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Borderplex Business Barometer, Volume 3, Number 7

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BORDERPLEX BUSINESS BAROMETER

July 2019

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 3, Number 7

International Bridge Wait Times Subside a Little

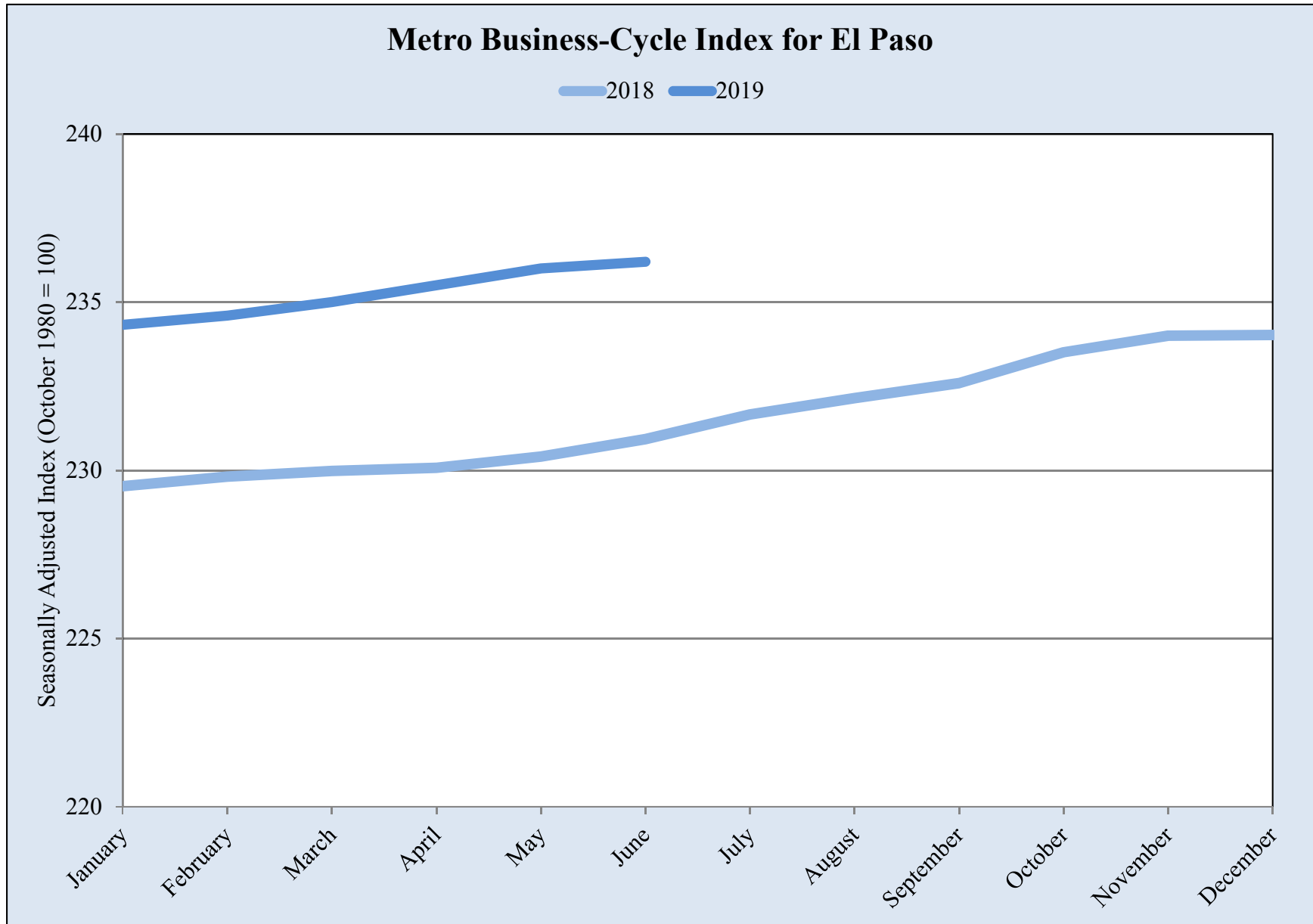
The Federal Reserve Bank of Dallas El Paso Metro Business Cycle Index grew marginally in June. Because this index is at a record high level, that represents good news. Although not in record-breaking fashion, the BRMP household economic stress index declined slightly in May. That is not surprising because the El Paso unemployment rate dropped yet again in May. The local jobless rate now stands at 3.2 percent, a rate not observed on a sustained basis since 1959. Complementing this, Supplemental Nutrition Assistance Program (SNAP or Food Stamp) enrollments remained slightly below 160 thousand again in June. On a per capita basis, food stamp reliance is now back to pre-financial-crisis levels in El Paso.

The median price for single-family housing units held steady in June. At \$161,950, it is 4.4 percent above the price observed during the same month in 2018. For sale properties stayed on the market an average of 3.6 months in June. A sellers' market like this has not been observed in El Paso since 2006. In spite of political turmoil in many oil producing regions, El Paso gasoline prices in El Paso dropped by 11 cents in June to \$2.53 per gallon. That is 41 cents below the year-ago gasoline price.

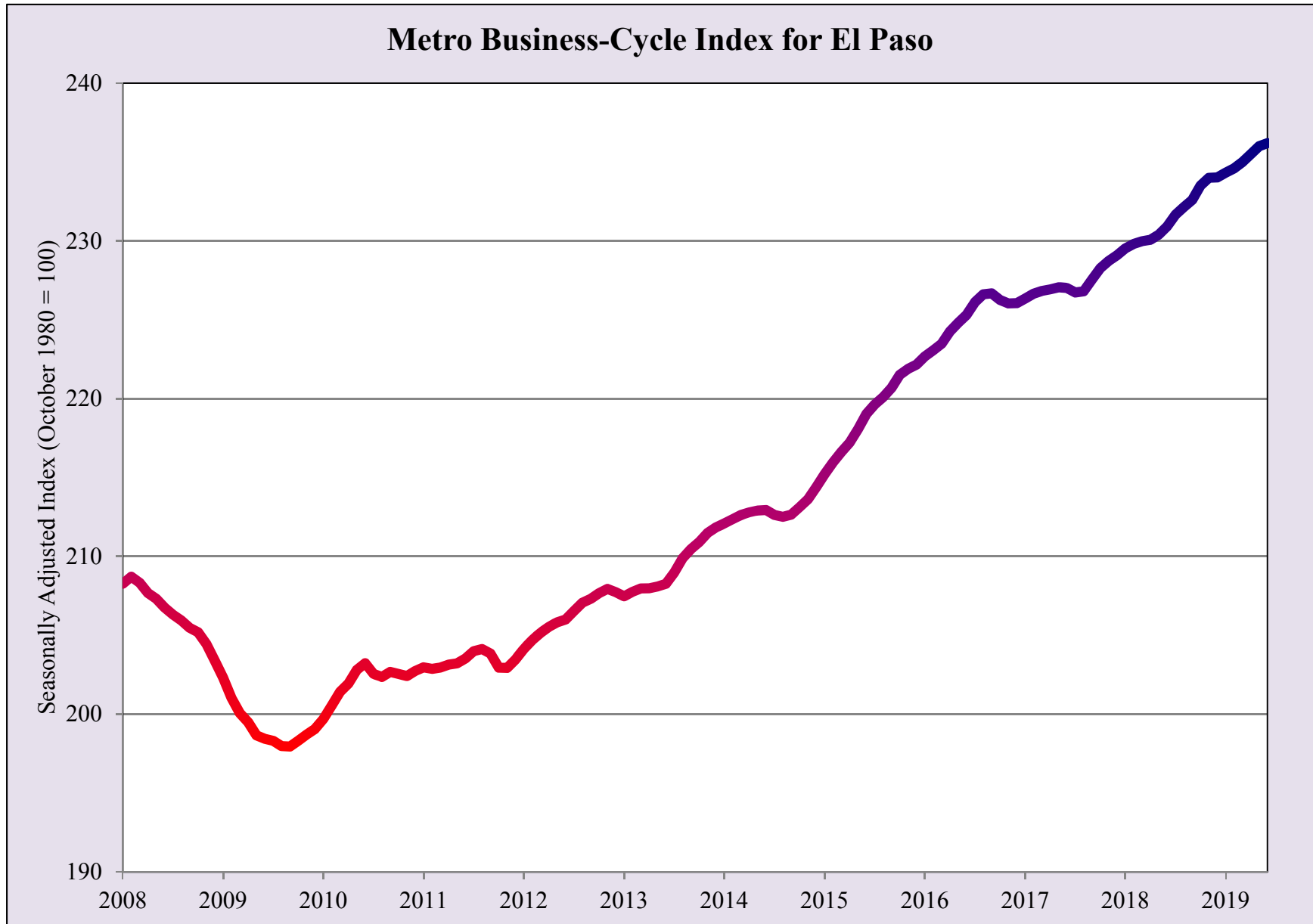
At 5.3 percent, the Doña Ana County unemployment rate for May ascended by 20 basis points relative to the same month in 2018. Preliminary data from the Bureau of Labor Statistics indicate a rise in the Mesilla Valley civilian labor force that kept pace with healthy jobs growth. Given that, the minor uptick in the jobless rate is not a sign of stagnation but of a strengthening labor market. Leading the charge for the Las Cruces labor market was the construction sector, which grew on a year-over-year basis for a ninth consecutive month. Reflective of good payroll performance, Las Cruces SNAP (Food Stamp) enrollments remained below 27,000 for a third straight month.

The peso-per-dollar nominal exchange rate has traded in a narrow band 19.02 and 19.29 throughout 2019, in comparison to year-ago levels, where June decreased by 5 percent. A 41 percent gap separated the June exchange rate from Borderplex restaurant price ratio, indicating that the peso is still undervalued against the dollar. The 13.69 value of the price ratio implies that a menu item that costs \$1 in the El Paso would roughly cost about 14 pesos (equivalent to about 71 cents) in Ciudad Juarez. Barring any hemispheric financial or economic irregularities, the peso is likely to strengthen, which implies that south-of-border consumers will eventually enjoy greater purchasing power in El Paso.

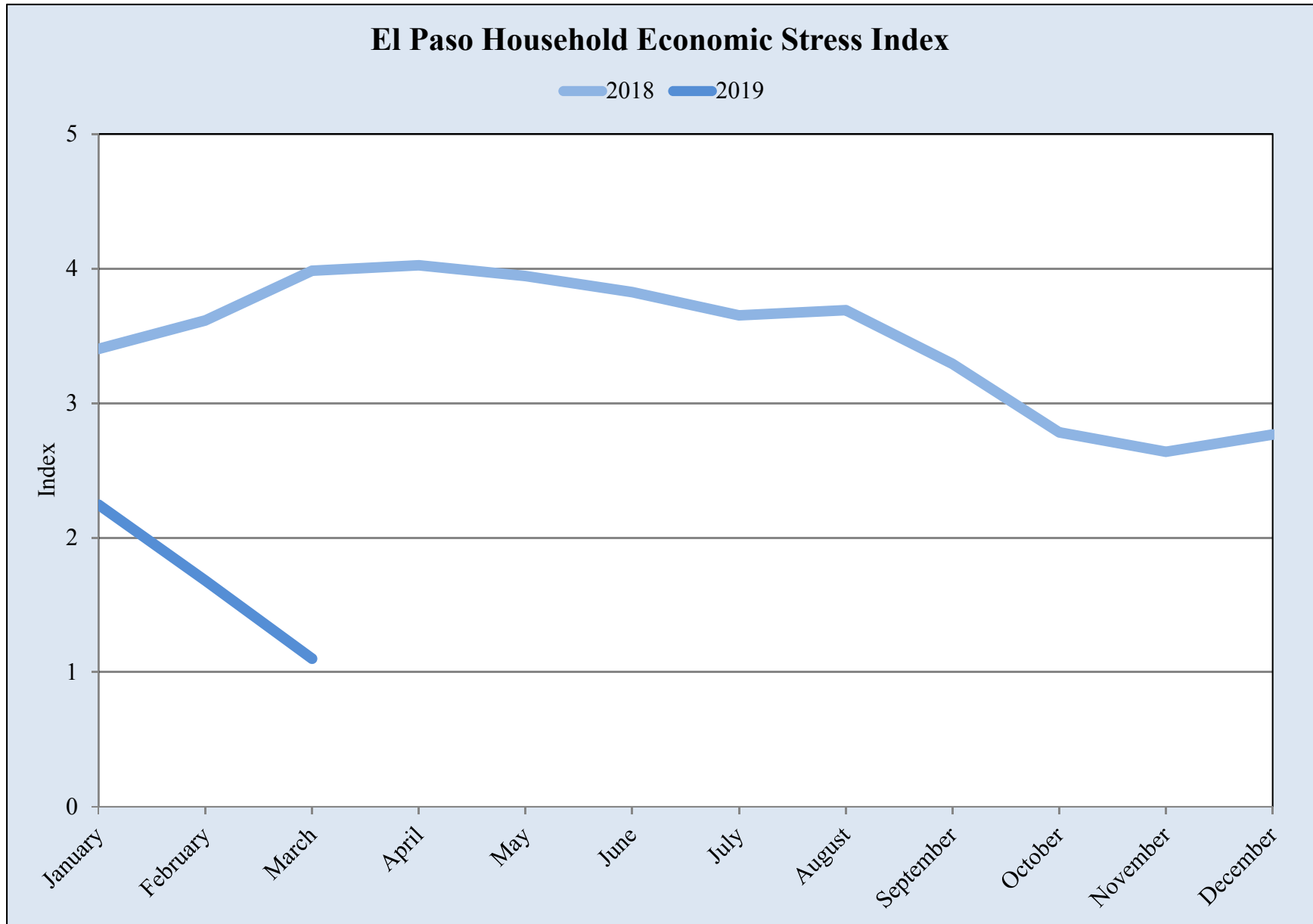
Monthly wait times peaked in April. Since then, the queue times have decreased at all three main ports of entry to El Paso. As shown in the accompanying graphs, the June traffic delays were still more than twice as long those experienced during the same period in 2018. The last wait time graph illustrates how far above the historical norms of the past decade the wait times still remained in June. In response, personal vehicle and cargo traffic flows have dropped below year-ago levels, while pedestrian traffic volumes have done the opposite. Those patterns are very similar to what occurred following the 9/11 terrorist attacks nearly 18 years ago. Although Borderplex commerce is undoubtedly hampered by the long wait times at the international bridges, total trade through El Paso Customs District managed post year-over-year gains for each of the first five months of 2019. Reflective of the latter, 2019 export manufacturing employment in Ciudad Juarez comfortably exceeded the levels observed during the first four months of 2018 by margins of 4.2 percent or more. Ciudad Juarez IMMEX payrolls set an all-time record in February and remained above 280,000 in April.



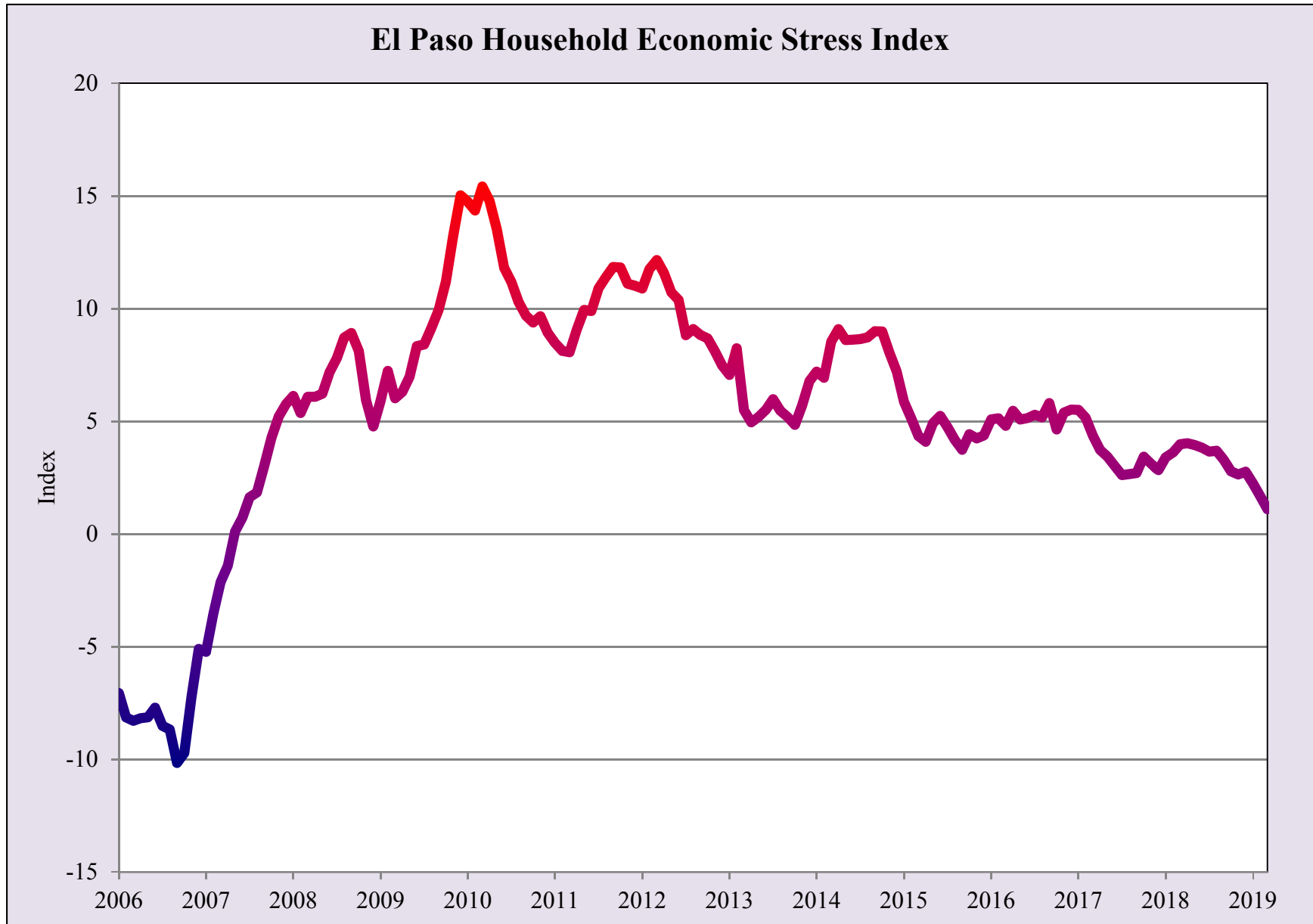
Source: Federal Reserve Bank of Dallas



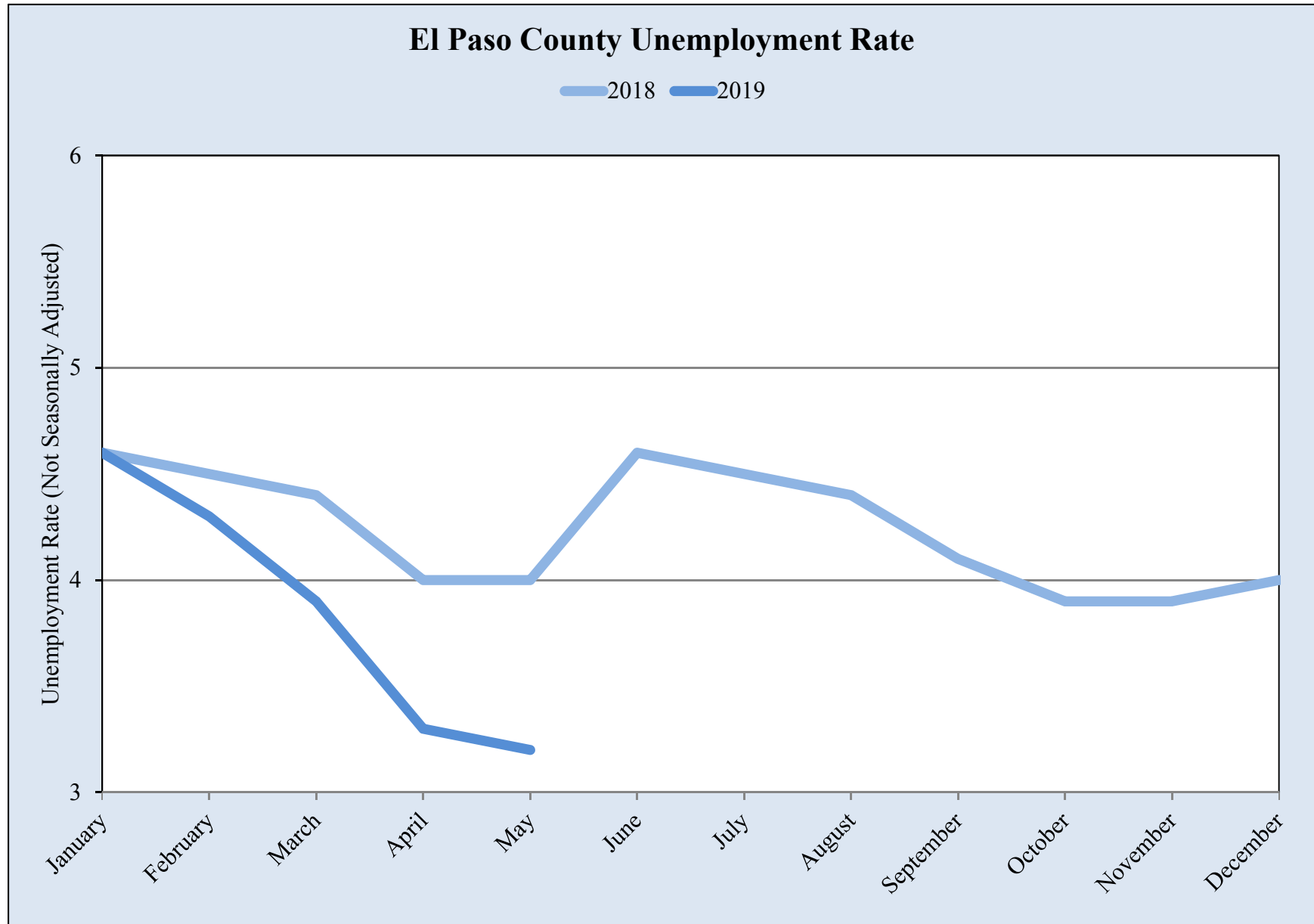
Source: Federal Reserve Bank of Dallas



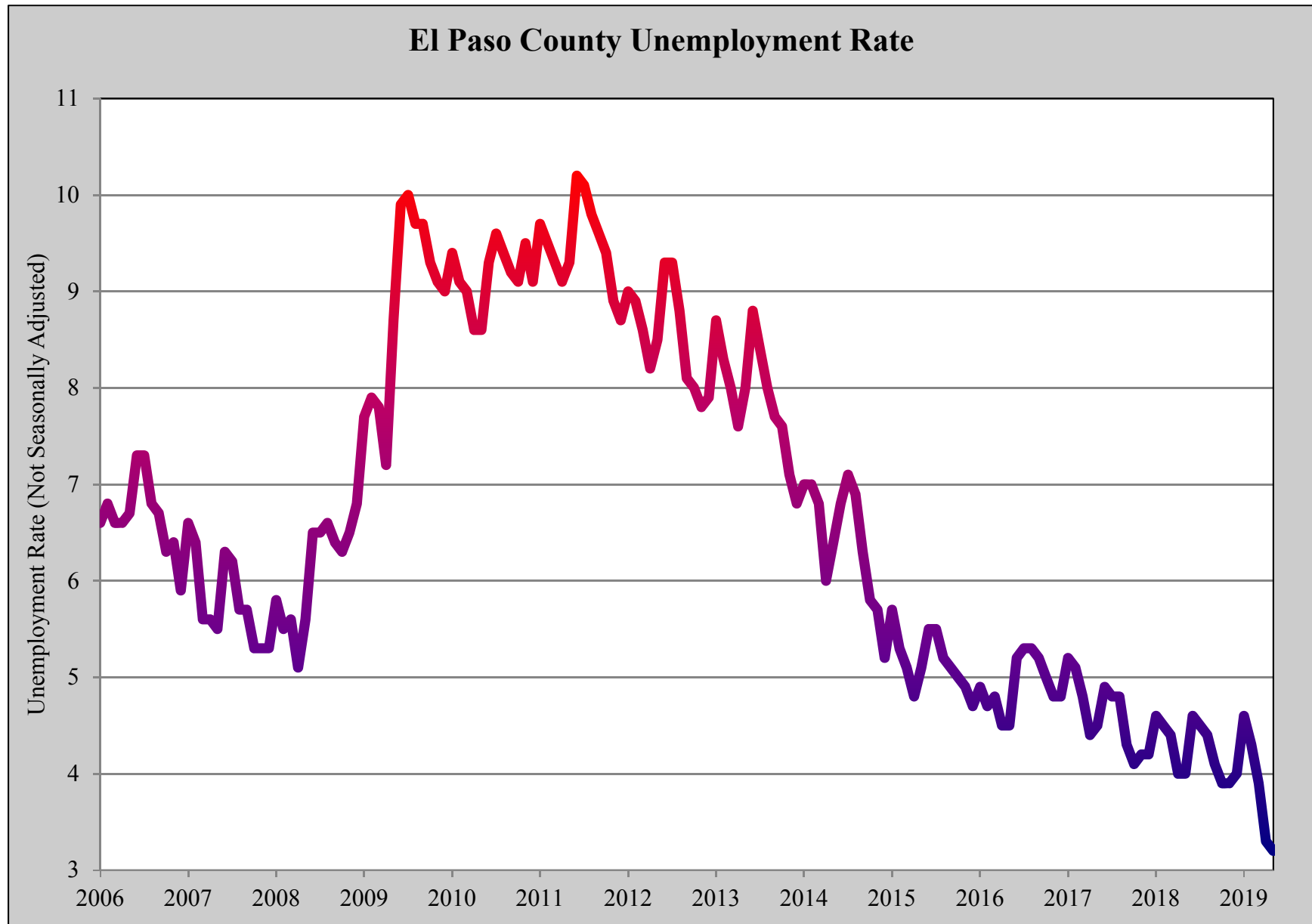
Source: UTEP Border Region Modeling Project



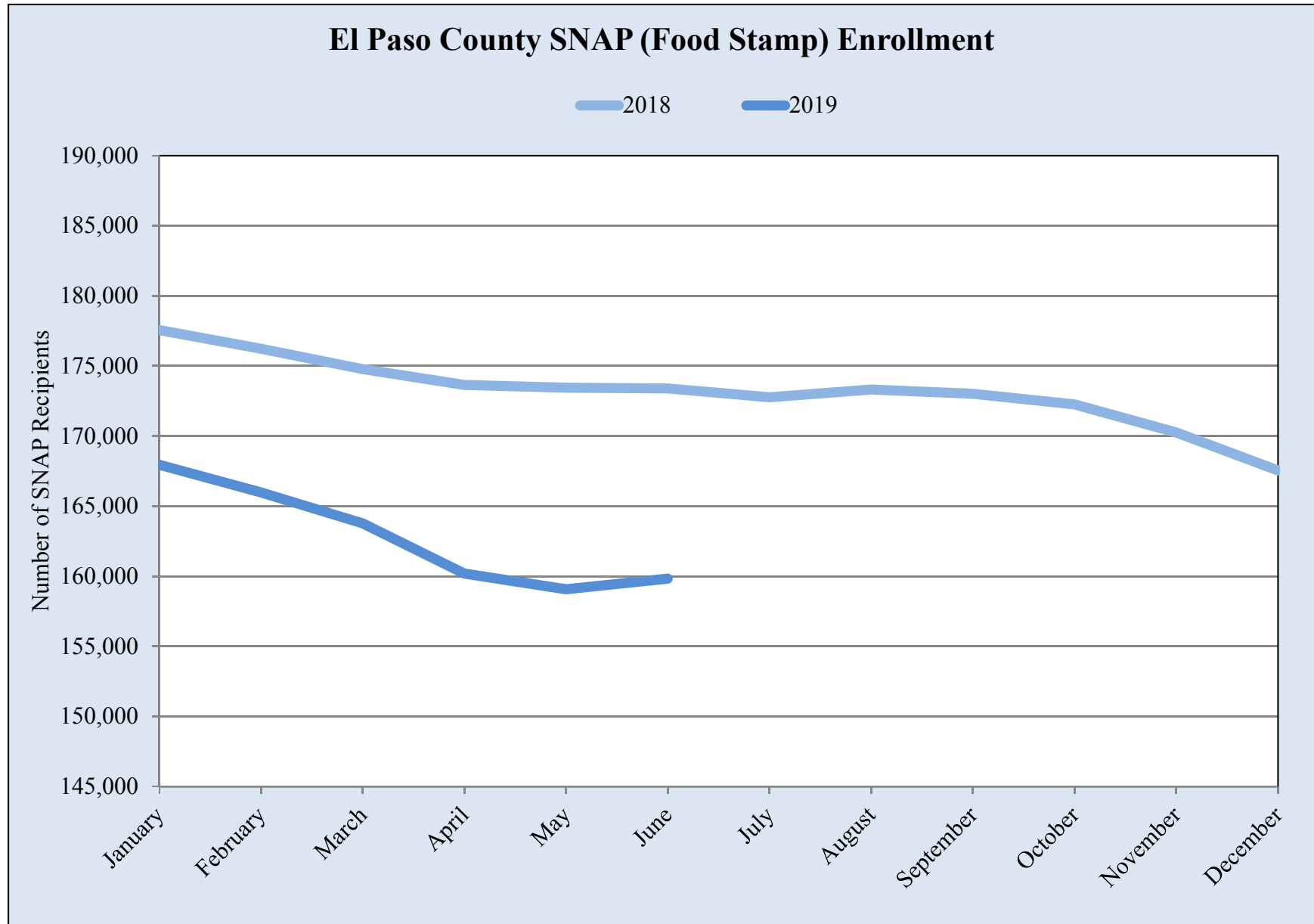
Source: UTEP Border Region Modeling Project



Source: Bureau of Labor Statistics



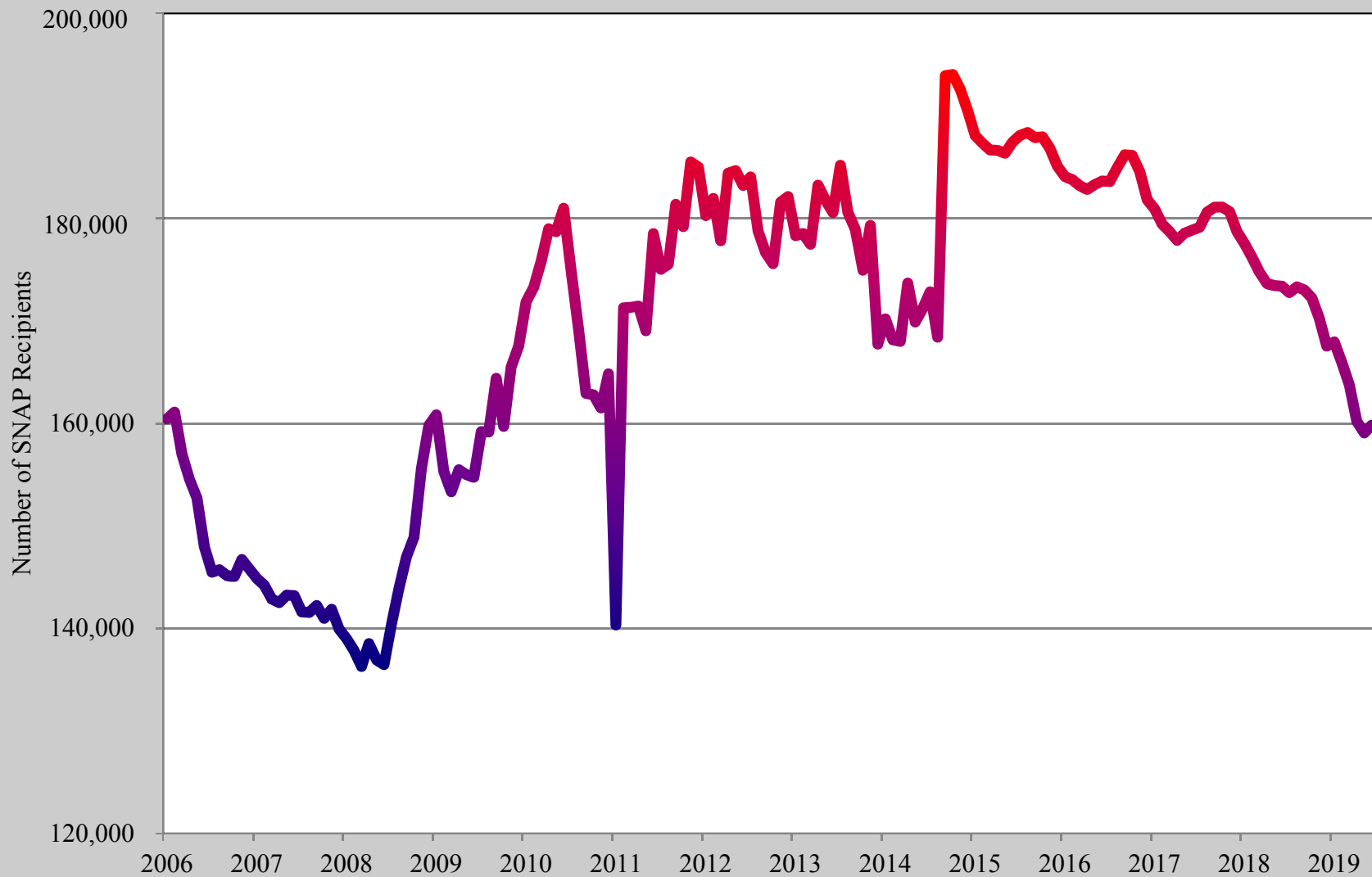
Source: Bureau of Labor Statistics



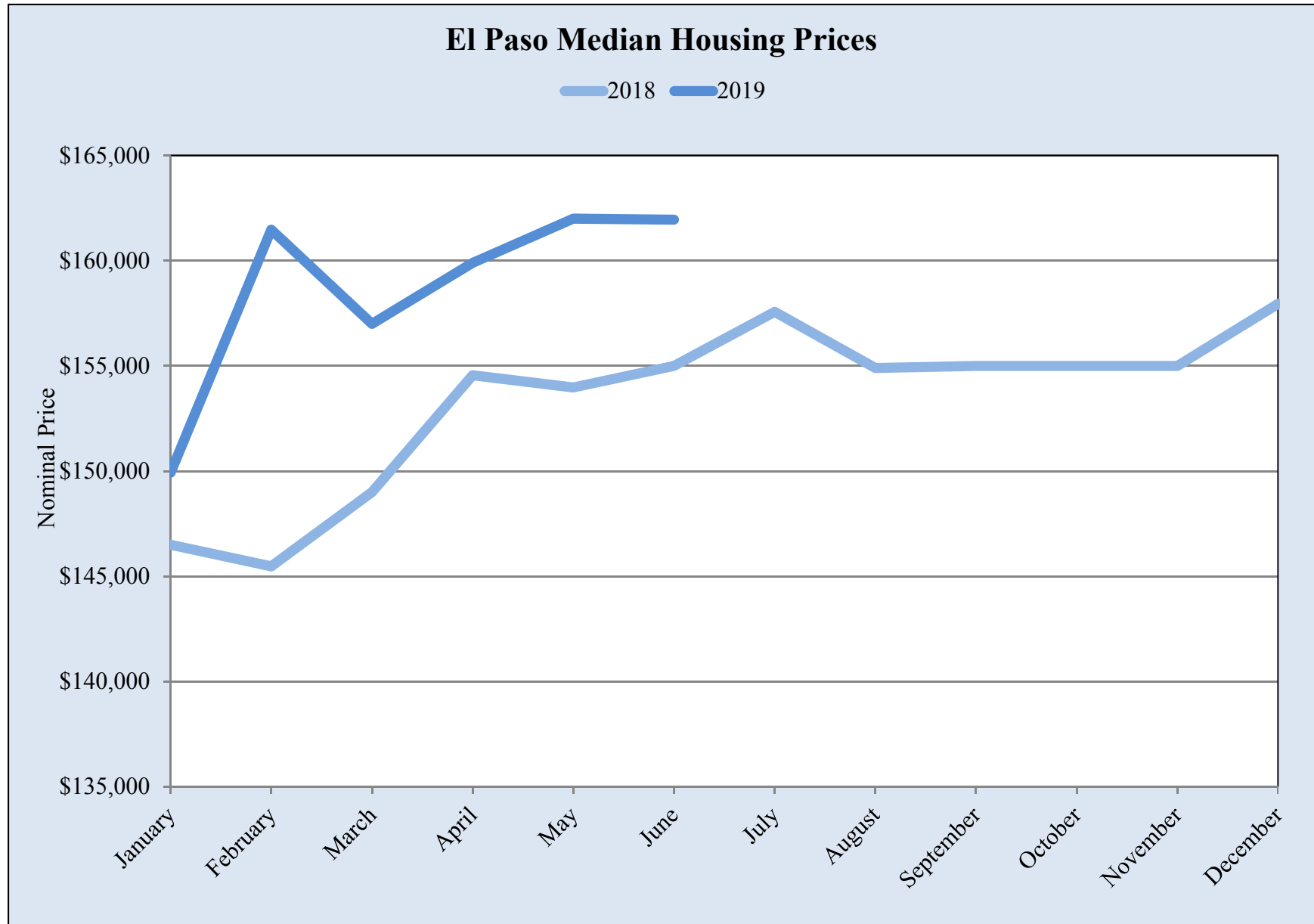
Source: Texas Health and Human Services Commission



El Paso County SNAP (Food Stamp) Enrollment



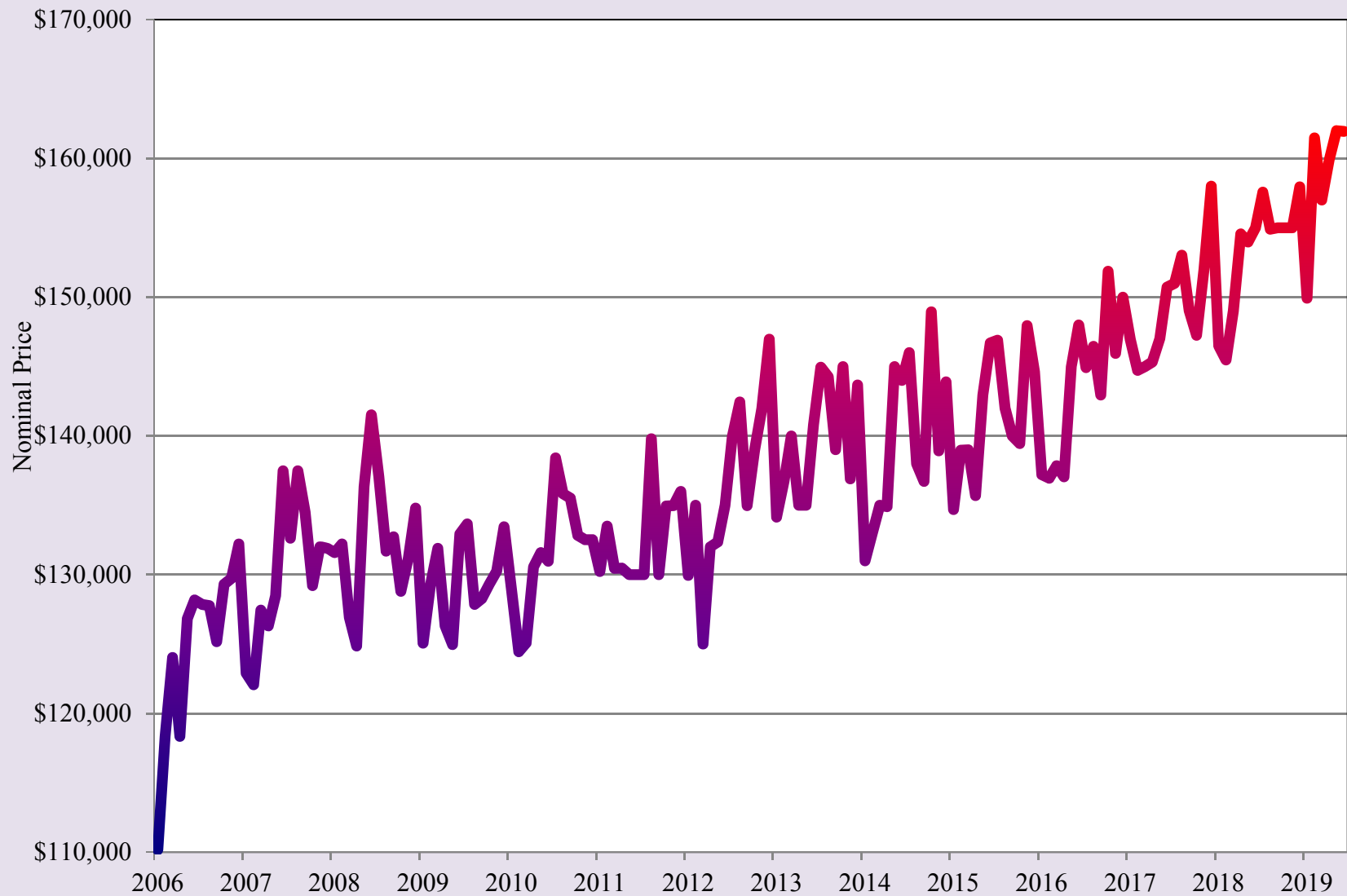
Source: Texas Health and Human Services Commission



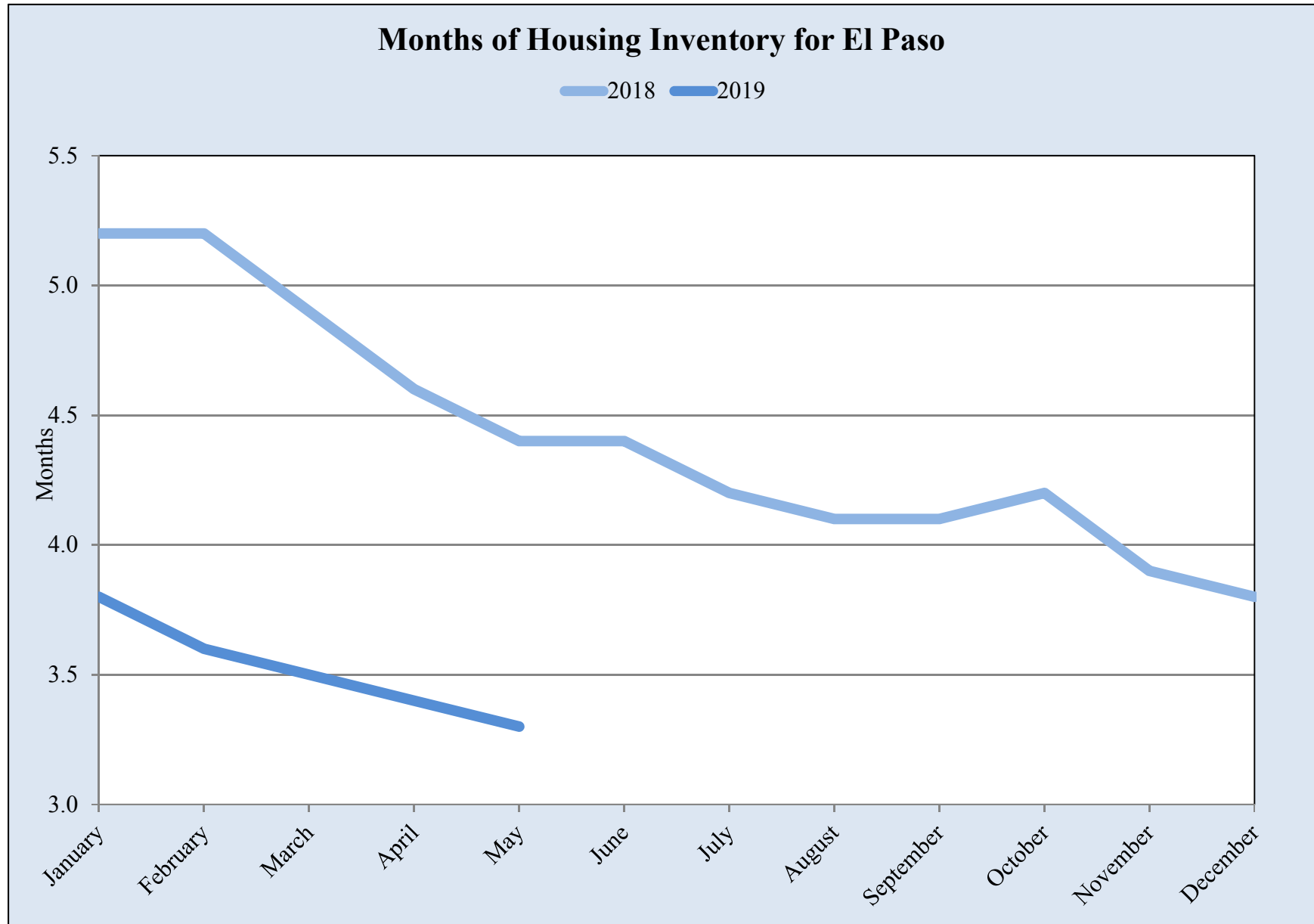
Source: Texas A&M Real Estate Center



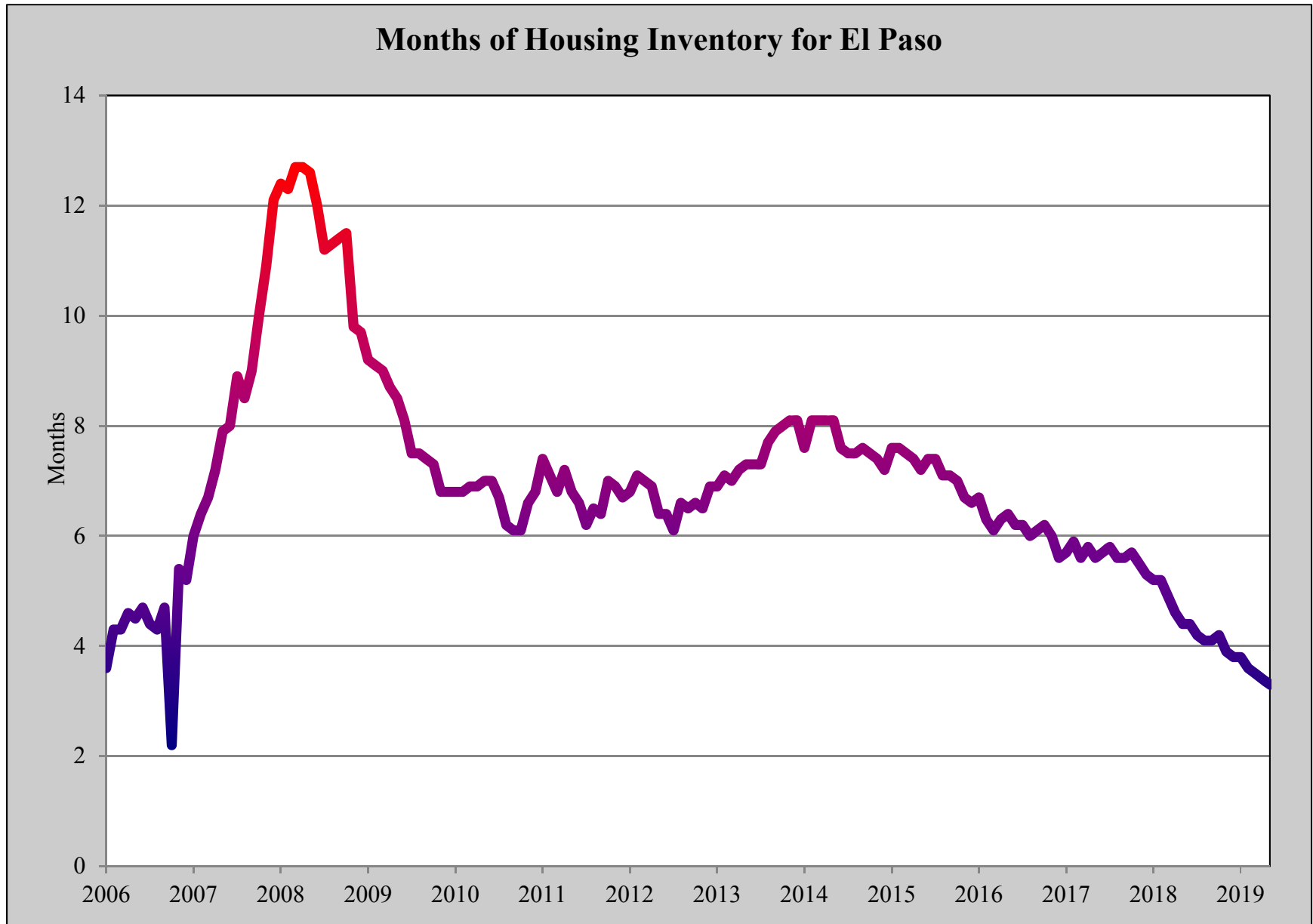
El Paso Median Housing Prices



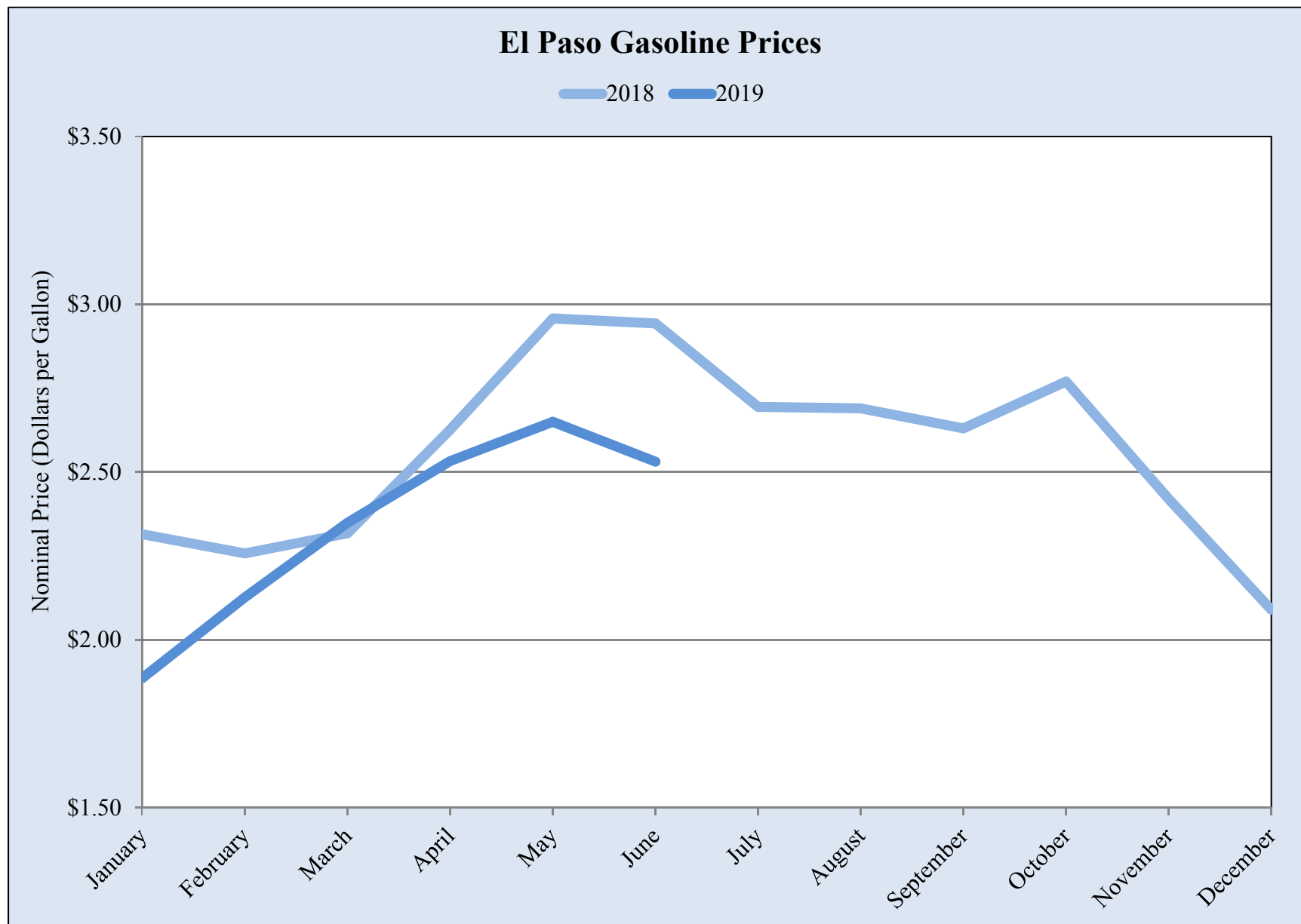
Source: Texas A&M Real Estate Center



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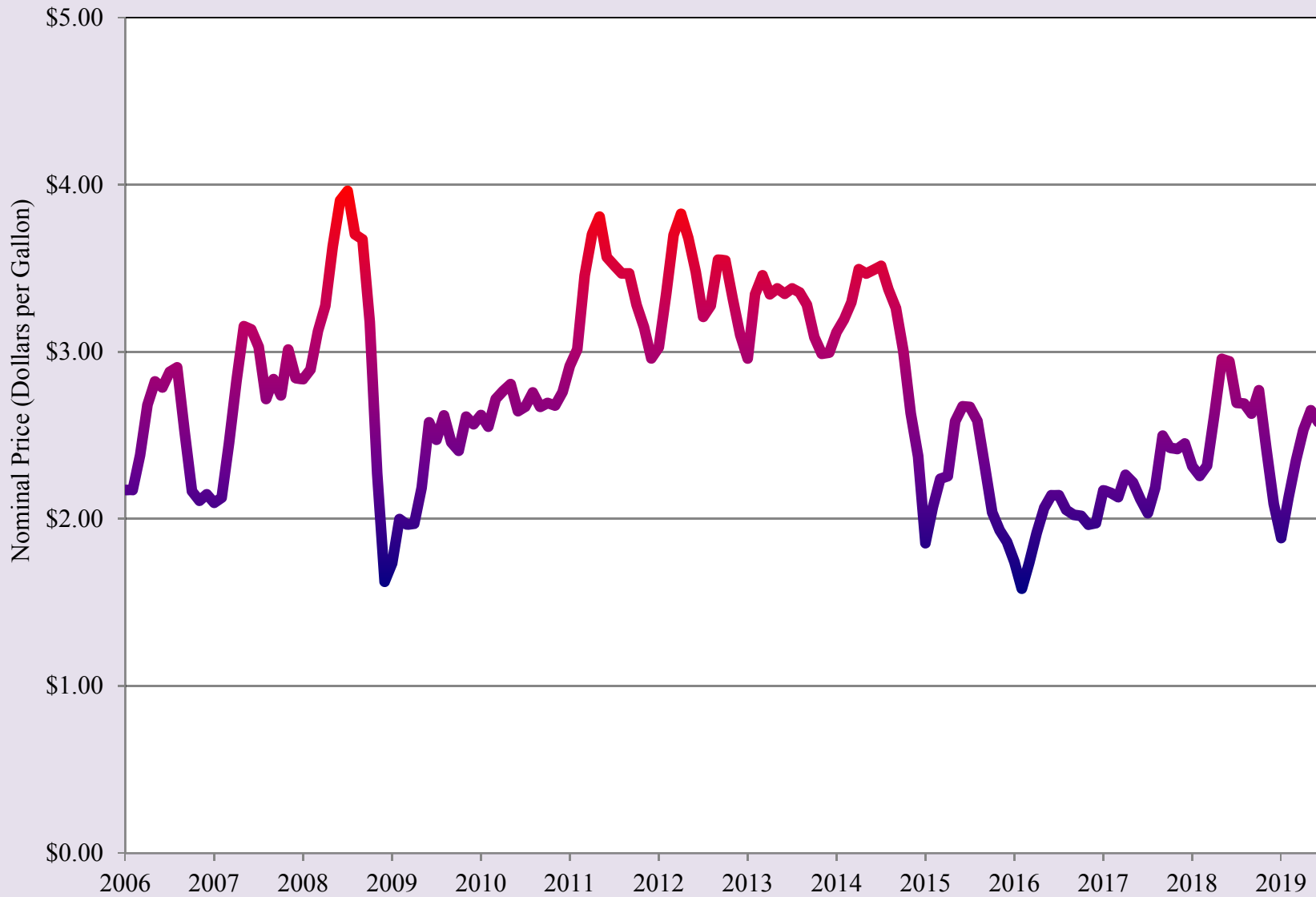
Source: Texas A&M Real Estate Center



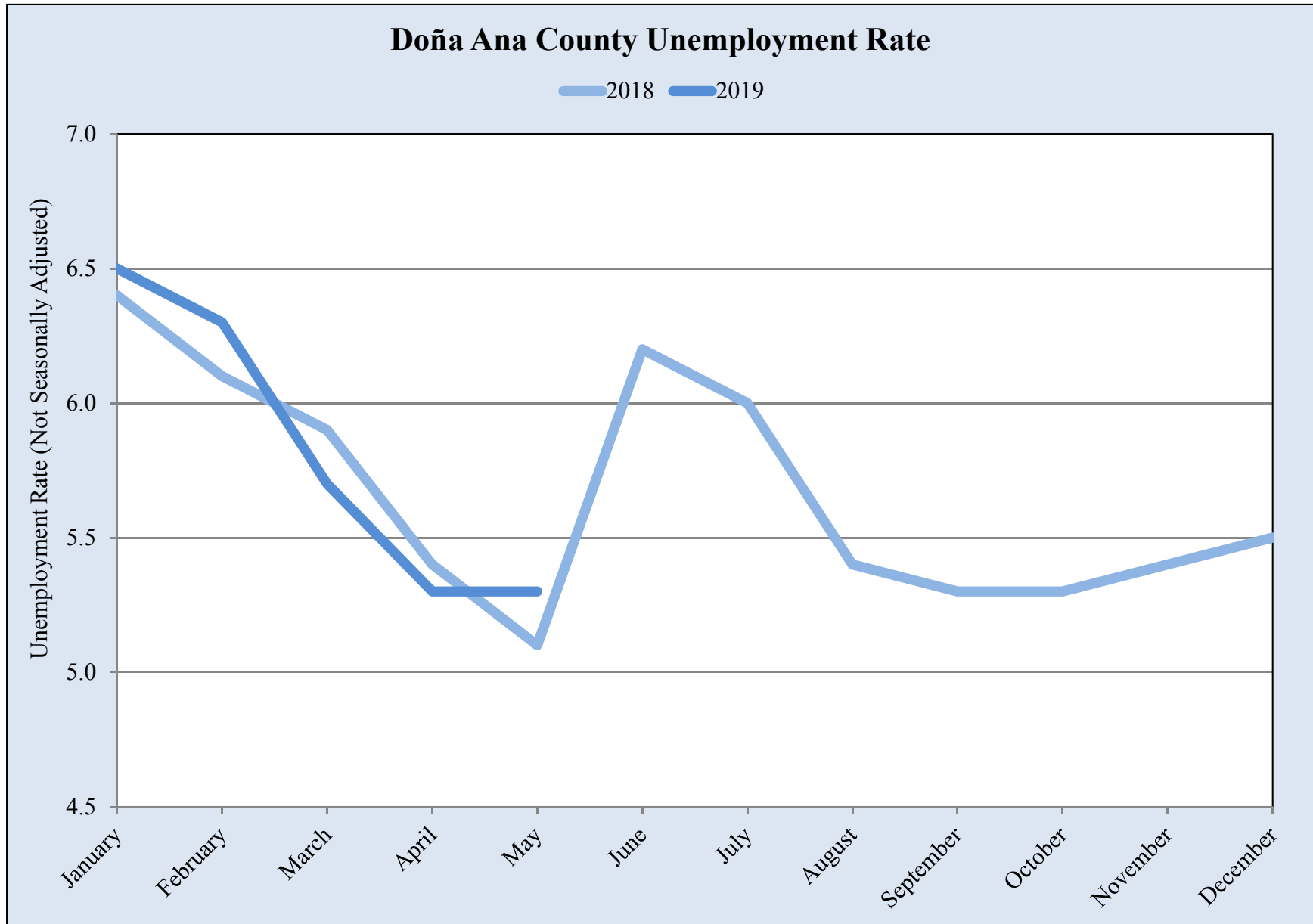
Source: GasBuddy.com



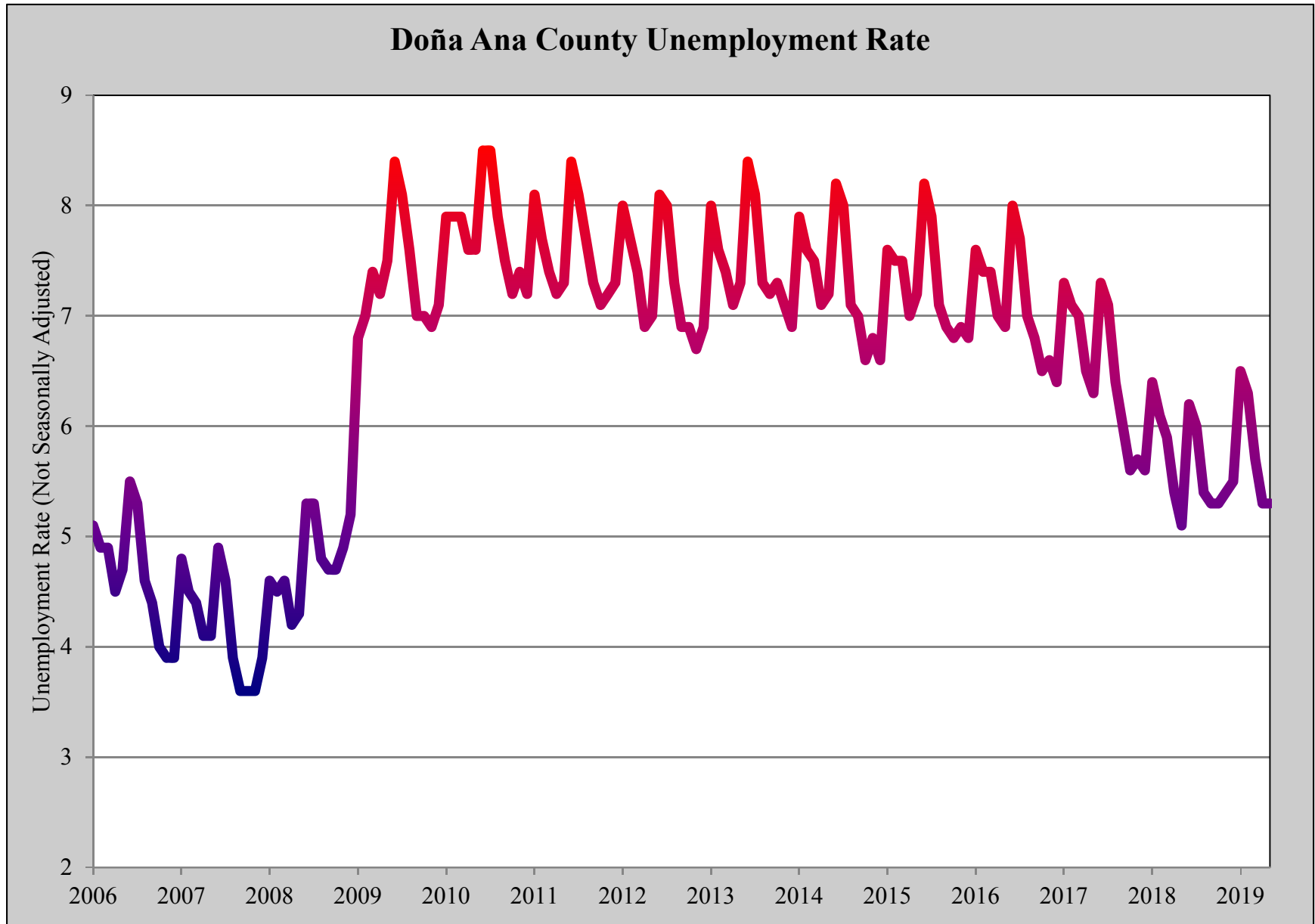
El Paso Gasoline Prices



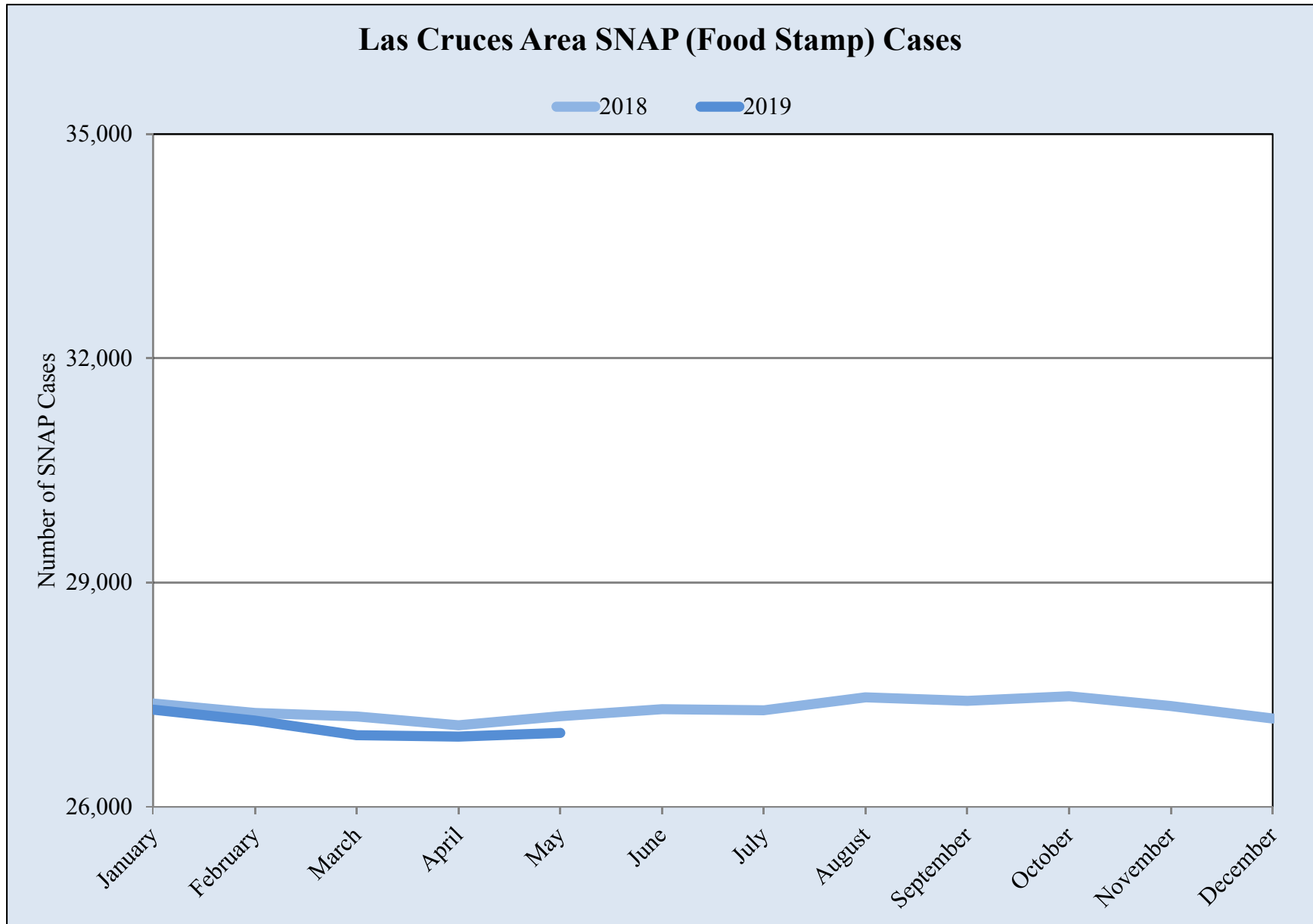
Source: GasBuddy.com



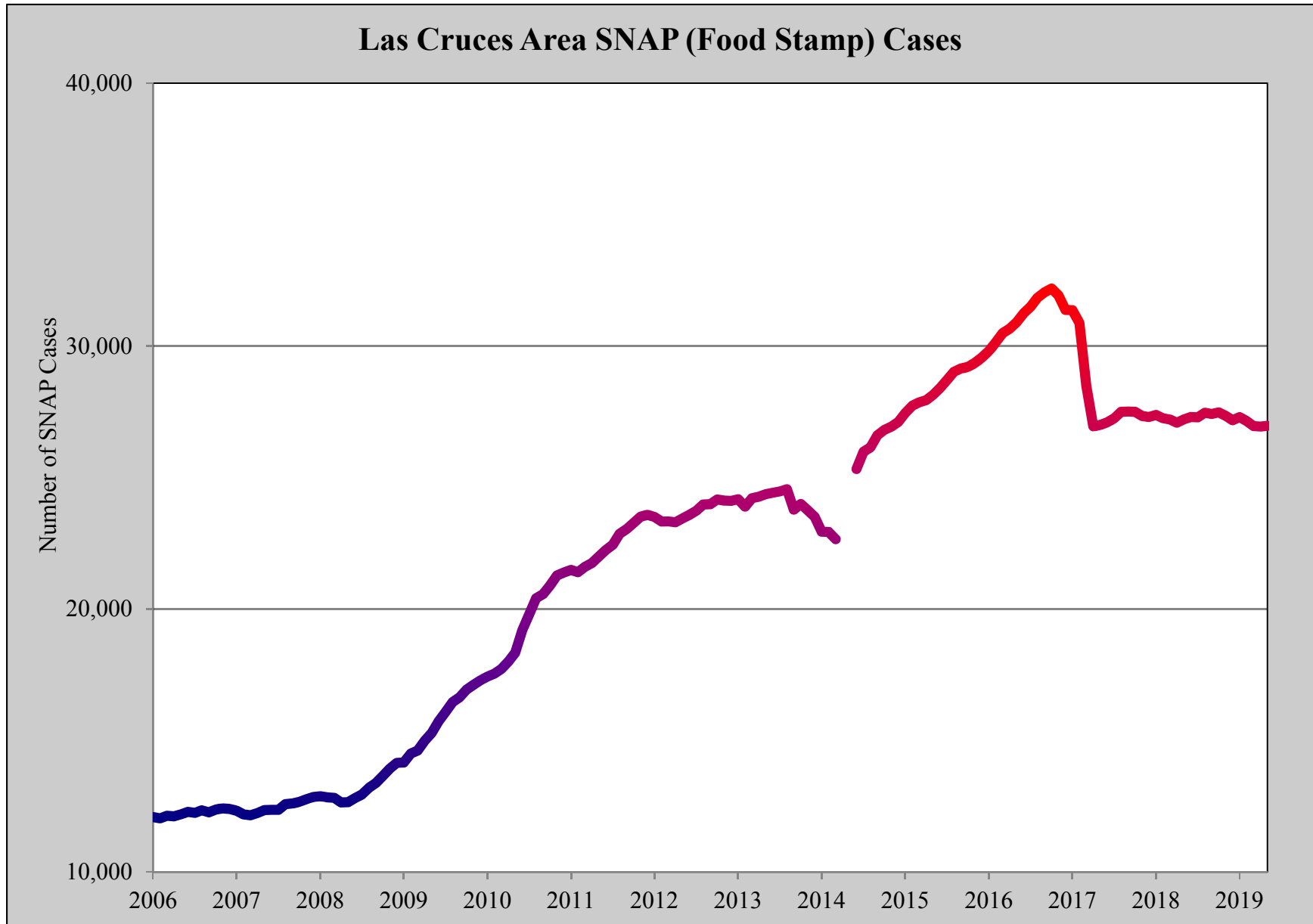
Source: Bureau of Labor Statistics



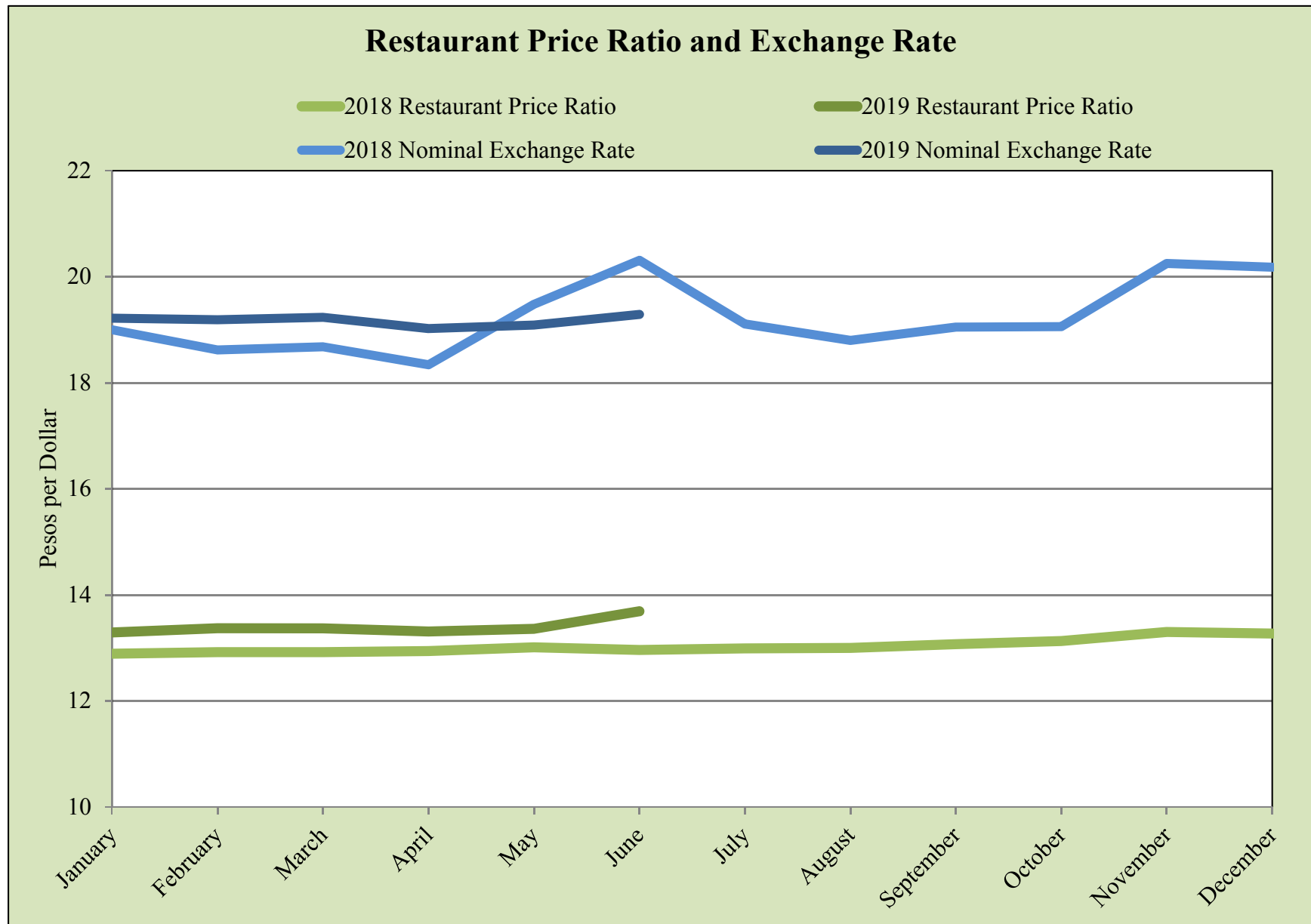
Source: Bureau of Labor Statistics



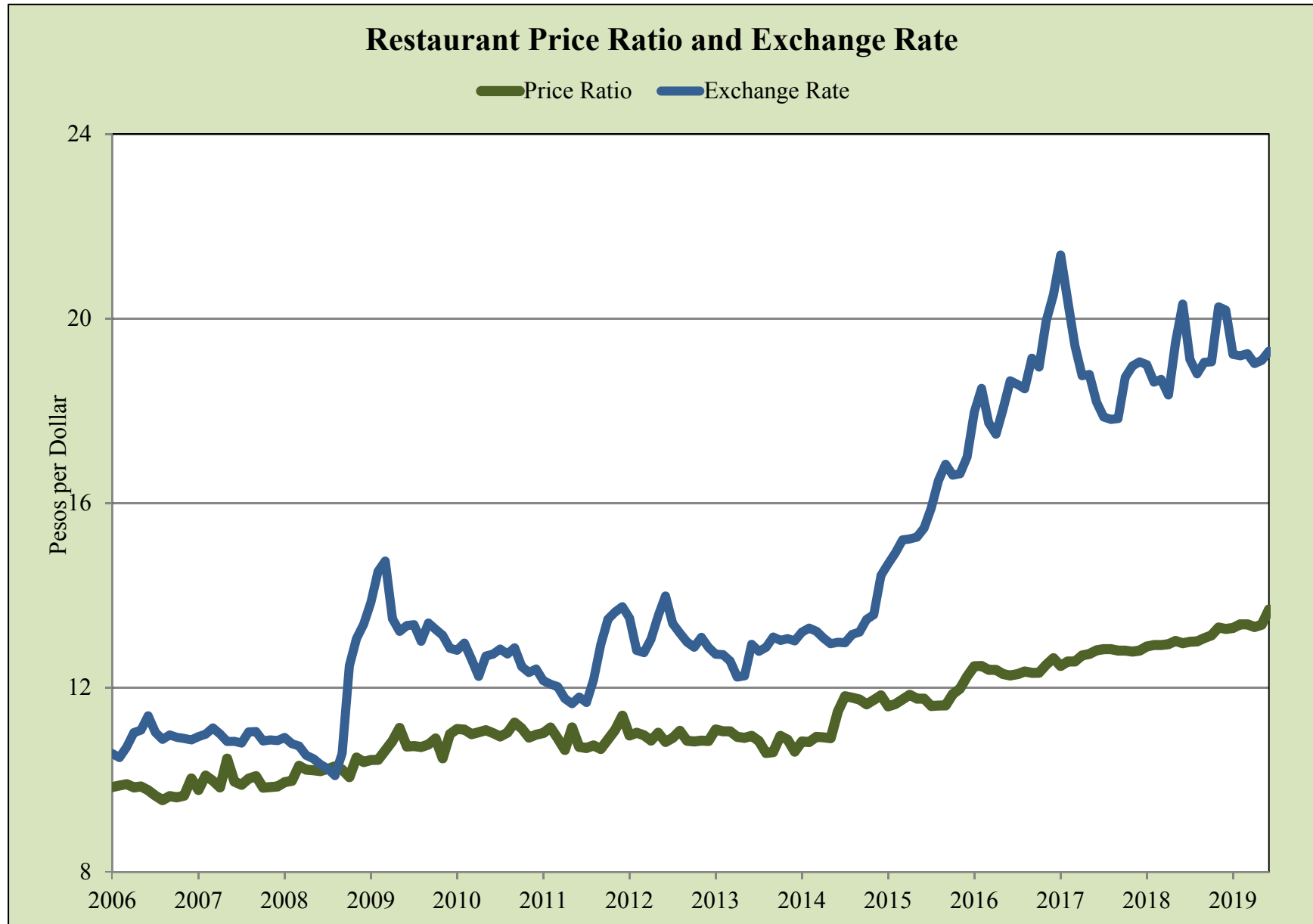
Source: New Mexico Human Services Department



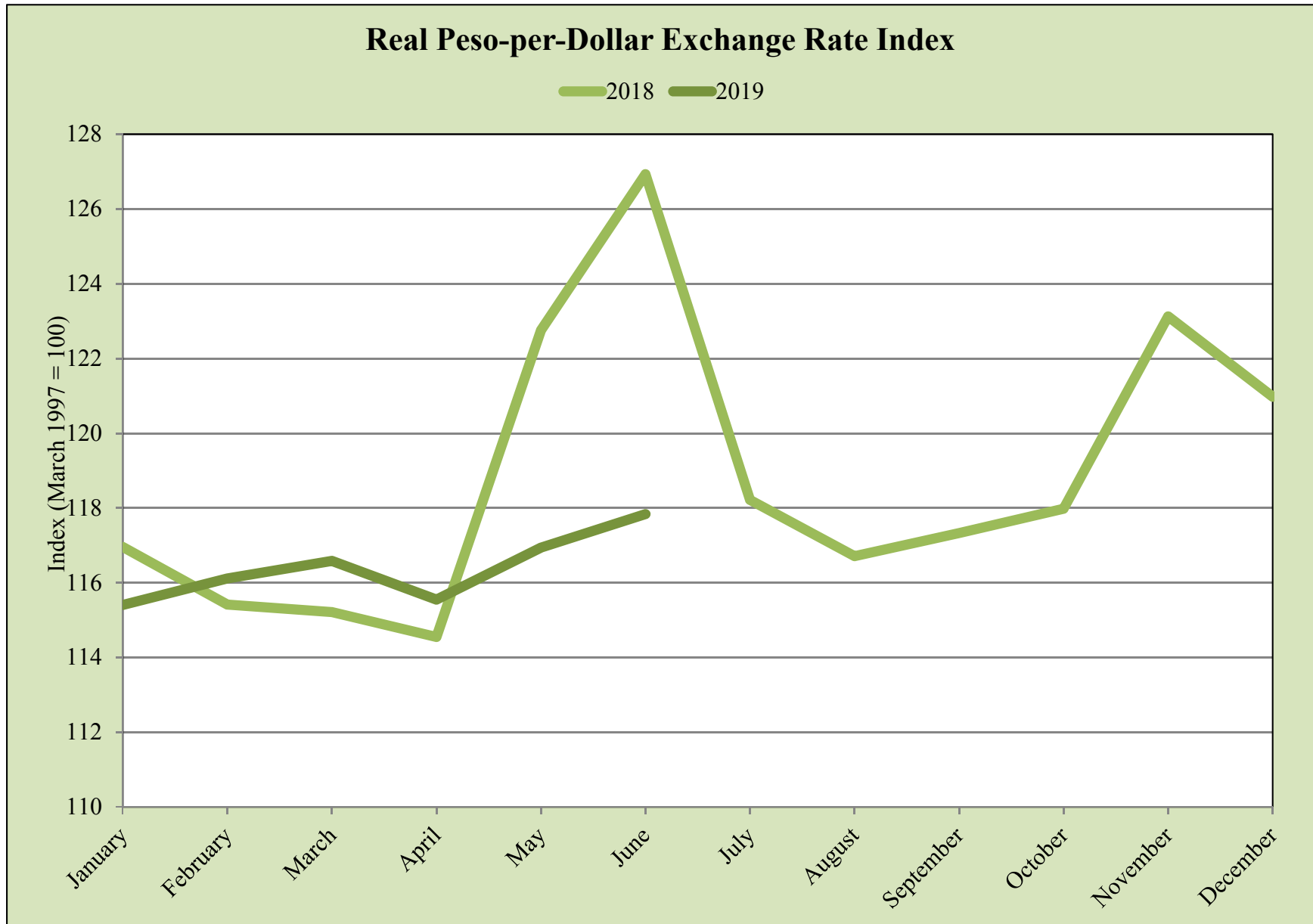
Source: New Mexico Human Services Department



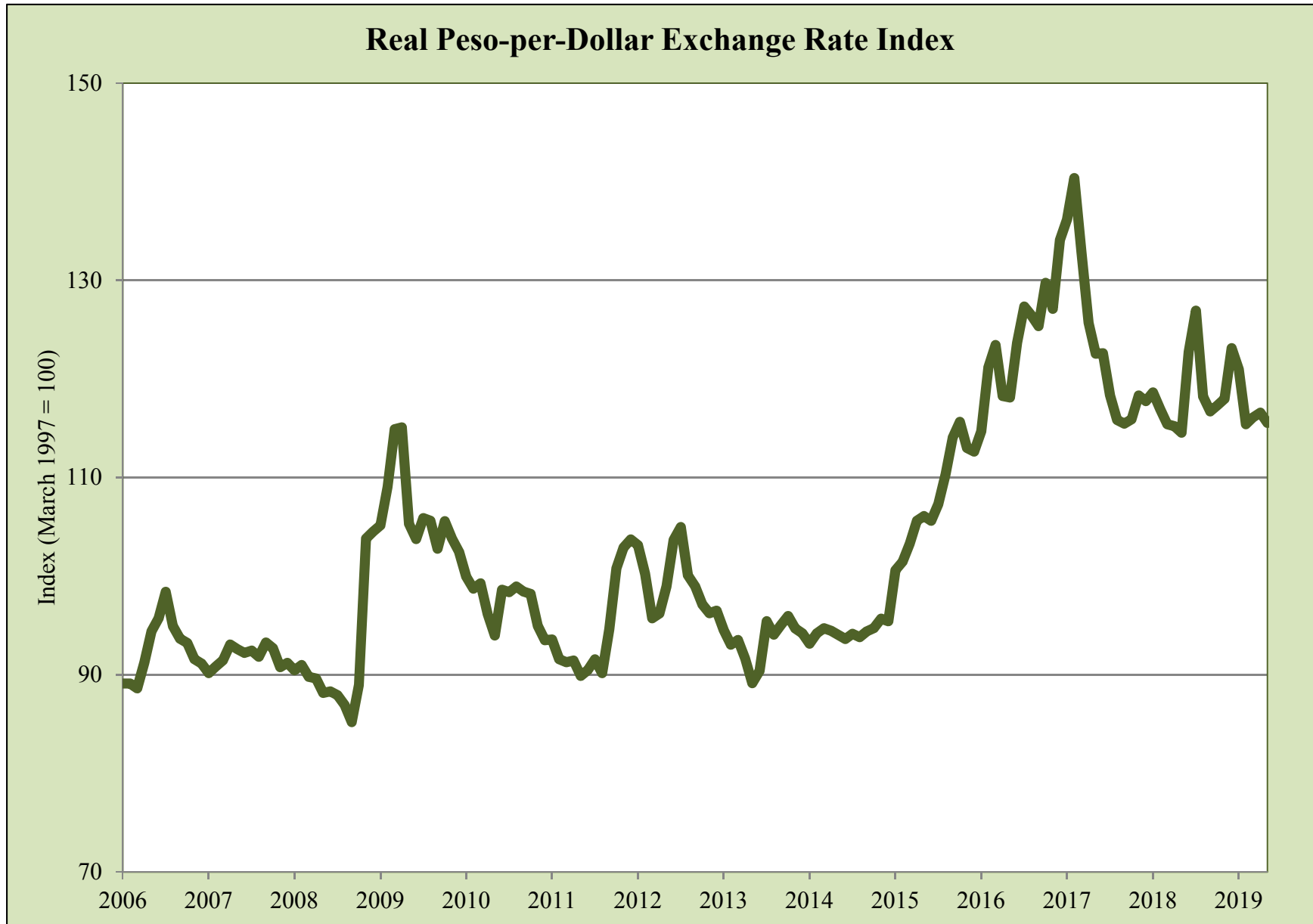
Source: UTEP Border Region Modeling Project and Banco de Mexico



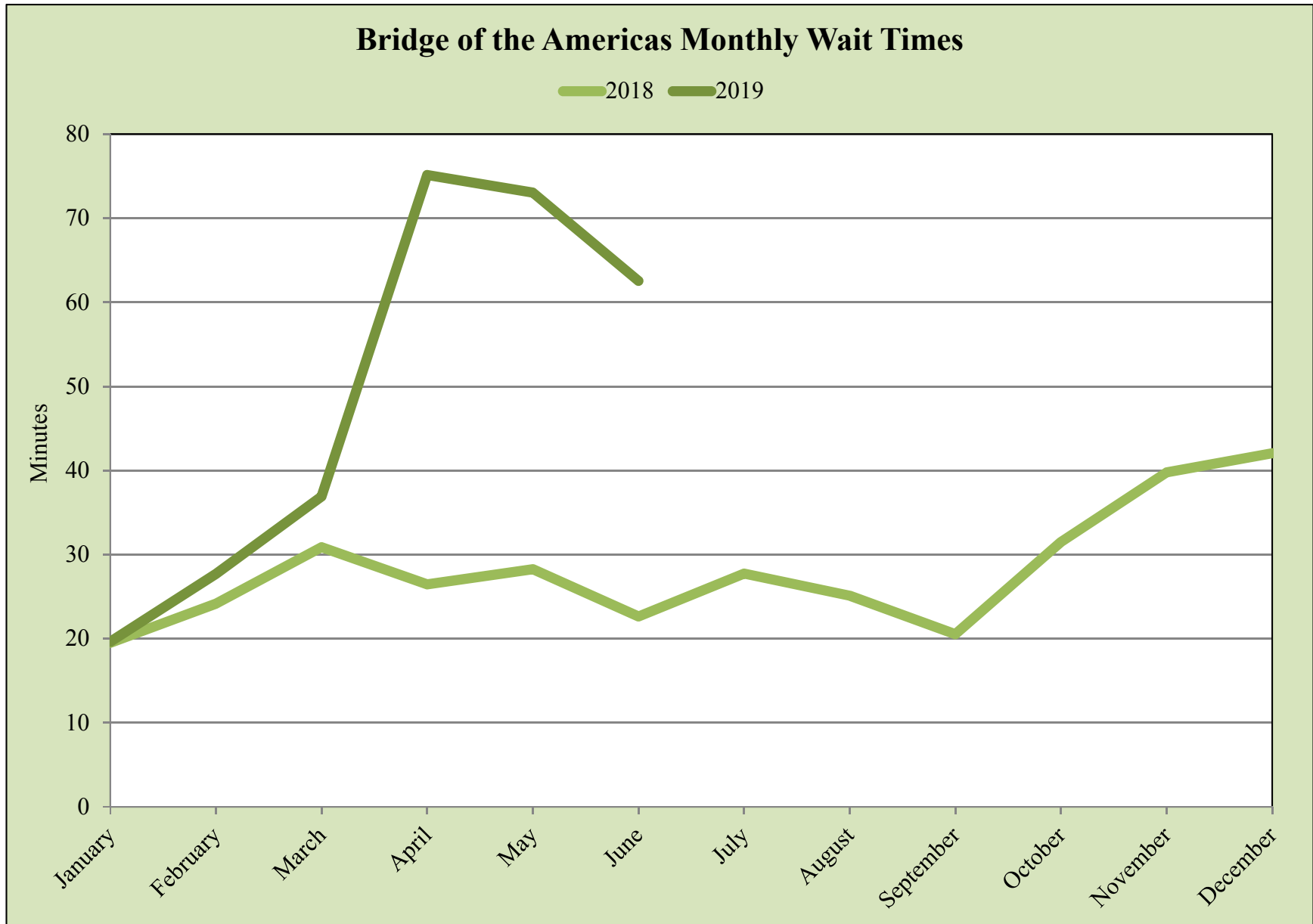
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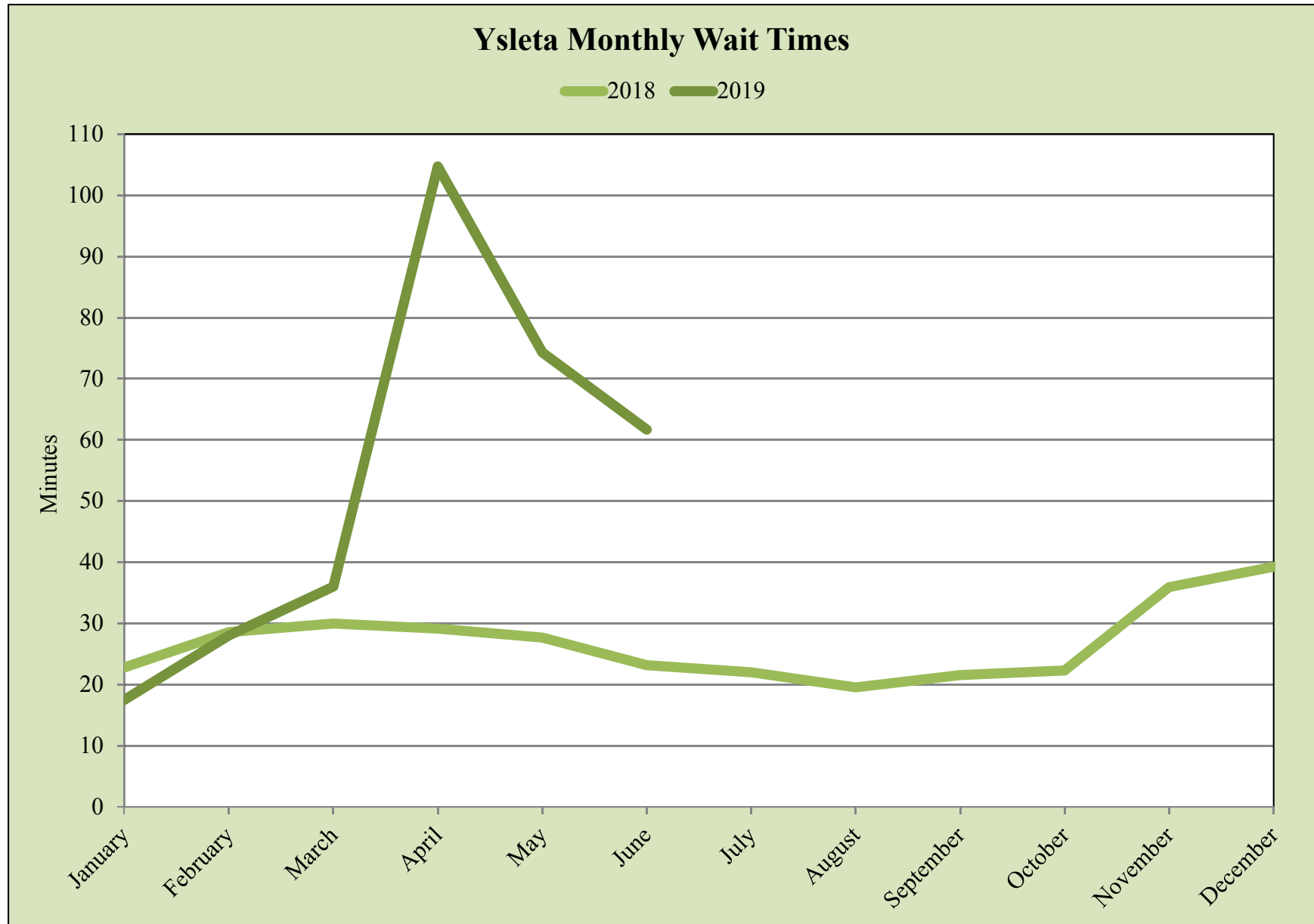
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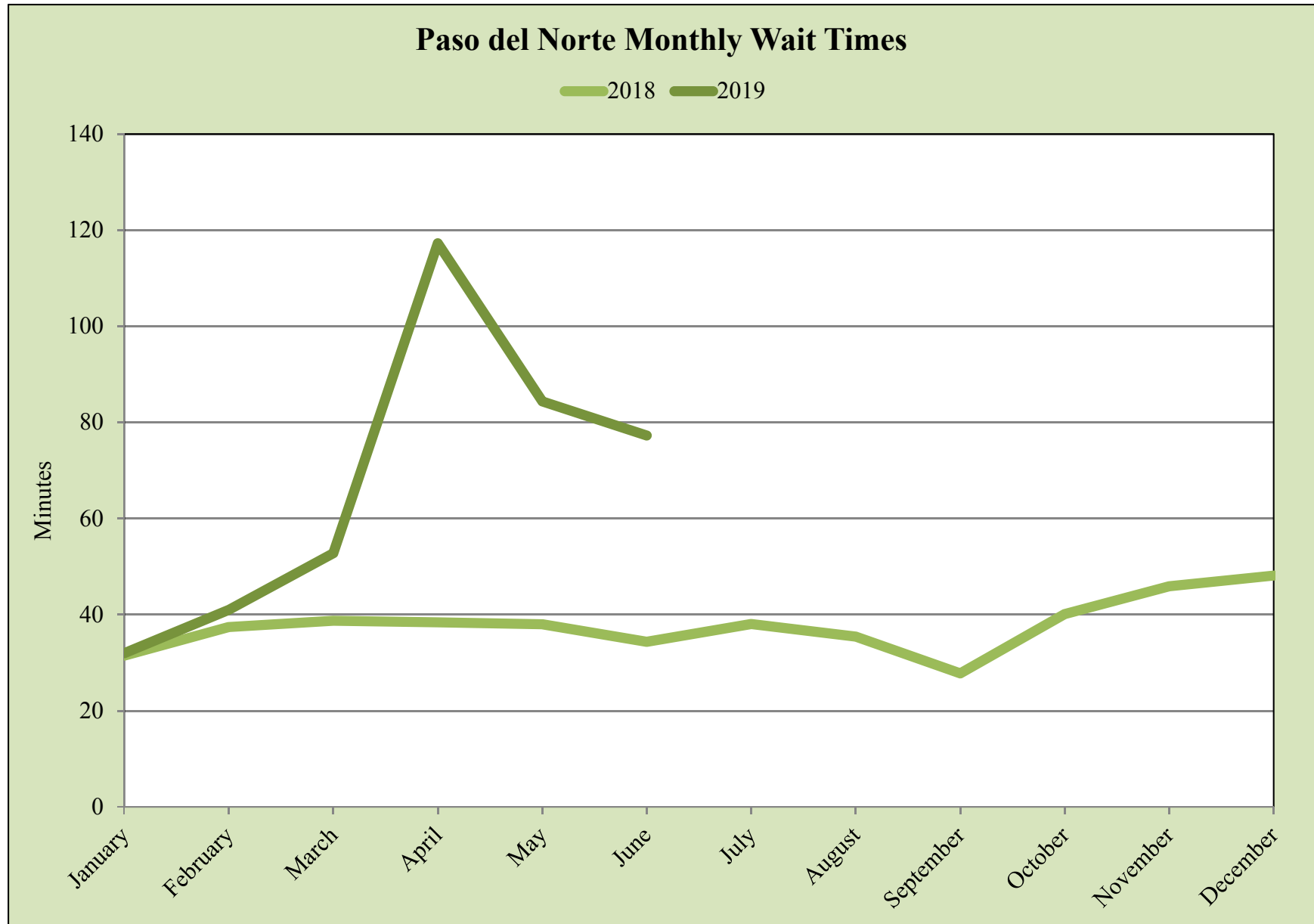
Source: UTEP Border Region Modeling Project



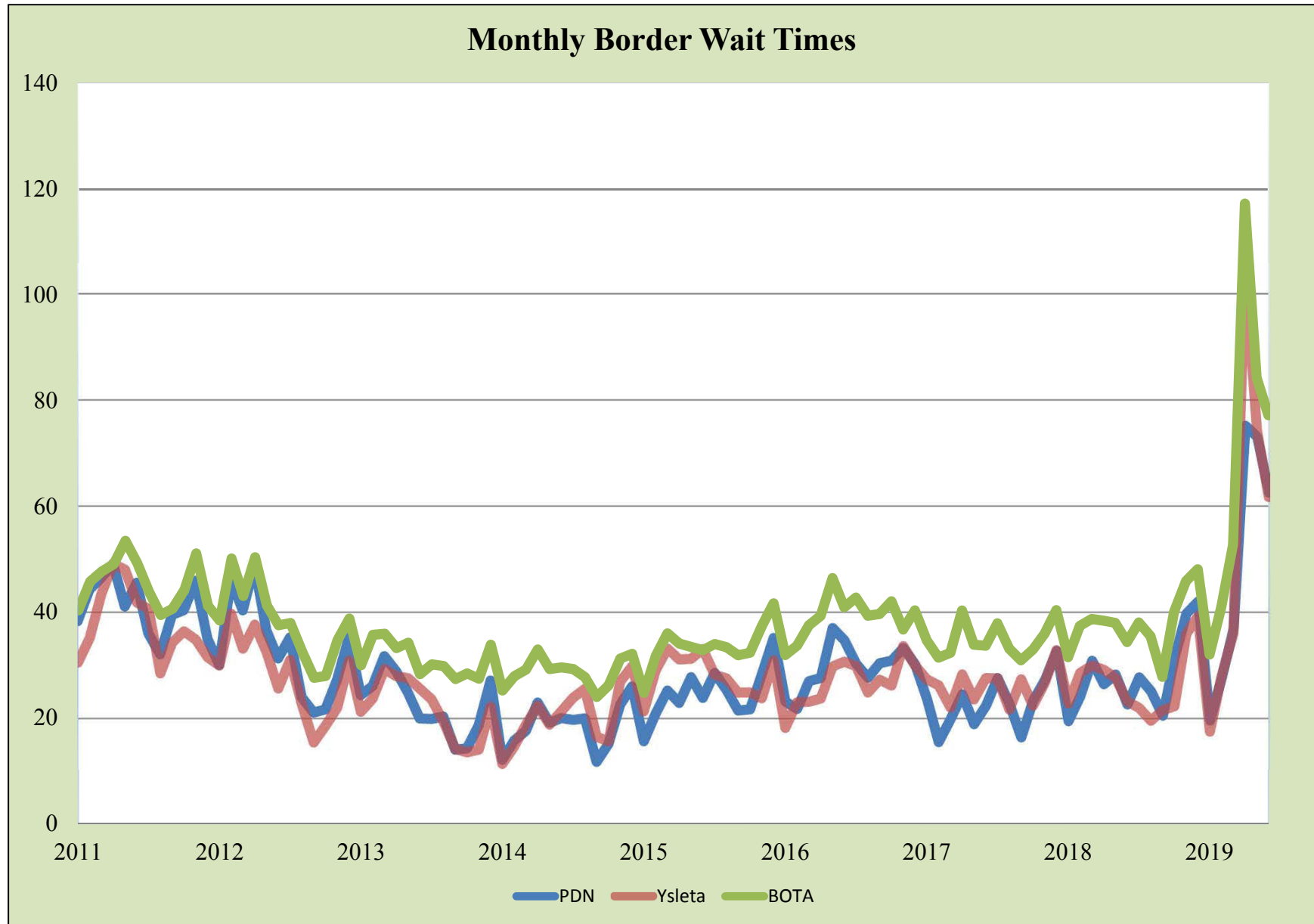
Source: UTEP Border Region Modeling Project



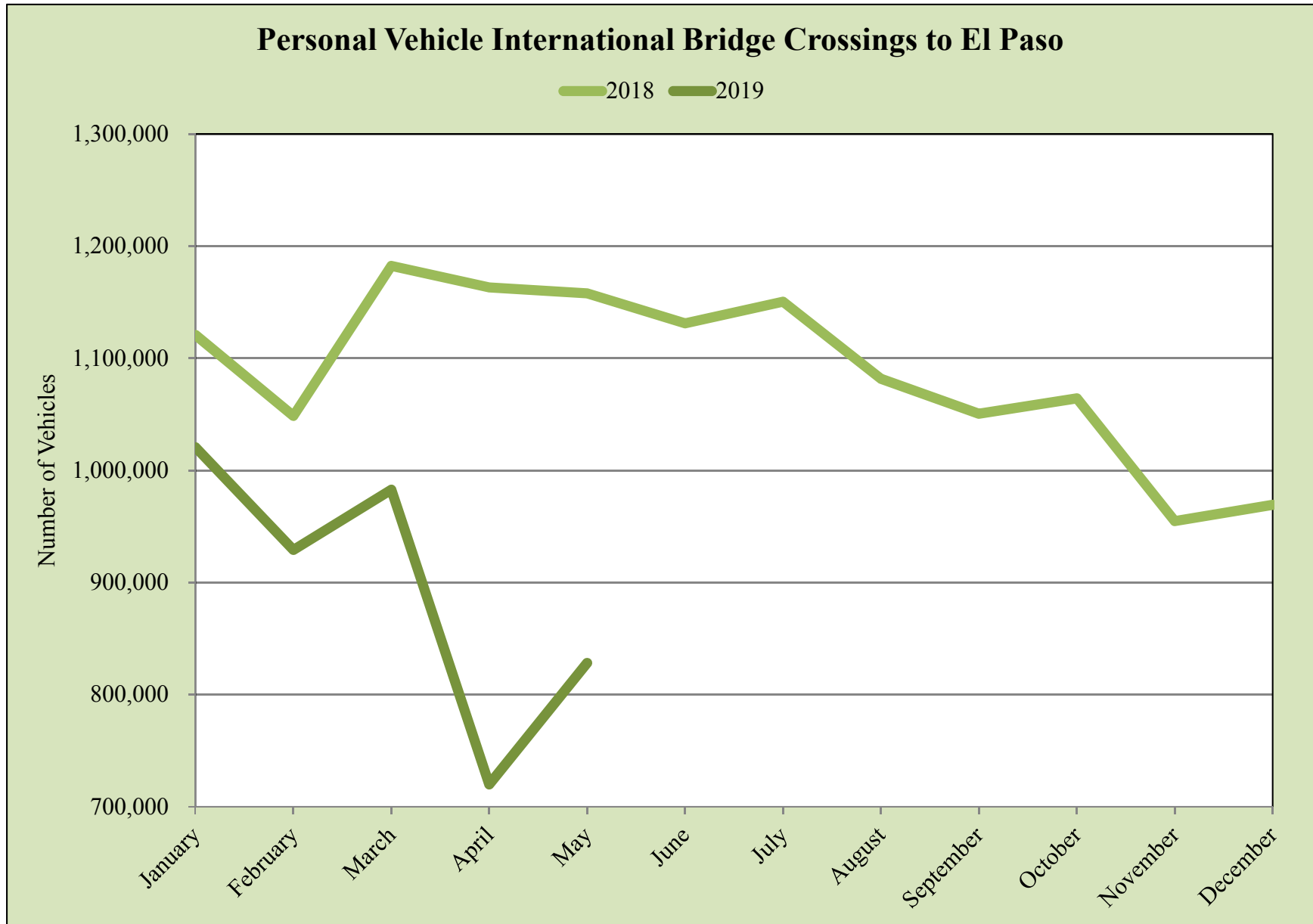
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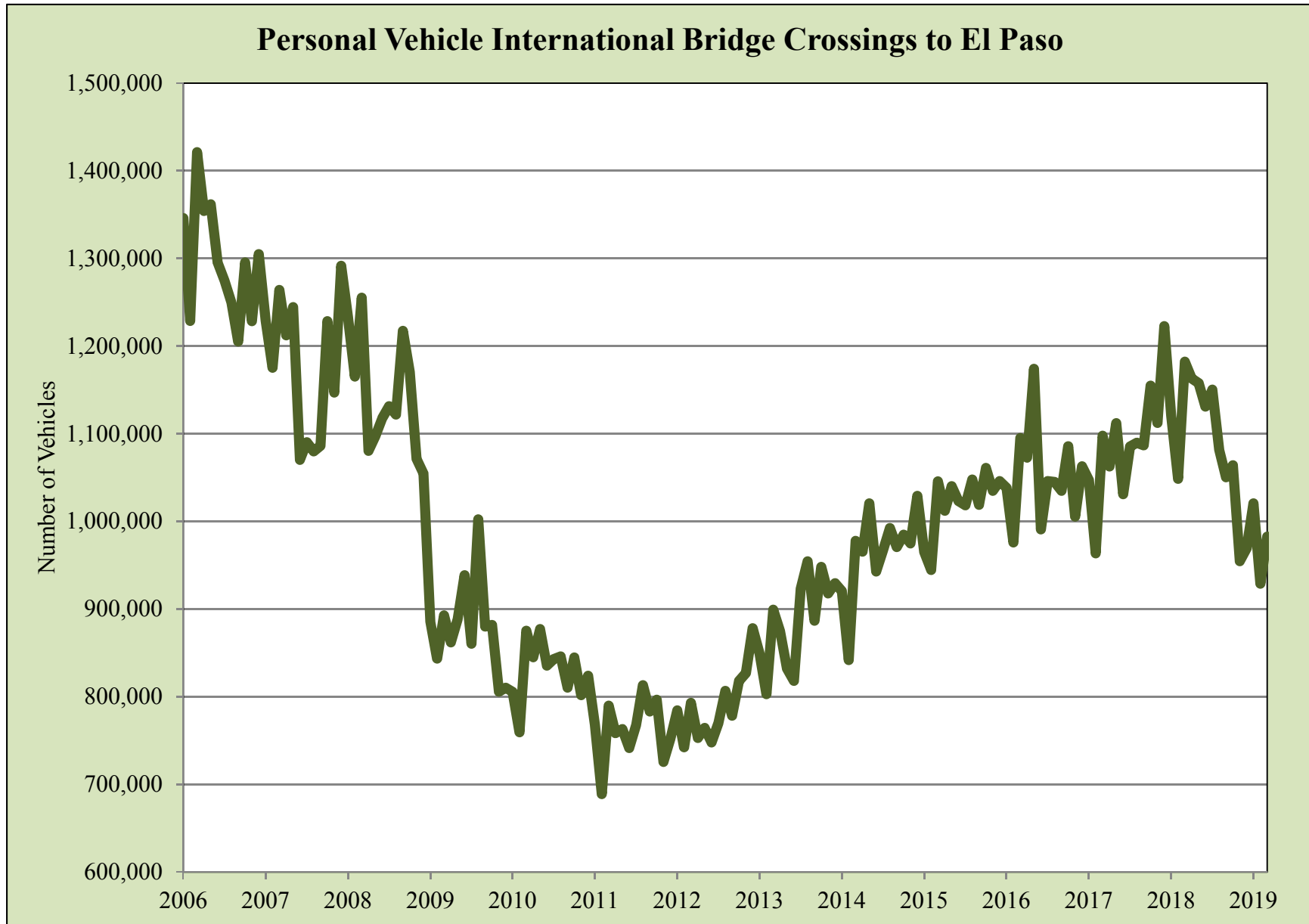
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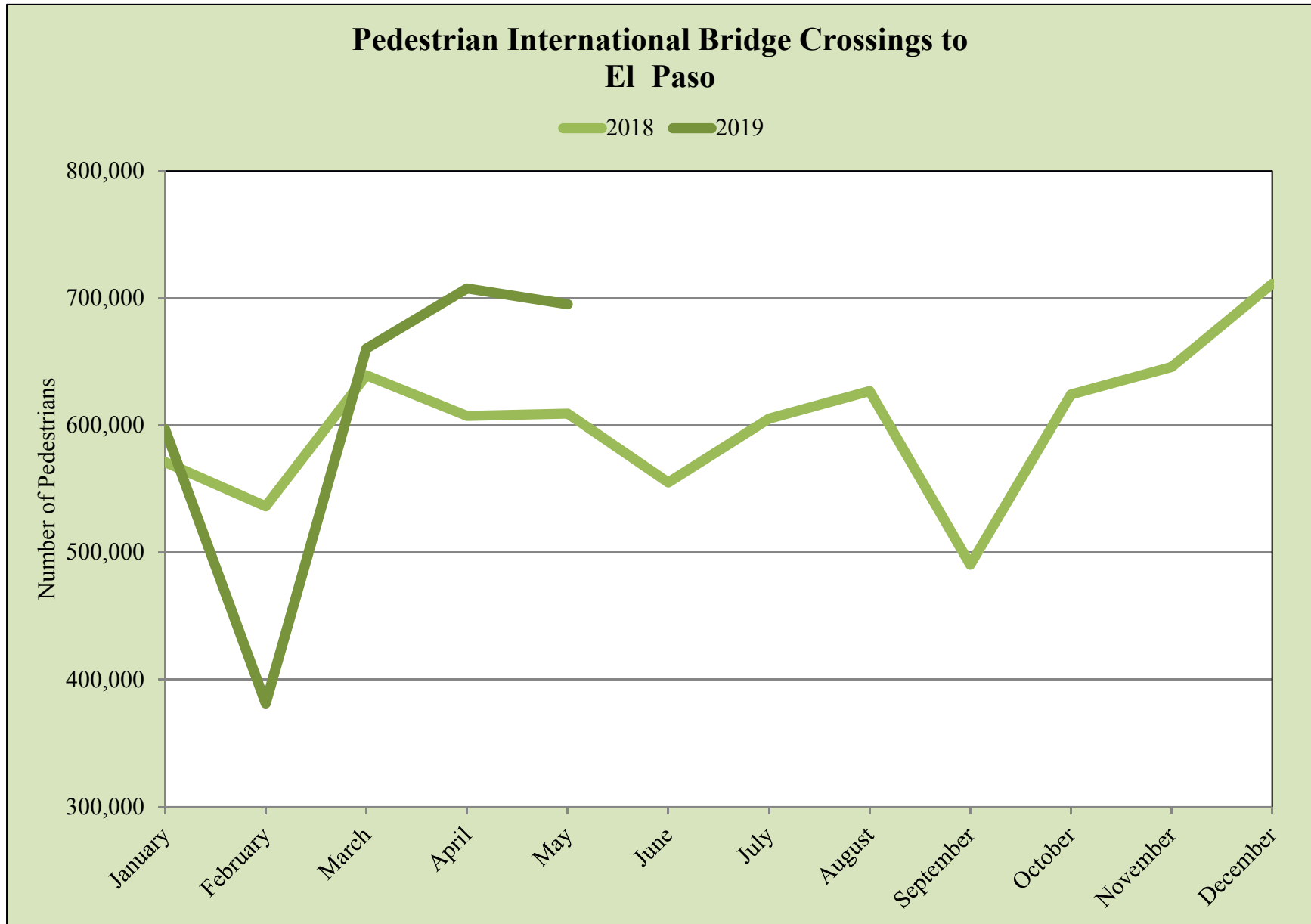
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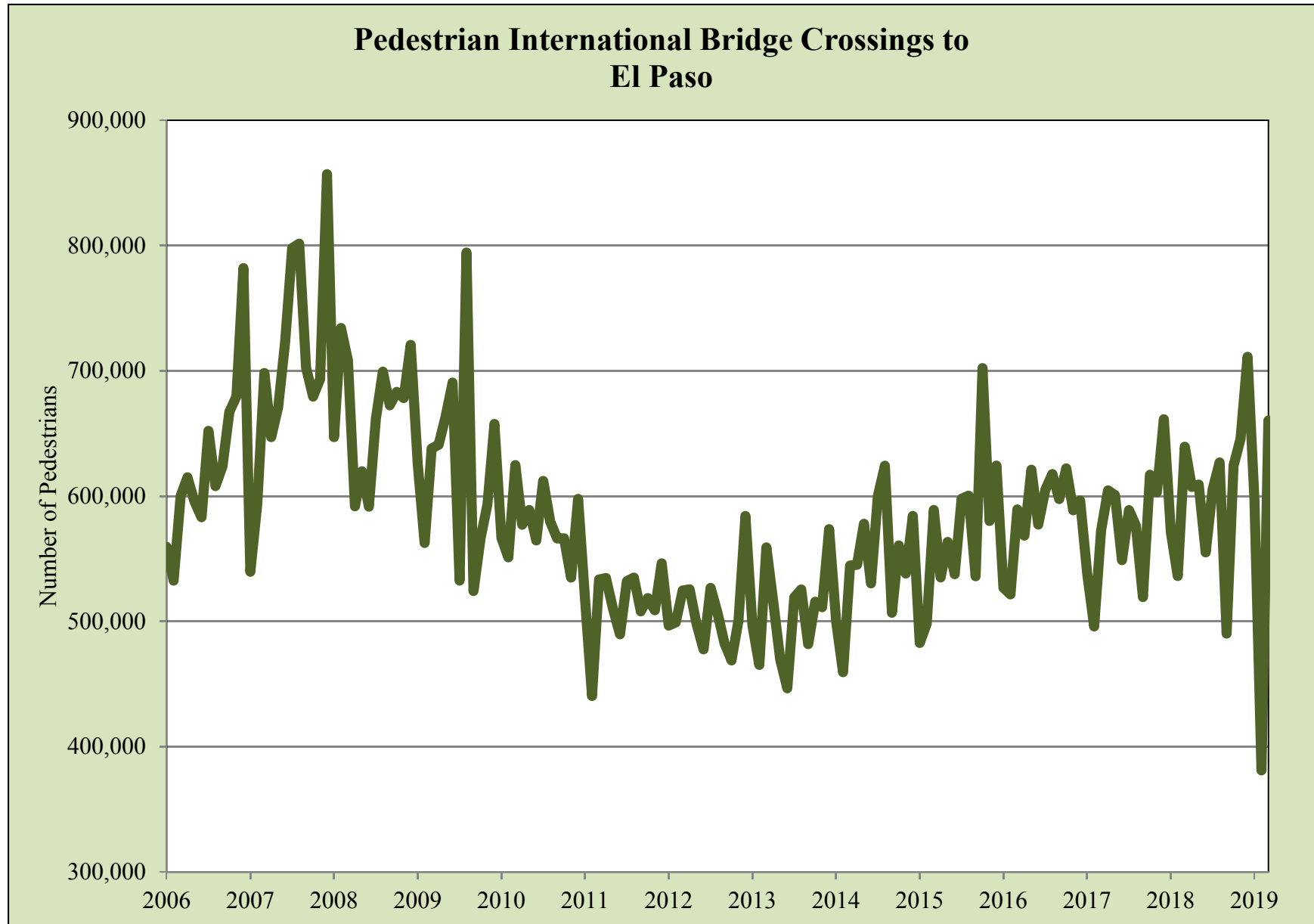
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



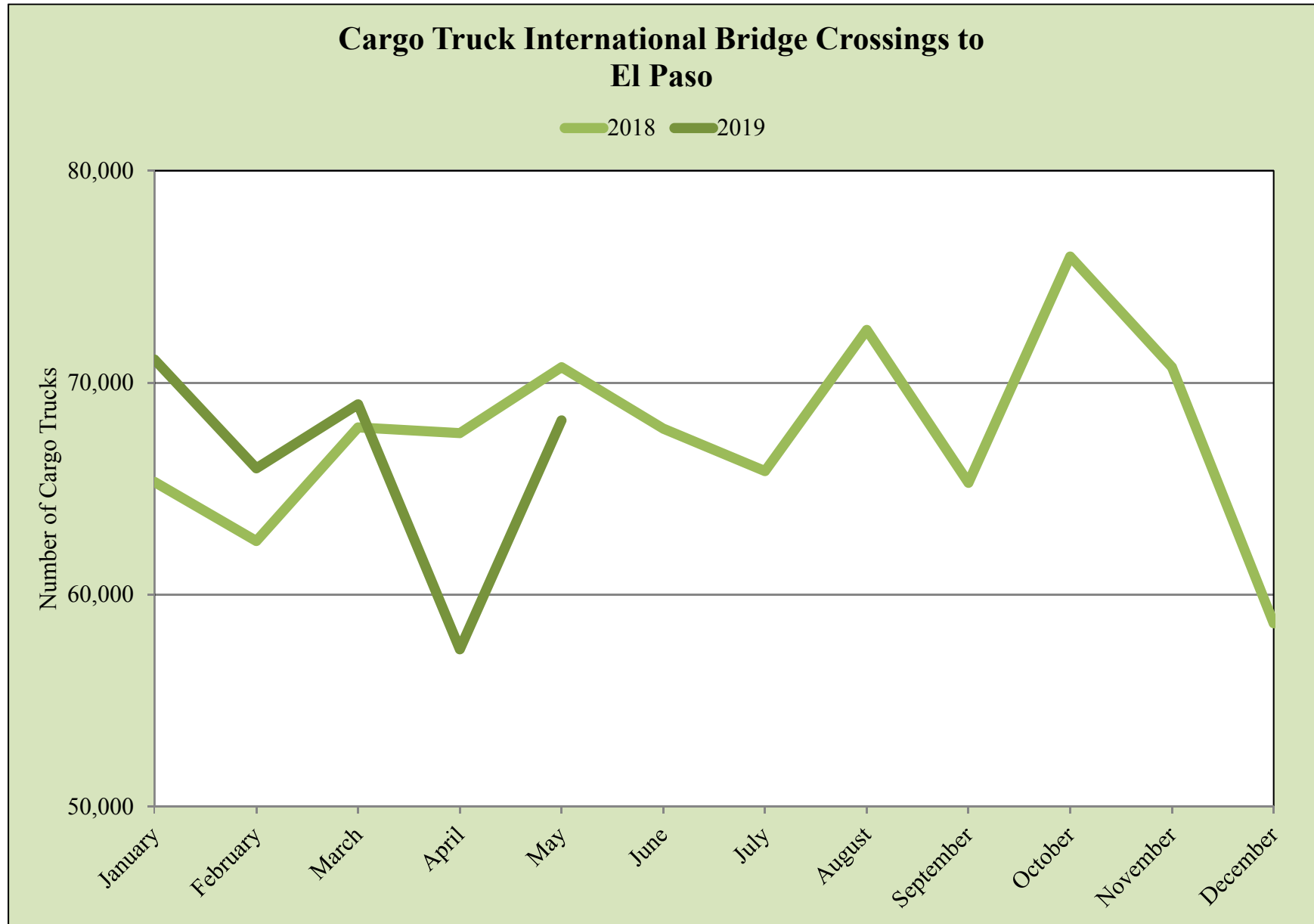
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



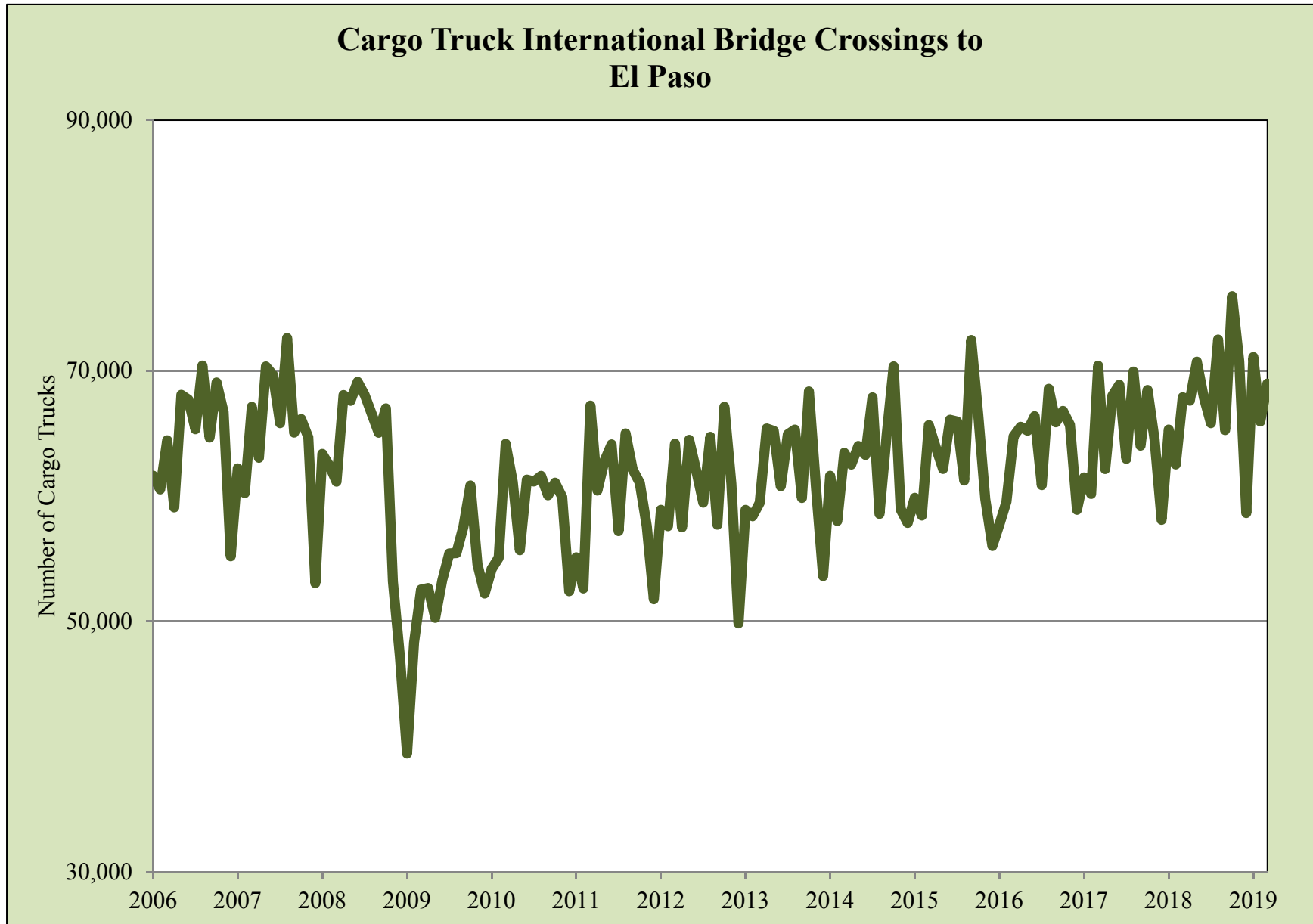
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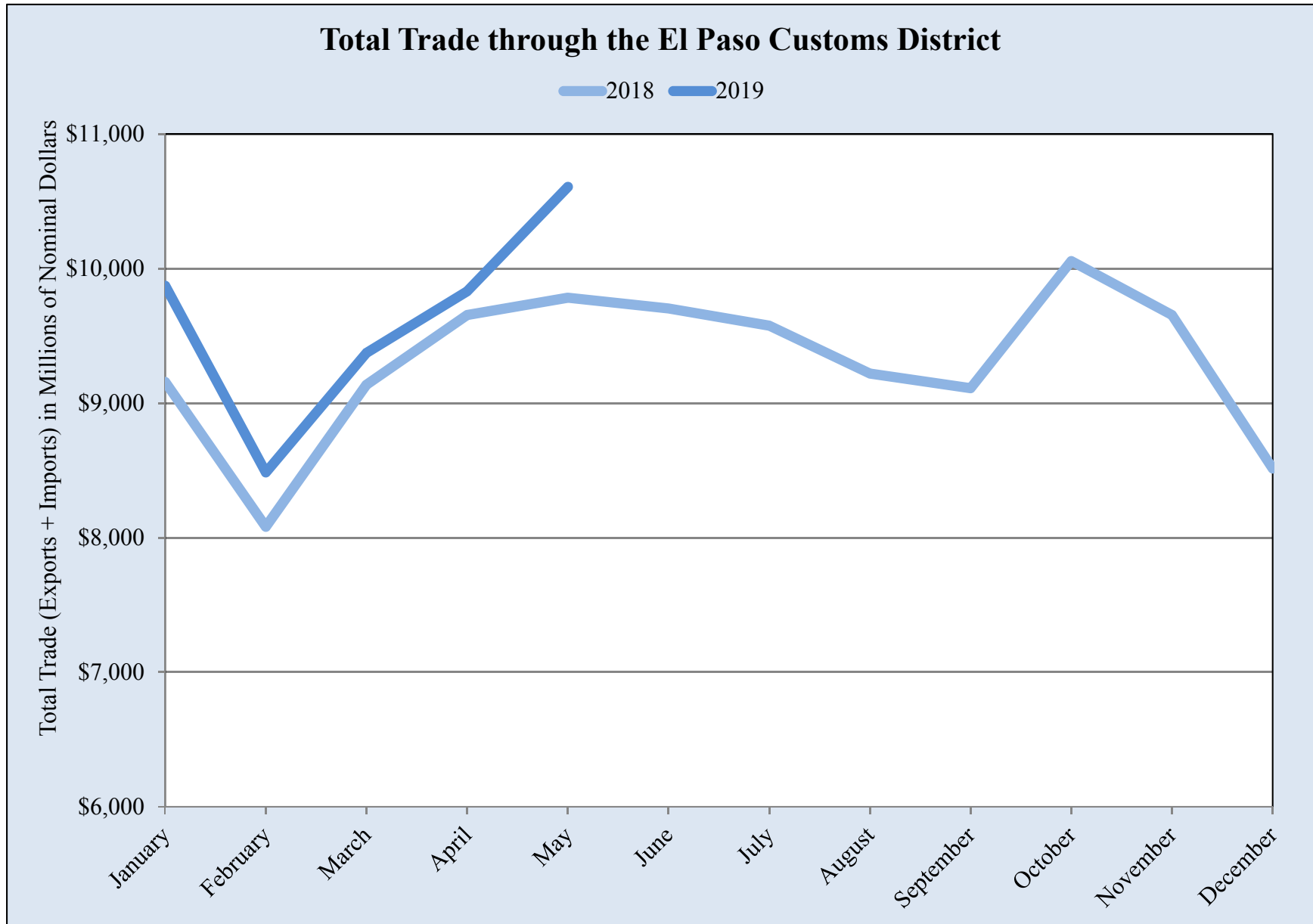
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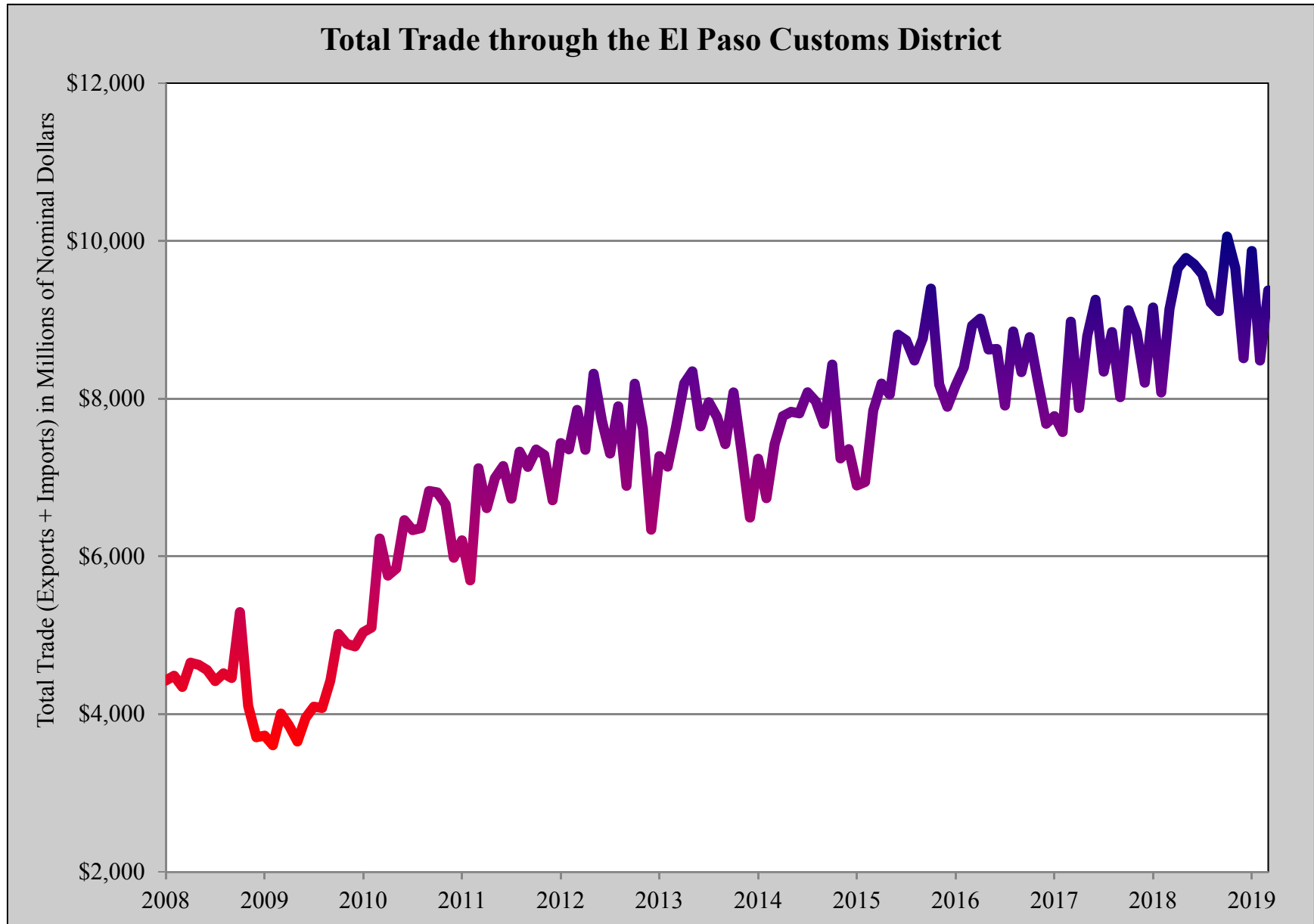
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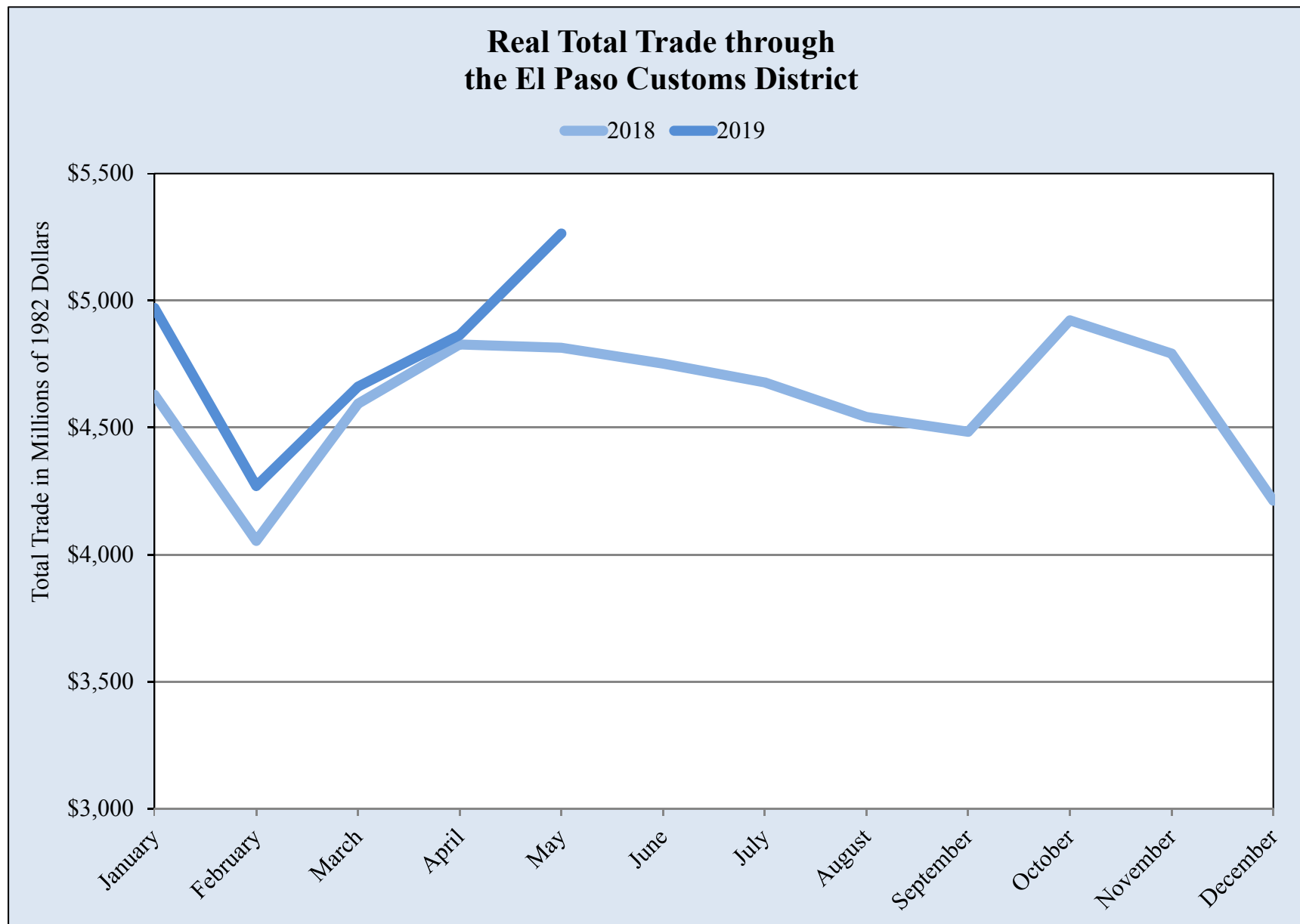
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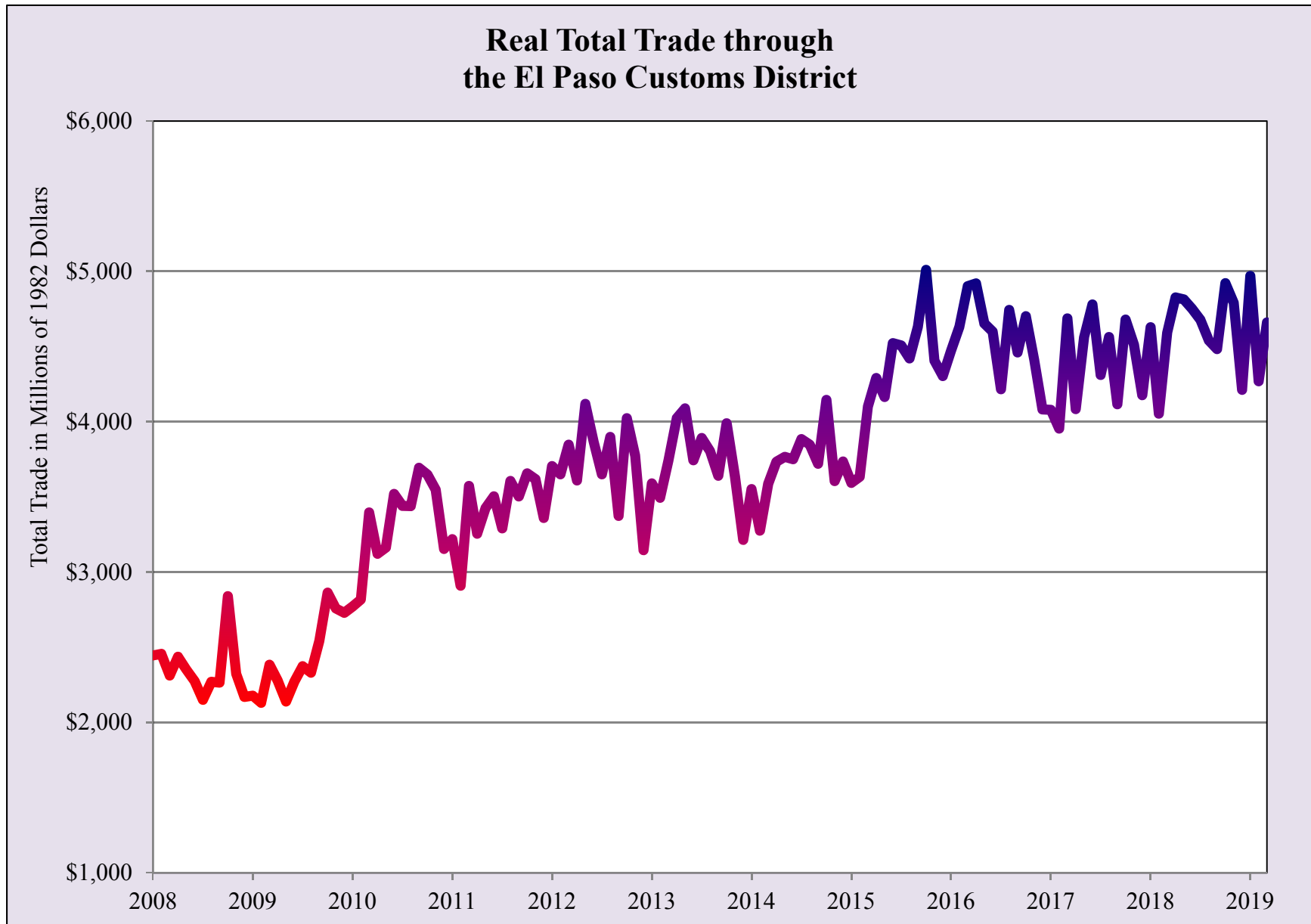
Source: U.S. International Trade Commission



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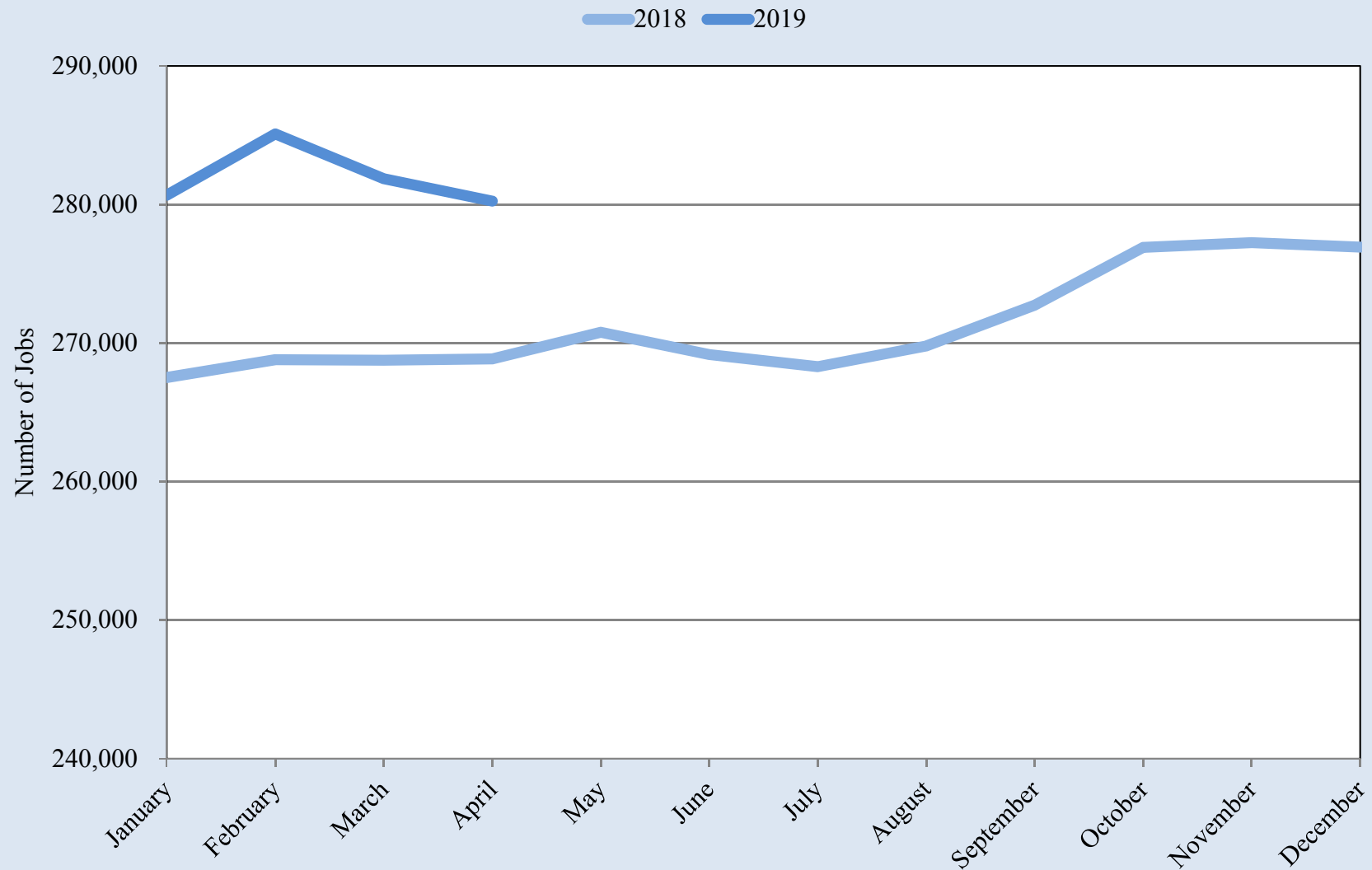
Source: U.S. International Trade Commission and Bureau of Labor Statistics



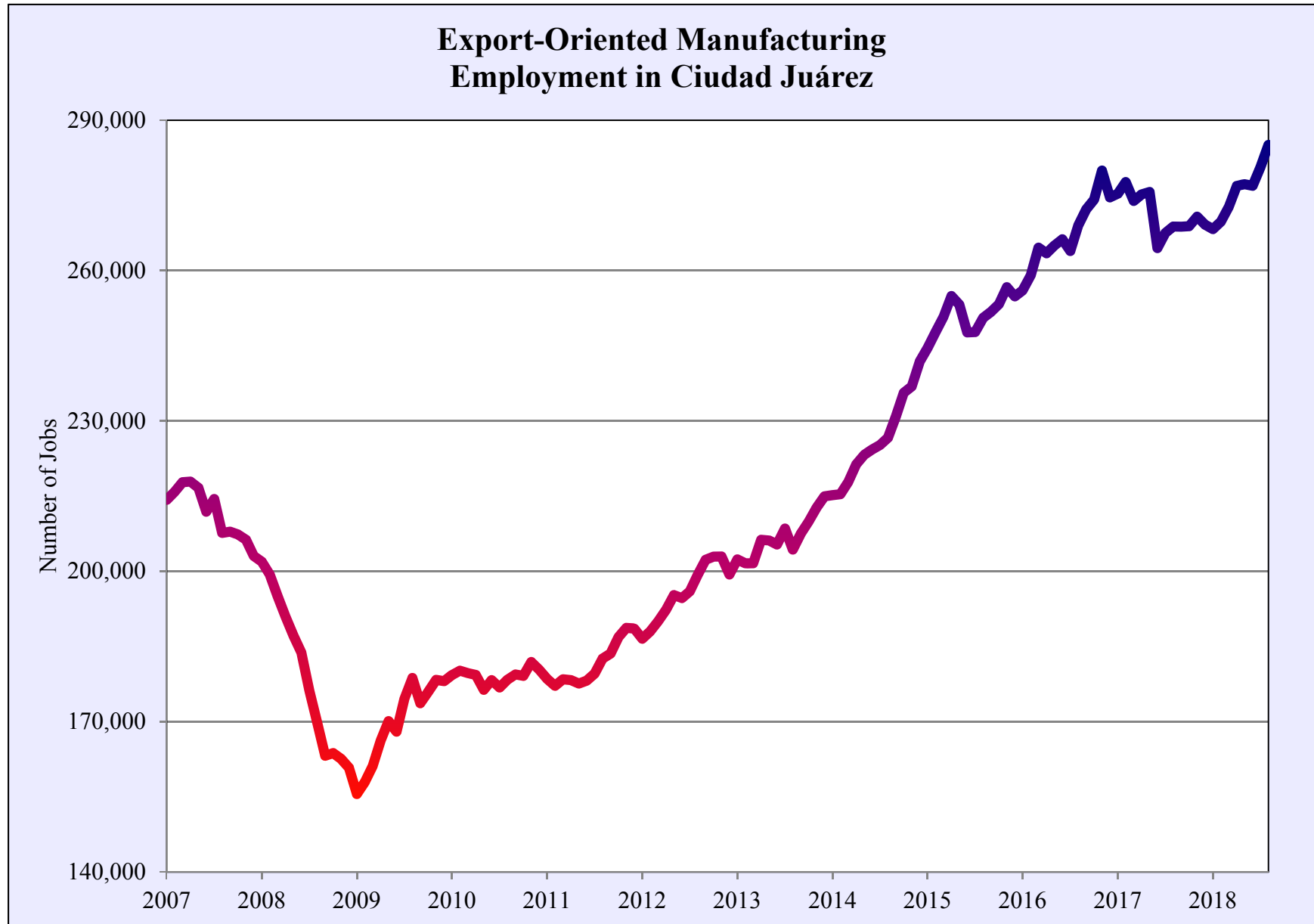
Source: U.S. International Trade Commission and Bureau of Labor Statistics



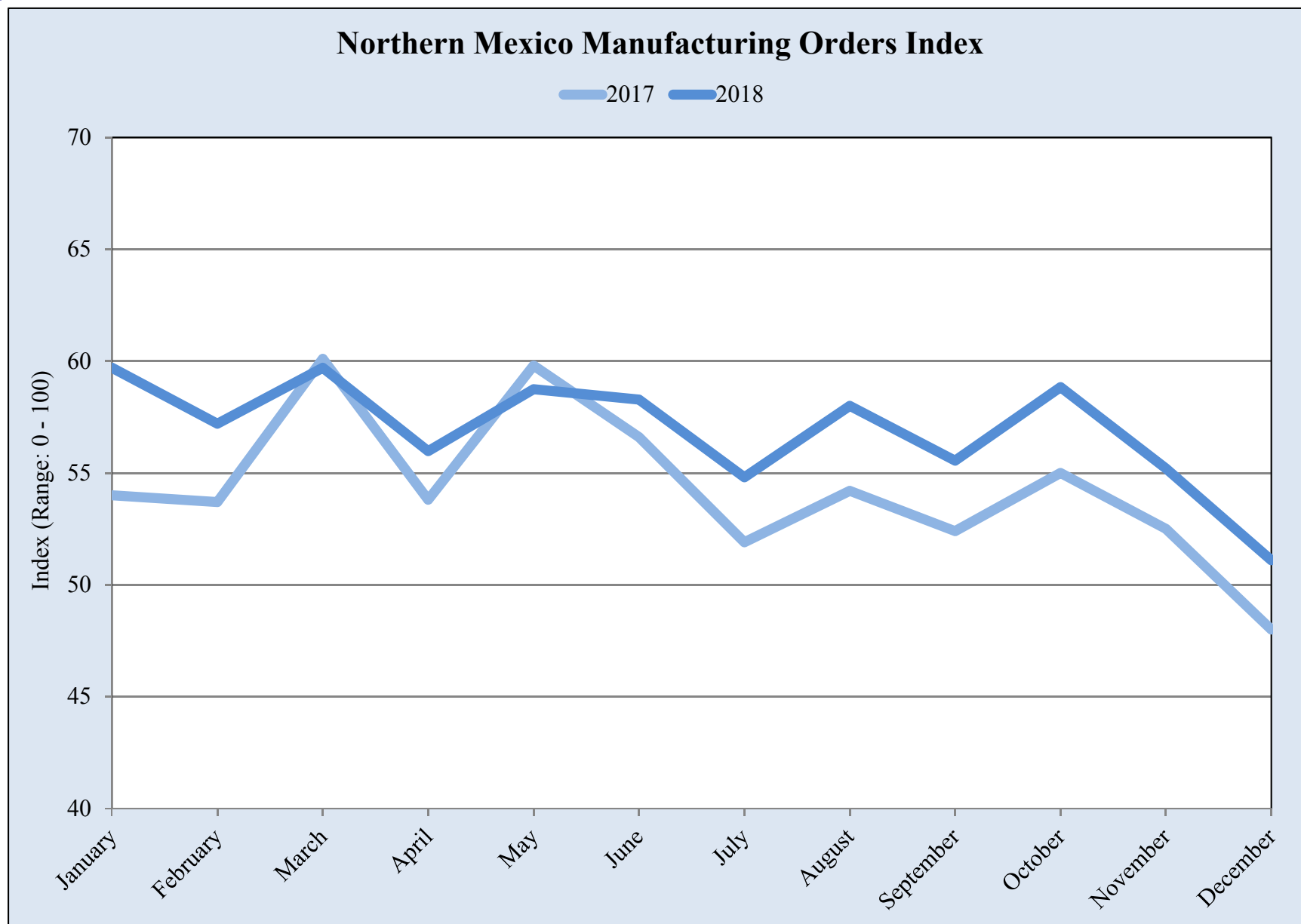
Export-Oriented Manufacturing Employment in Ciudad Juárez



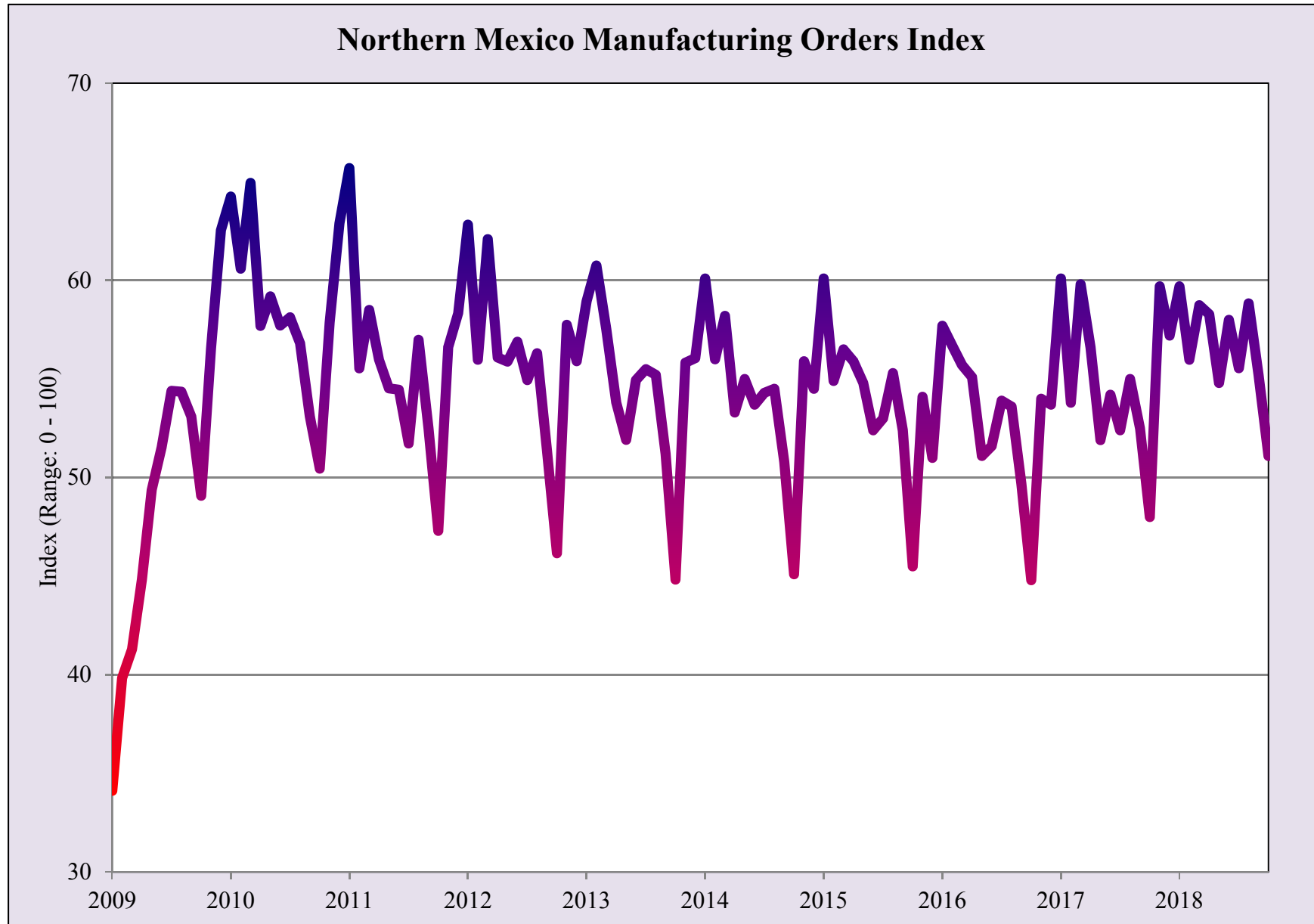
Source: INEGI



Source: INEGI



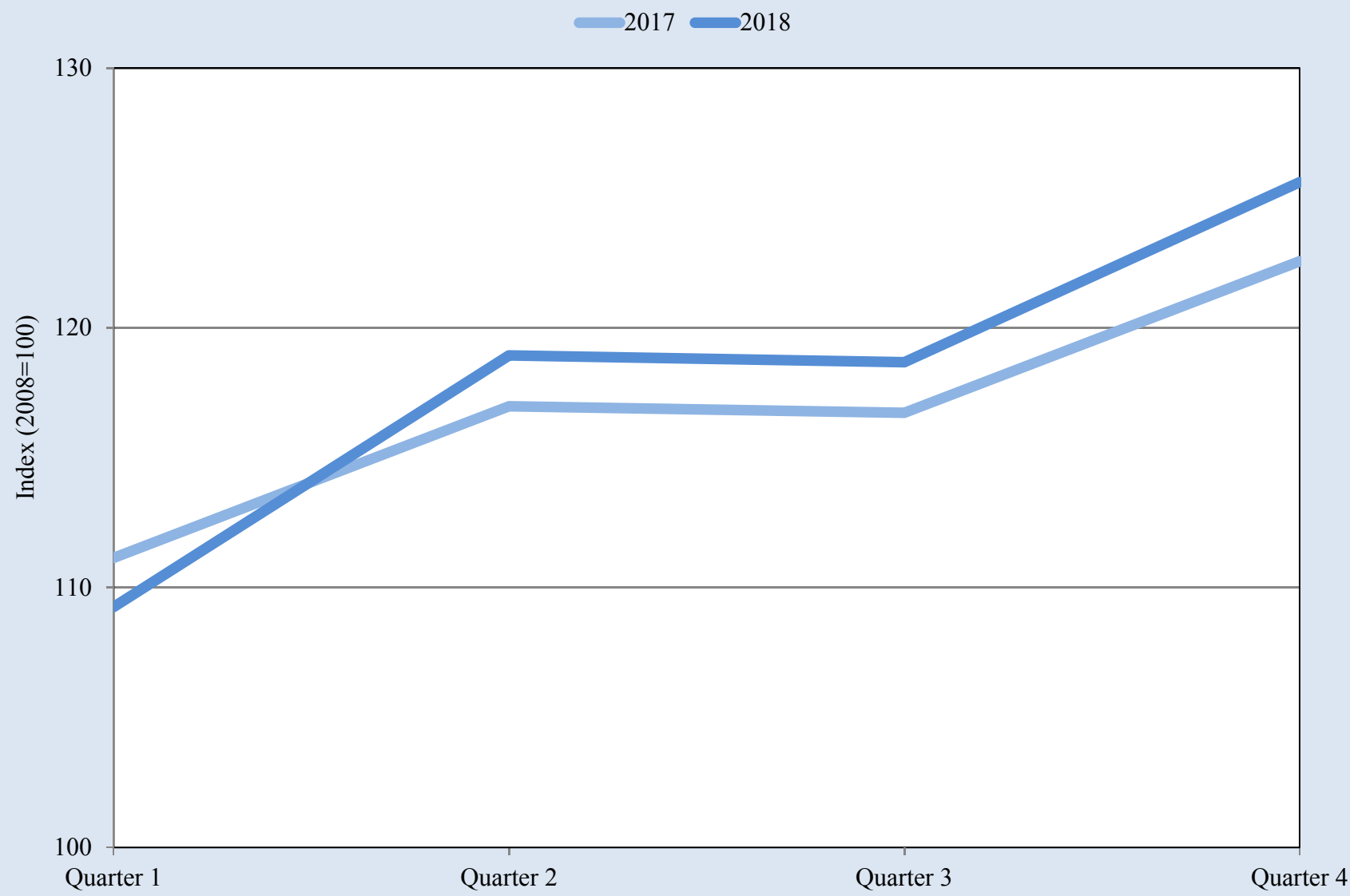
Source: Banco de México



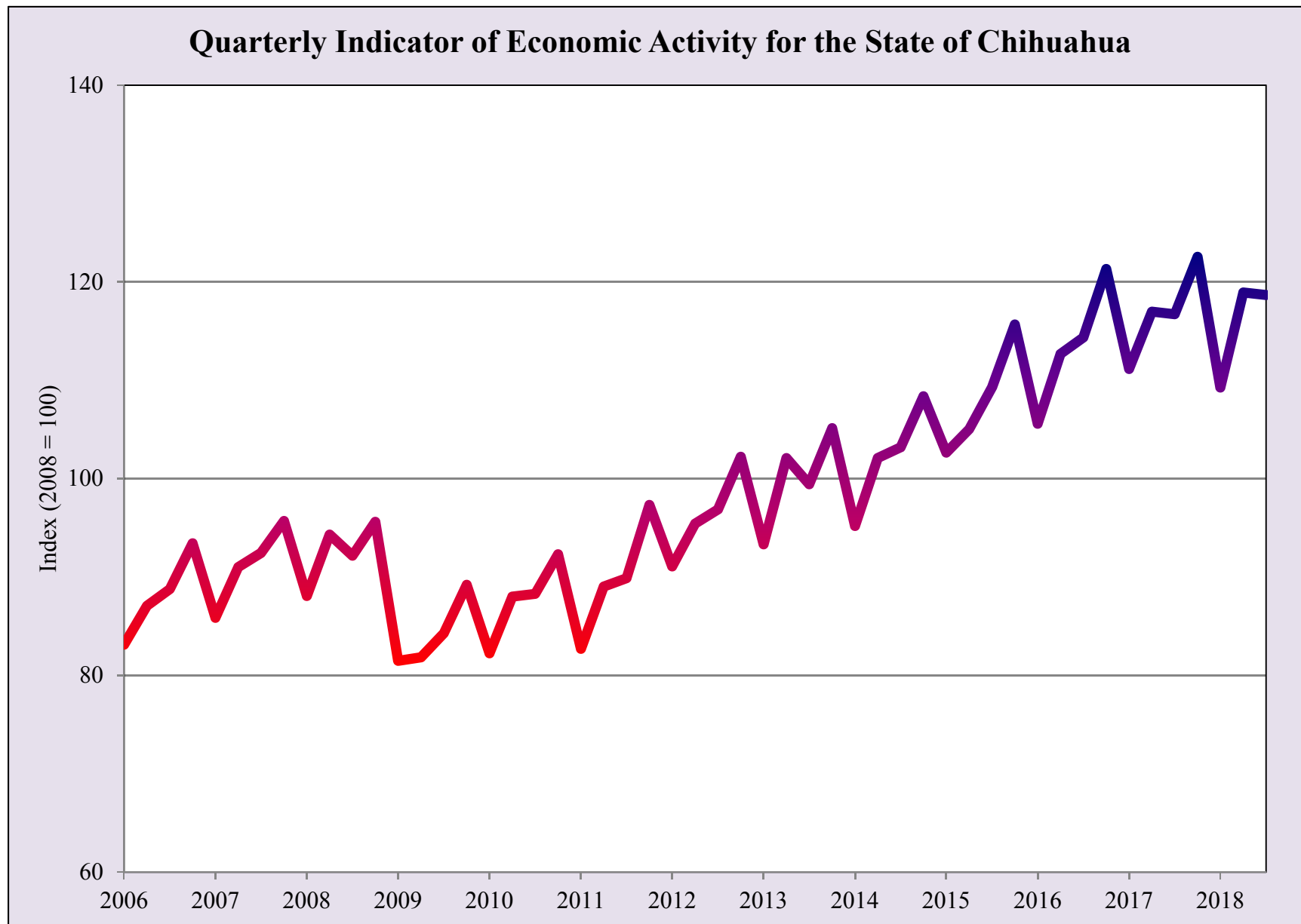
Source: Banco de México



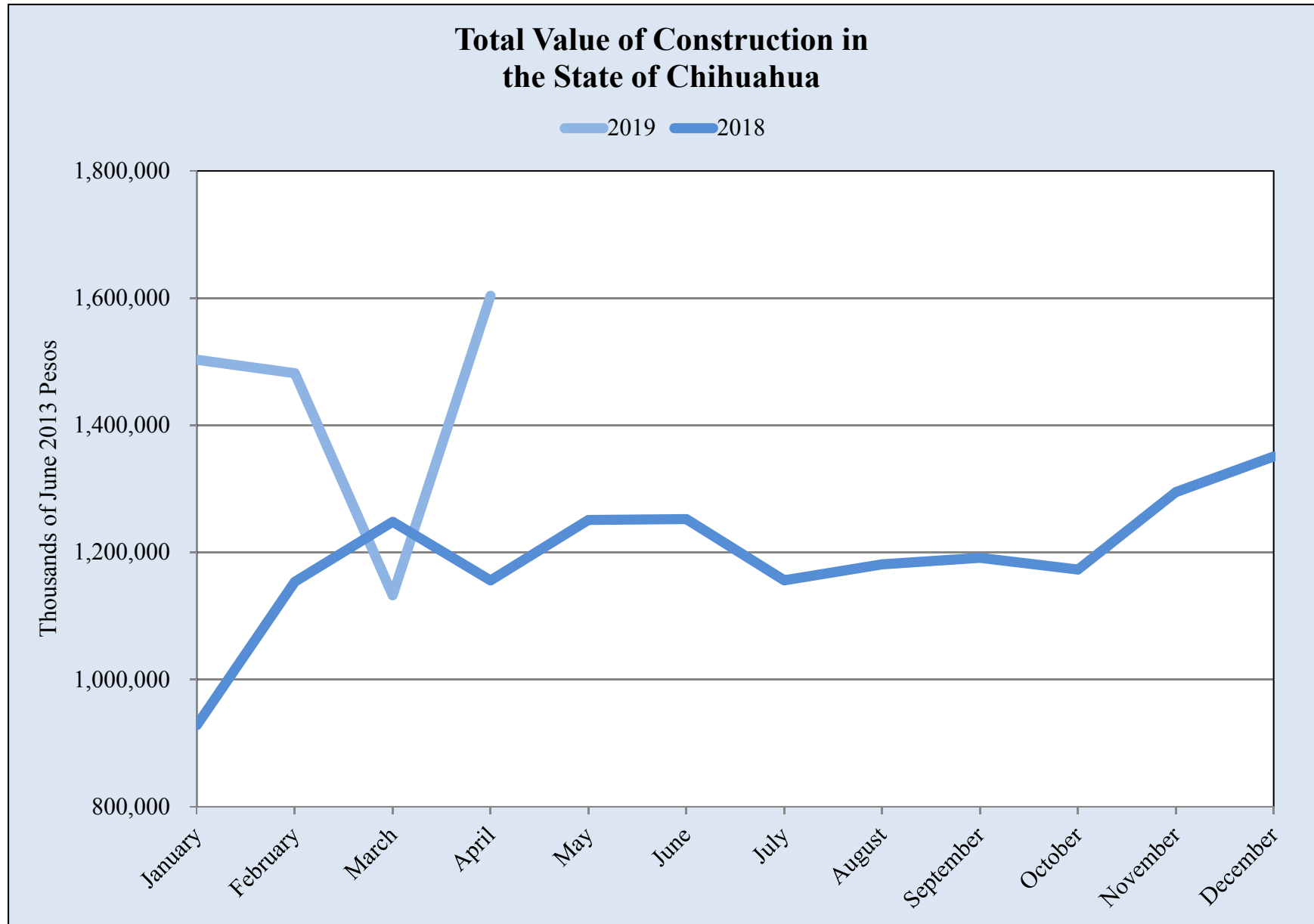
Quarterly Indicator of Economic Activity for the State of Chihuahua



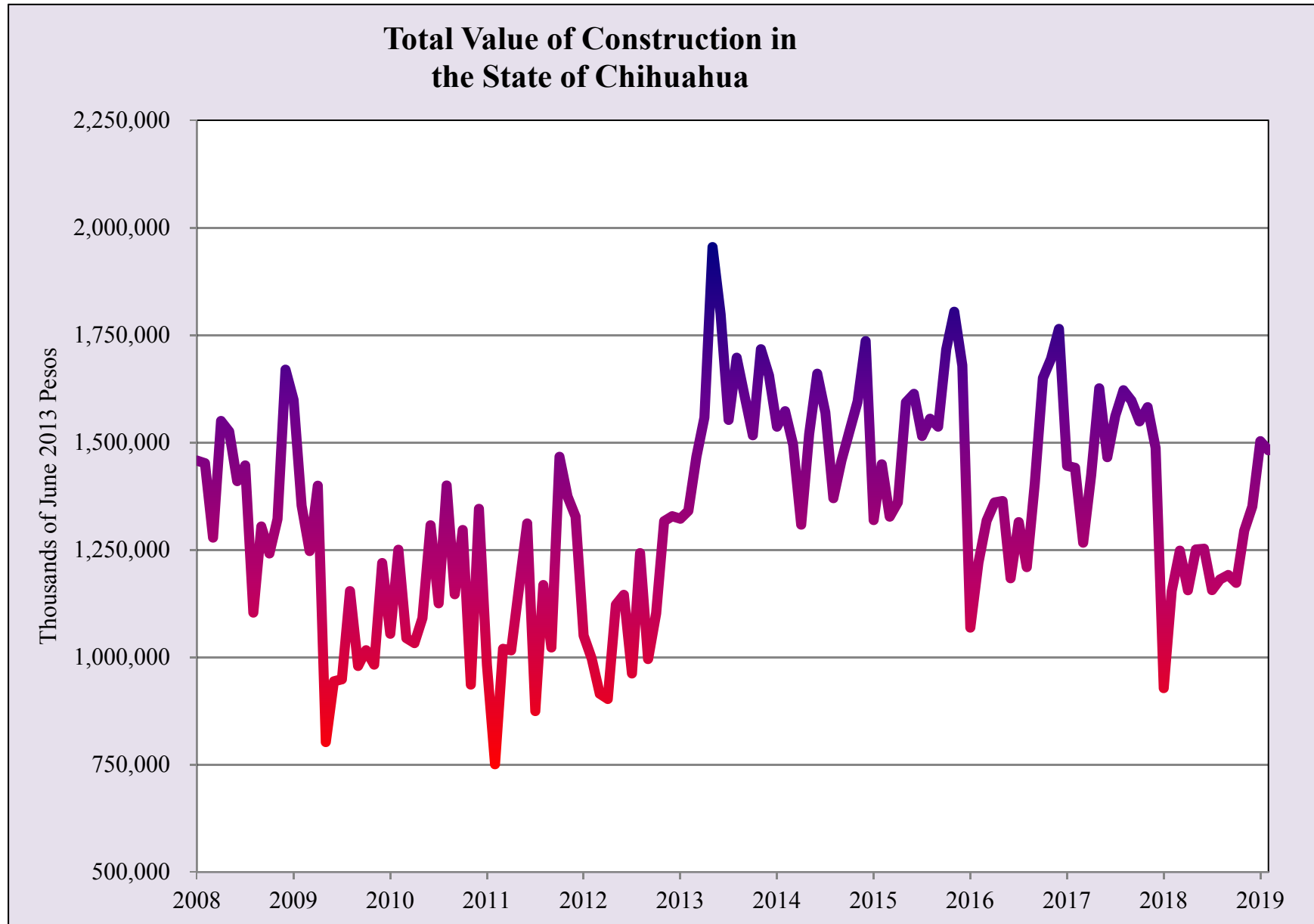
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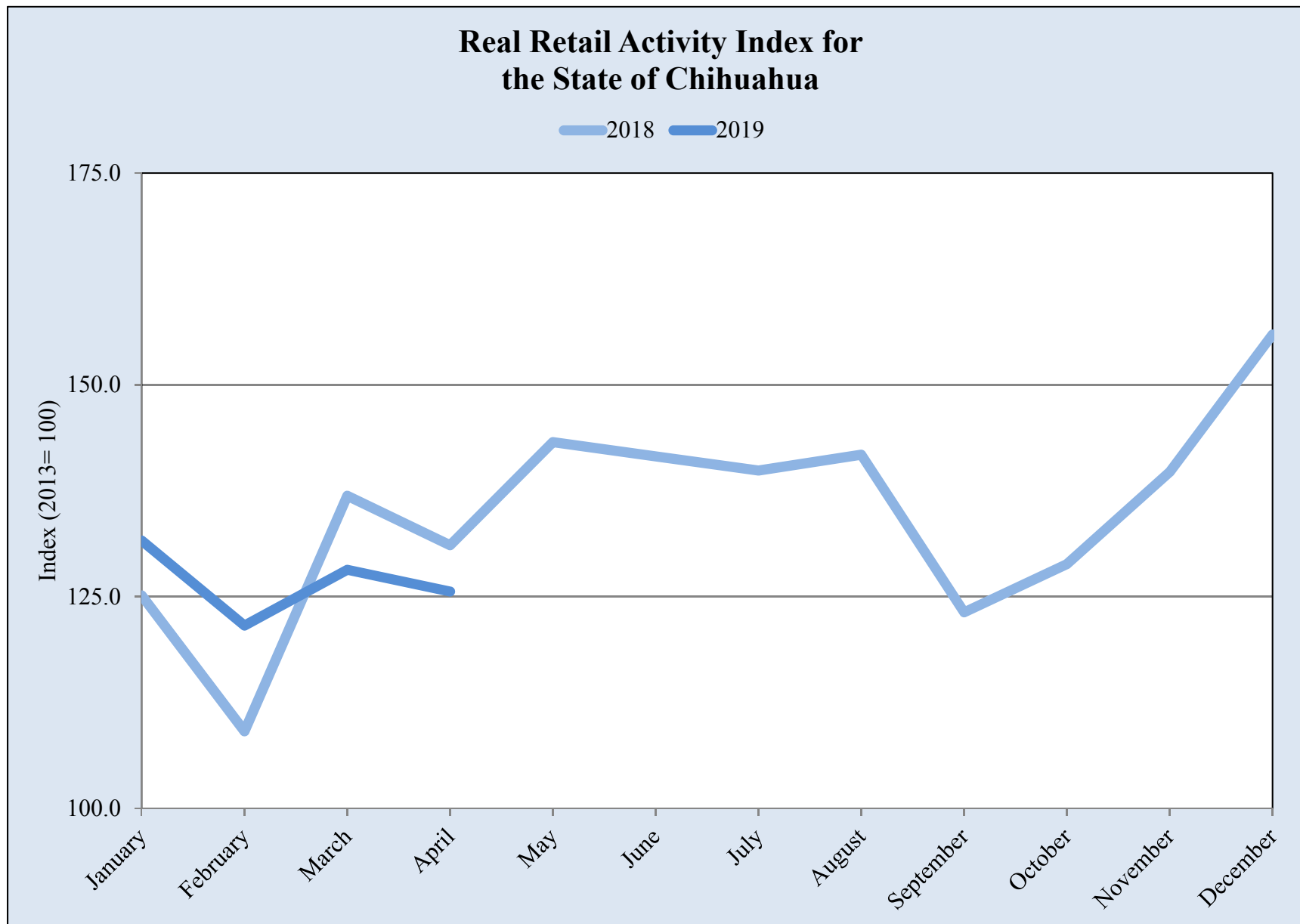
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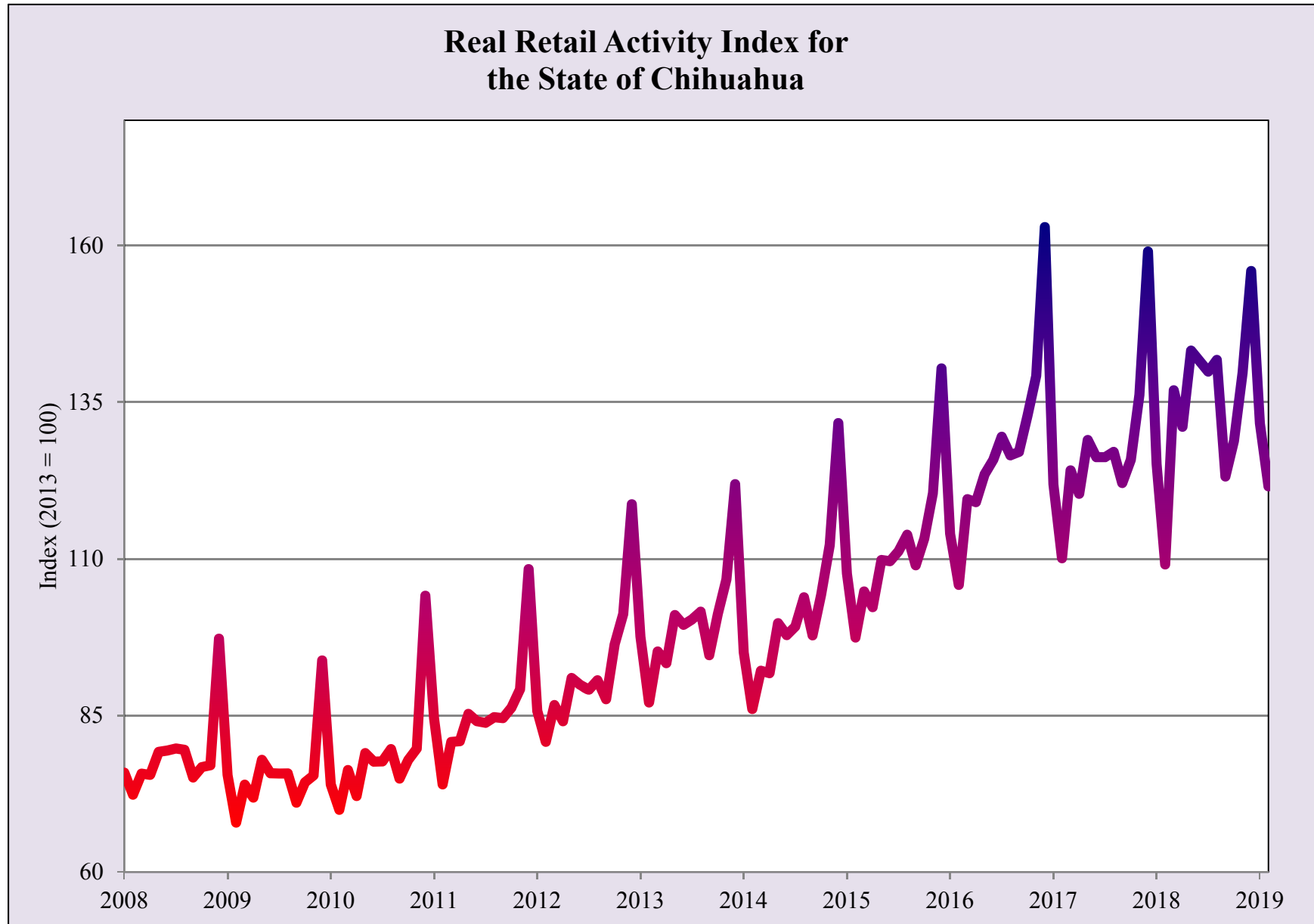
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