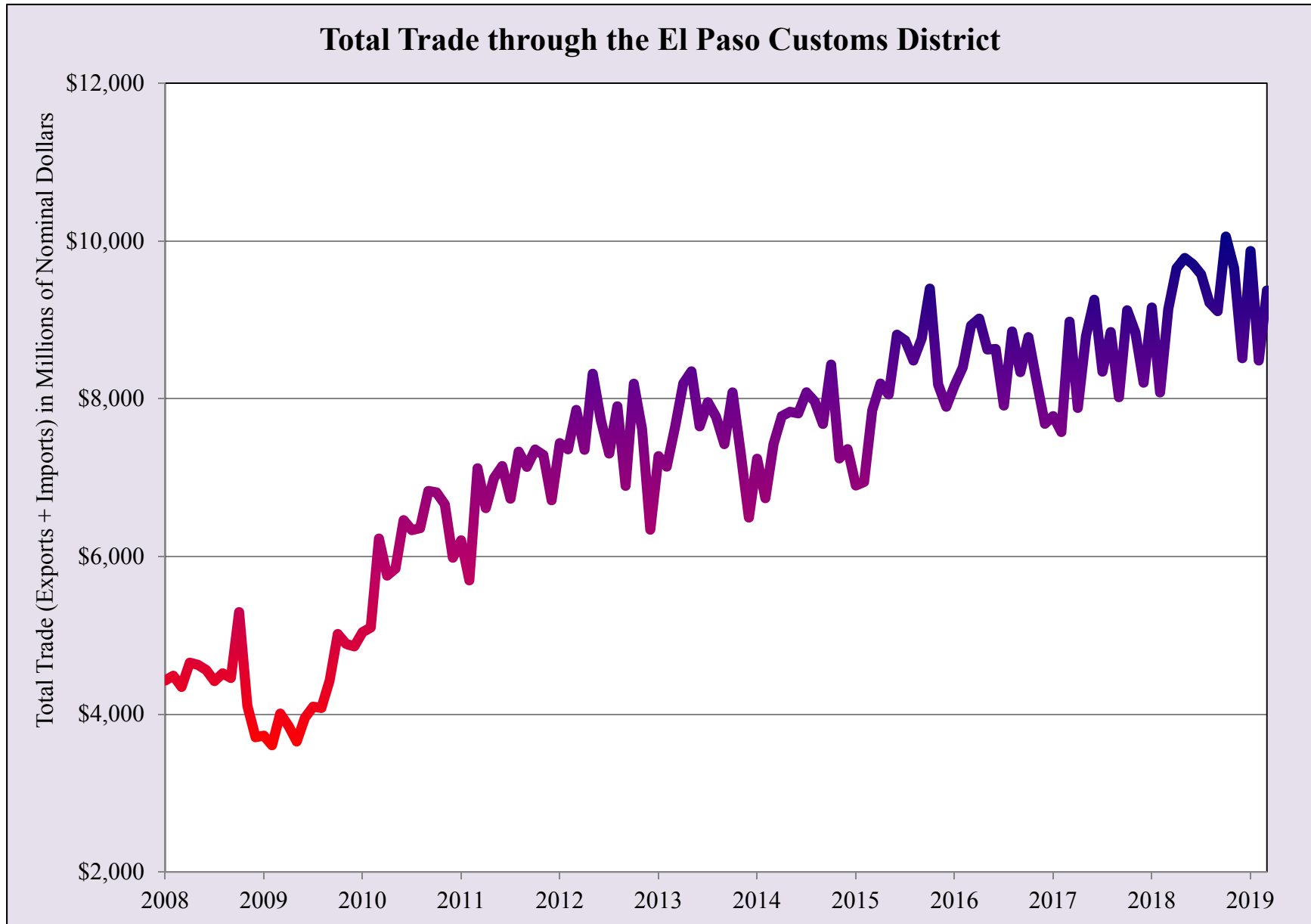
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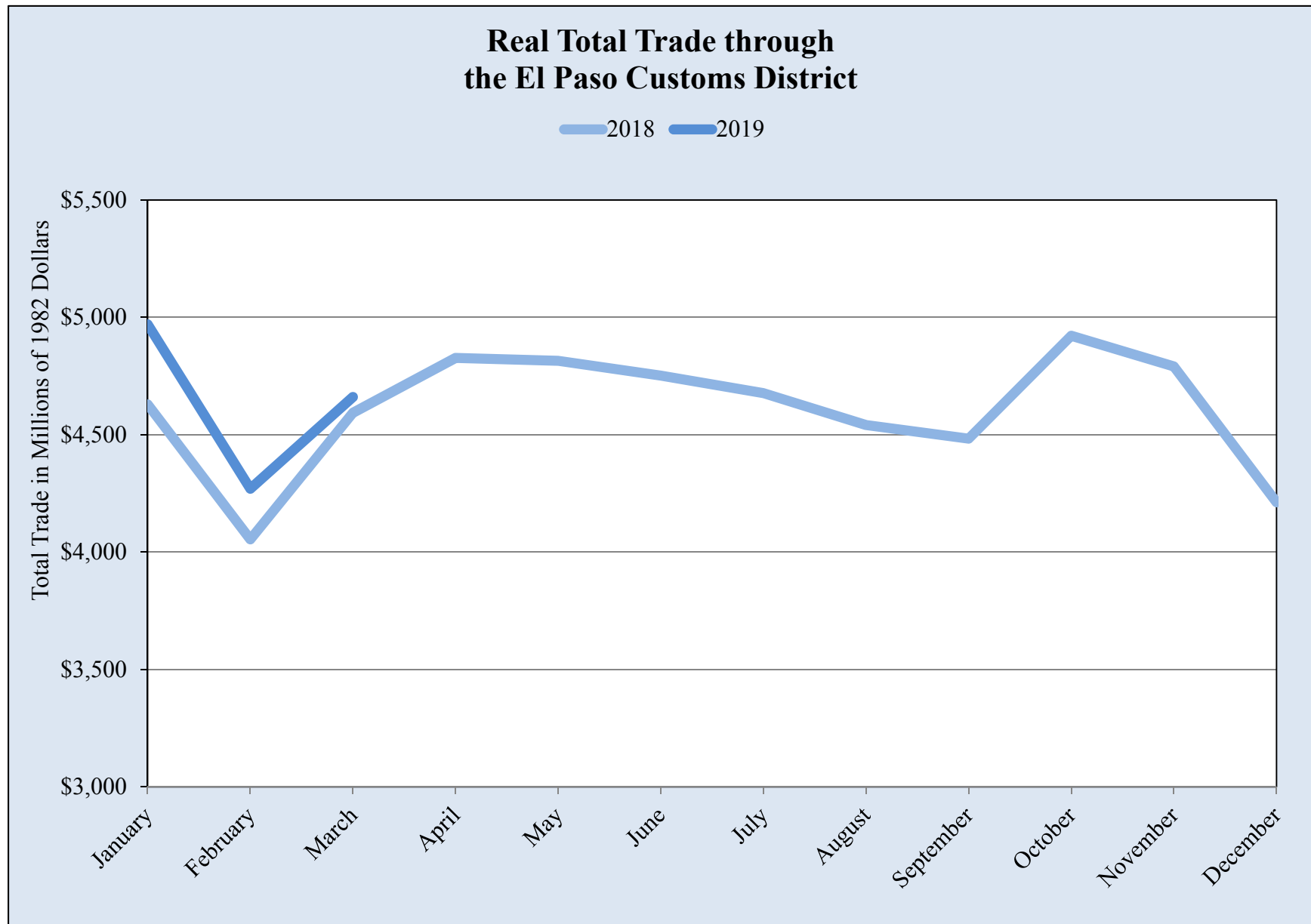
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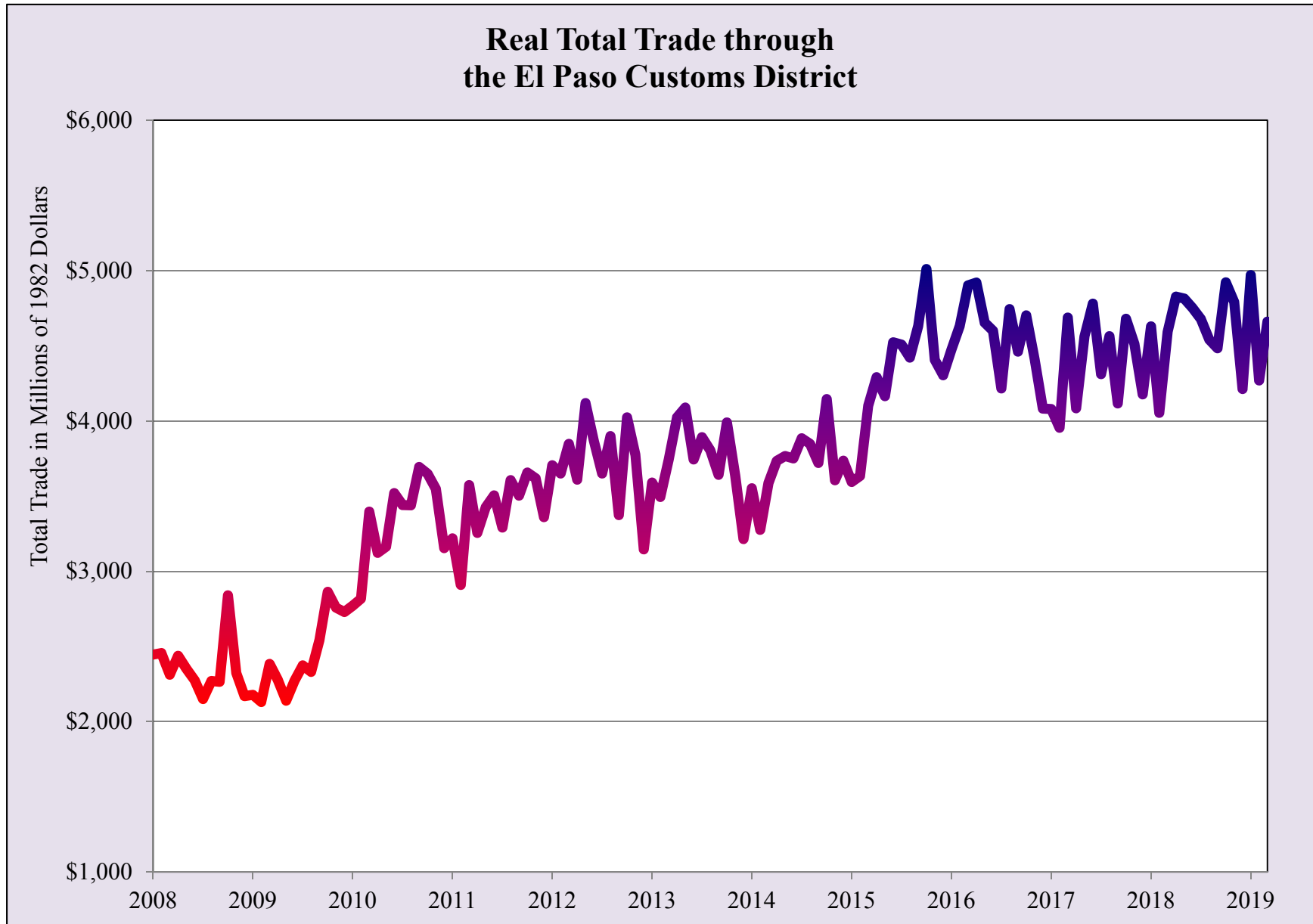
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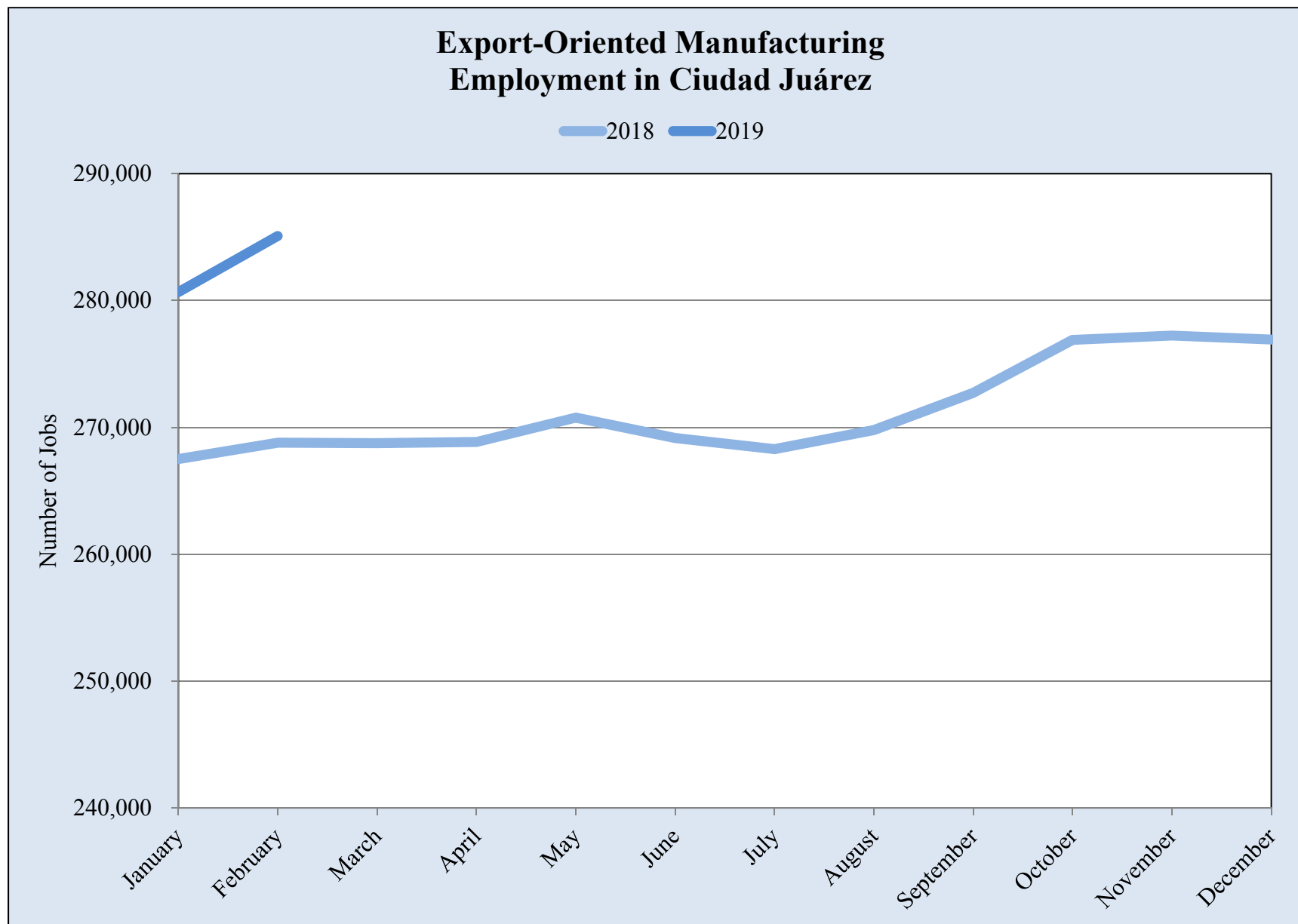
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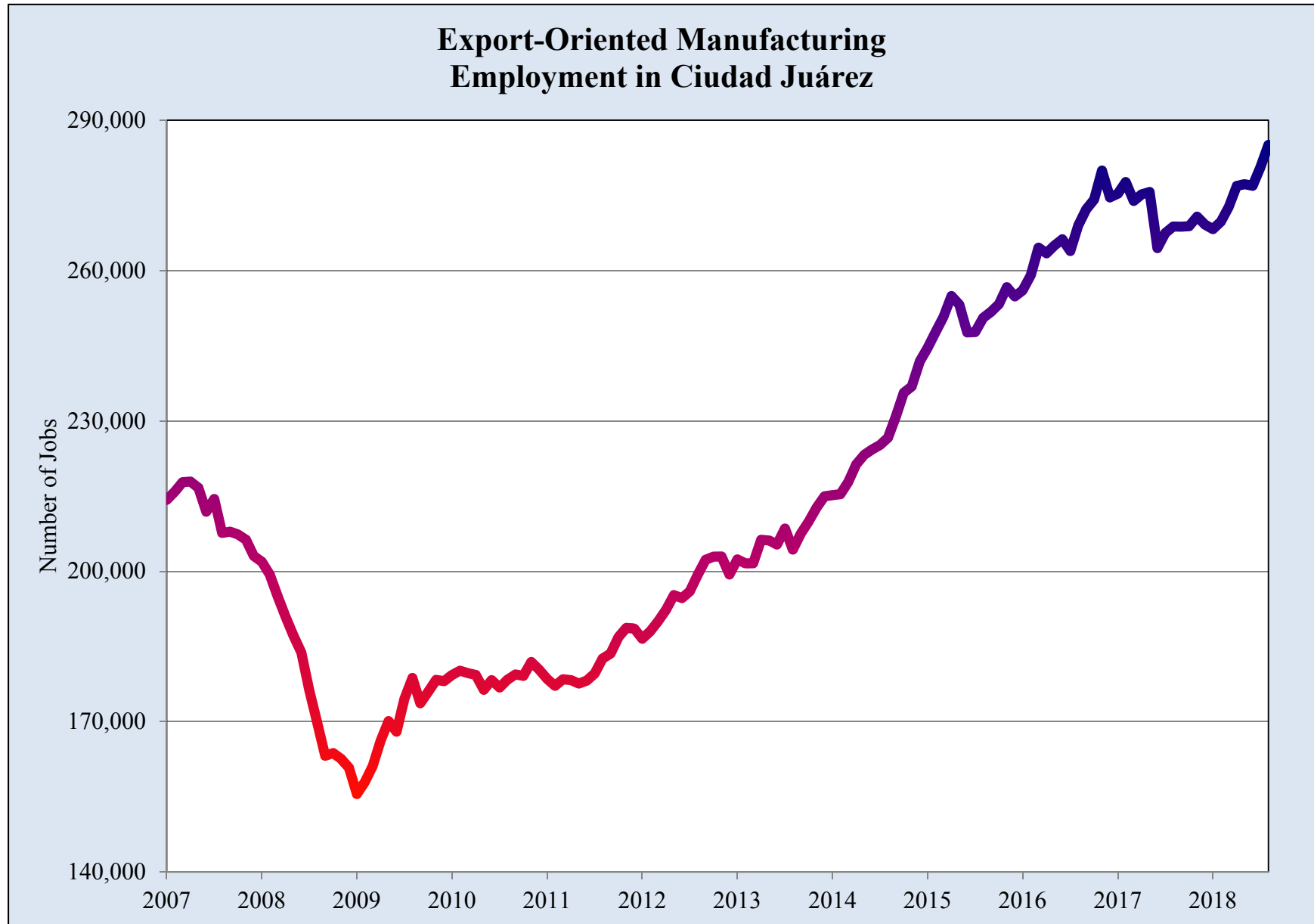
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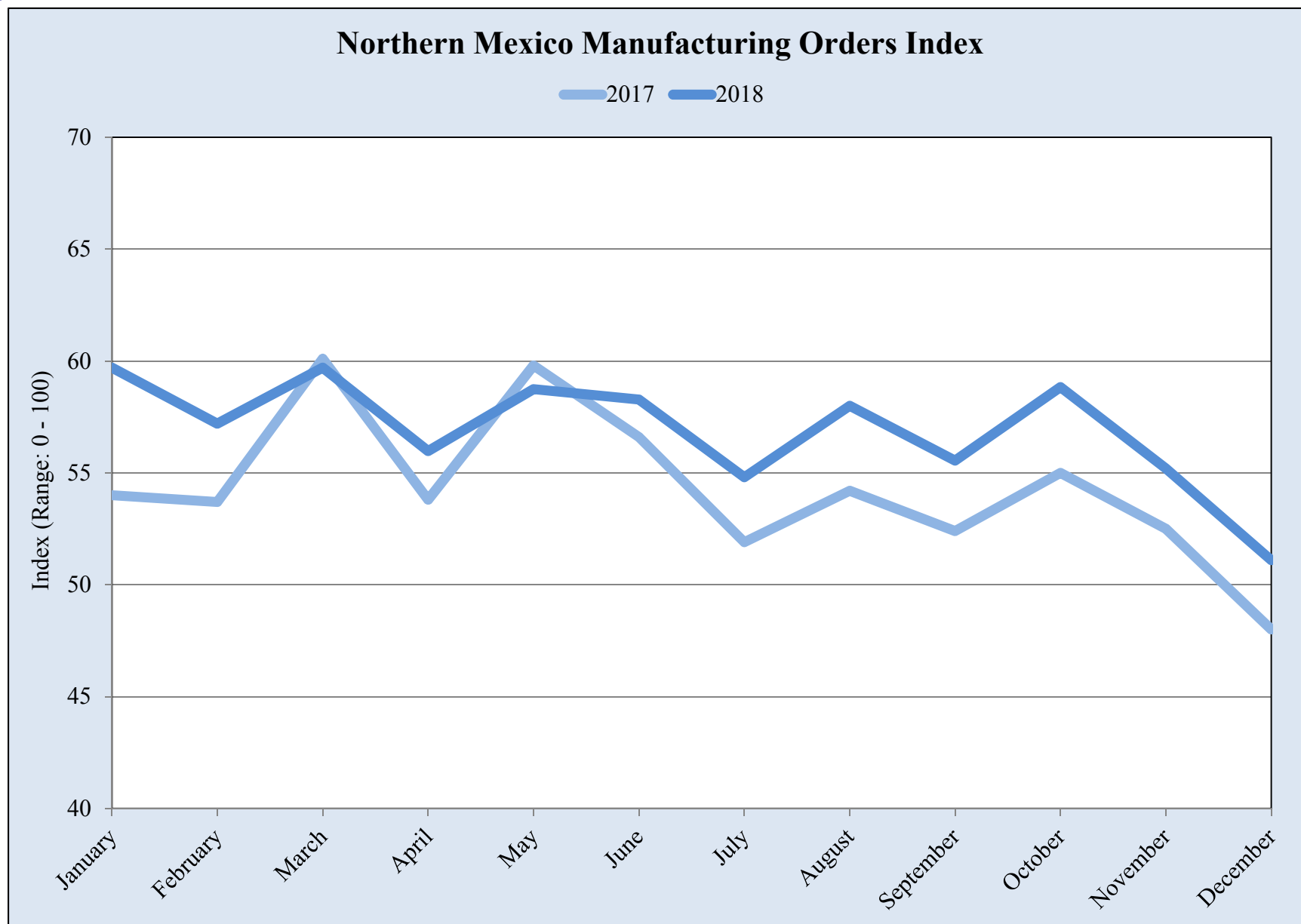
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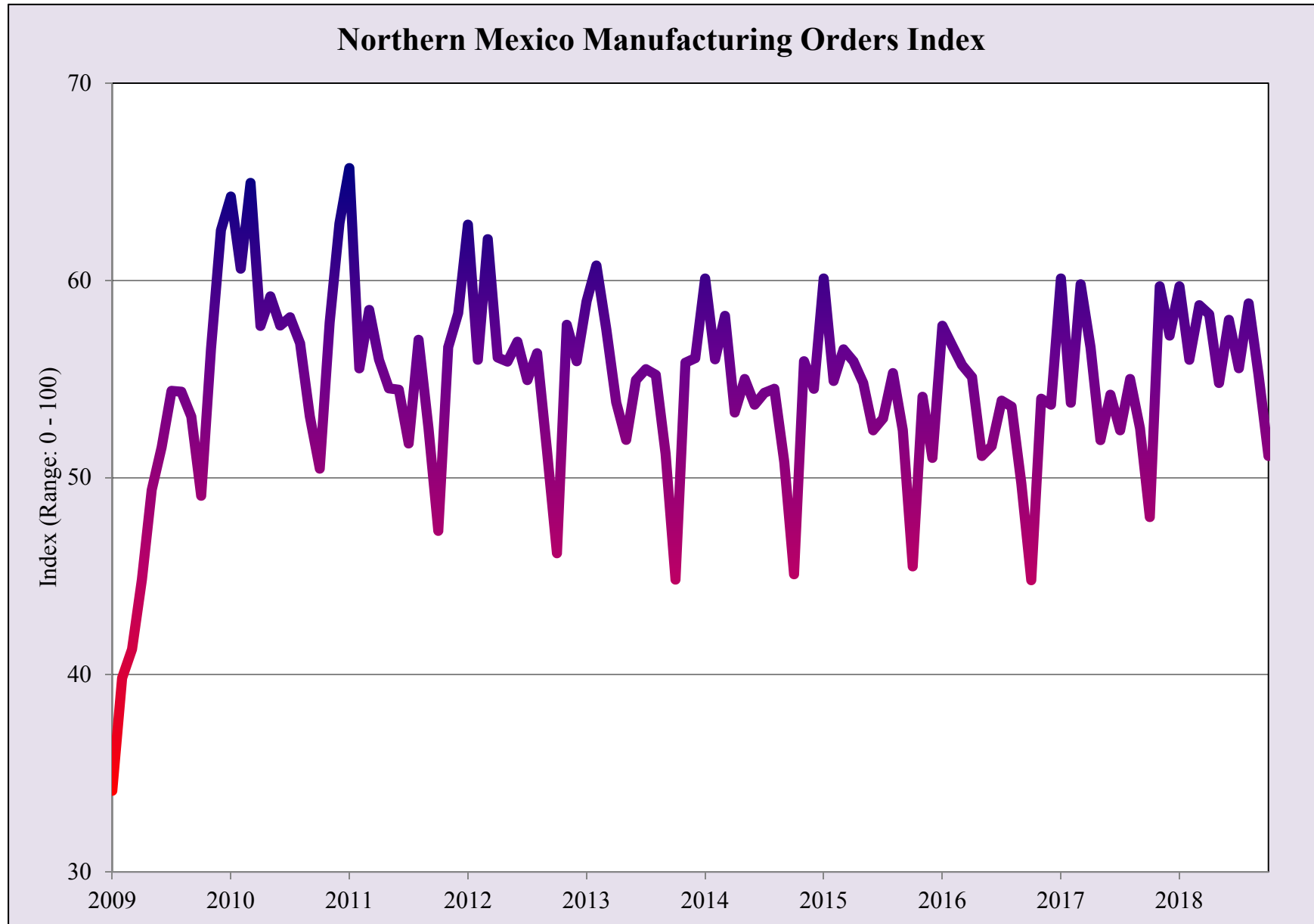
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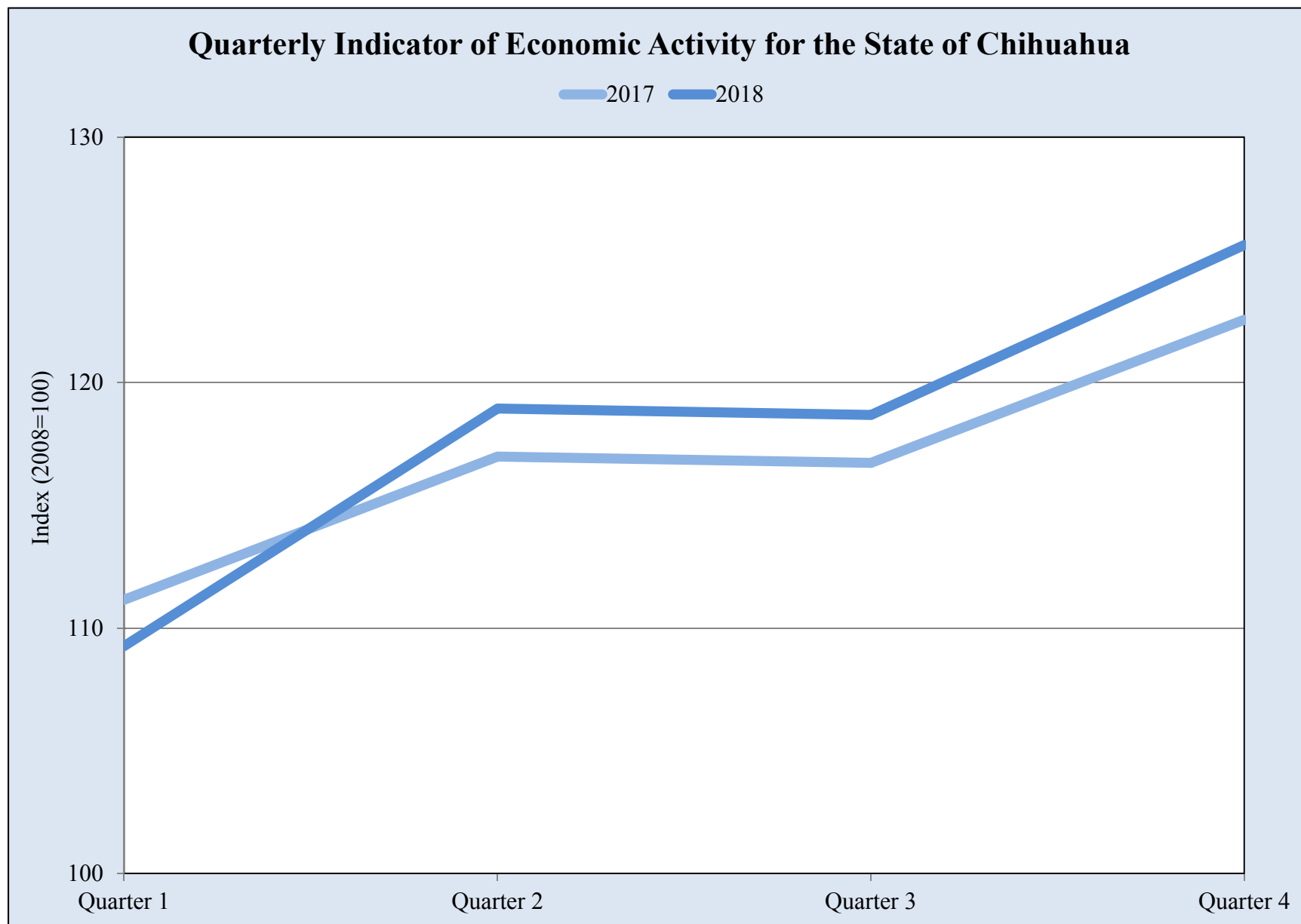
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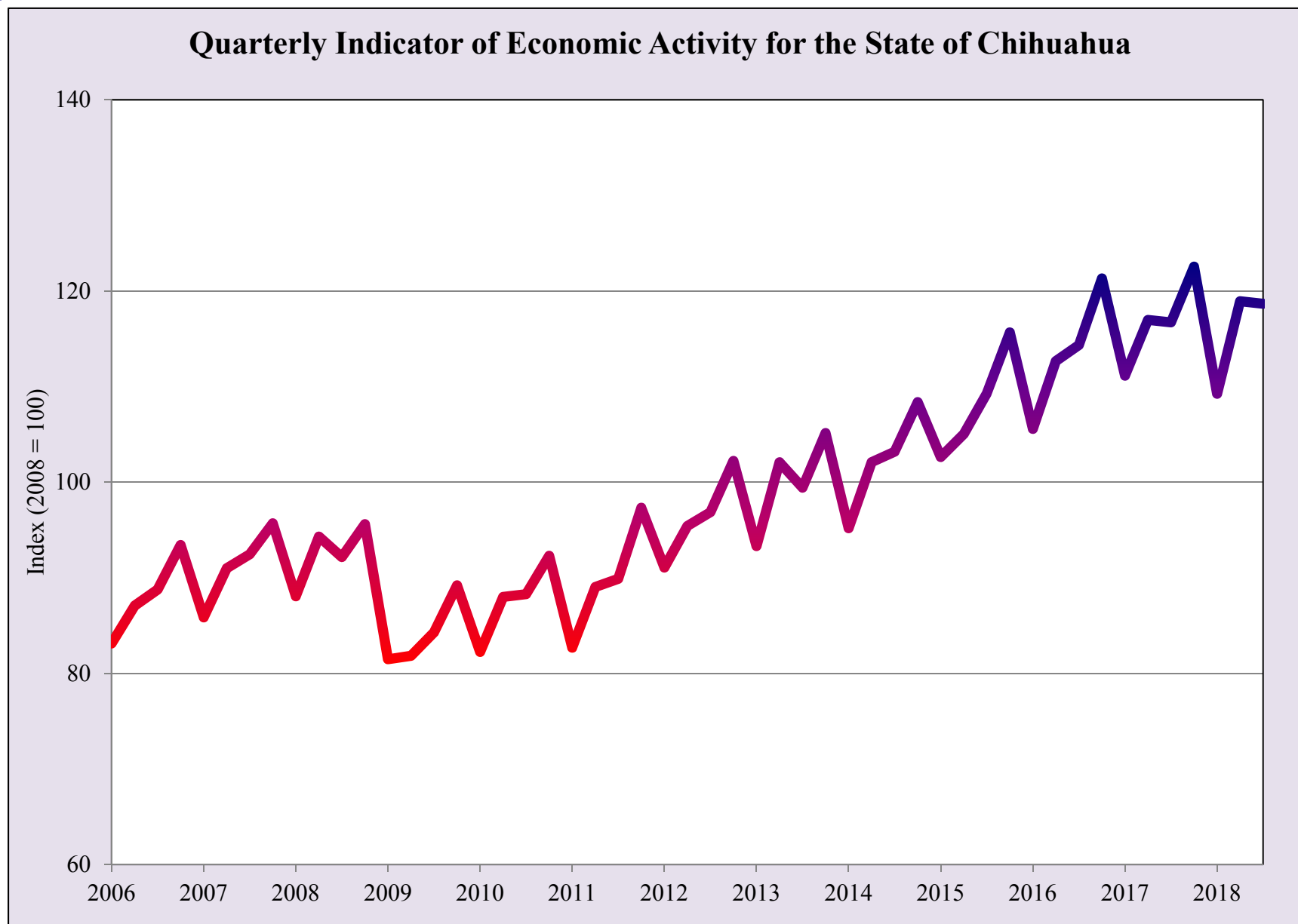
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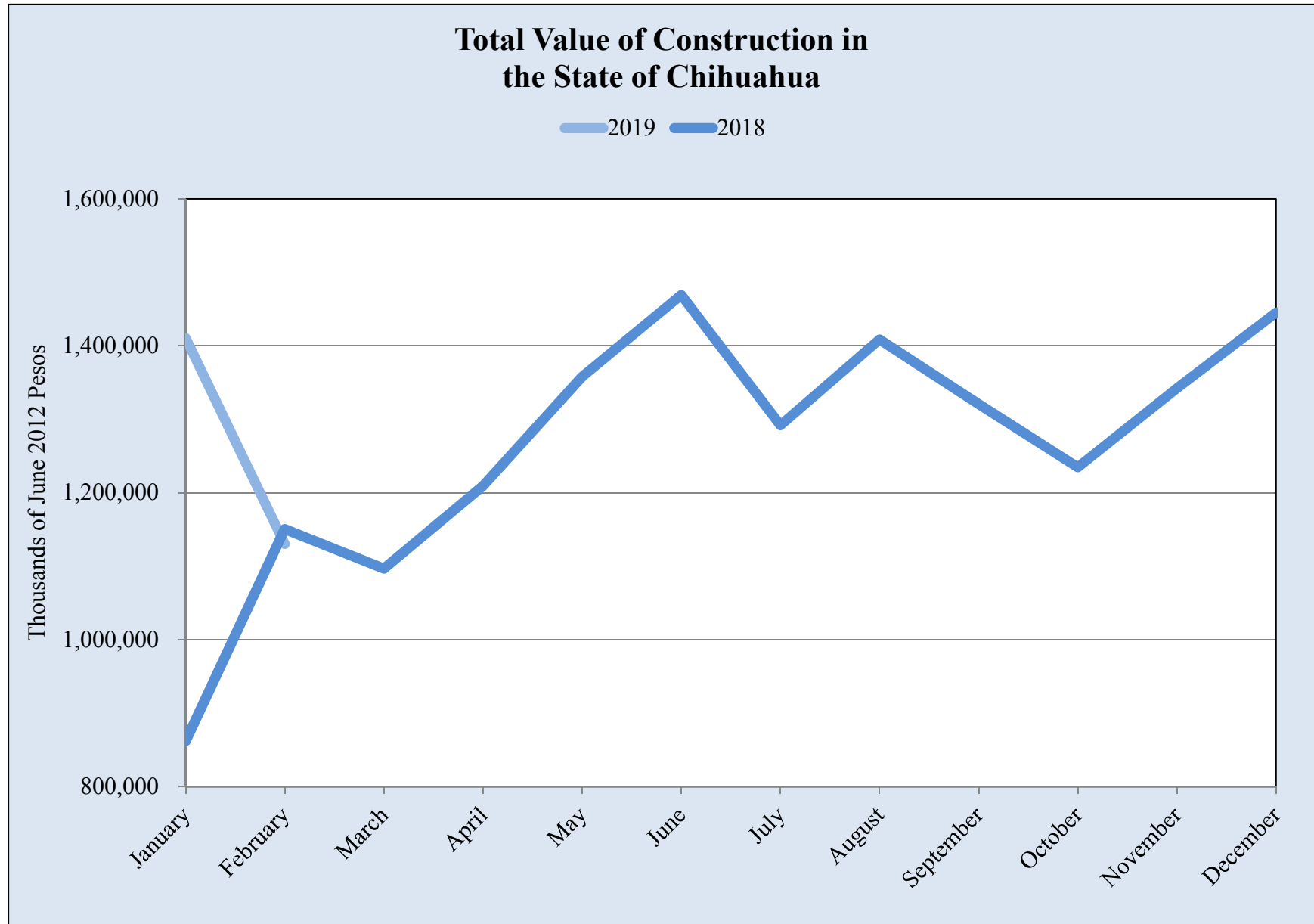
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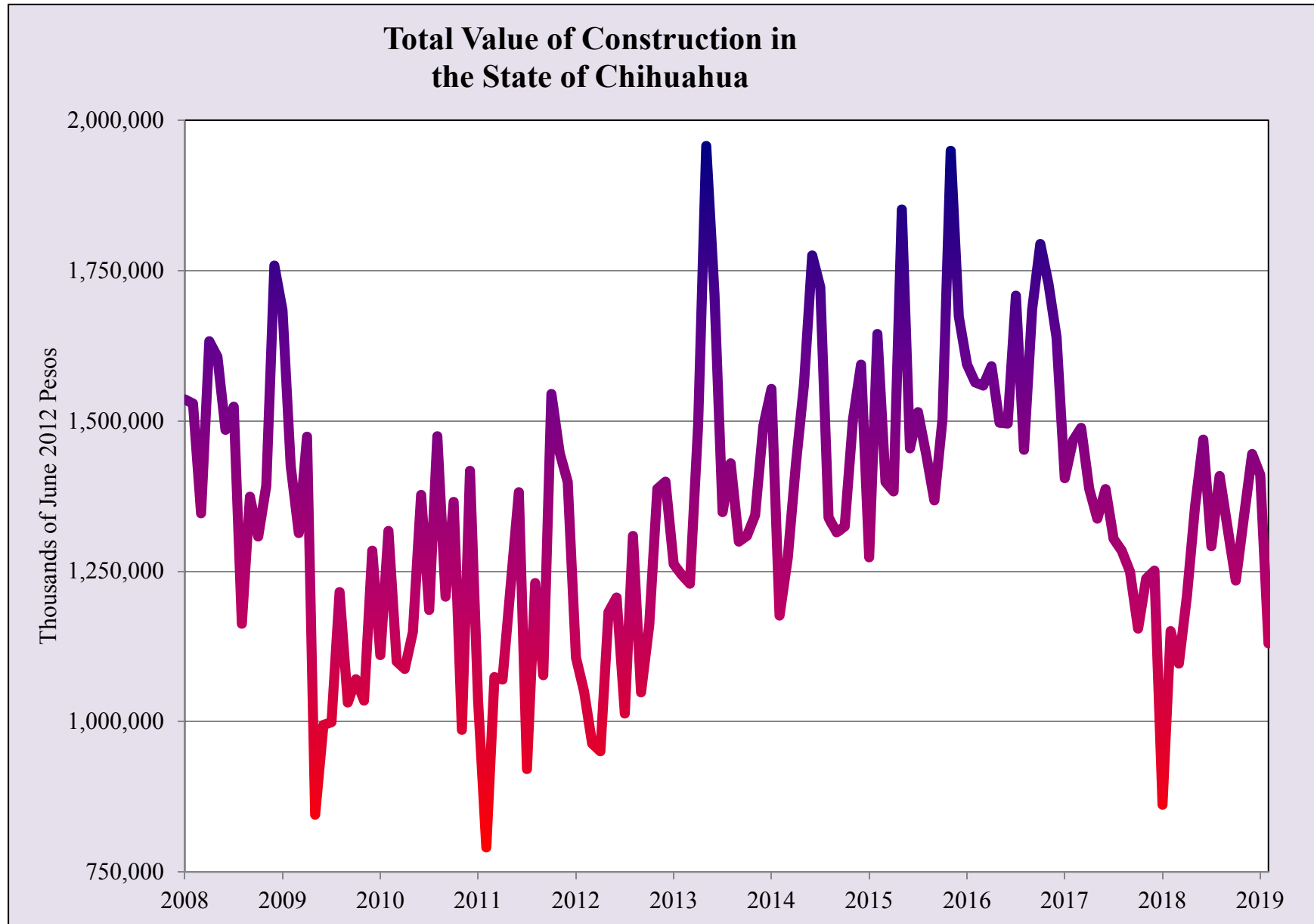
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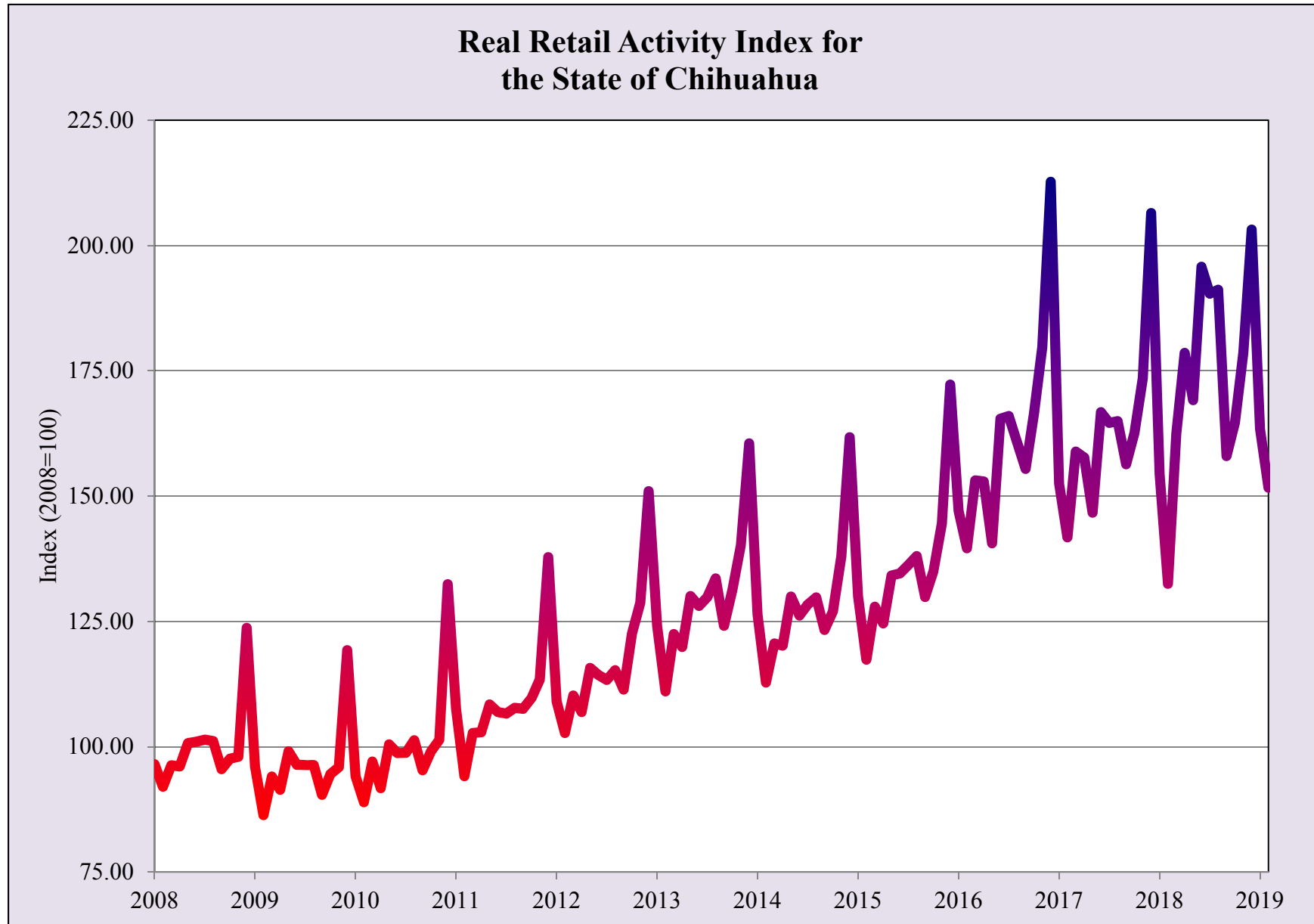
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