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# Borderplex Business Barometer, Volume 3, Number 6

Thomas M. Fullerton Jr.

Steven L. Fullerton

Ana Gutierrez Zubiate

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# BORDERPLEX BUSINESS BAROMETER

**June 2019**

**Border Region Modeling Project**

Thomas M. Fullerton, Jr.

Steven L. Fullerton

Ana Gutierrez Zubiarte

Department of Economics & Finance  
College of Business Administration  
University of Texas at El Paso

**Mailing Address**

Border Region Modeling Project - CBA 236  
UTEP Department of Economics & Finance  
500 West University Avenue  
El Paso, TX 79968-0543

**Physical Address**

College of Business Administration, Room 325  
University of Texas at El Paso

**Email**

tomf@utep.edu  
slfullerton@miners.utep.edu  
apgutierrez3@miners.utep.edu

**Telephone**

915-747-7747  
915-747-7775

**Fax**

915-747-6282

**Website**

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

*Border Commerce & Economics*

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**Hitting on Multiple Cylinders**

The metropolitan business cycle index for El Paso reached an all-time high of 236.2 in May. That gain was propelled, in large part, by the labor market. Low unemployment, stable prices, plus higher housing prices jointly drove the March reading for the El Paso economic stress index to 1.1, the lowest reading for that gauge since June 2007. Reminiscent of the Eisenhower Administration, the El Paso jobless rate declined to 3.3 percent in April. Reflective of all of the good economic news, El Paso County Supplemental Nutrition Assistance Program (SNAP or Food Stamp) enrollments declined to 159,075.

Not surprisingly, median housing prices in El Paso continued to rise in May. At \$163,500, single-family housing prices have increased by more than 6 percent on a year-over-year basis. Correspondingly, the El Paso months of housing inventory in months, for El Paso, remained below 3.5 months for a third consecutive month in May. Although the national and regional economies remain strong, gasoline prices have not increased very much in real terms. In nominal terms, the May average for regular gasoline was \$2.65 per gallon, roughly 10 percent below the year-ago level for this fuel. Tinderbox conditions in the Middle East indicate that there are substantial upside risks due to potential supply disruptions.

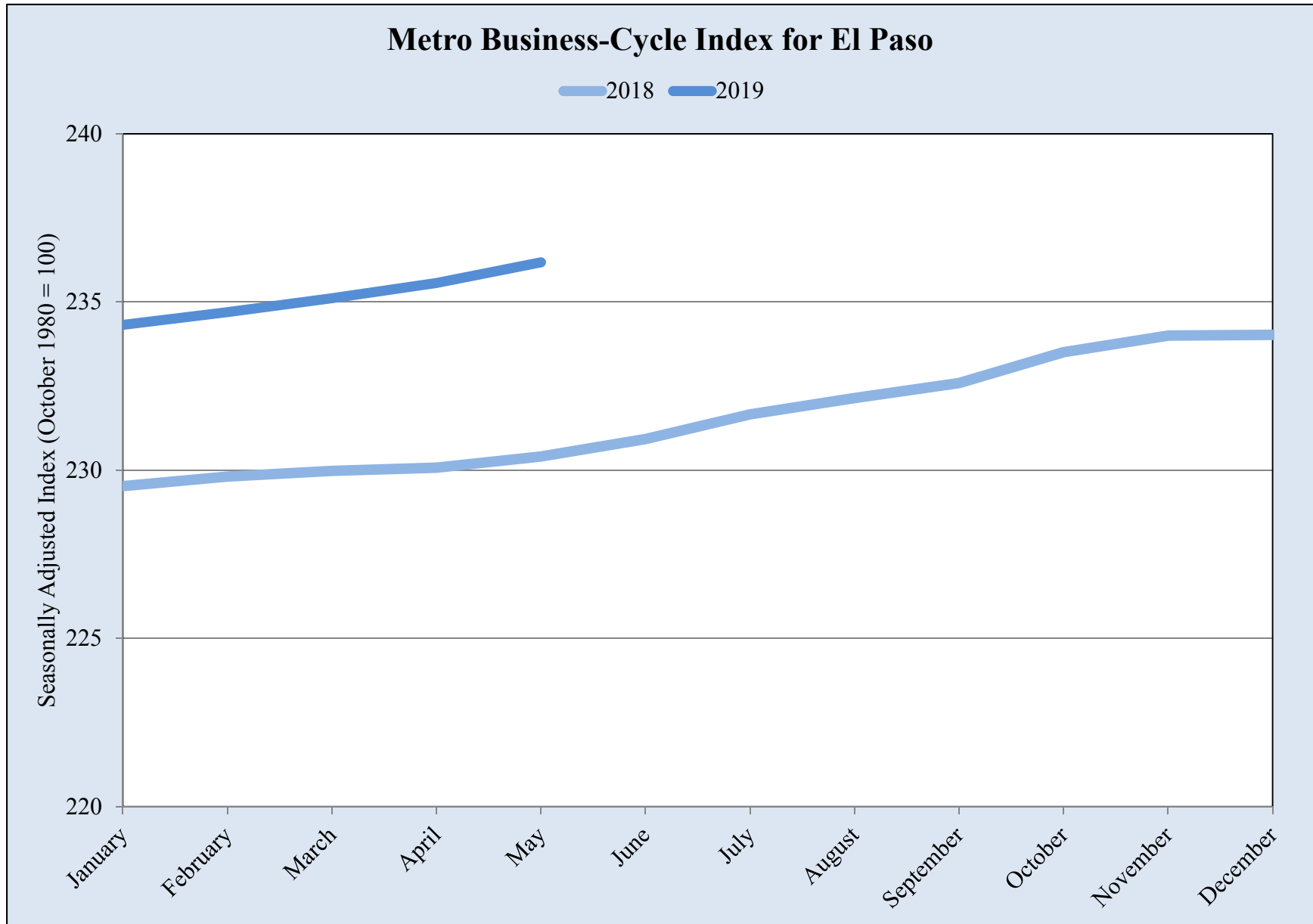
At 5.3 percent, the March Doña Ana County unemployment rate is ten basis points below year-ago levels. Because the labor force has continued to expand during the twelve preceding months, the drop in the jobless rate reflects local labor market strength. Blue collar out-migration to the Permian Basin and other energy producing regions is also occurring. A healthy labor market has helped Las Cruces Area SNAP (Food Stamp) enrollments to decline to 26,940 in April, which is below the year-ago level for this indicator.

The peso-per-dollar nominal exchange rate has continued to fluctuate in a narrow band about P/\$ 19.00 during 2019, even dipping slightly below the year-ago quote for Mayo. The 43 percent gap separating the exchange rate from Borderplex restaurant price ratio indicates that the peso is undervalued against the dollar. Barring any financial or economic disasters, more peso strengthening is likely, especially given prospective increases in the 28-day Cetes interest rate in Mexico paired against flat or declining short-term rates in the United States.

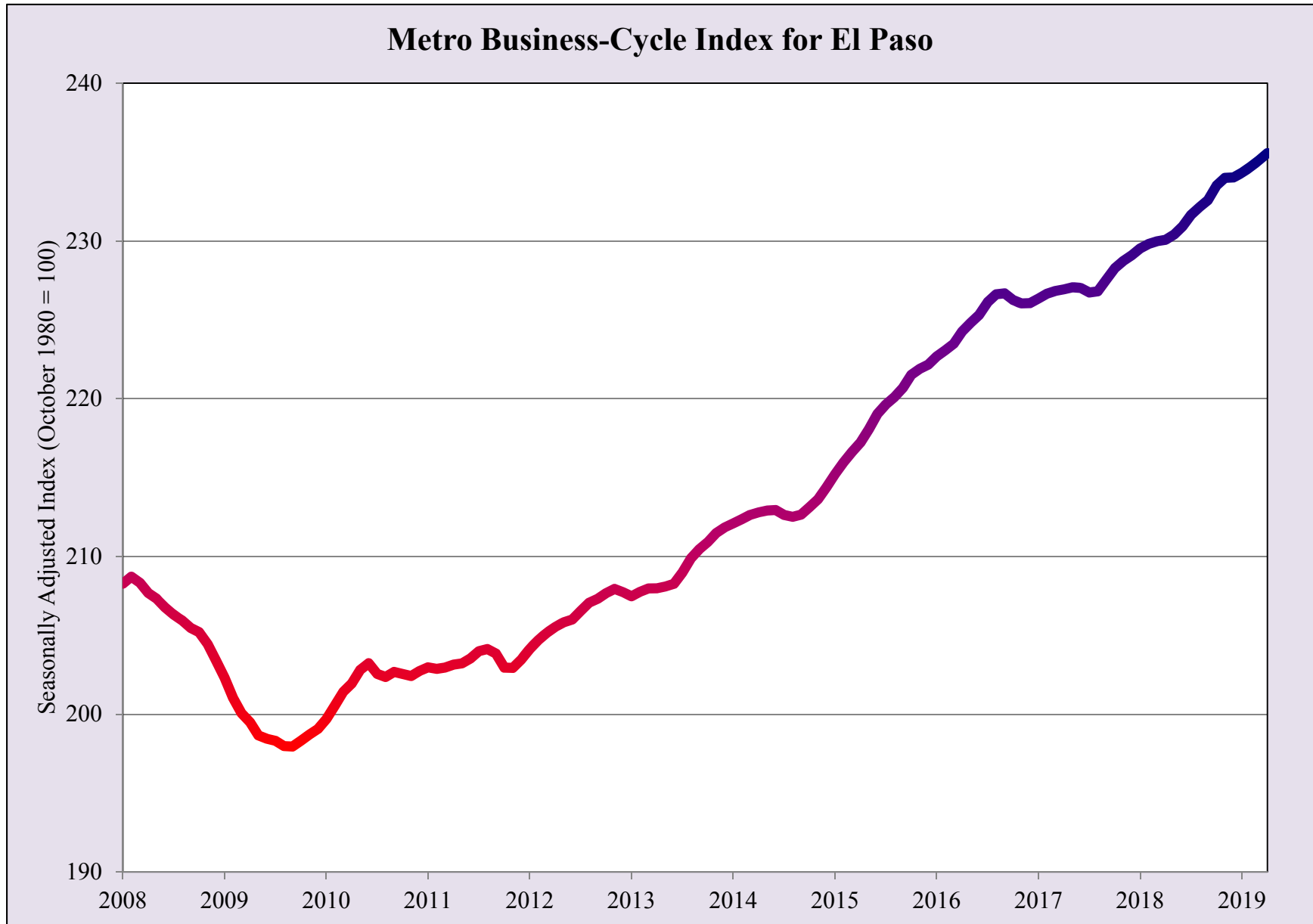
The extended delays caused by insufficient bridge staffing continues to impact personal vehicle, and cargo traffic flows across the international bridges. In response, pedestrian crossings have increased substantially. Even after adjusting for inflation,

total trade through the El Paso Customs District has continued to grow, suggesting that logistics managers are filling more cargo bays before sending trucks into the bridge queues.

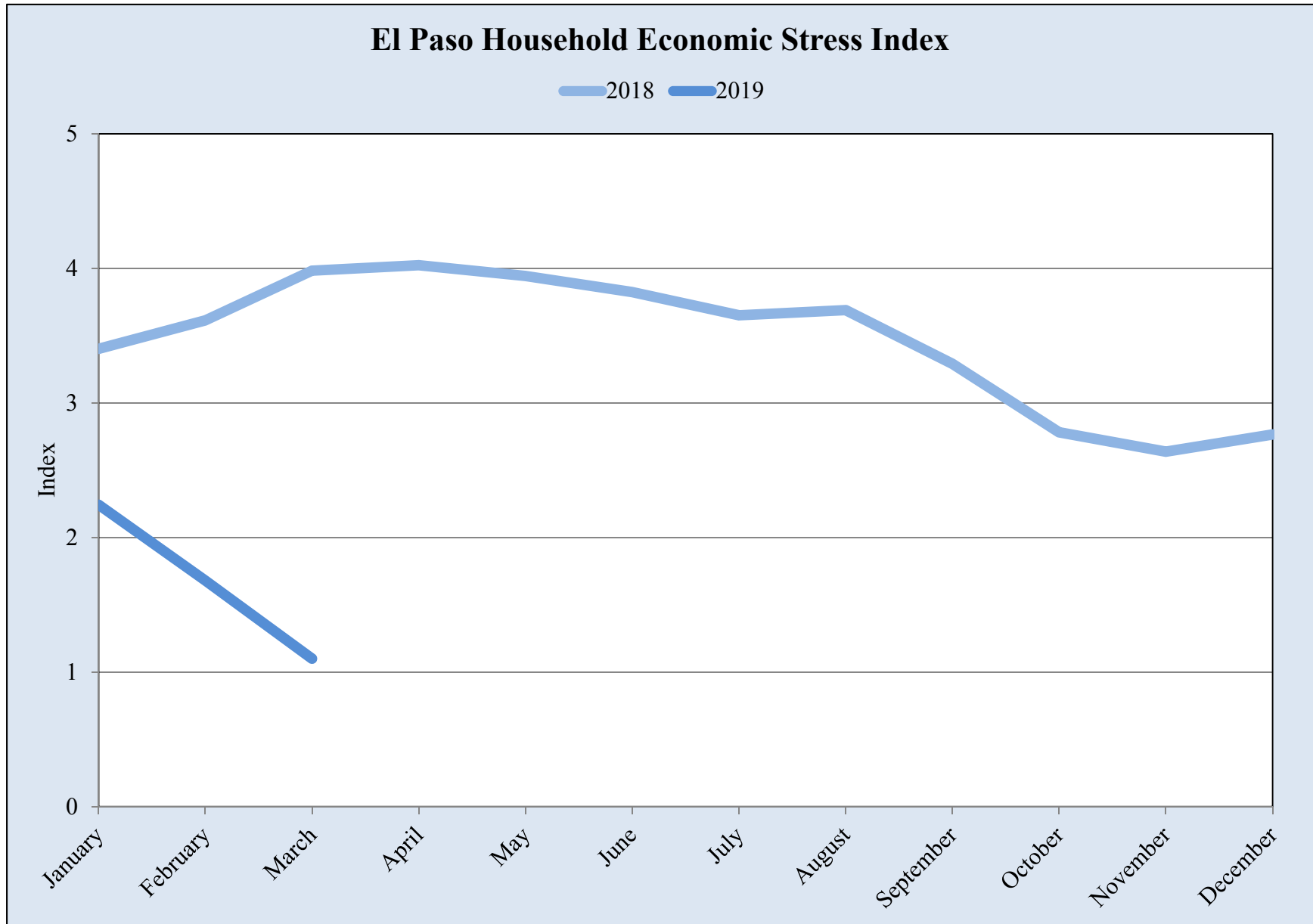
Export manufacturing employment in Ciudad Juarez increased by more than 10 thousand jobs during the first quarter. Potentially reflecting that development, the aggregate value of construction for the state of Chihuahua as a whole is well above year-ago levels for the first four months of 2019. That is in contrast to real retail activity for the state of Chihuahua. According to that gauge, statewide commercial activity fell below year-ago levels in both March and April.



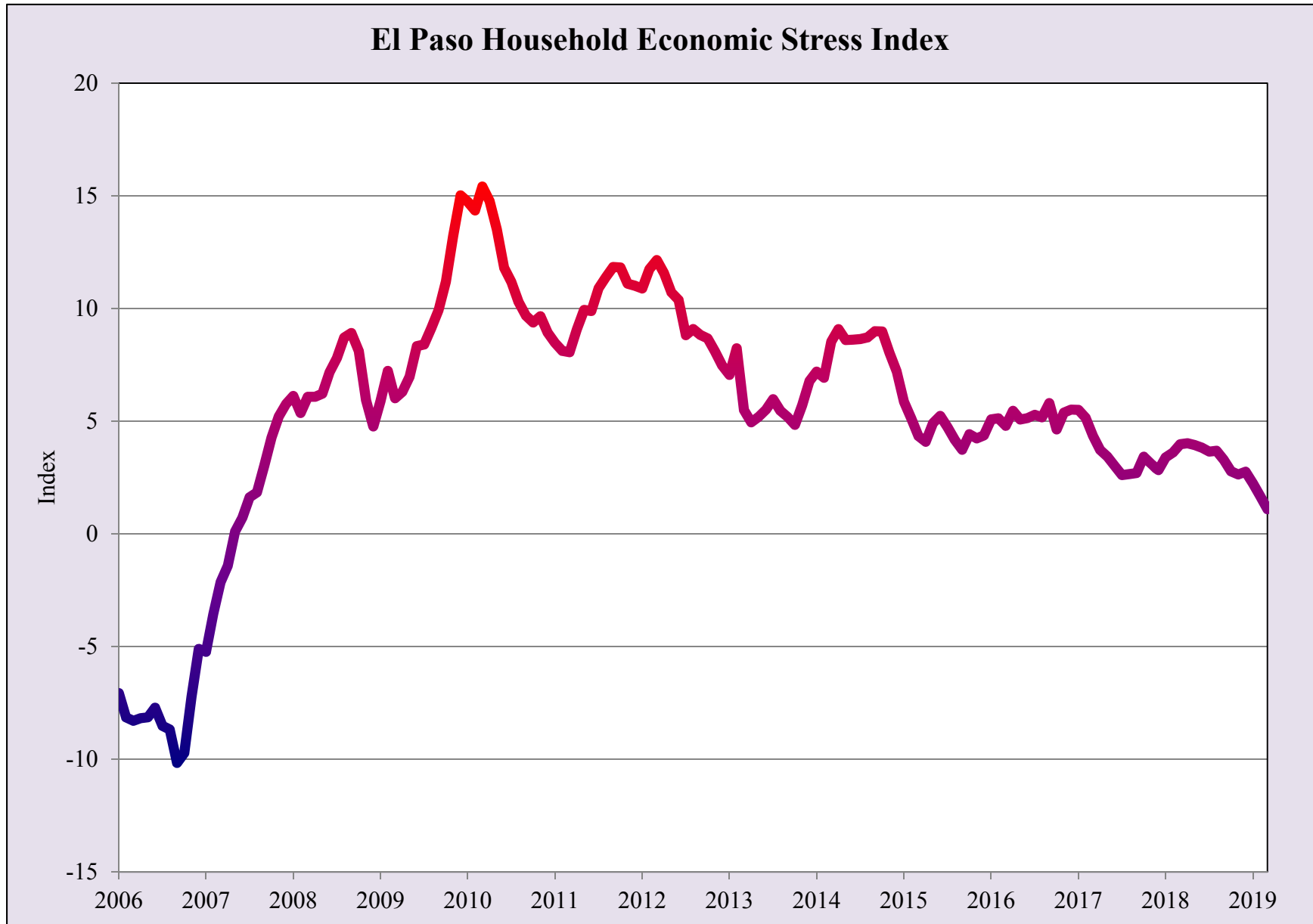
Source: Federal Reserve Bank of Dallas



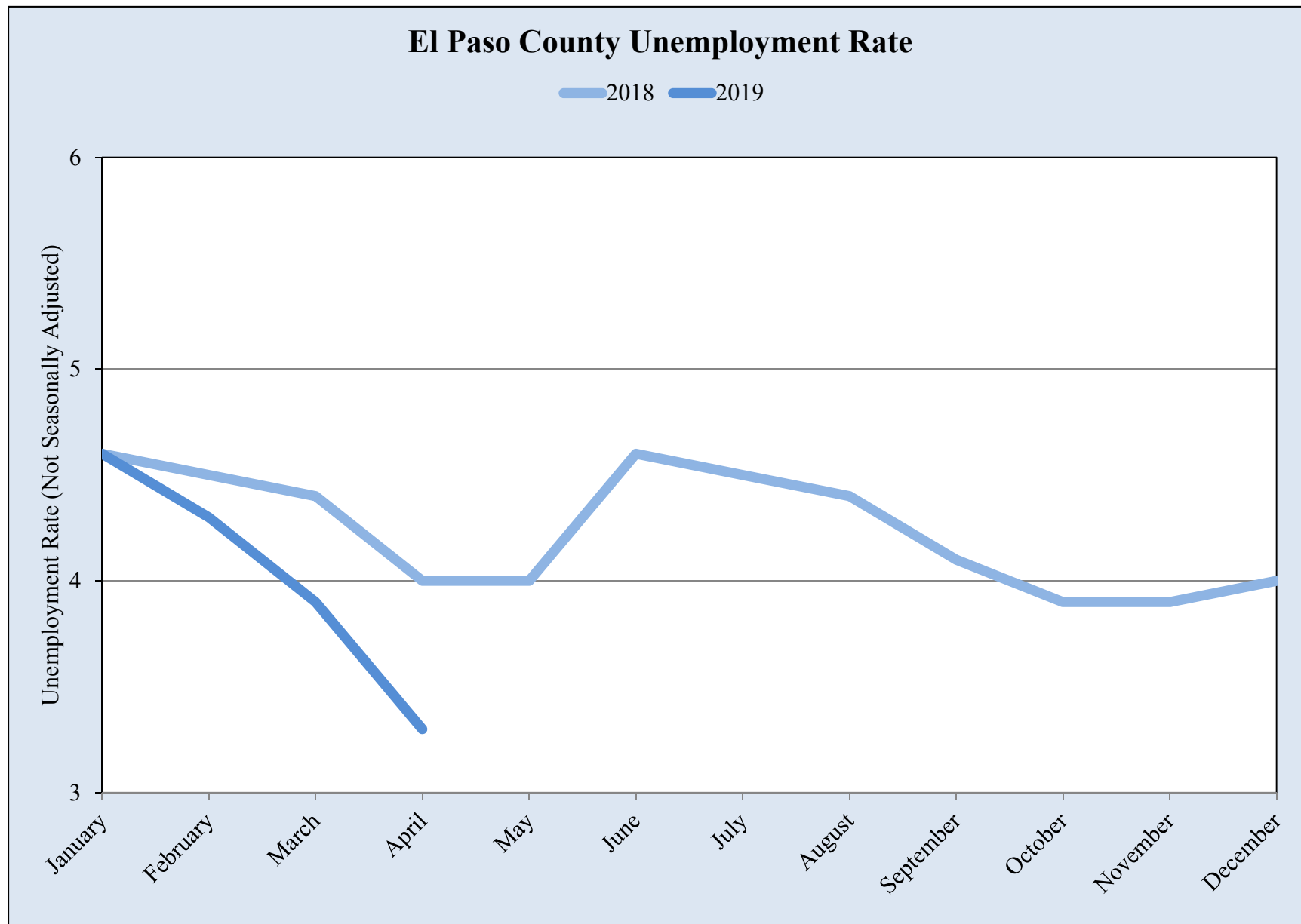
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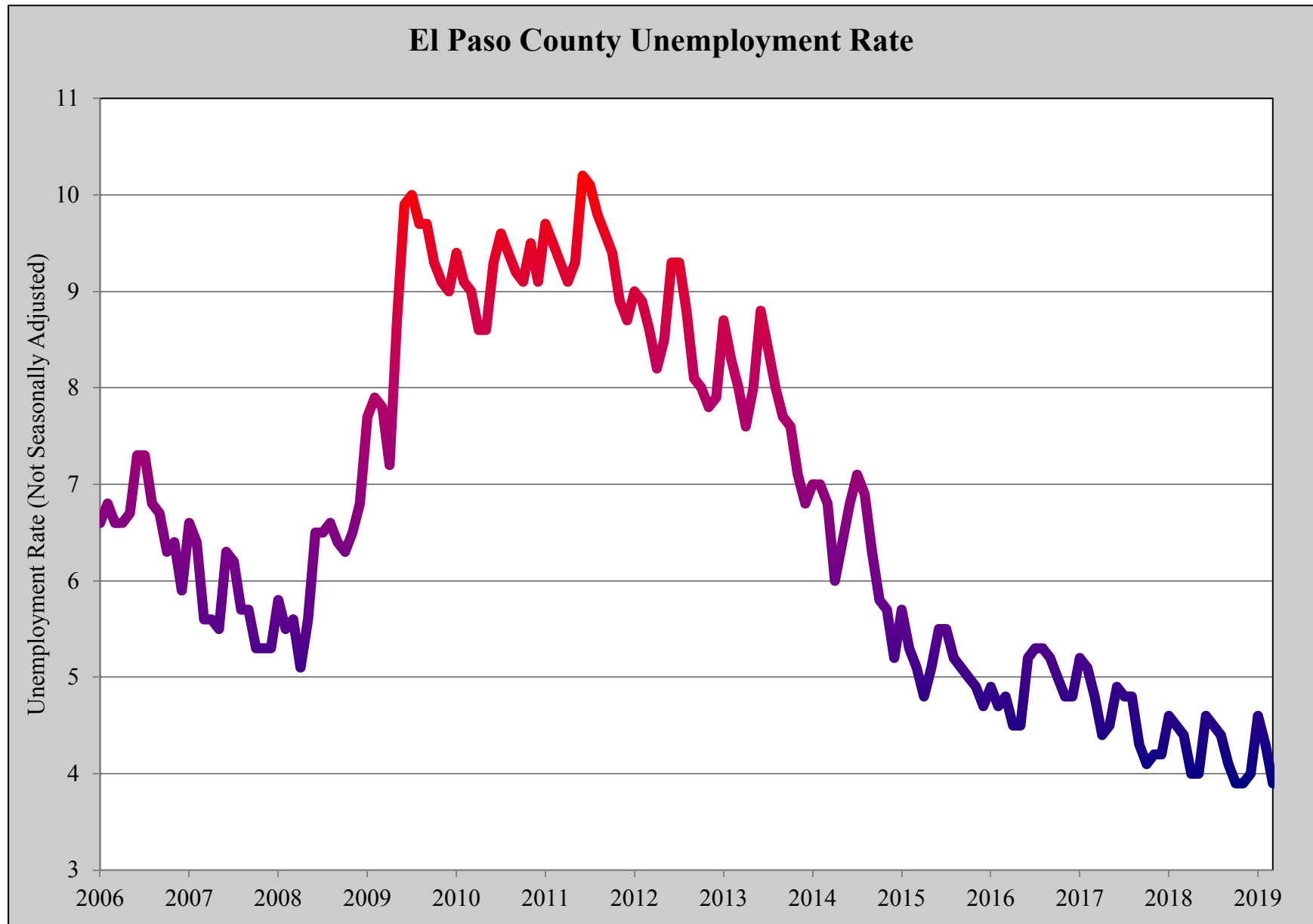
Source: UTEP Border Region Modeling Project



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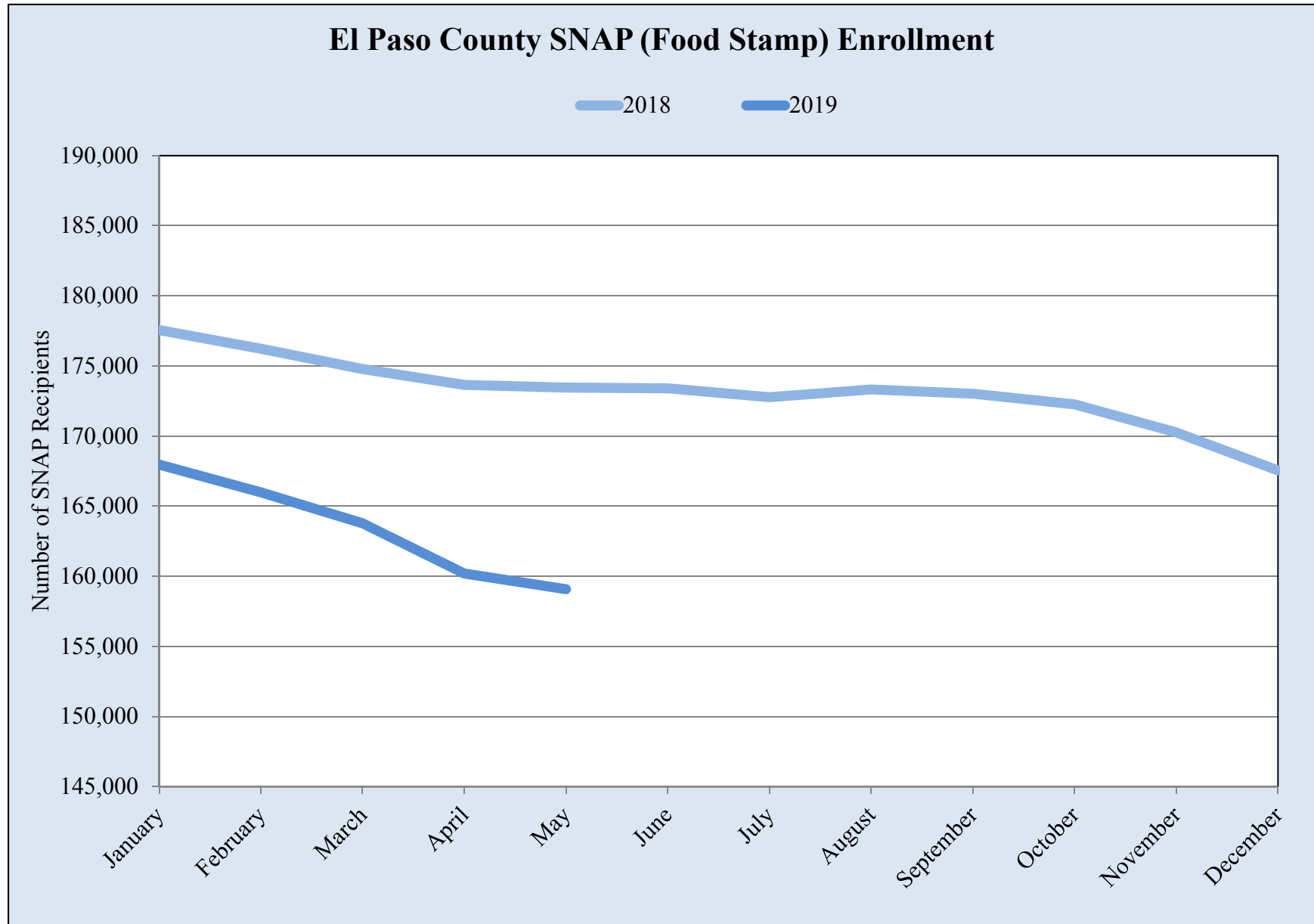


Source: Bureau of Labor Statistics



Source: Bureau of Labor Statistics

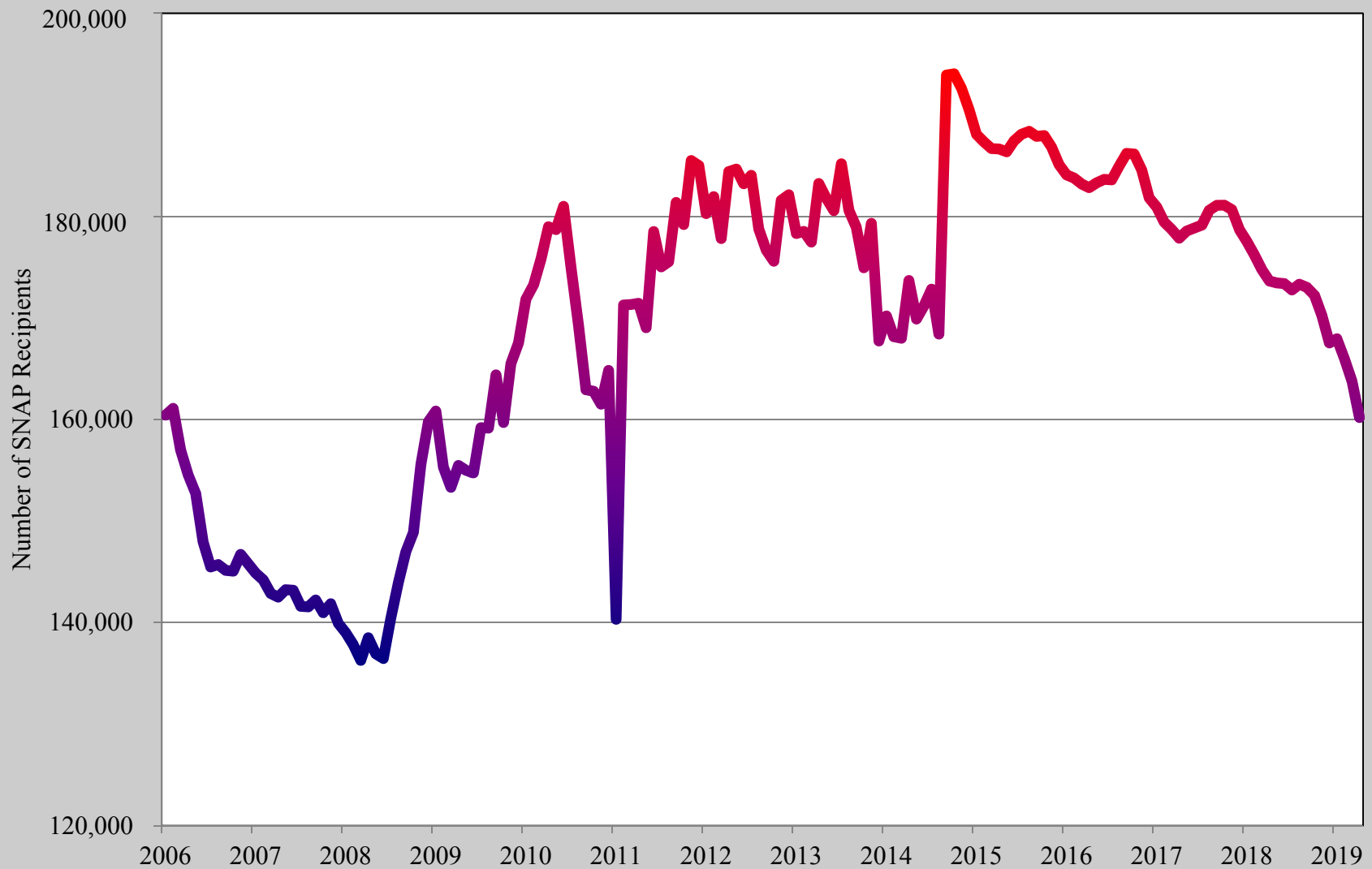




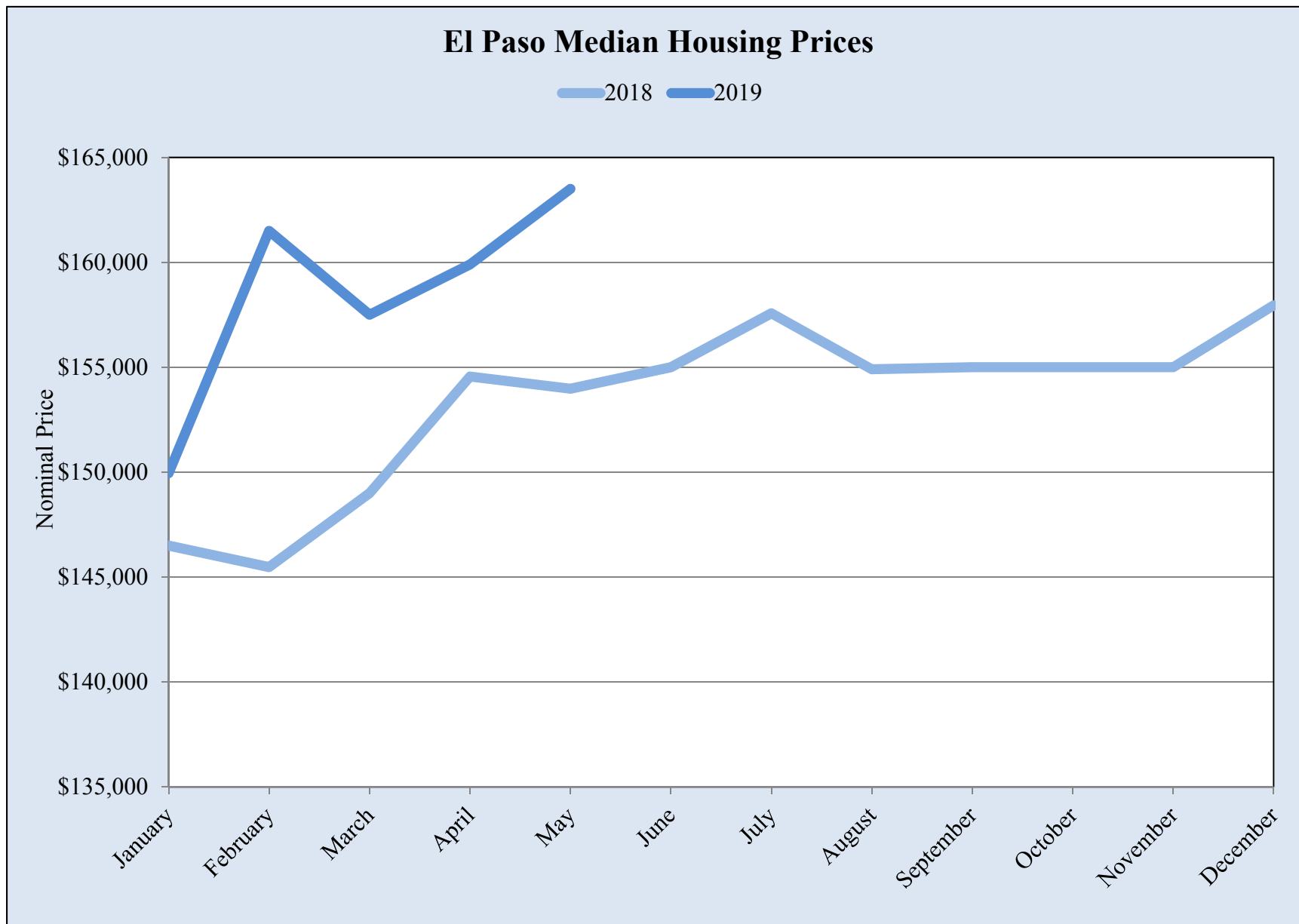
Source: Texas Health and Human Services Commission



## El Paso County SNAP (Food Stamp) Enrollment



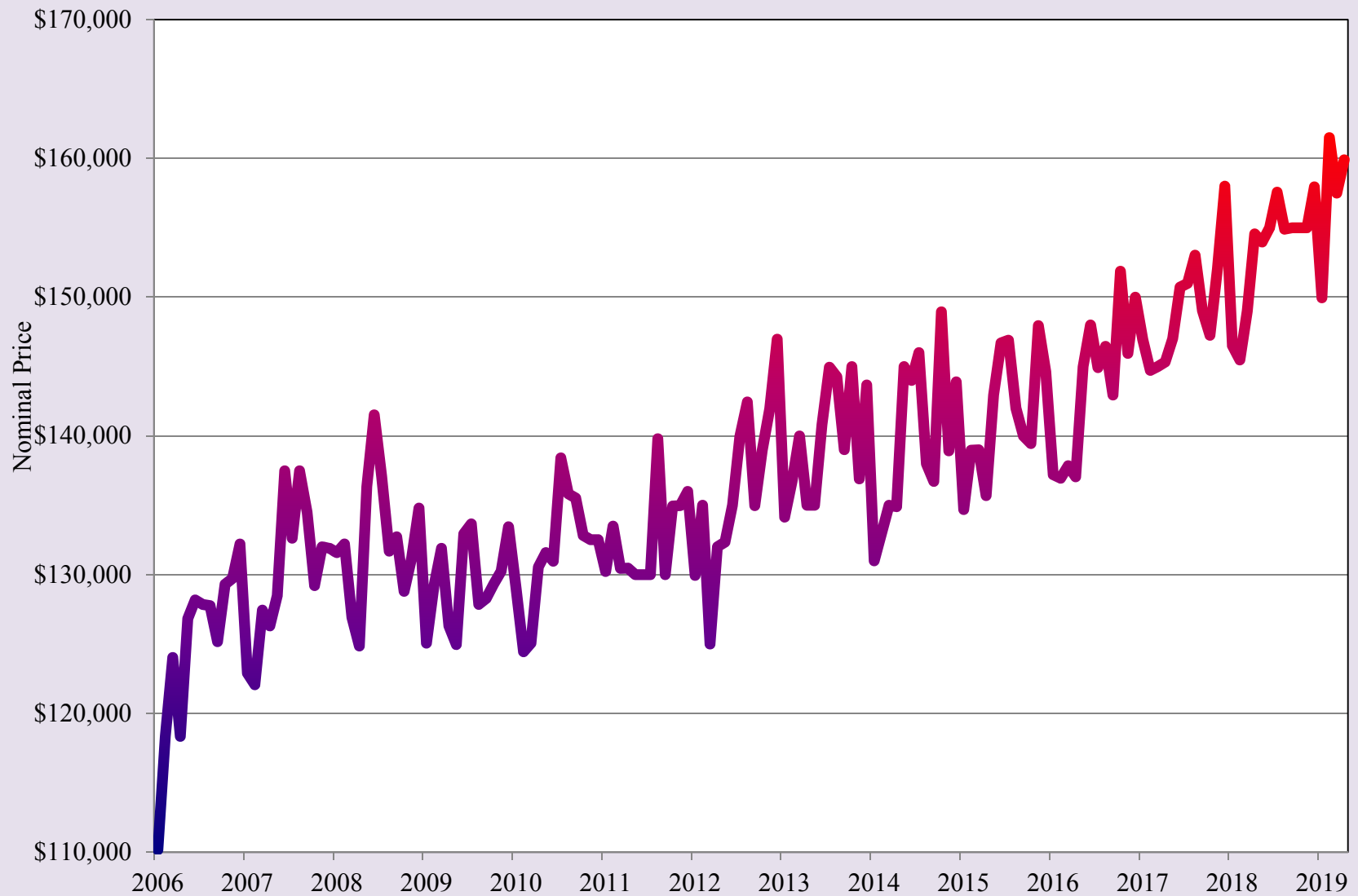
Source: Texas Health and Human Services Commission



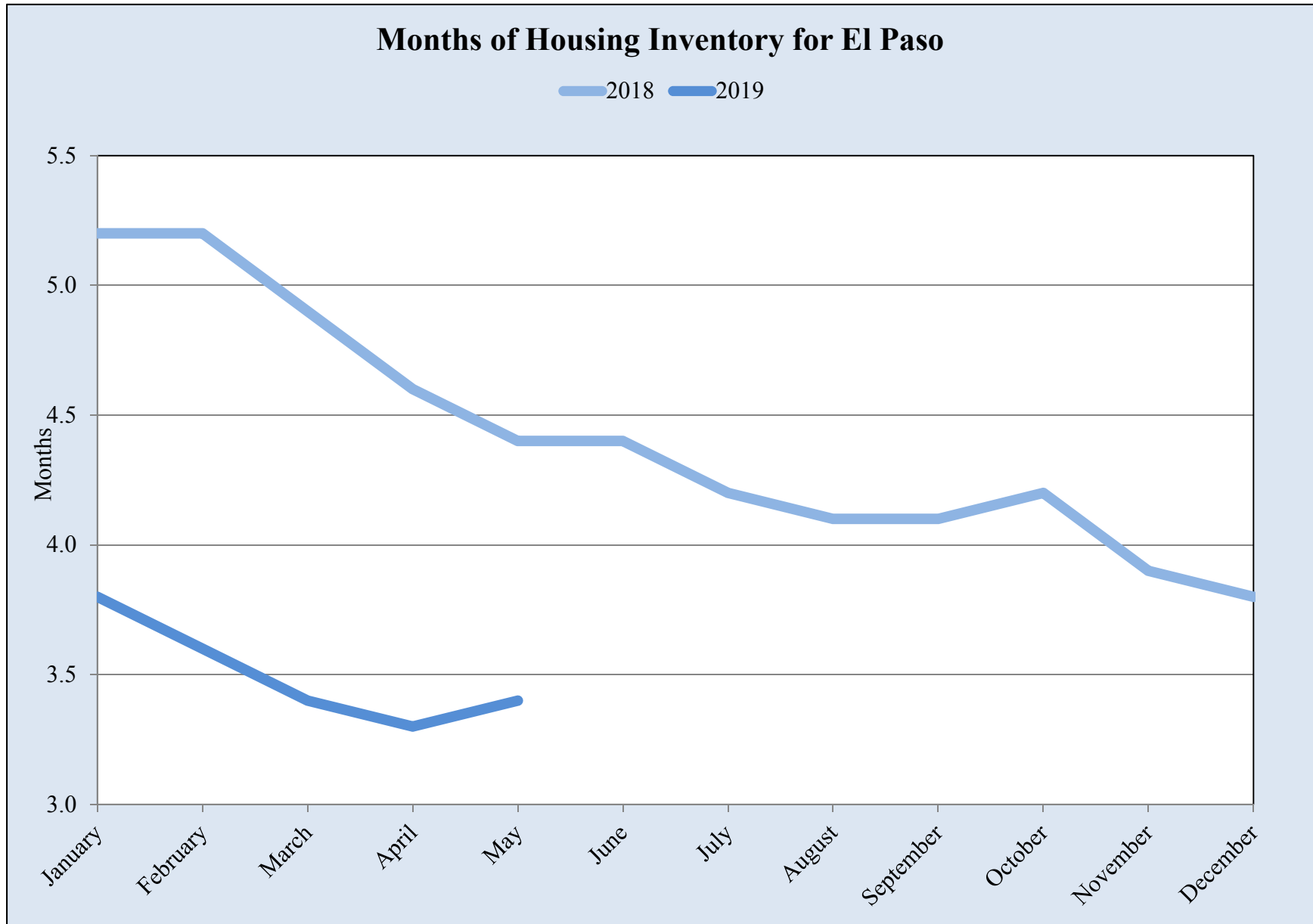
Source: Texas A&M Real Estate Center



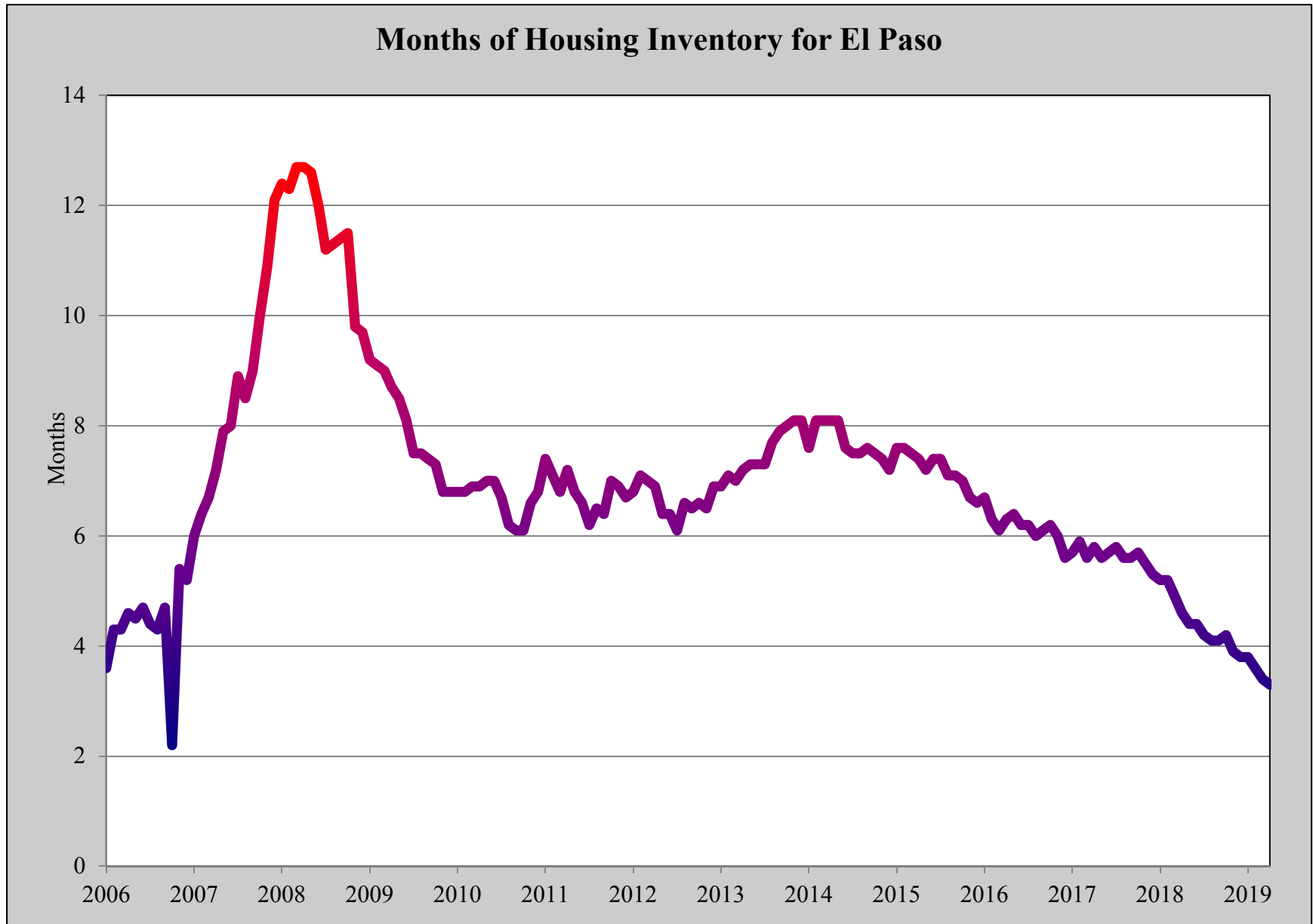
## El Paso Median Housing Prices



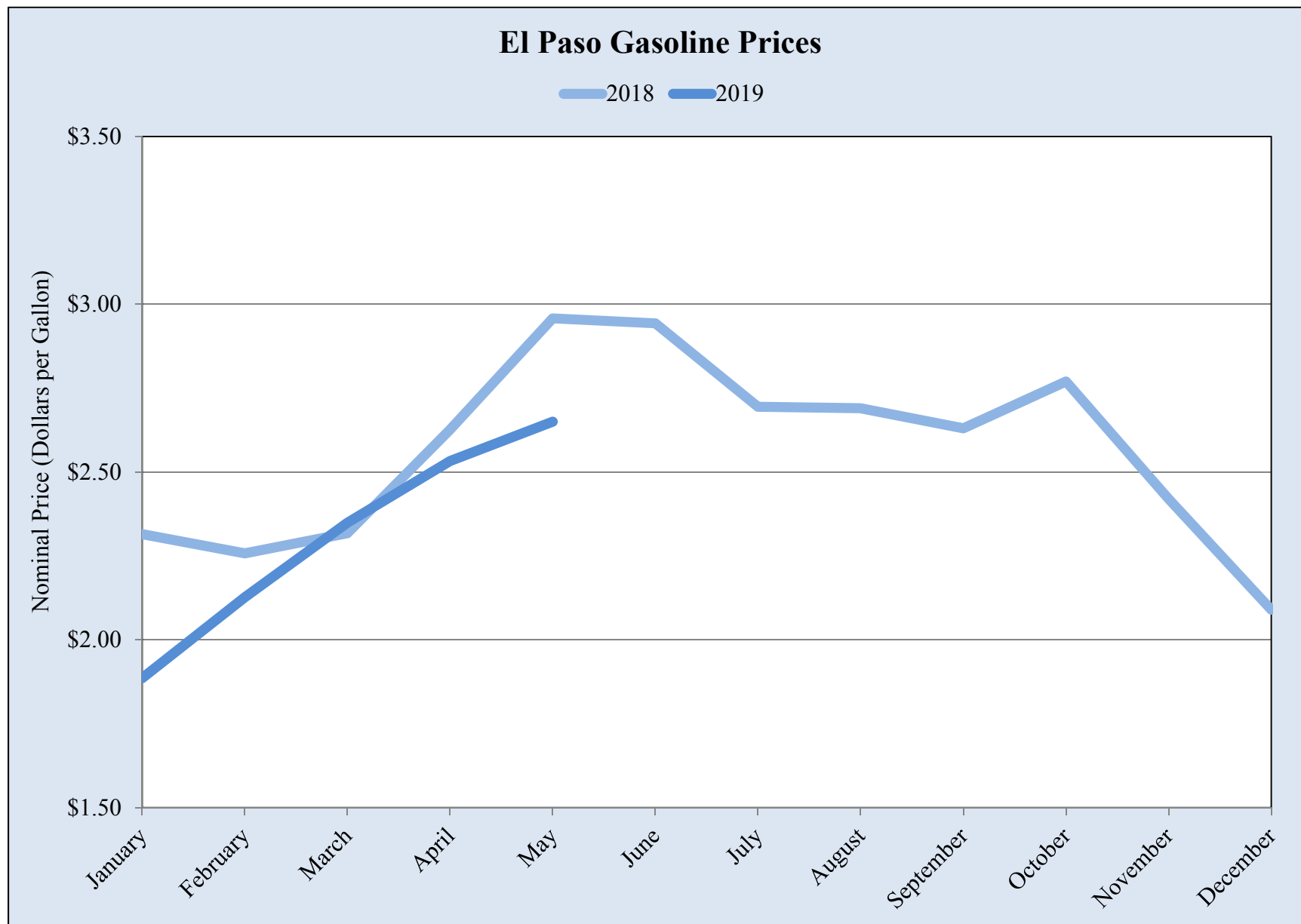
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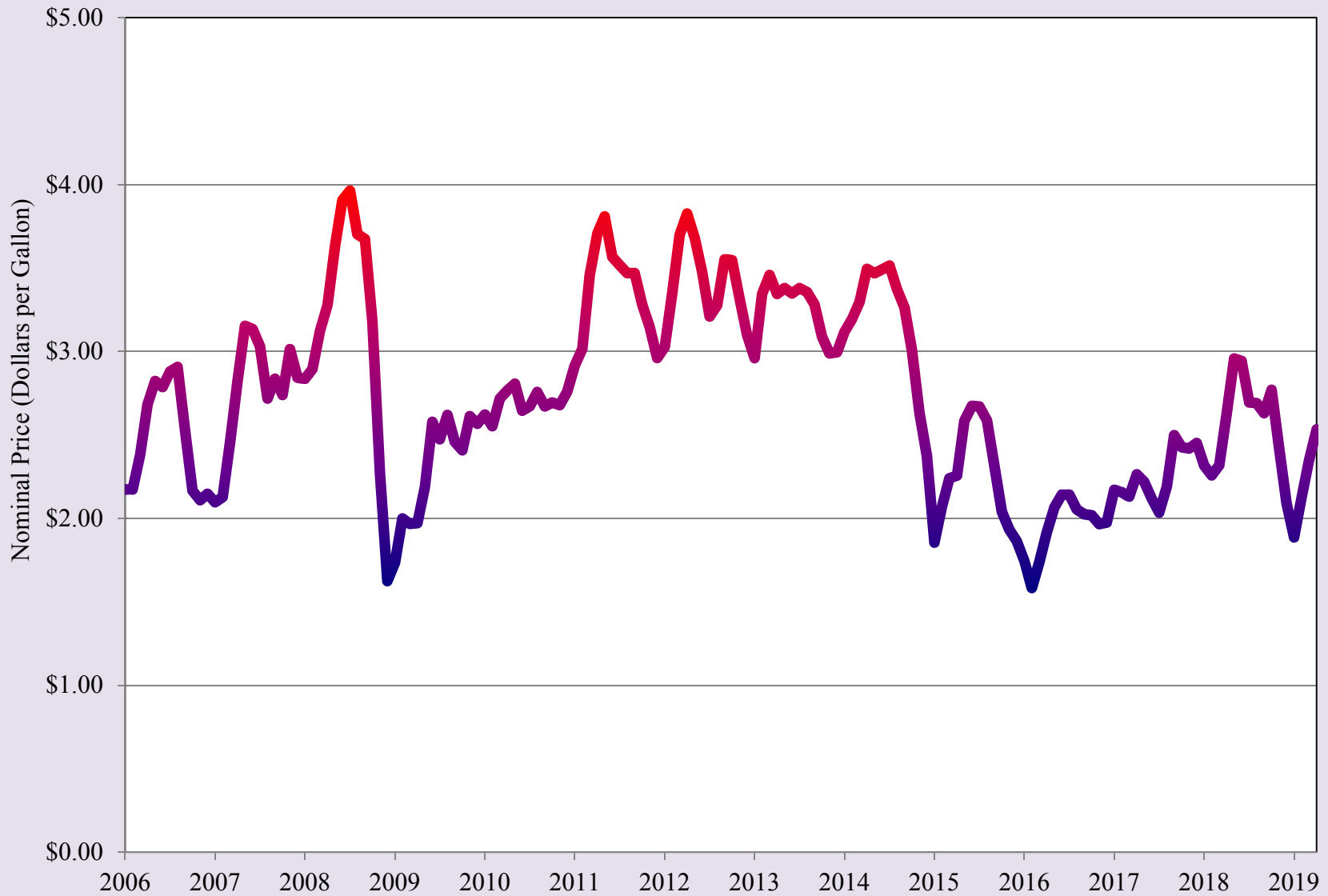
Source: Texas A&M Real Estate Center



Source: GasBuddy.com

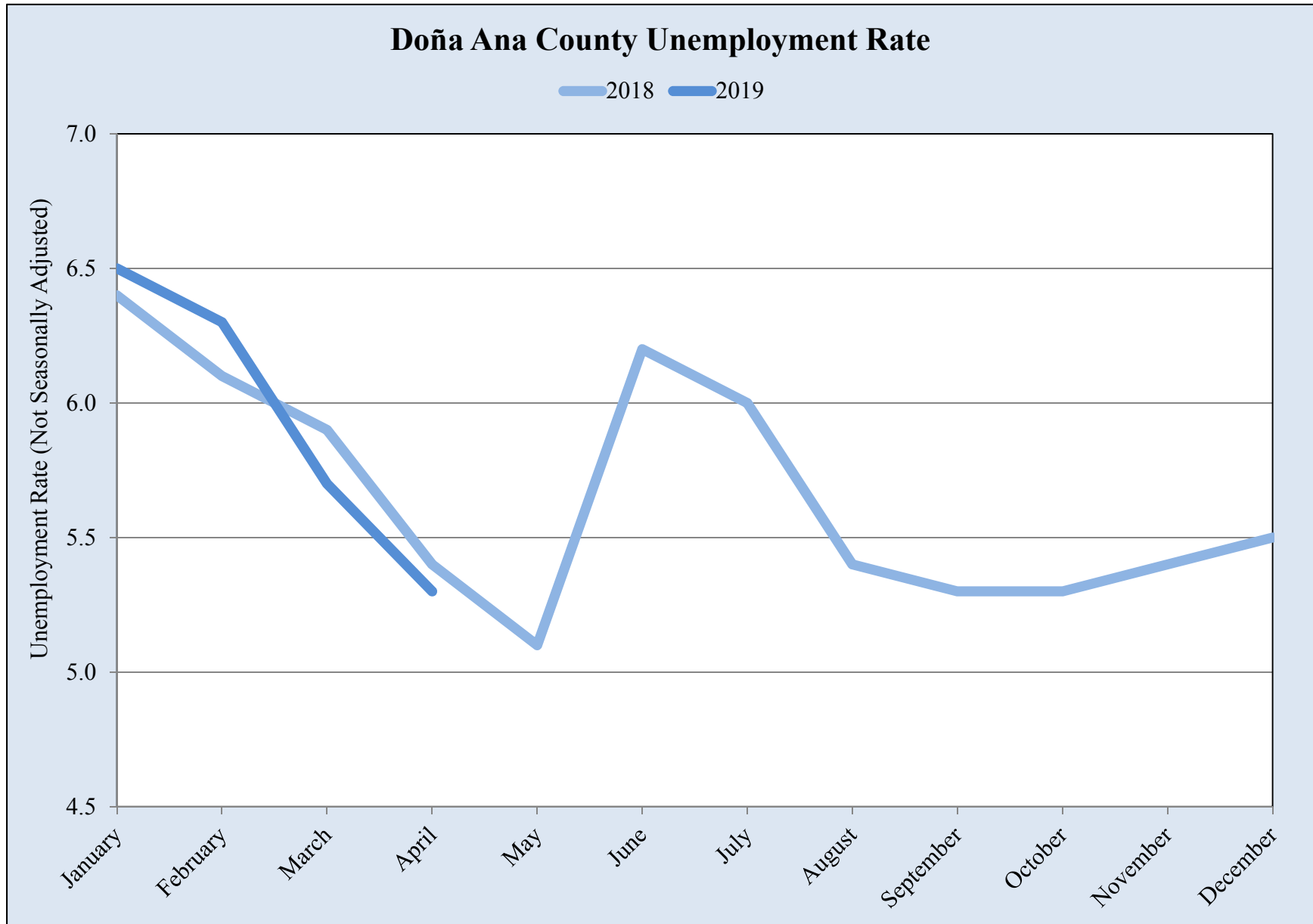


## El Paso Gasoline Prices

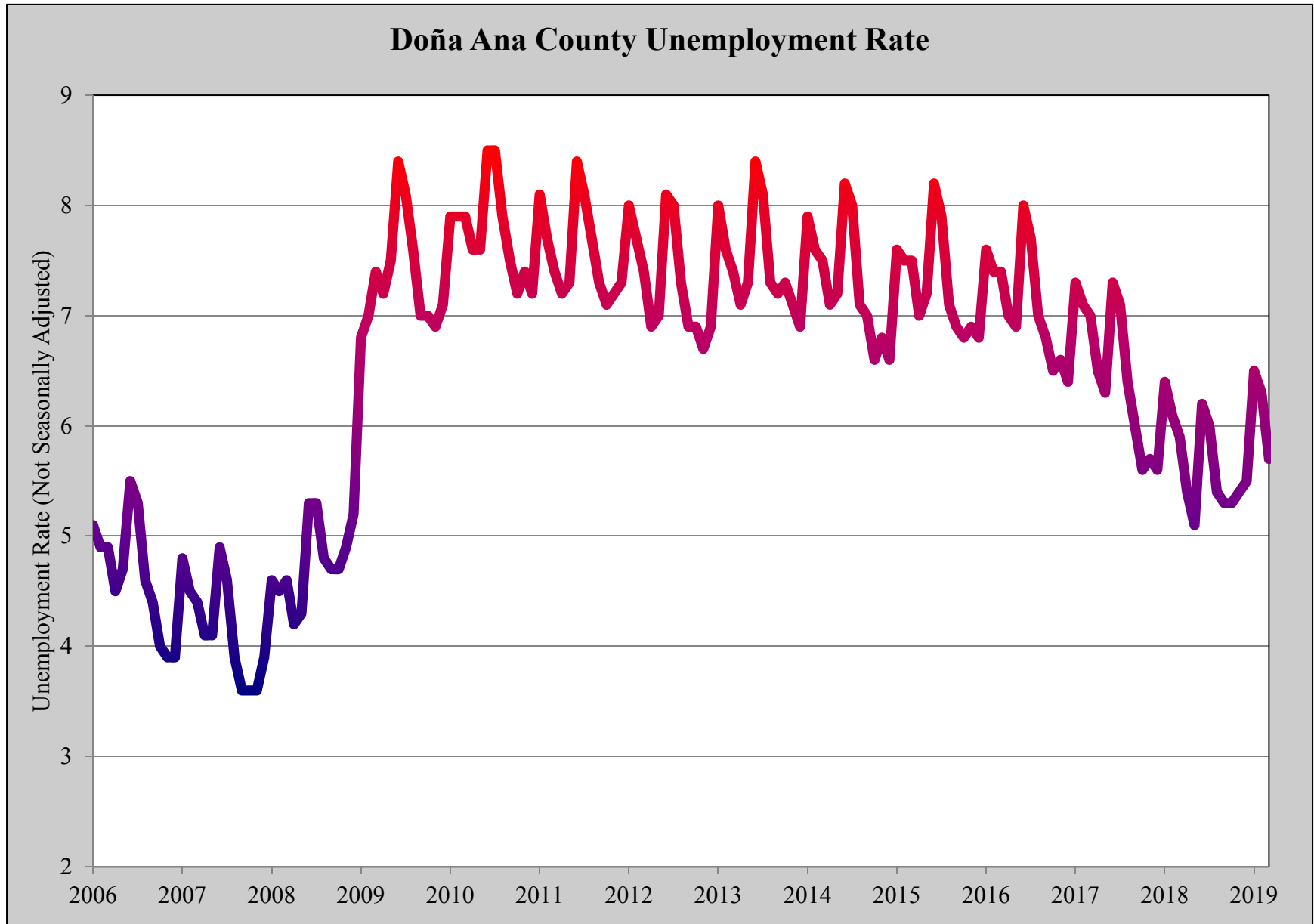


Source: GasBuddy.com

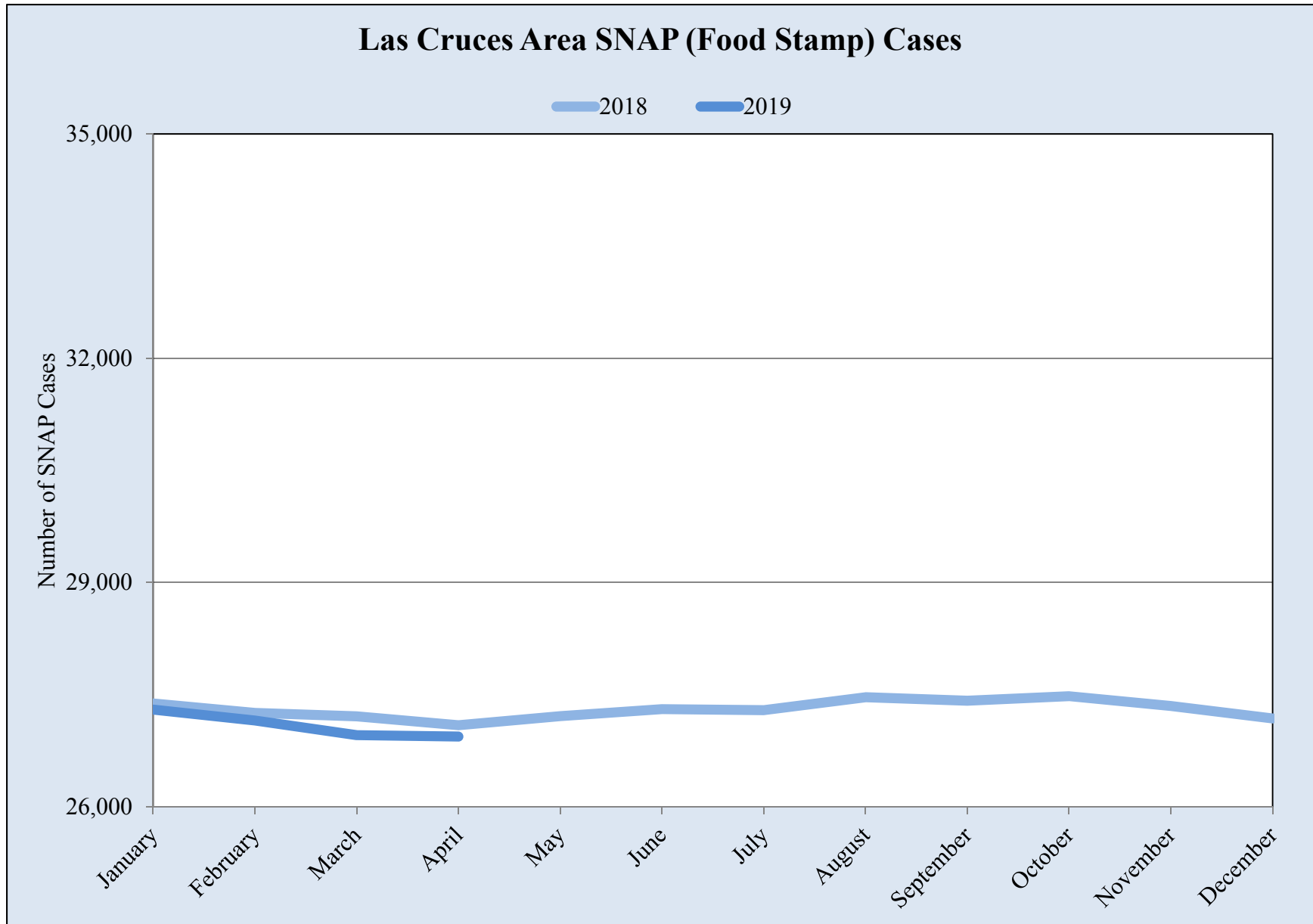




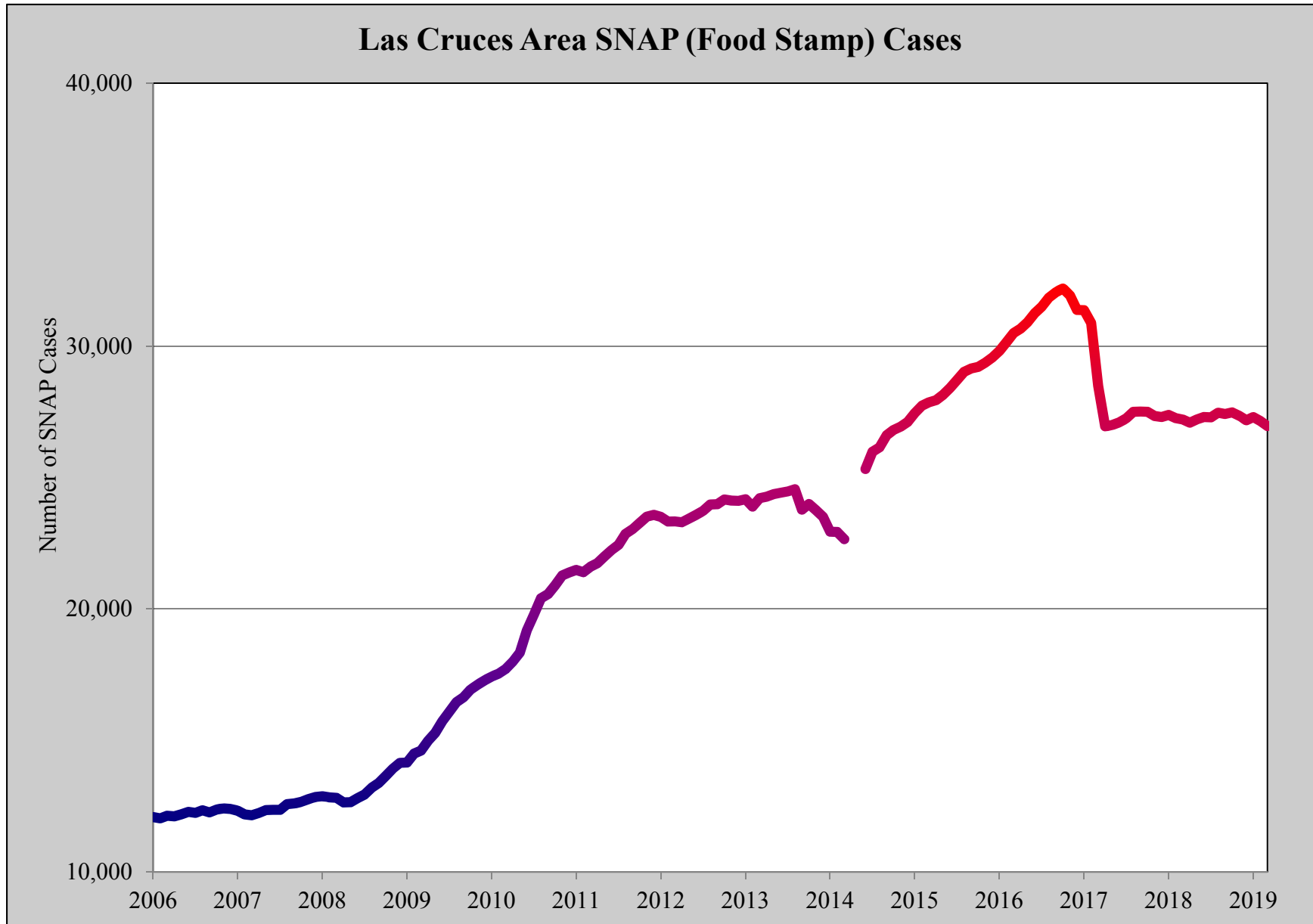
Source: Bureau of Labor Statistics



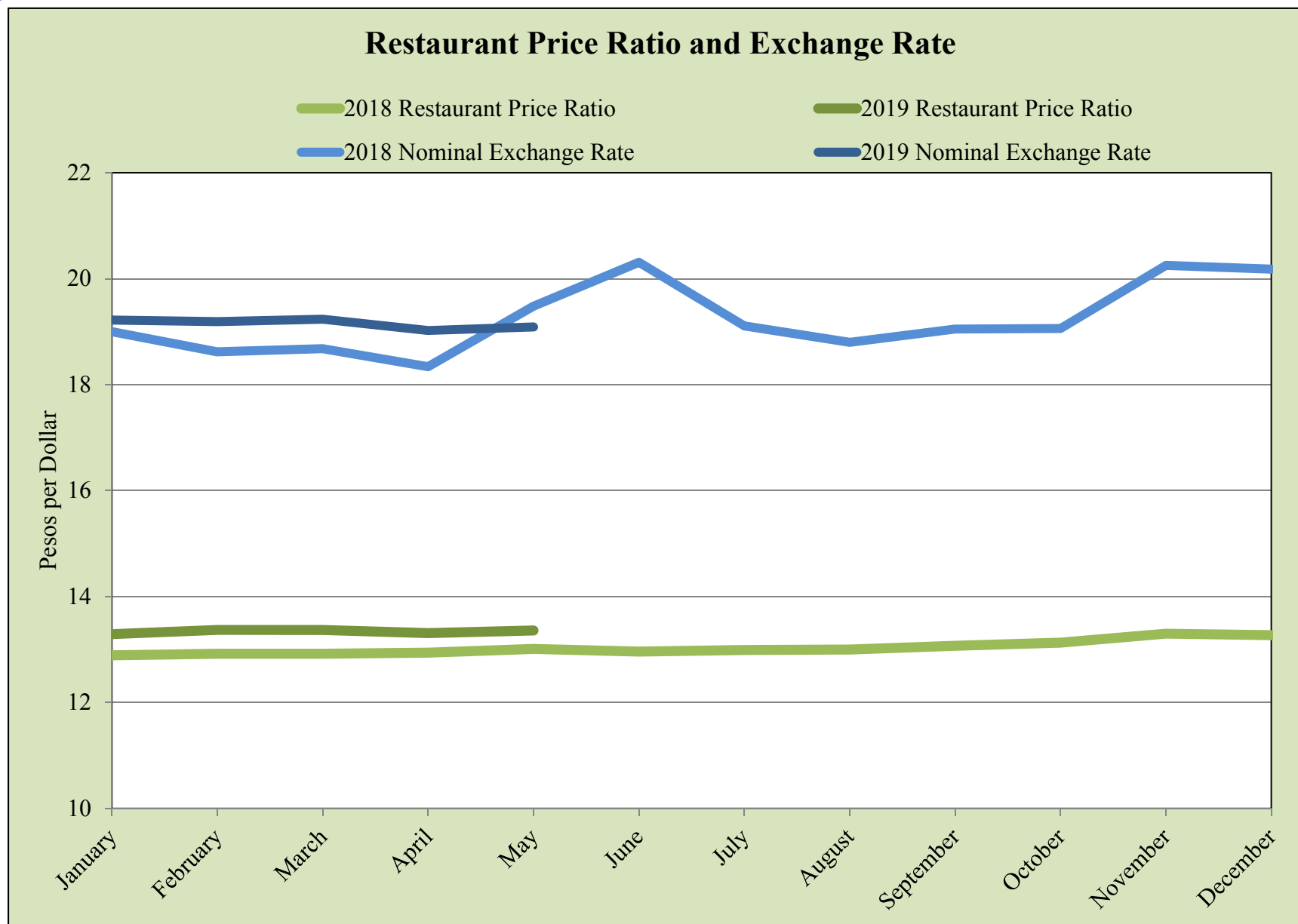
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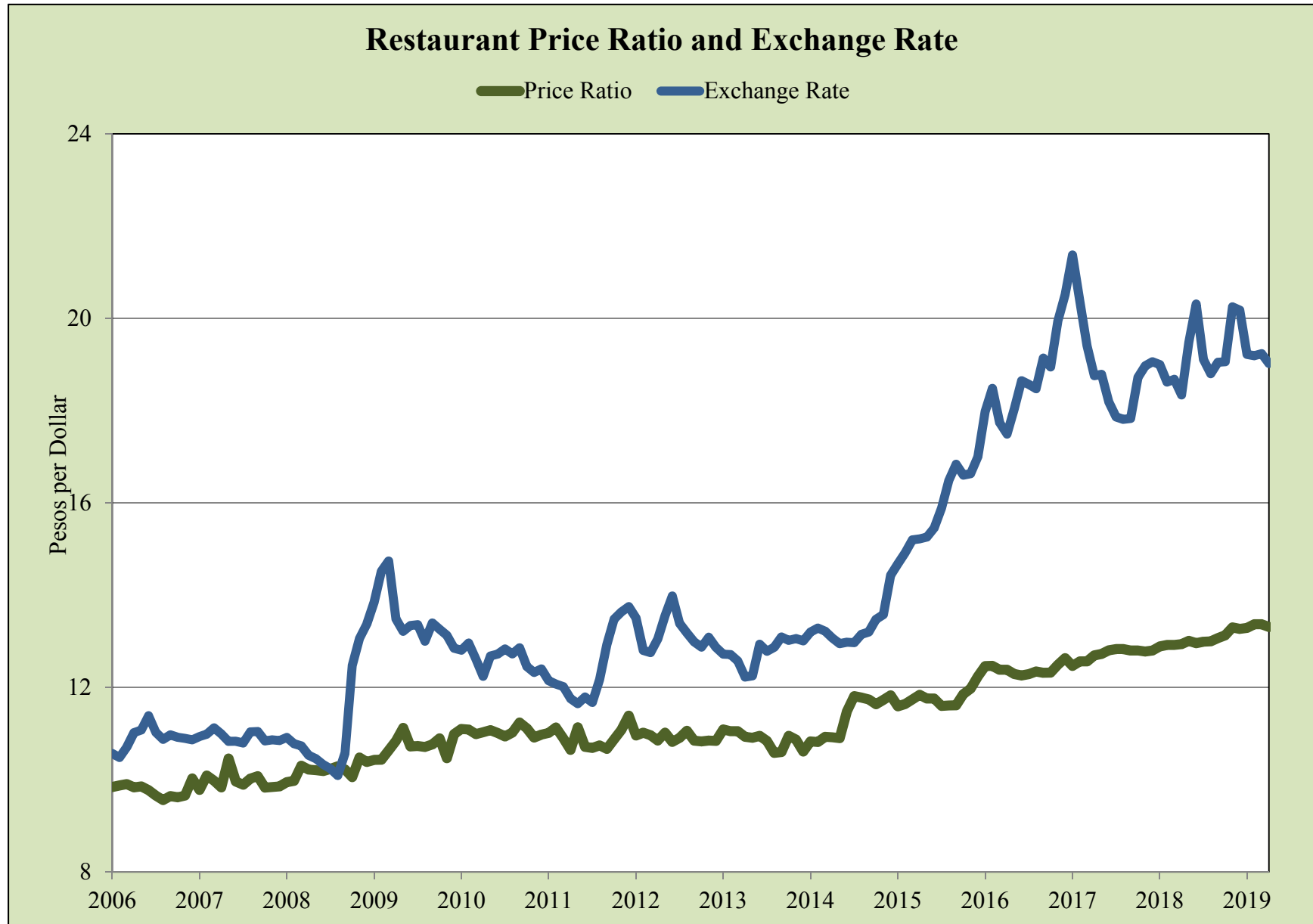
Source: New Mexico Human Services Department



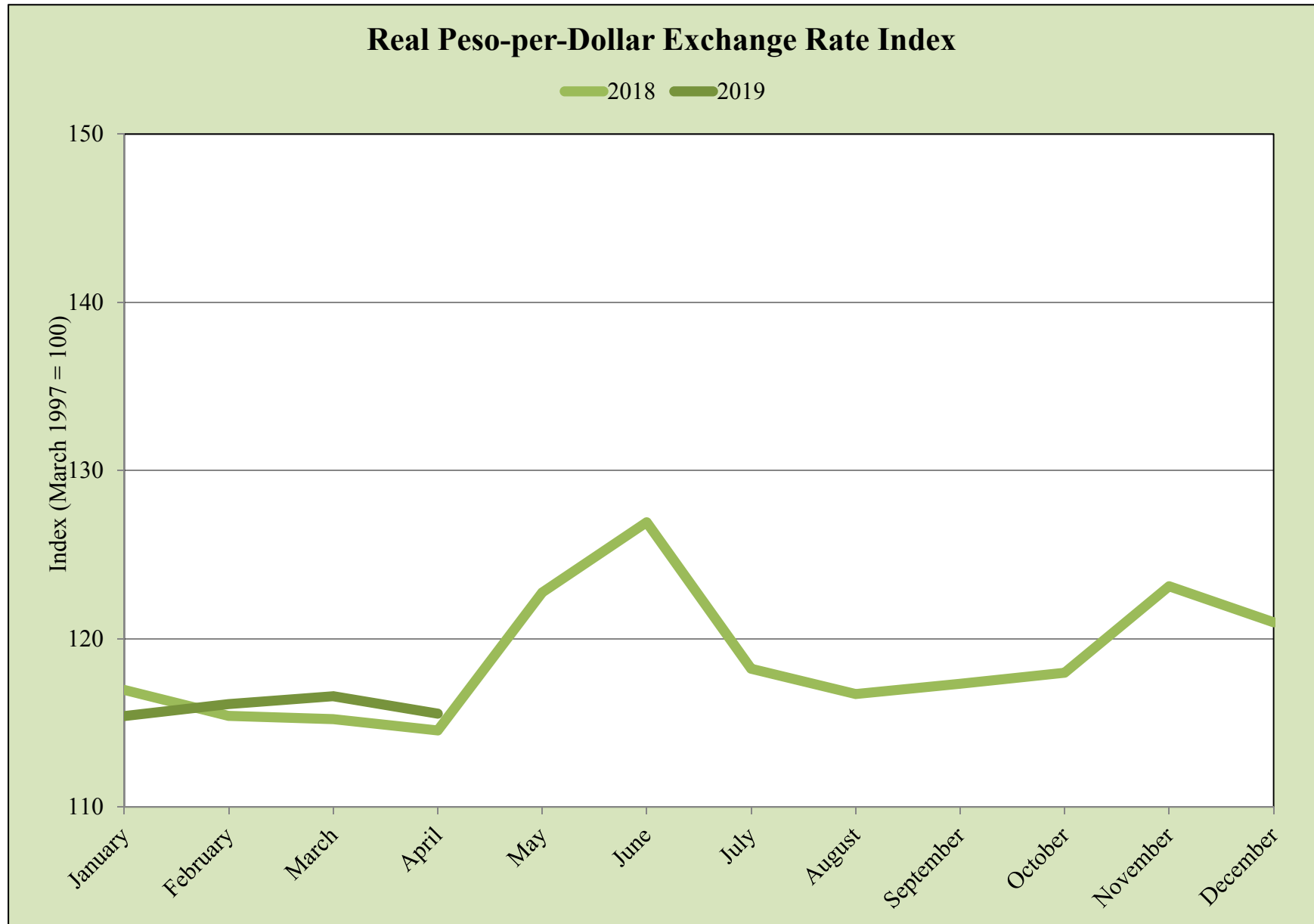
Source: New Mexico Human Services Department



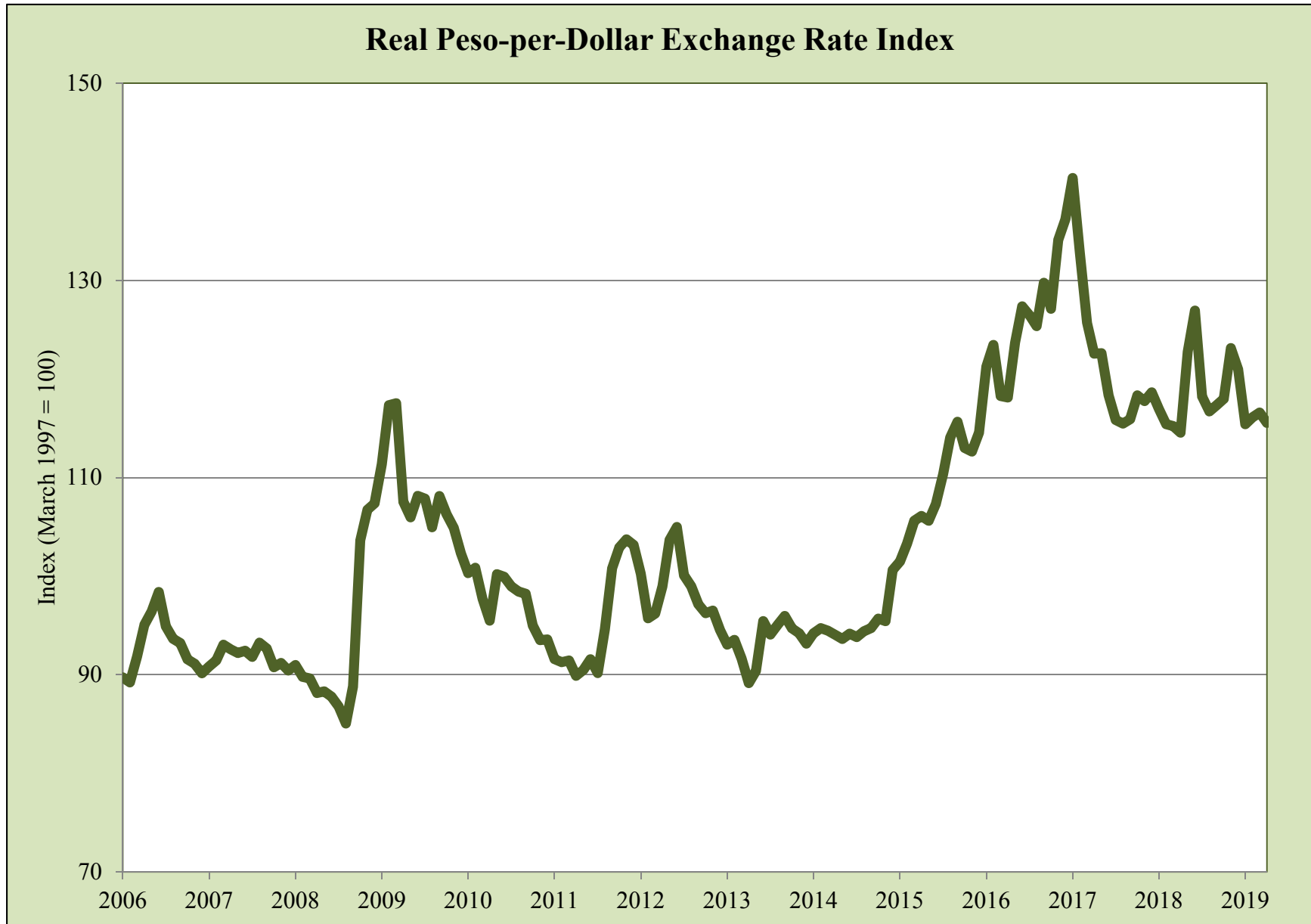
Source: UTEP Border Region Modeling Project and Banco de Mexico



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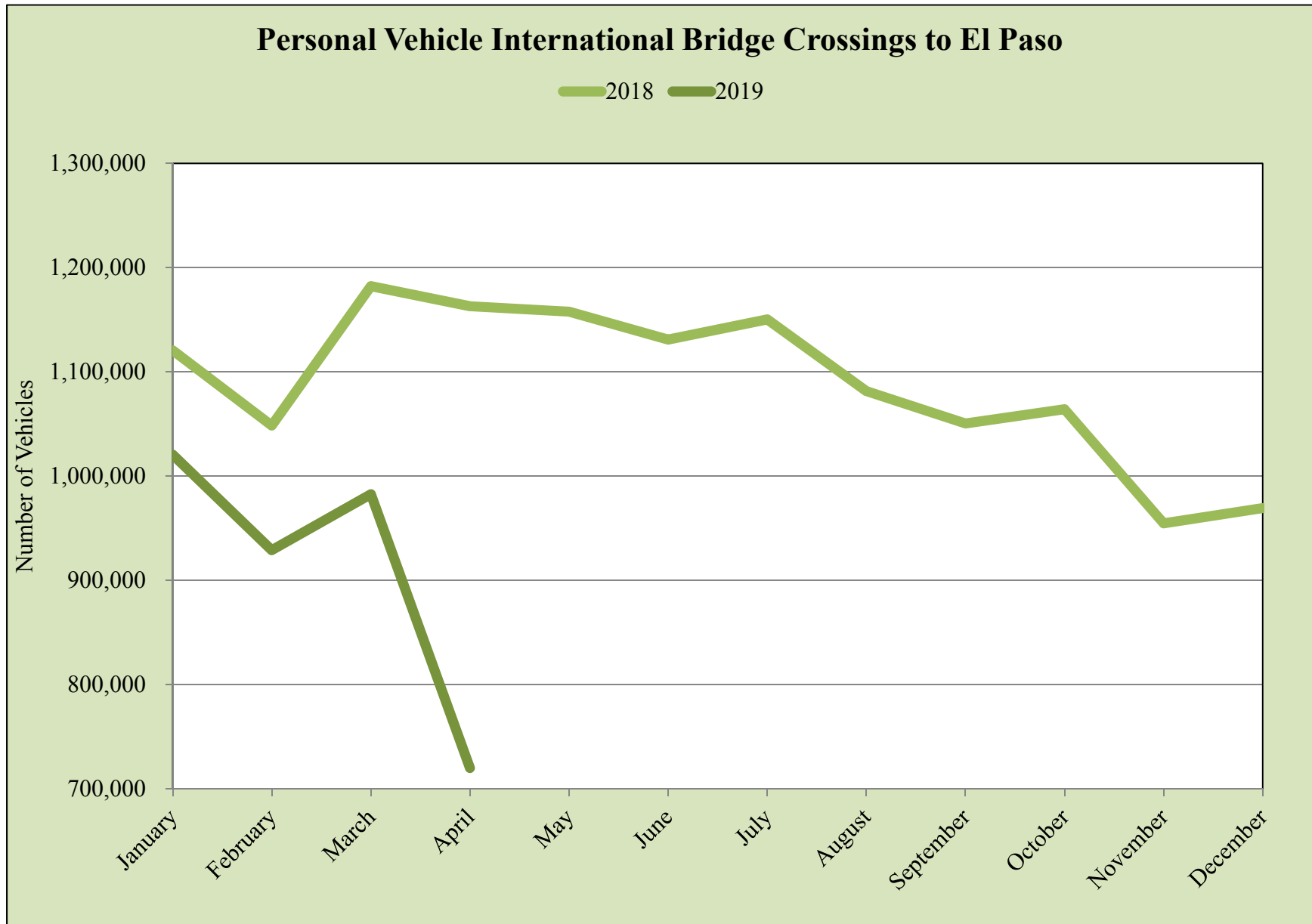


Source: UTEP Border Region Modeling Project

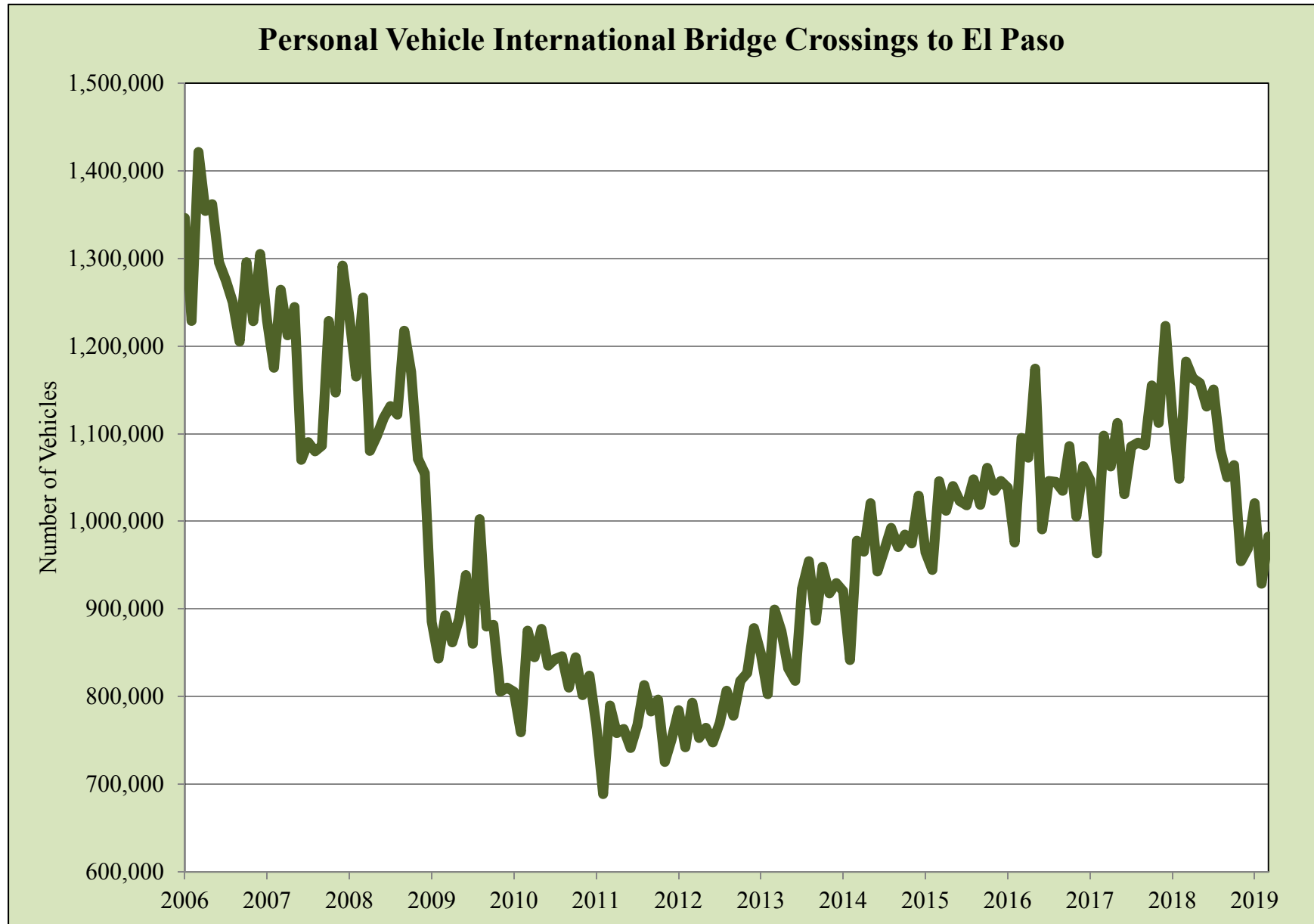


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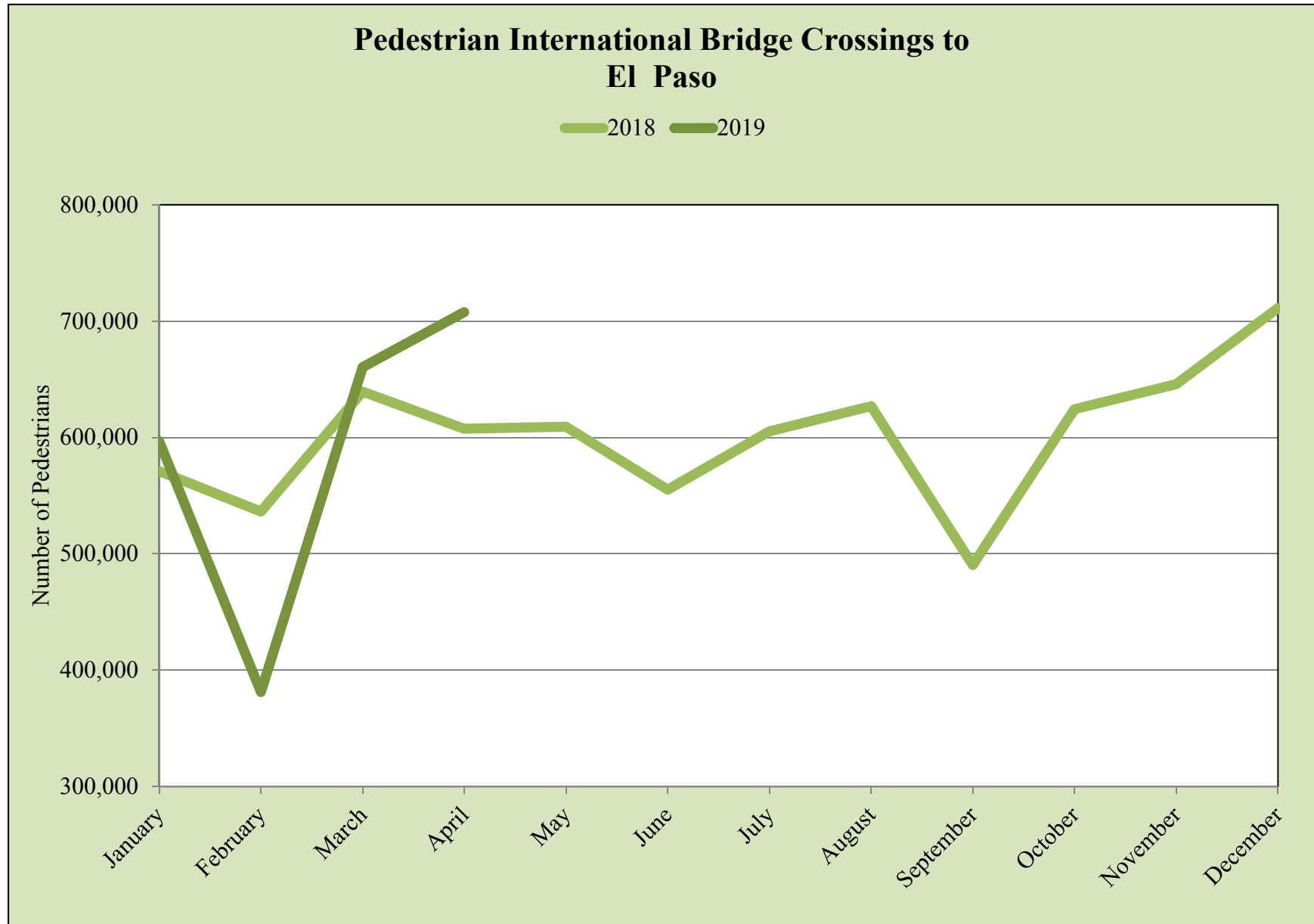




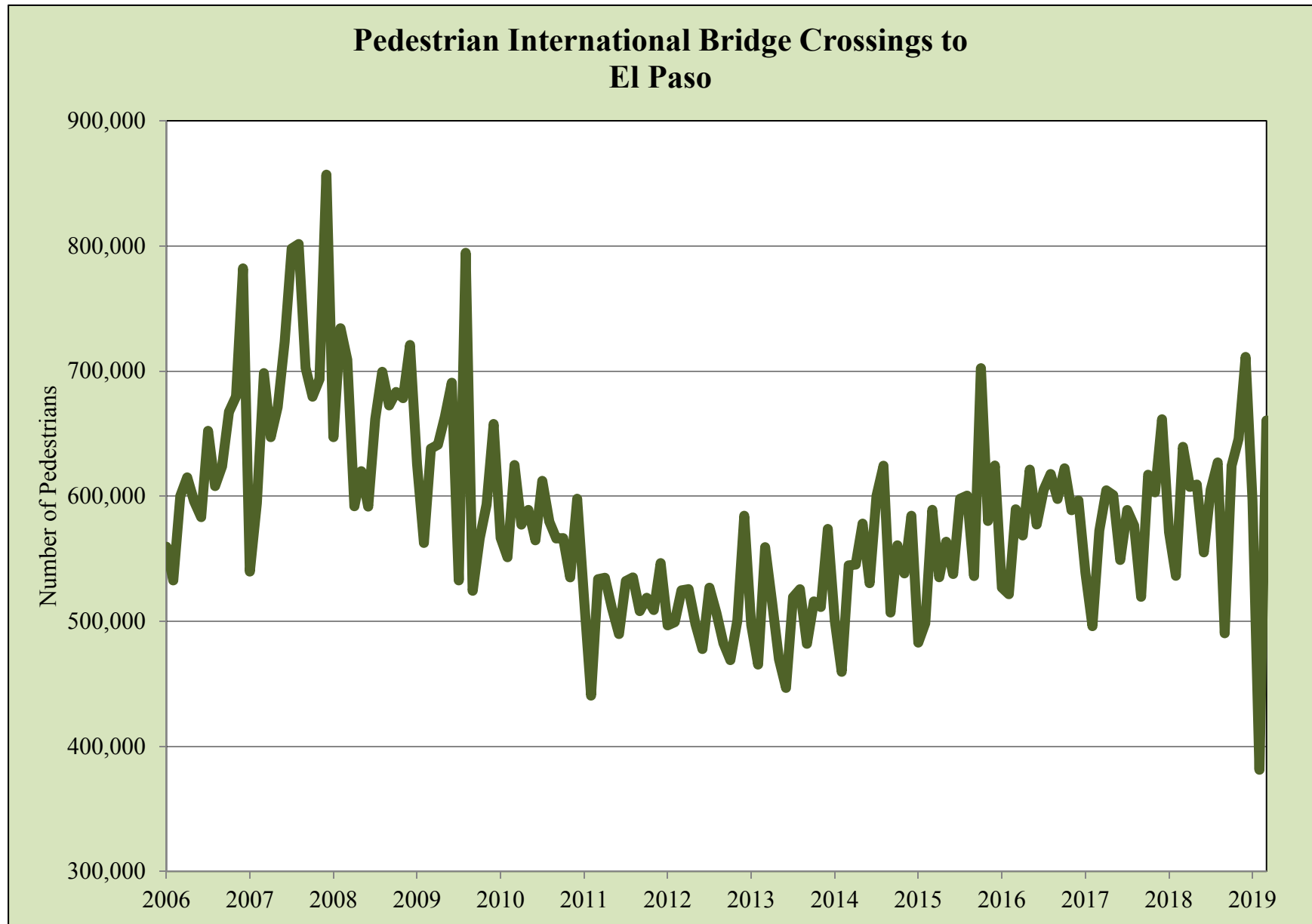
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



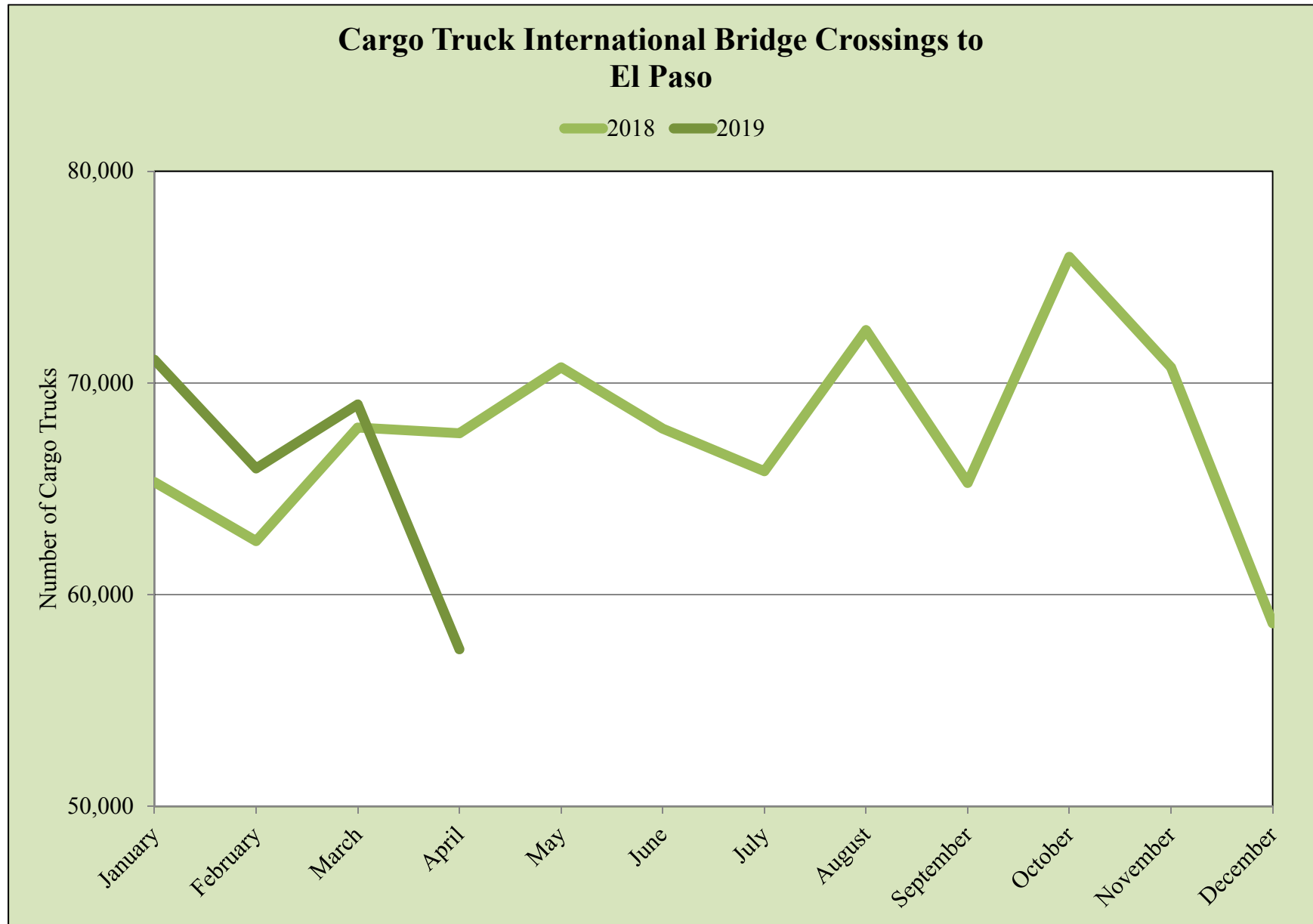
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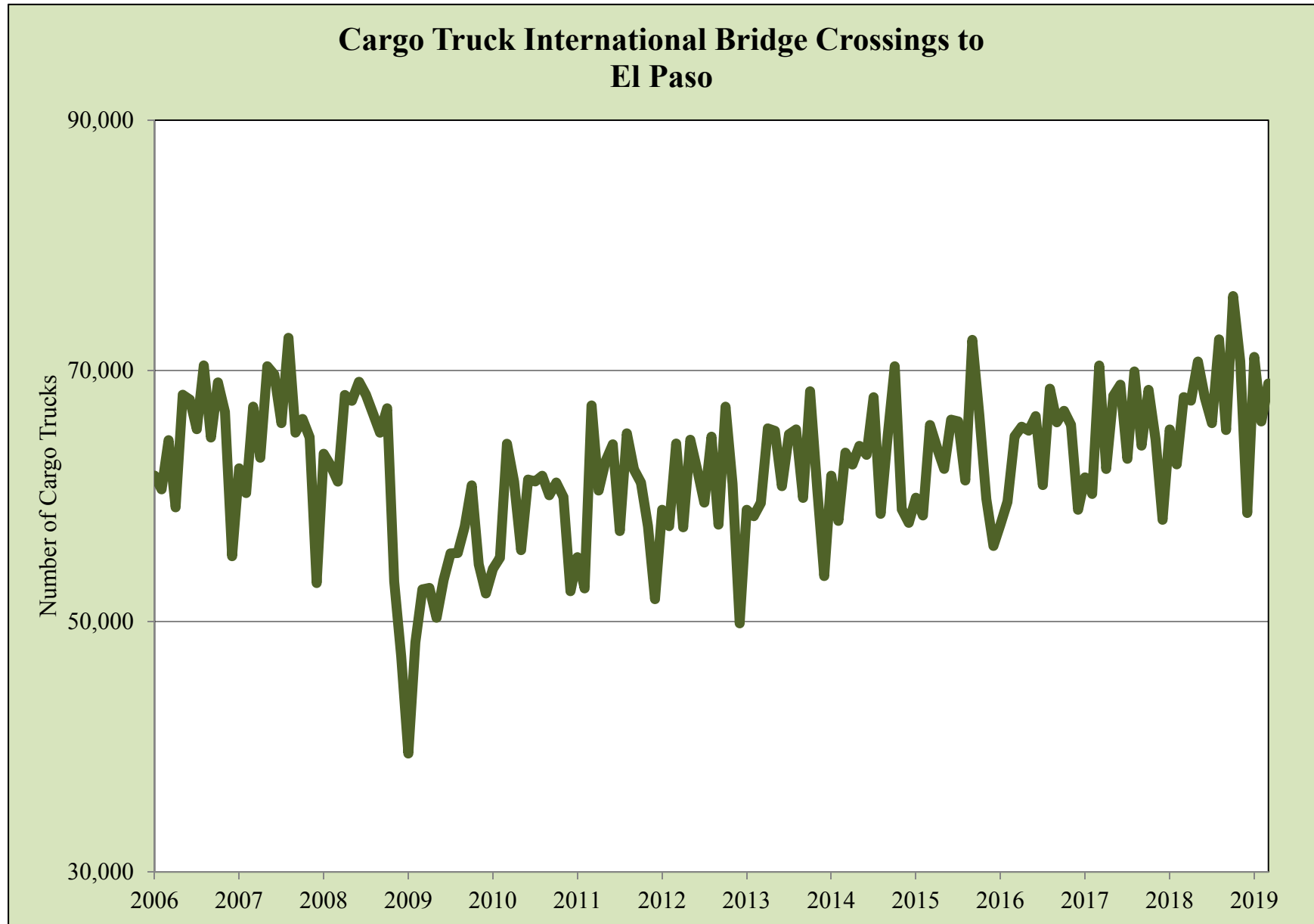
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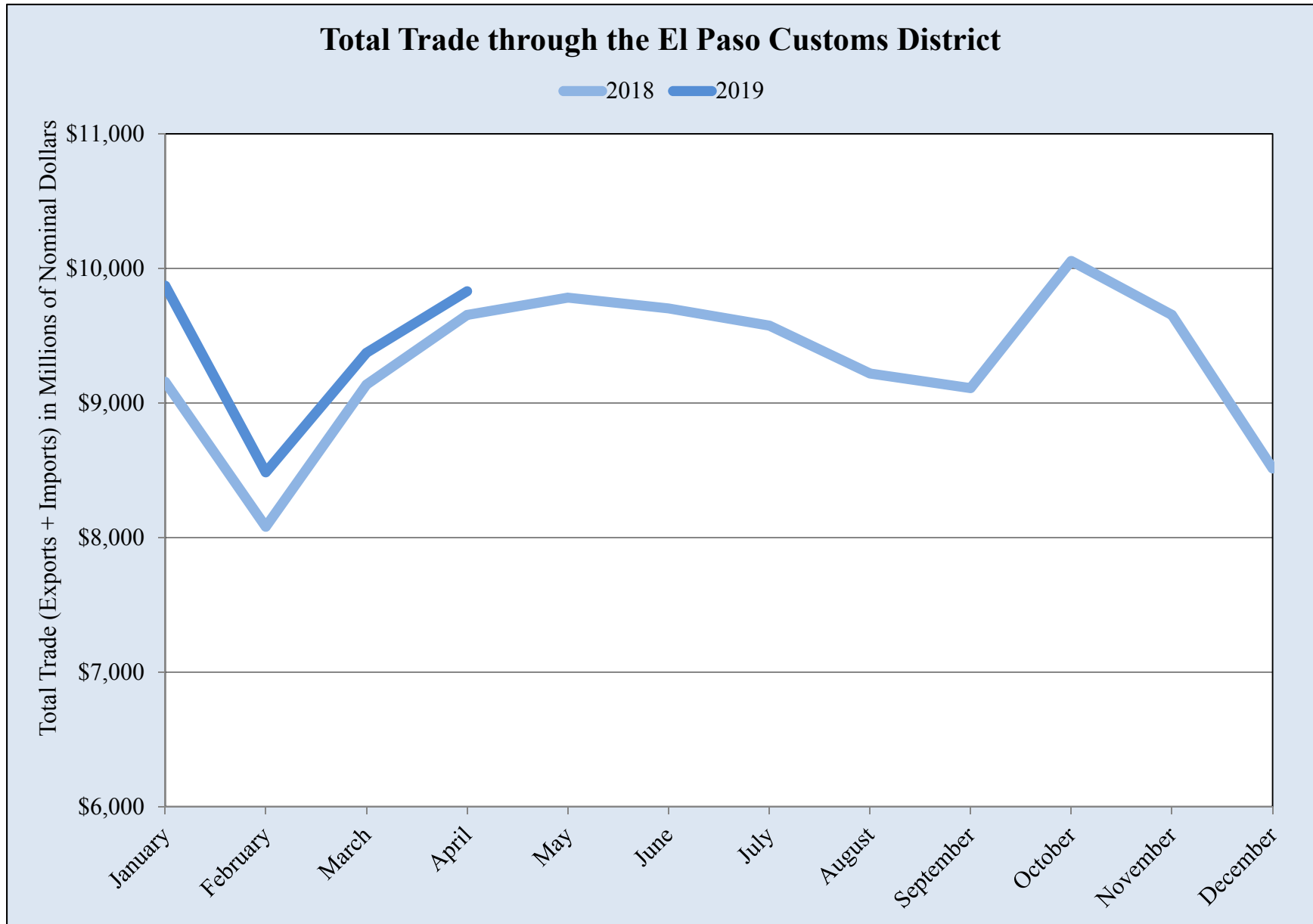
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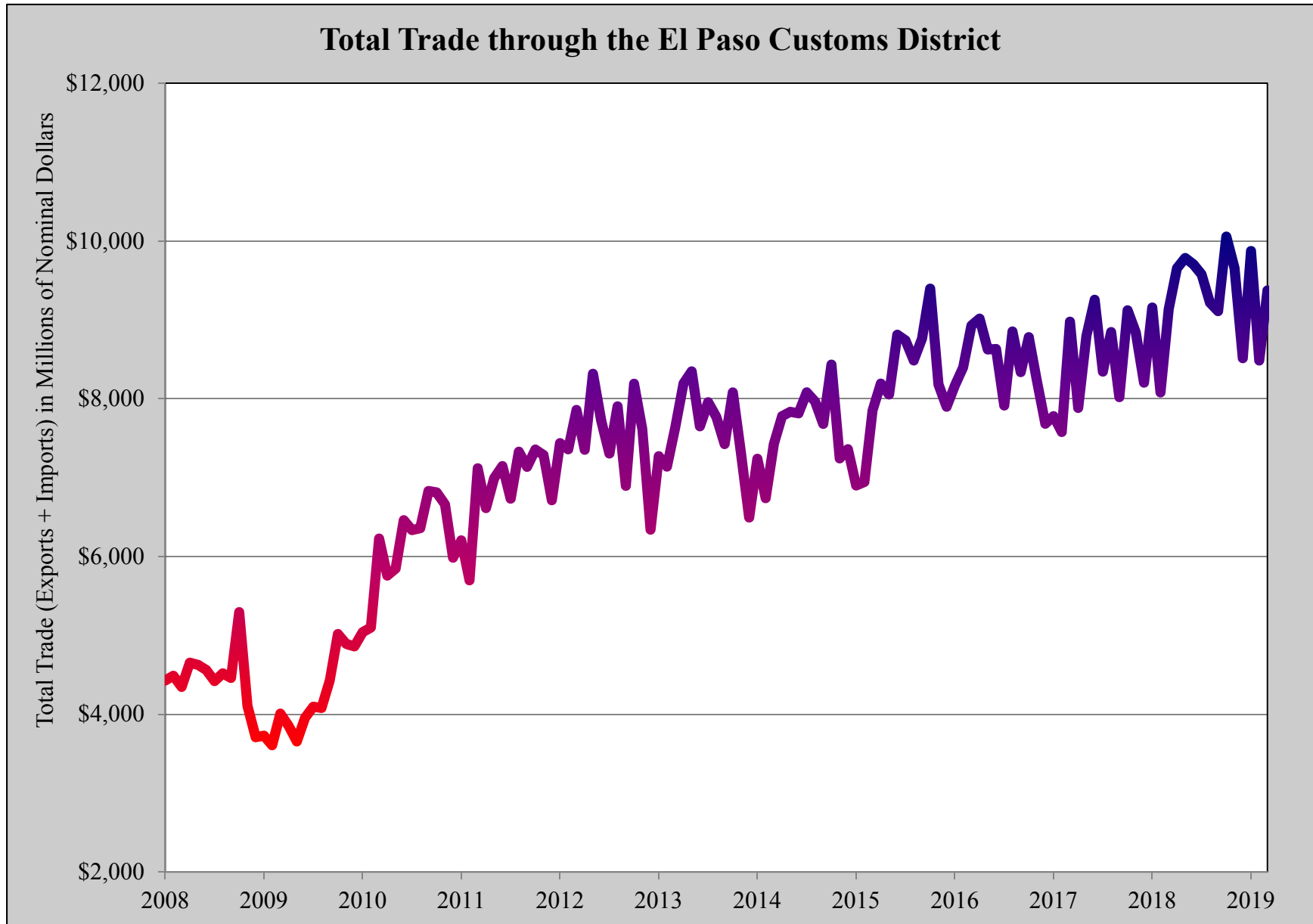
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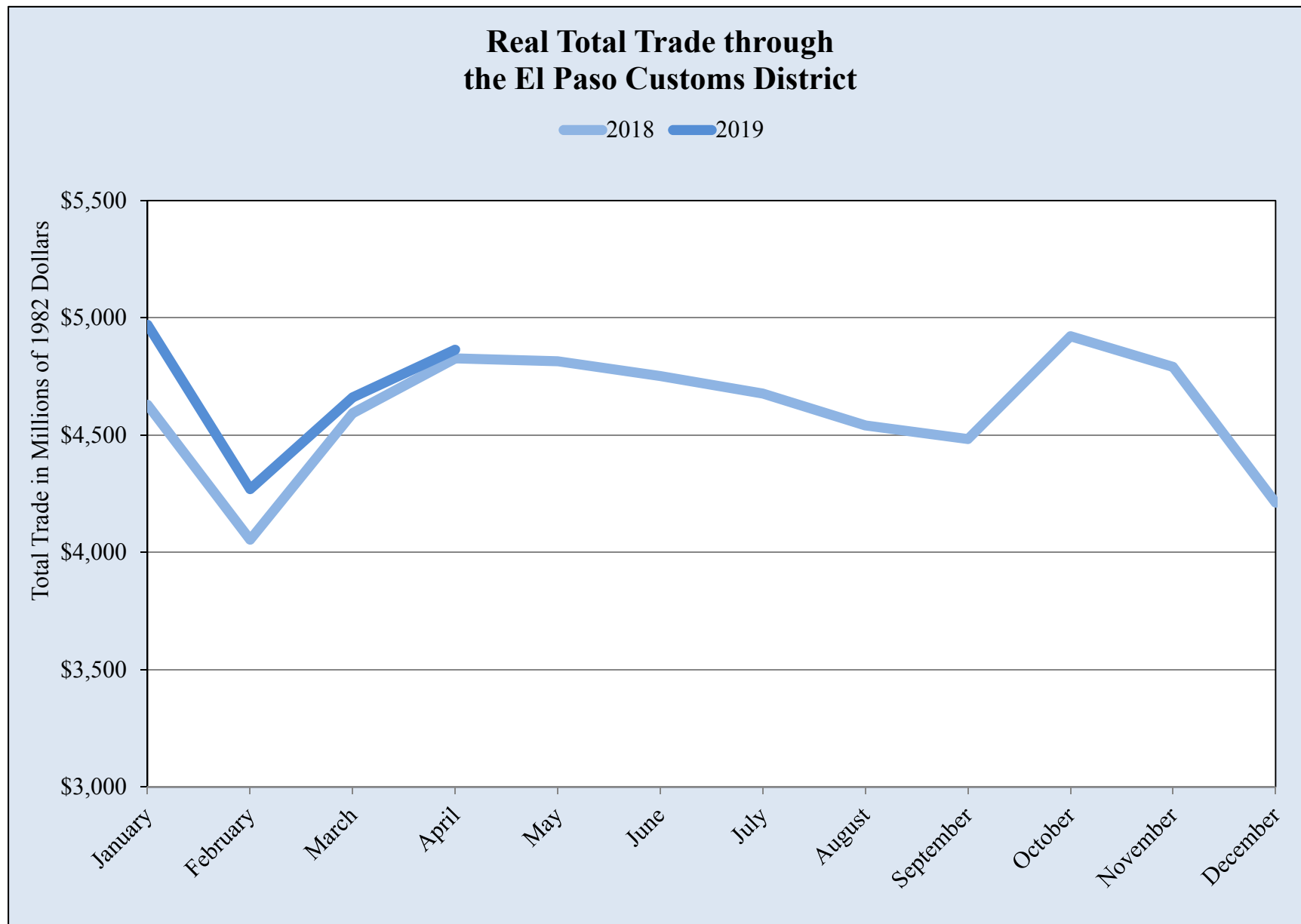


Source: U.S. International Trade Commission

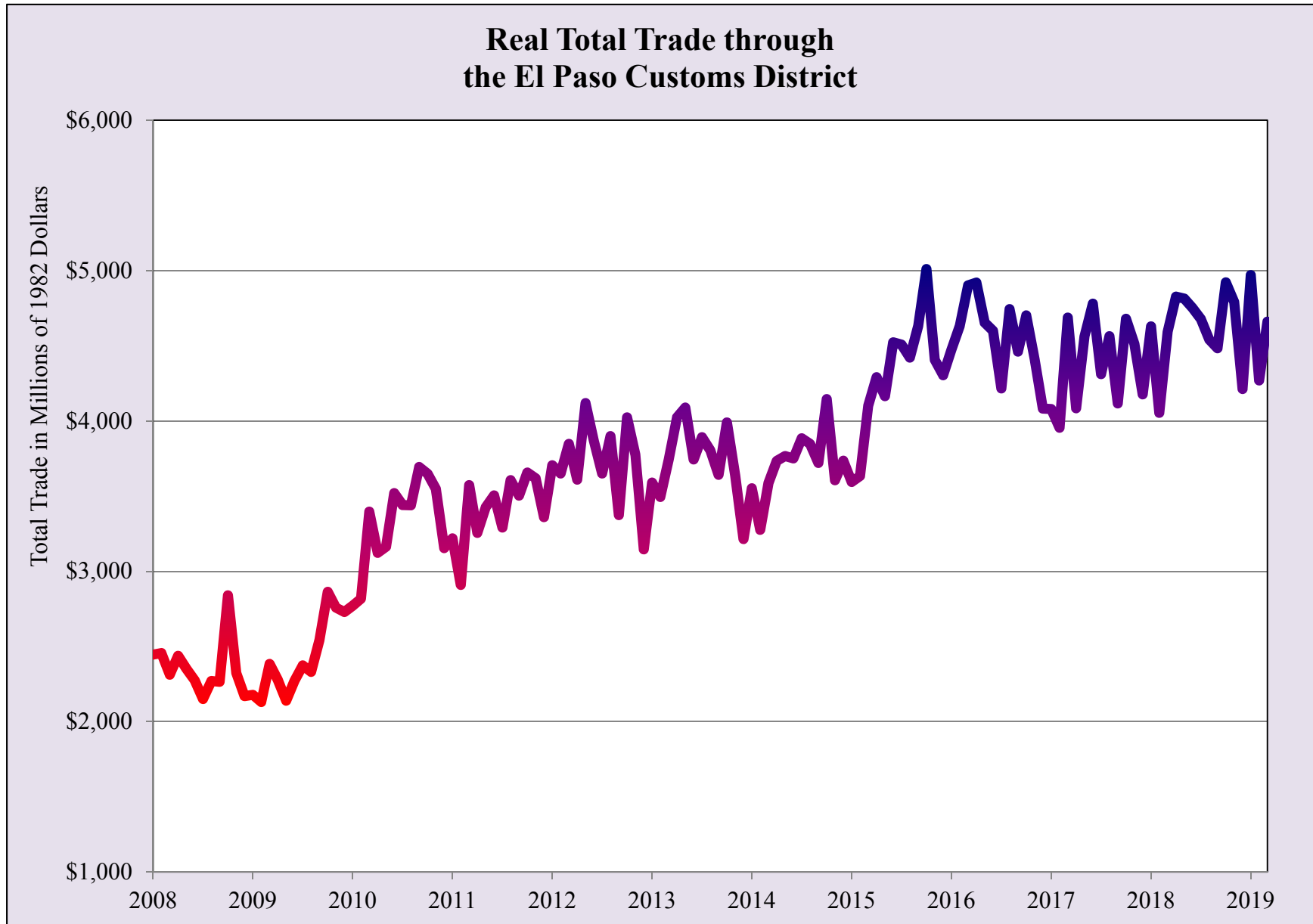


Source: U.S. International Trade Commission

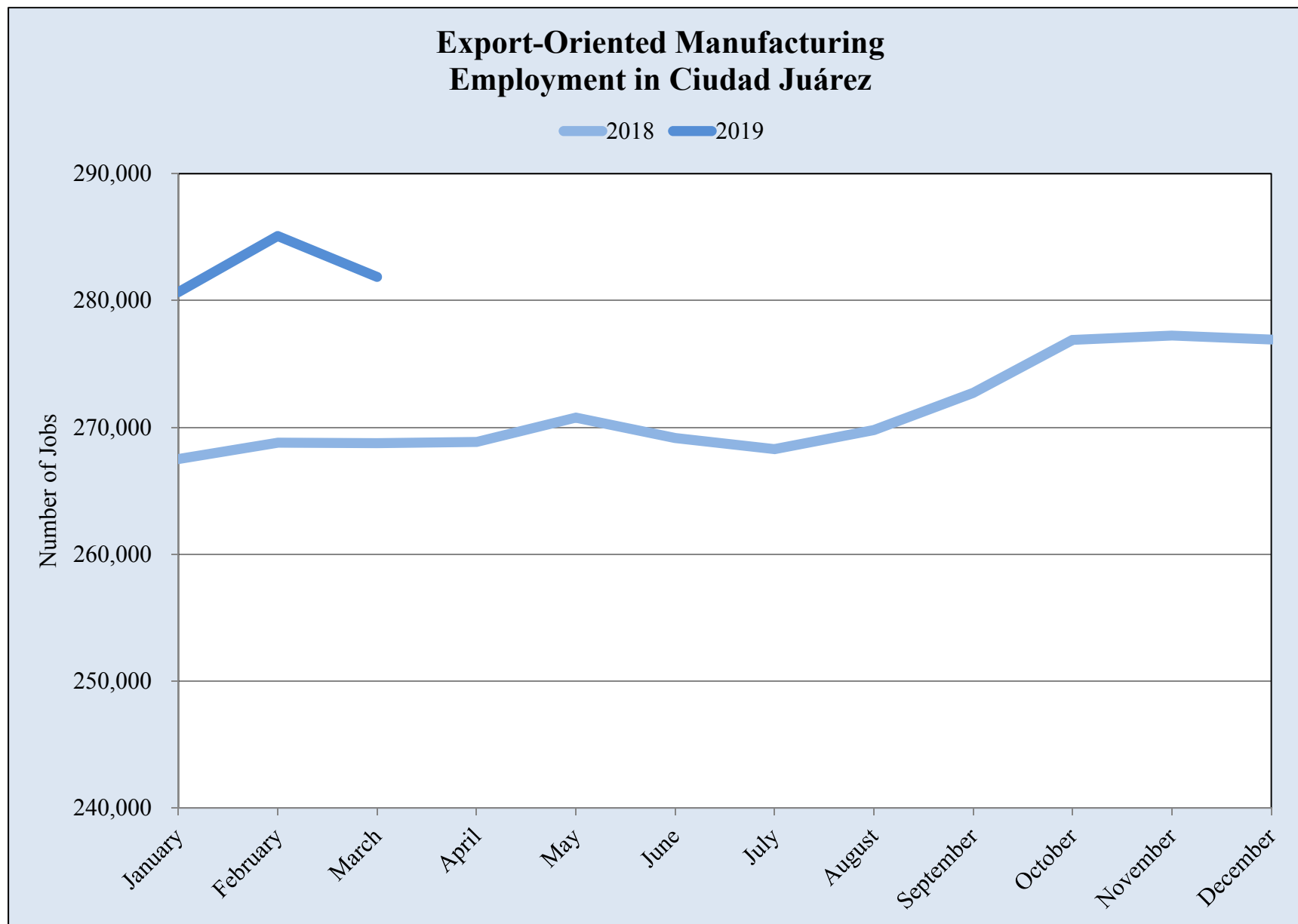




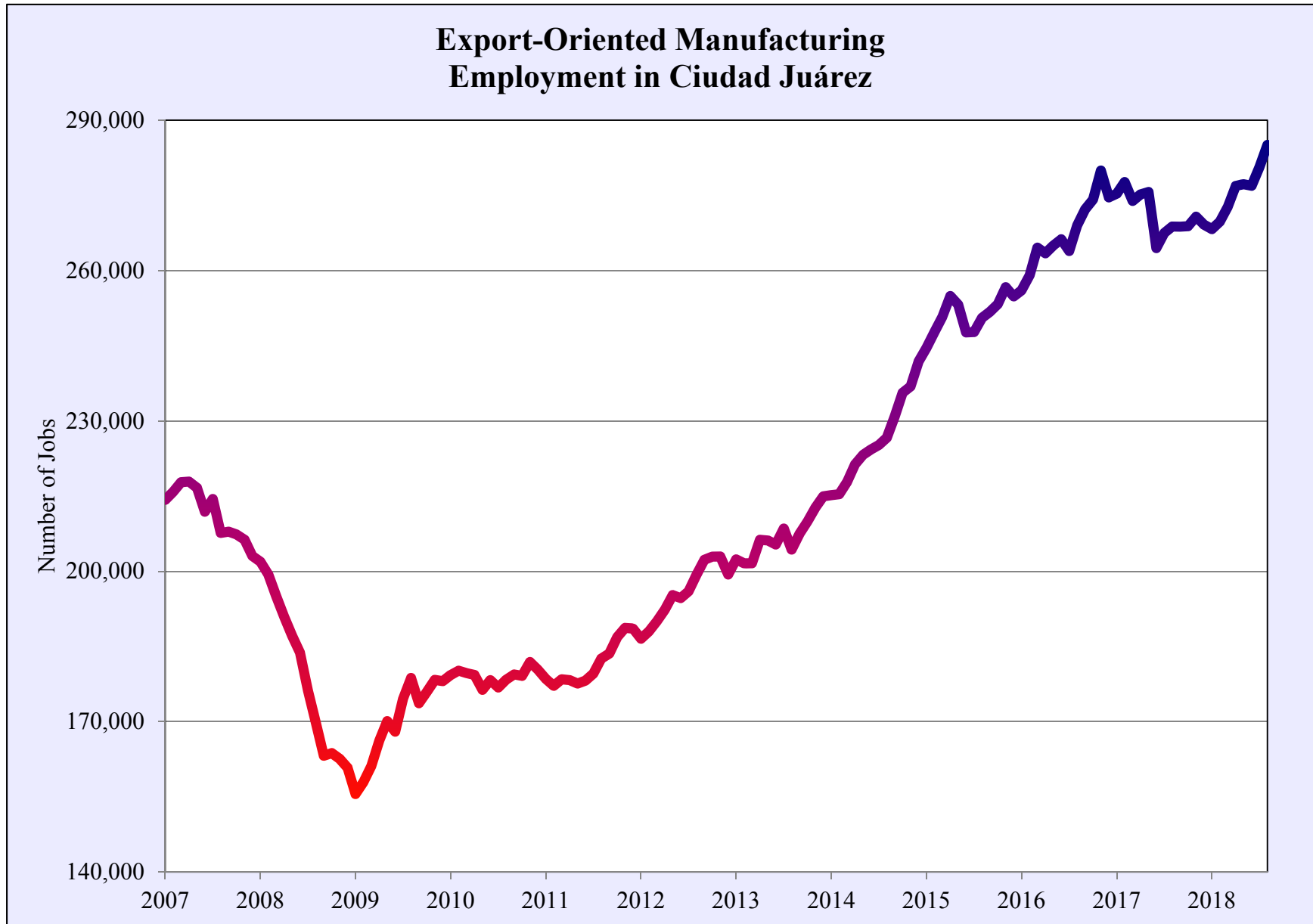
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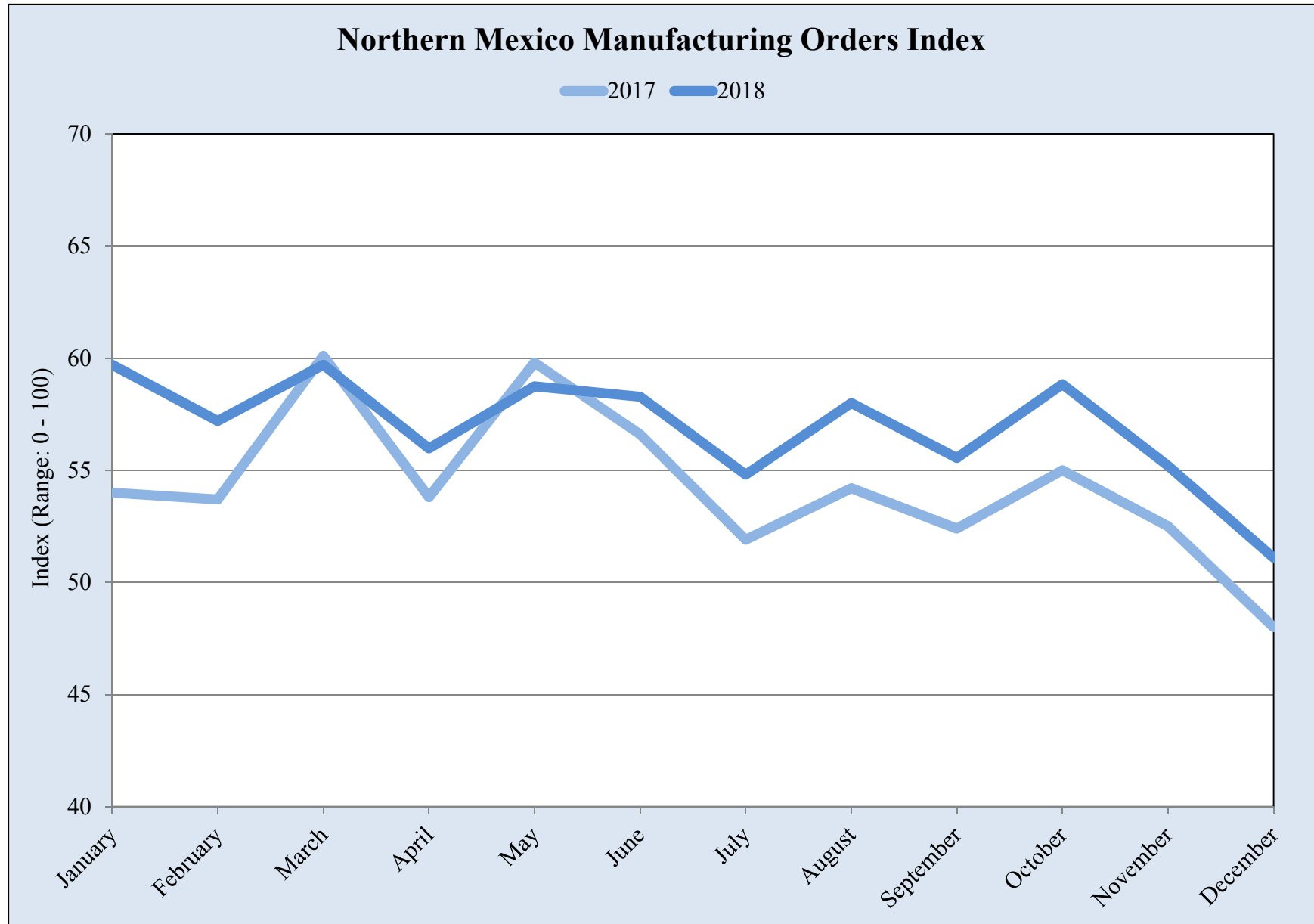
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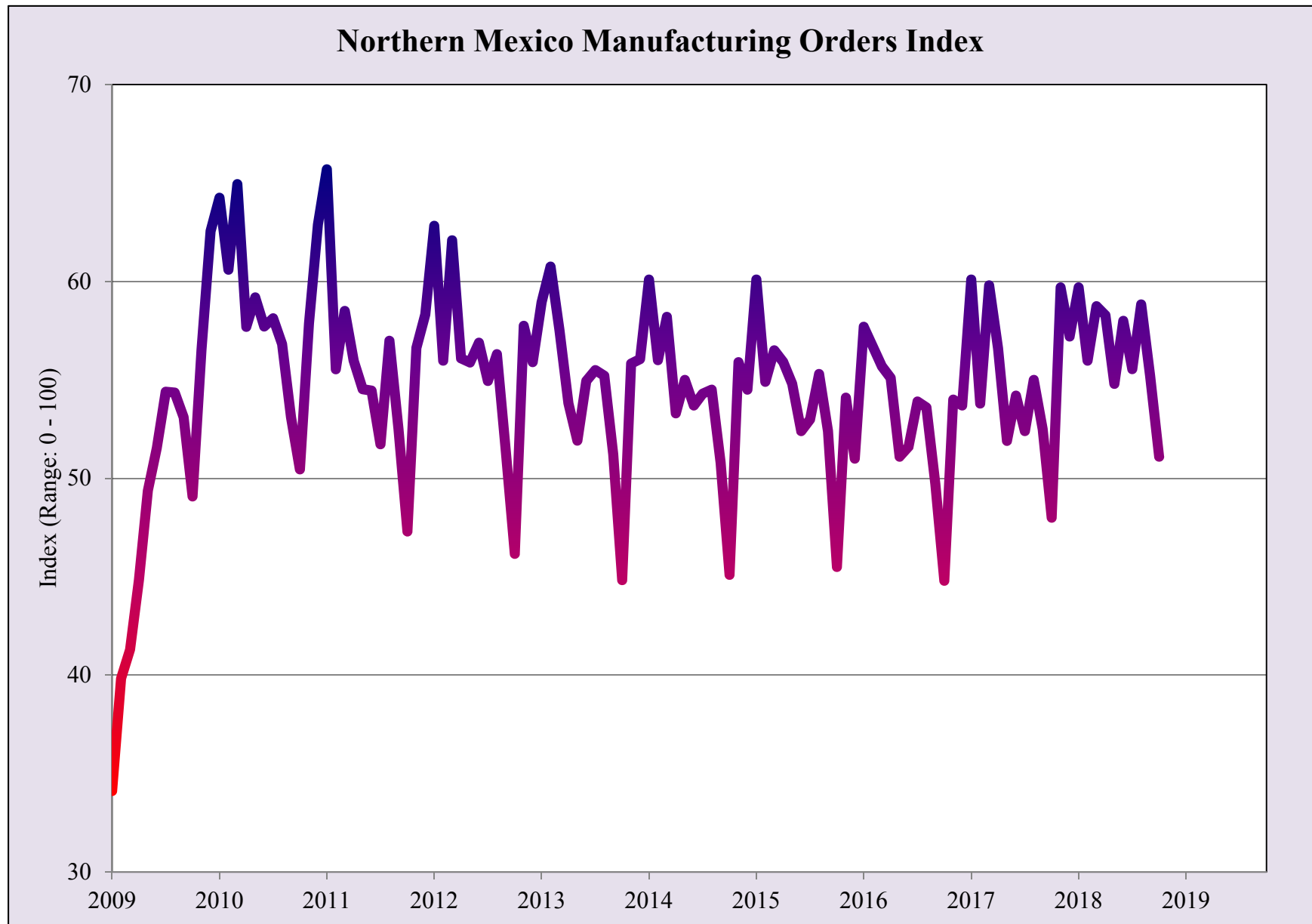
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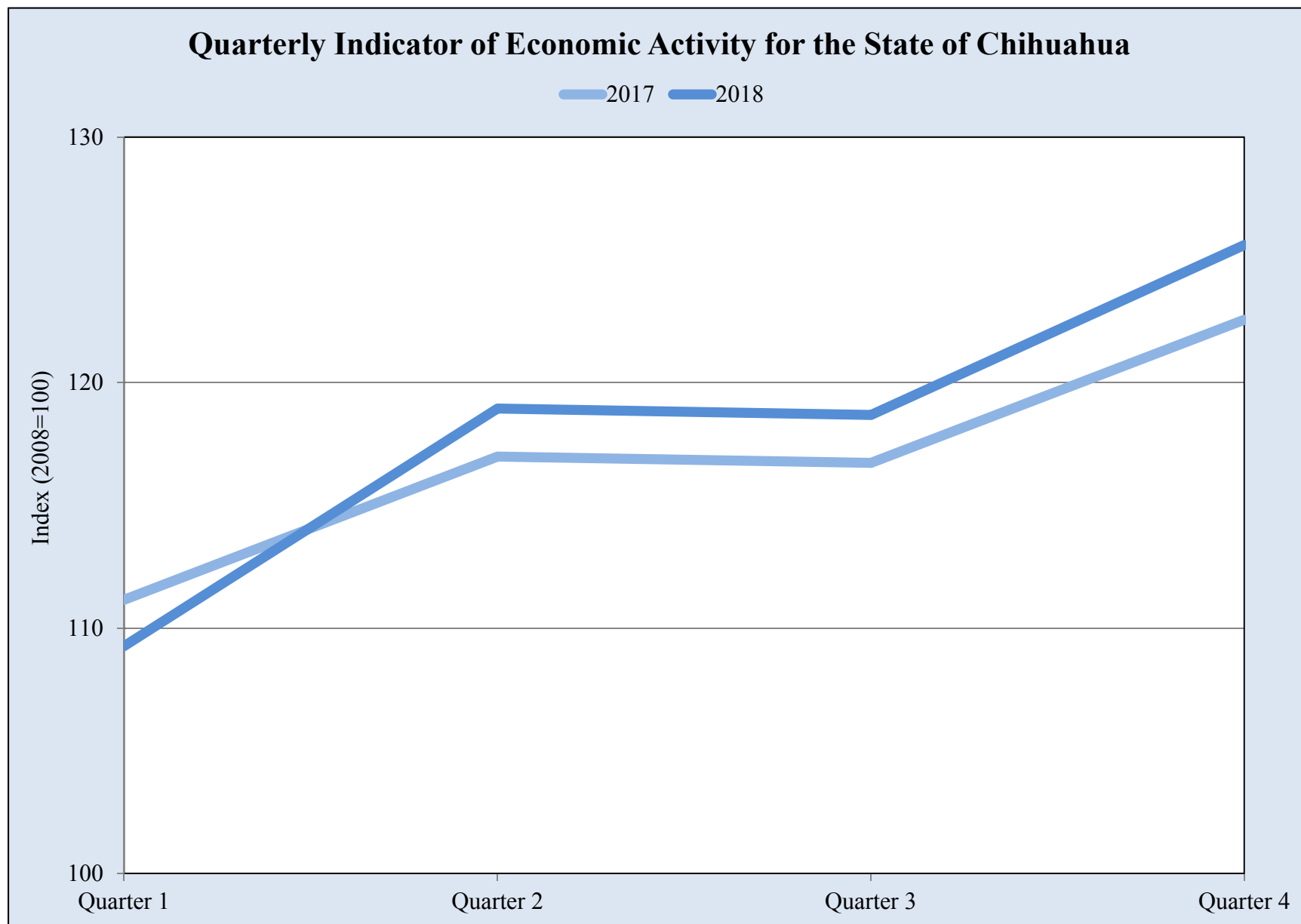
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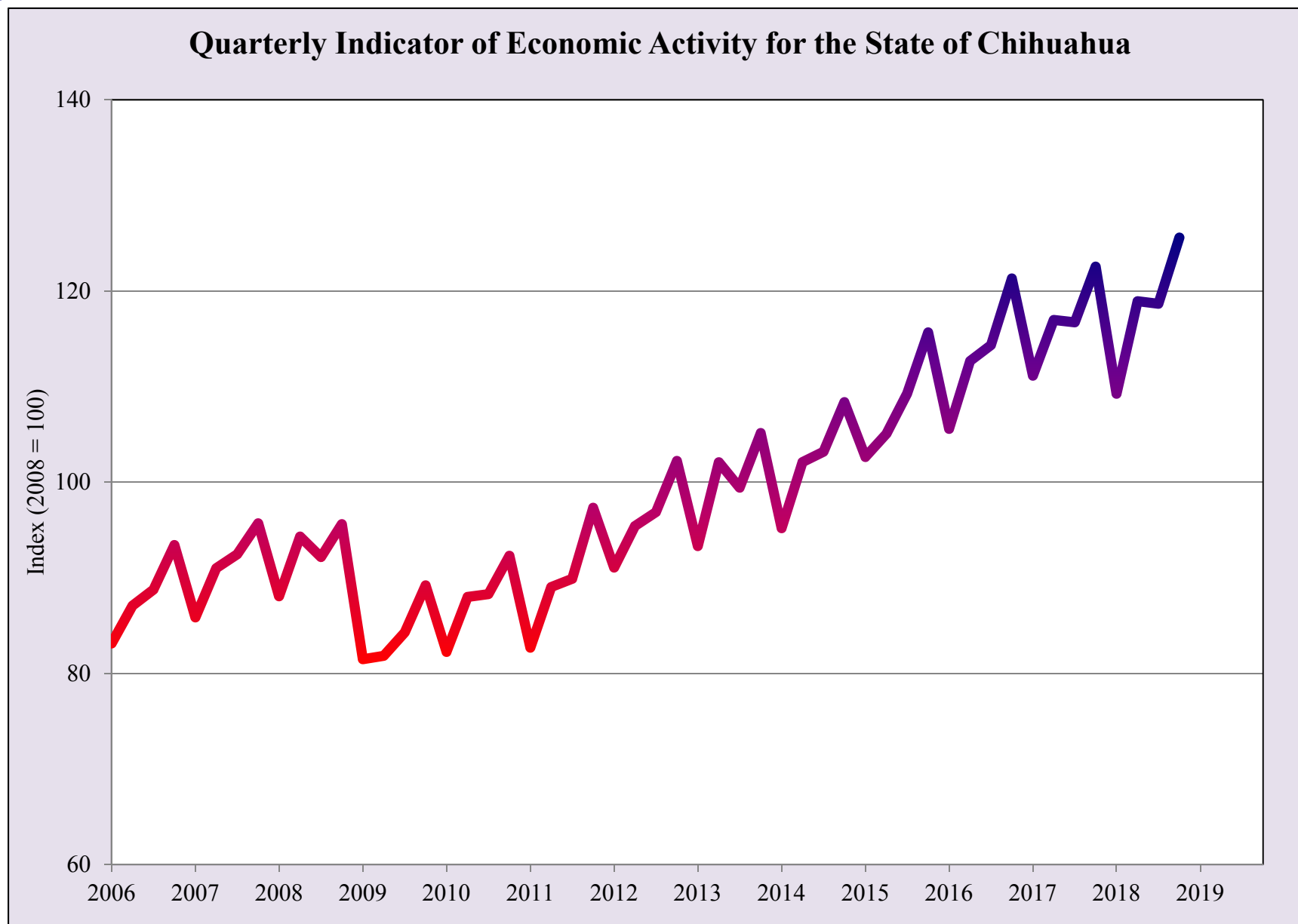
Source: Banco de México



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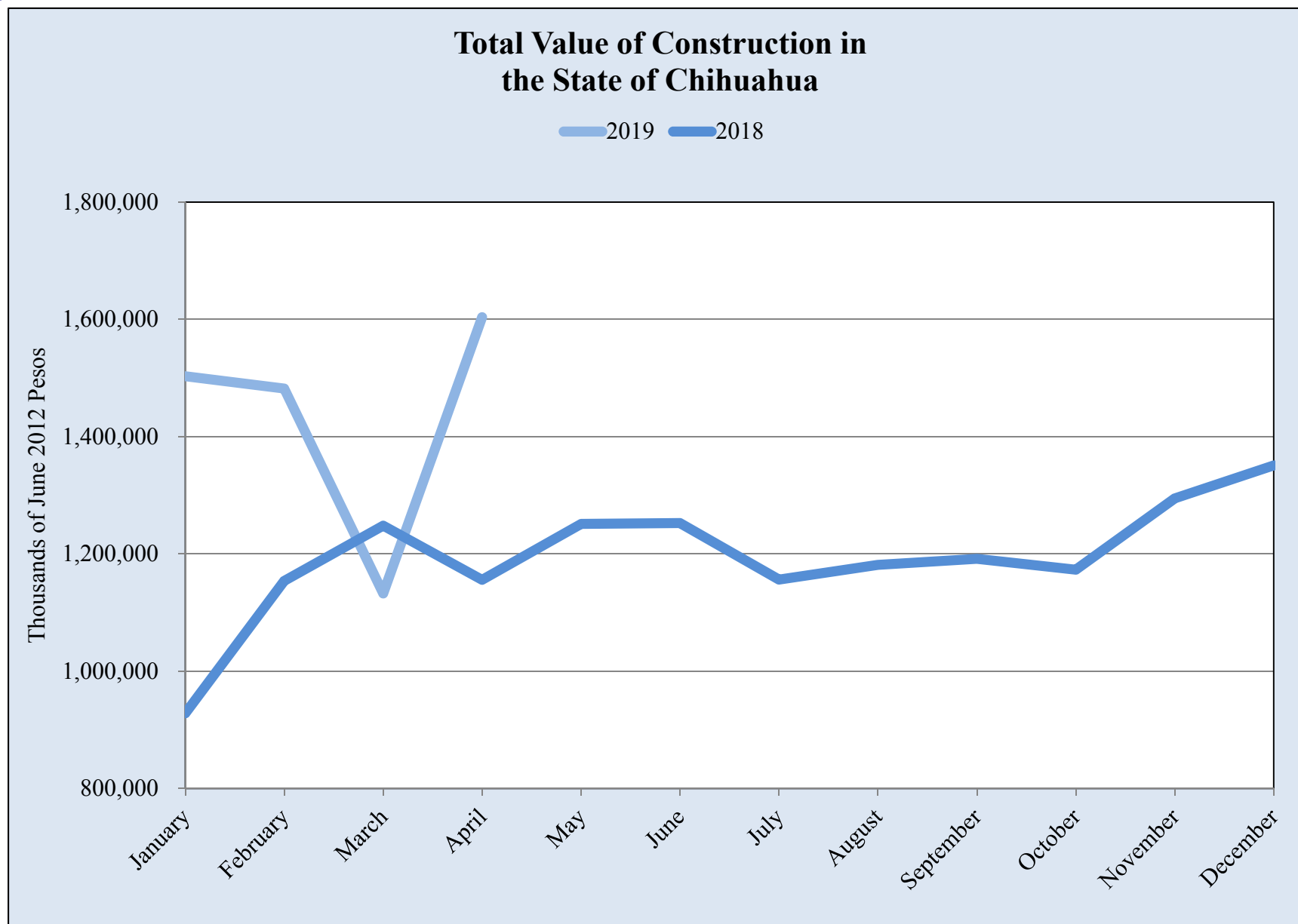


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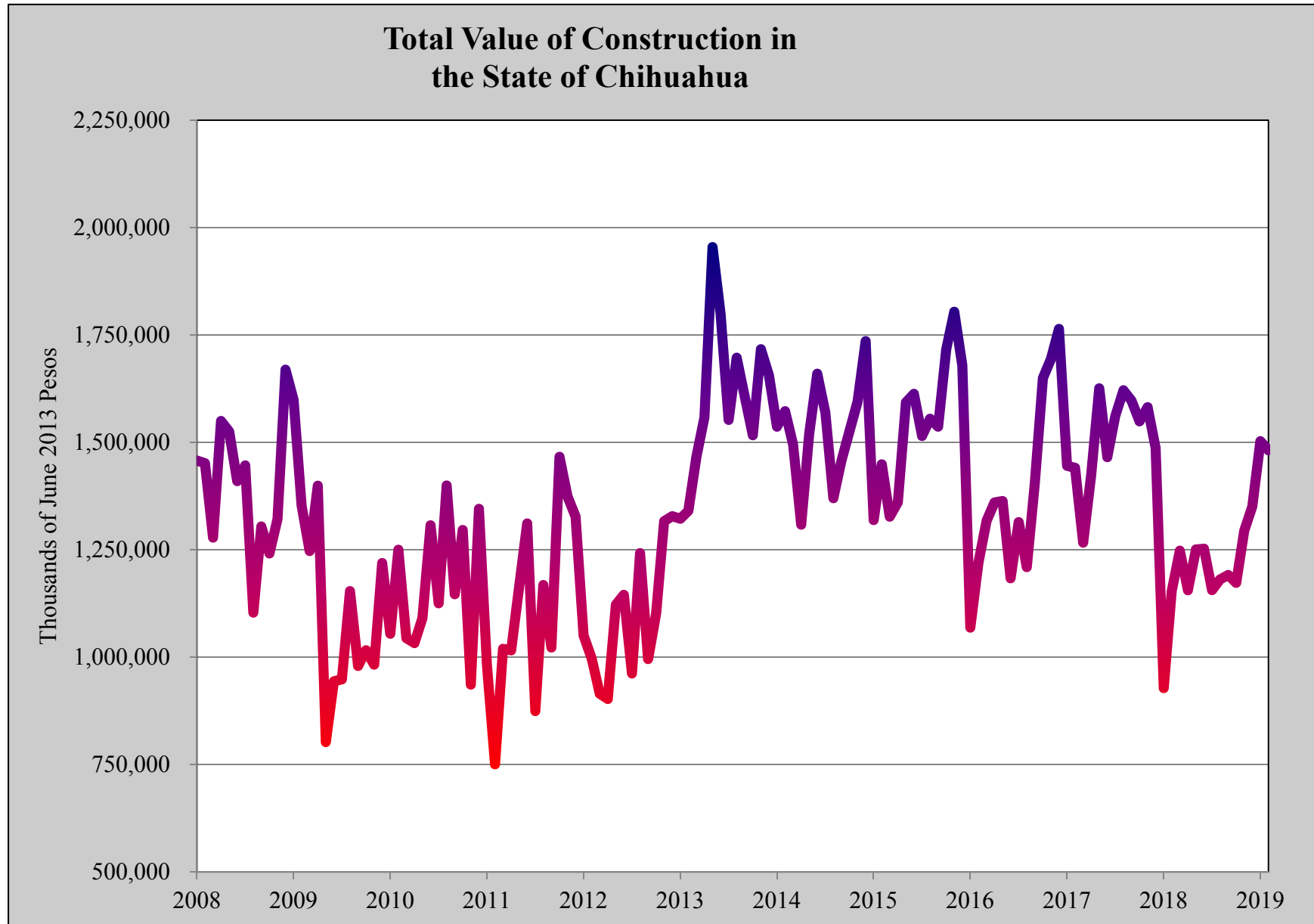


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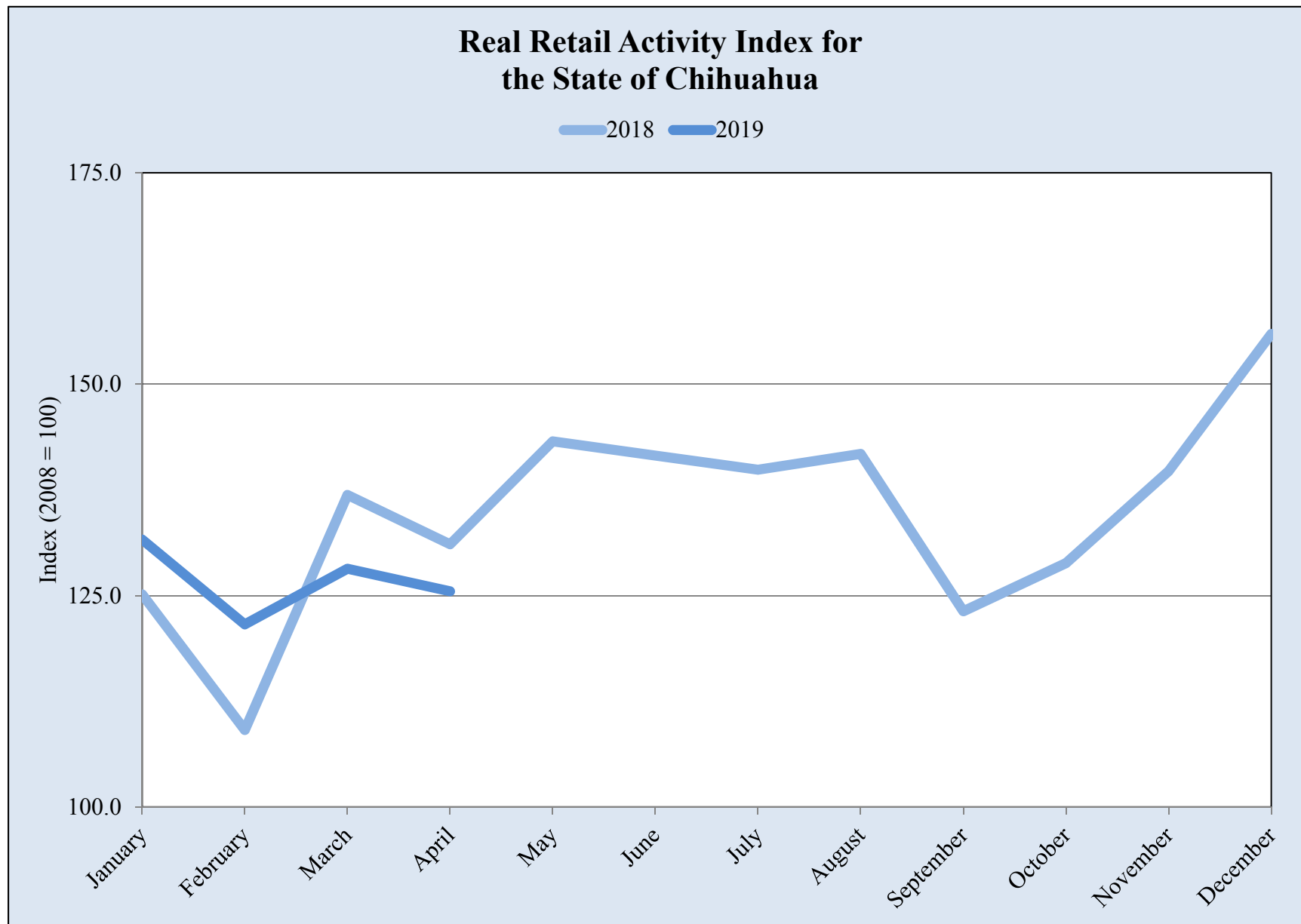




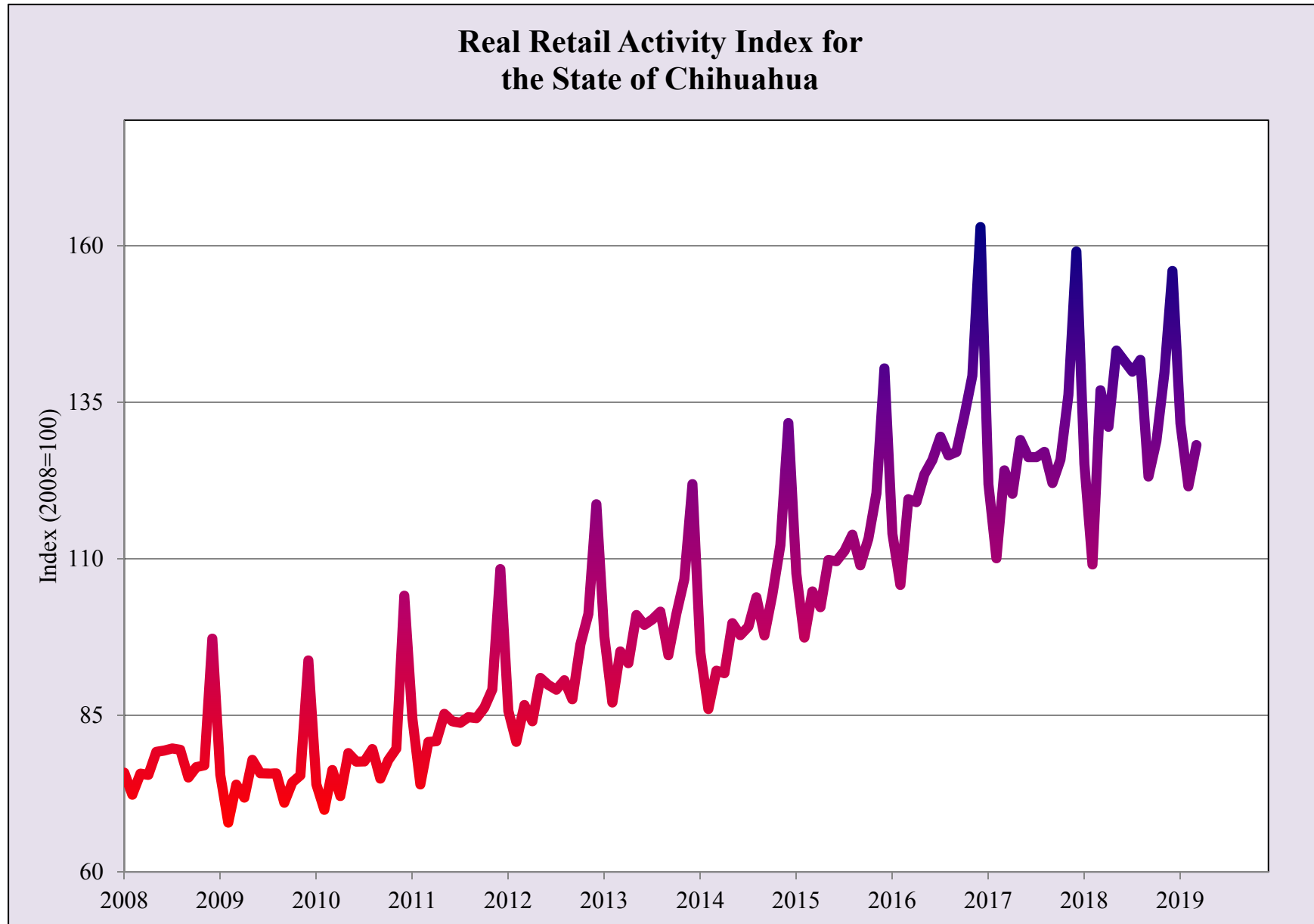
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