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## **Borderplex Business Barometer, Volume 3, Number 10**

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# BORDERPLEX BUSINESS BAROMETER

**October 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 10**

### **More 2019 Regional Expansion**

The Federal Reserve Bank of Dallas metropolitan business cycle index for El Paso grew by 1.2 percent in the year to September. Much of the BCI growth in September is due to a salubrious labor market. Total nonfarm jobs rose by 1.2 percent during the 12-month period ending in September. Much of the new jobs were created in construction, lodging, finance, and health care.

The yield curve moved toward a more traditional curvature in September. In particular, the yields on 2-, 3-, and 5-year Treasury bonds all moved back above the 1.50 percent threshold after dipping sharply in August. The rate of return on 30-year T-bonds rose 12 basis points in September to 2.16 percent.

The BRMP El Paso Household Economic Stress Index declined to its lowest level since June 2007. Low unemployment, sluggish inflation, plus a healthy housing market allowed the index to continue to drift downward in September. That good news was also accompanied by a reduction in Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments in September.

The median housing price for El Paso rose to a record high \$165,950 in September. The seller's market is fully intact, with the inventory of units available remaining below 4 months for an eleventh consecutive month. Because household incomes are still rising and mortgage rates remain below 4 percent, more price increases may occur during the fourth quarter.

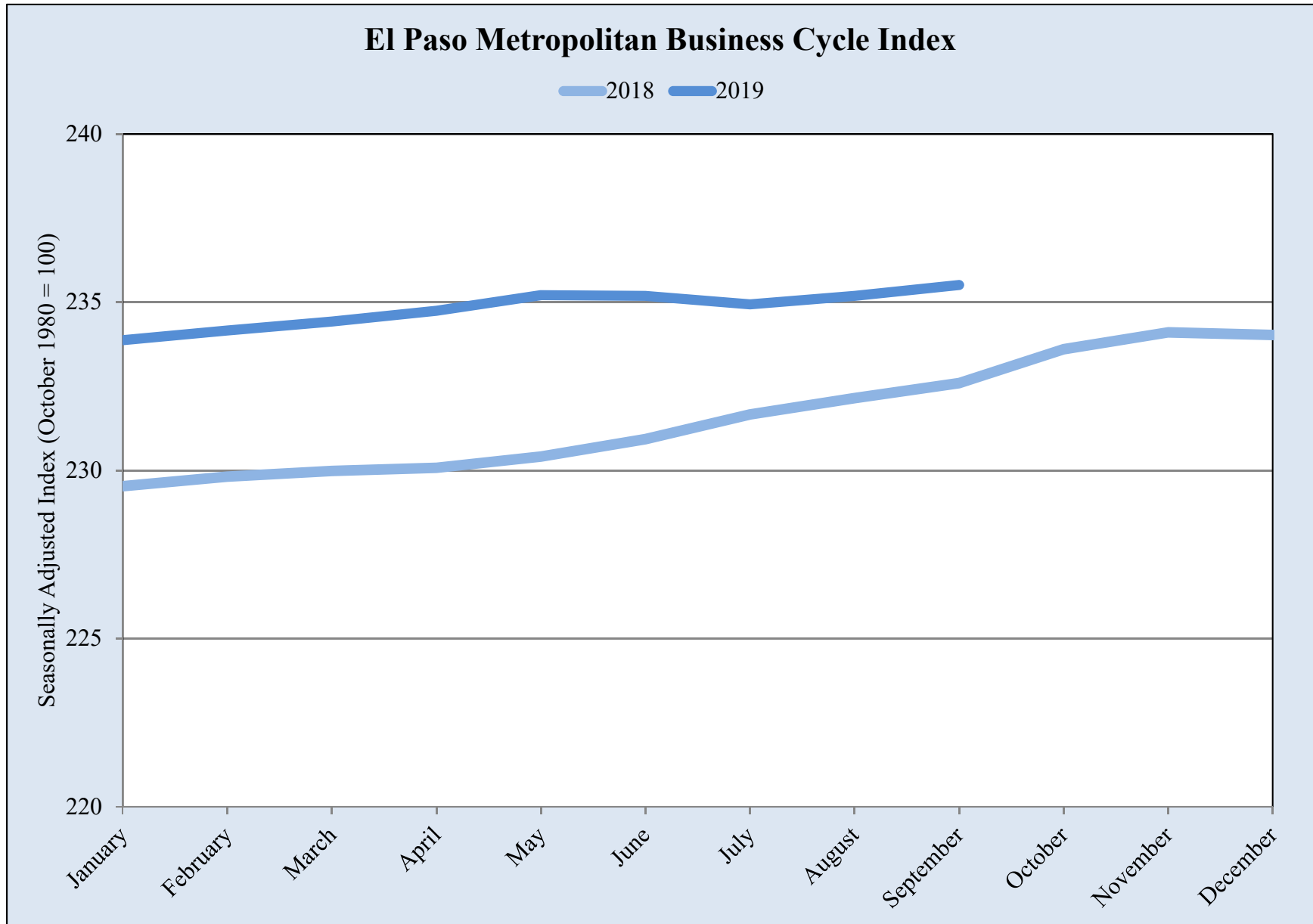
Gasoline supplies have been relatively stable in El Paso. The price of regular gasoline hovered near \$2.50 per gallon throughout the second and third quarters. If the October upticks in crude oil prices are not reversed, fourth quarter gasoline prices may break out of that holding pattern.

The Las Cruces unemployment rate rose by 20 basis points rate on a year-over-year basis in August. The most notable job gains occurred in the construction and health care sectors. Greater stability has also characterized public sector payrolls, a good sign for this region of the state. SNAP enrollments remained below year-ago levels for a seventh consecutive month in August. Caseloads fell by 164 caseloads relative to the same month in 2018.

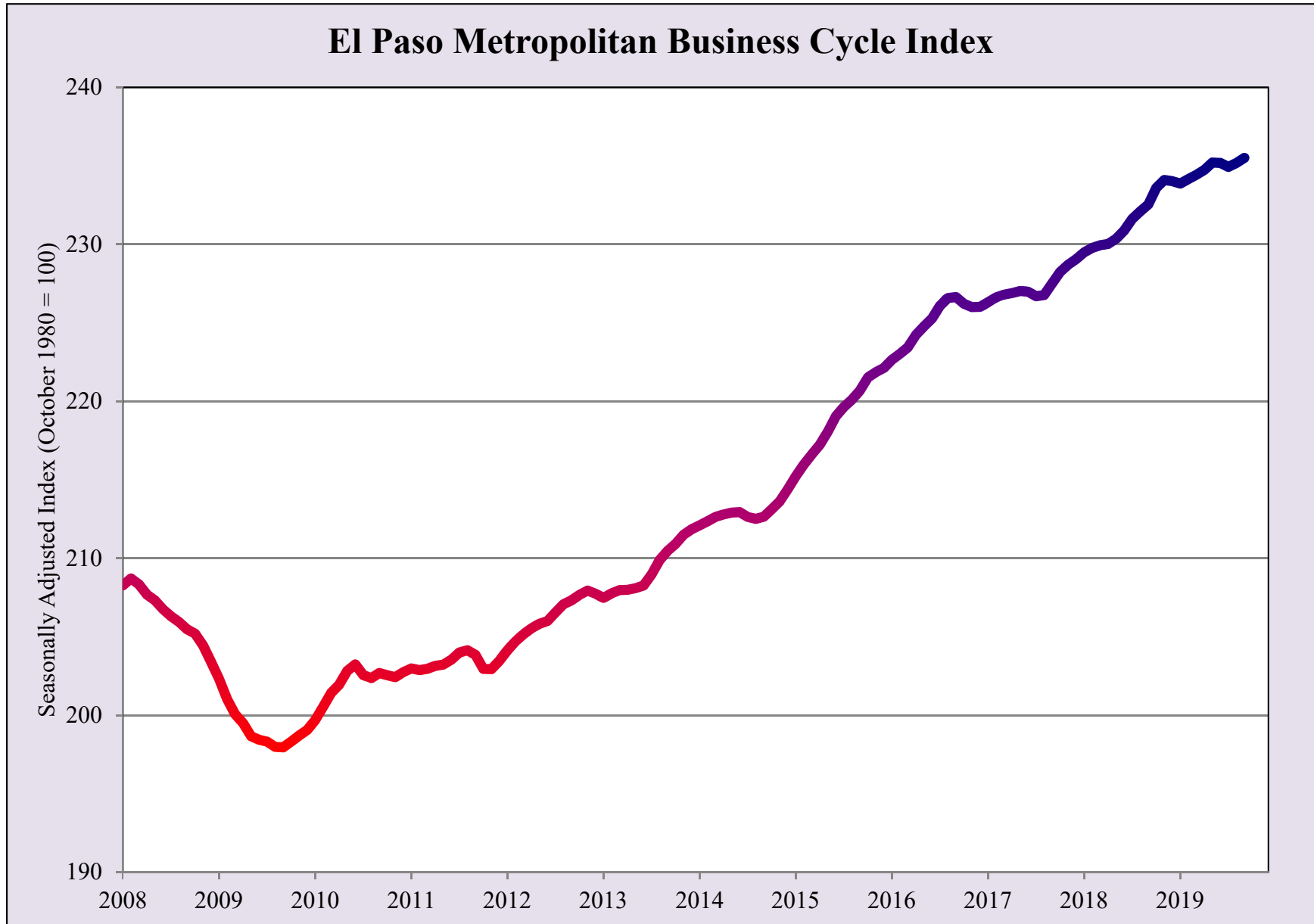
The peso-per-dollar nominal exchange rate has mostly held steady in recent weeks. September marked the ninth straight month of sub-20 nominal exchange rates. The

gap between the exchange rate and the BRMP Restaurant Price Ratio narrowed slightly to 28.7 percent in September. The latter is still high by historical standards. The BRMP Nominal Price Ratio for Brand Name Medicines moved sideways, again, in September. On average, online medicine prices in Mexico were 44 percent below the online prices charged in the United States. The online prices do not include the cost of doctor appointments, nor shipping and handling costs.

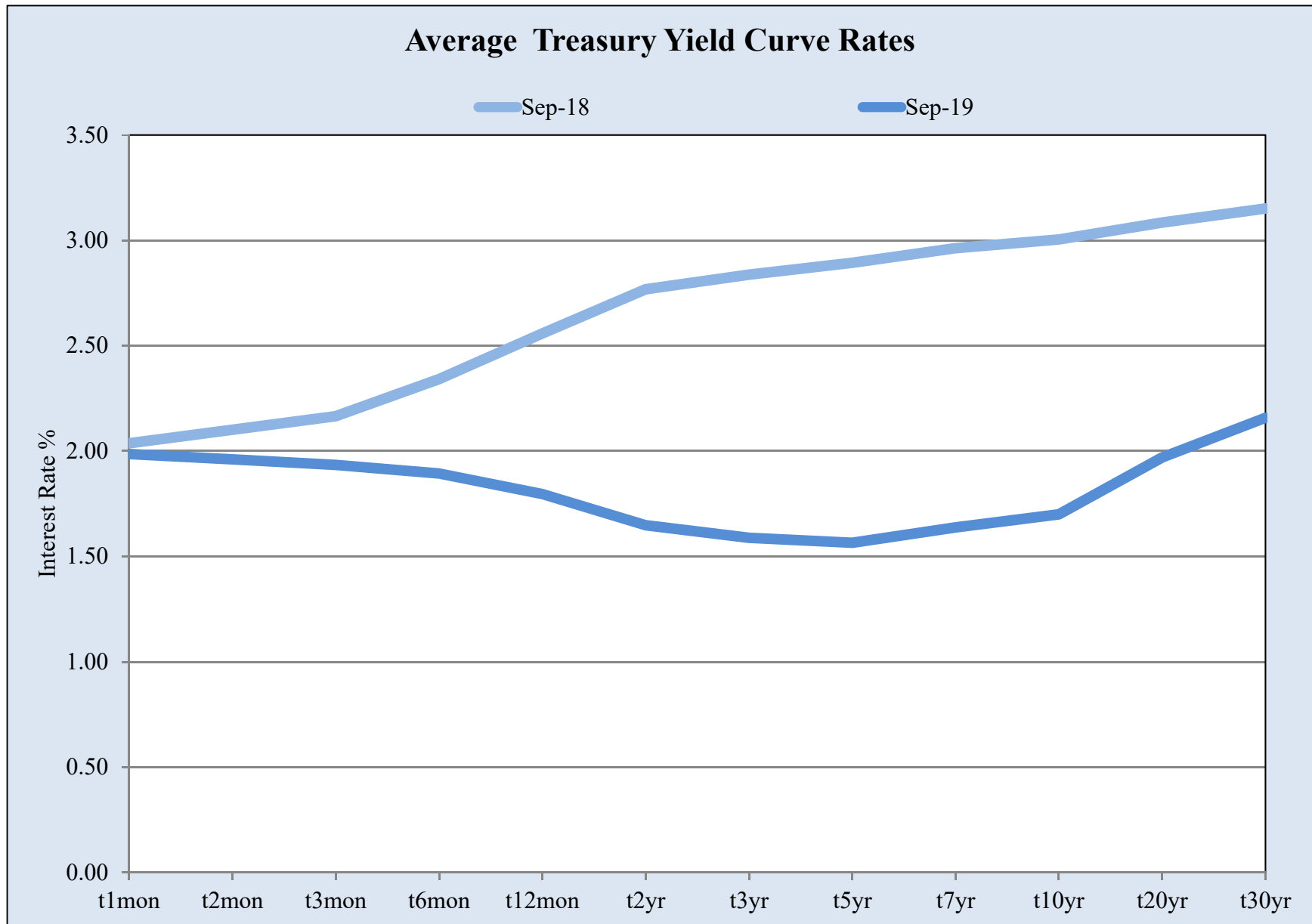
Monthly wait times declined at all three of the primary international bridges that connect El Paso to Ciudad Juarez. While that is a welcome development, September wait times still remained above year-ago levels. As usually occurs, increased queue times have depressed personal vehicle traffic flows, while boosting volumes. Although, the port of entry snarls have also hampered cargo vehicle movements, total real volumes through the El Paso Customs District have increased in 2019. IMMEX export manufacturing payrolls have also exceeded year-ago levels throughout 2019.



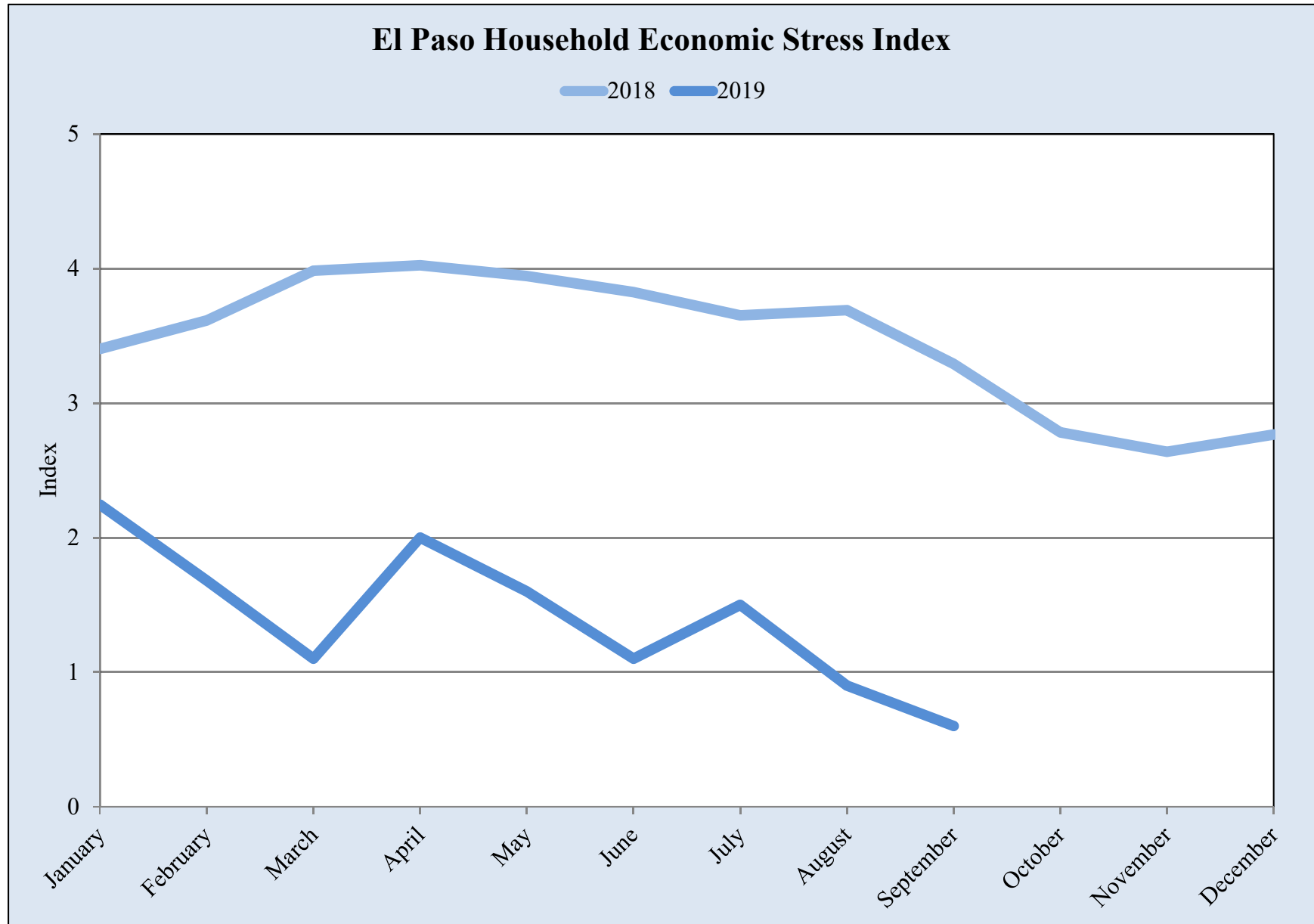
Source: Federal Reserve Bank of Dallas



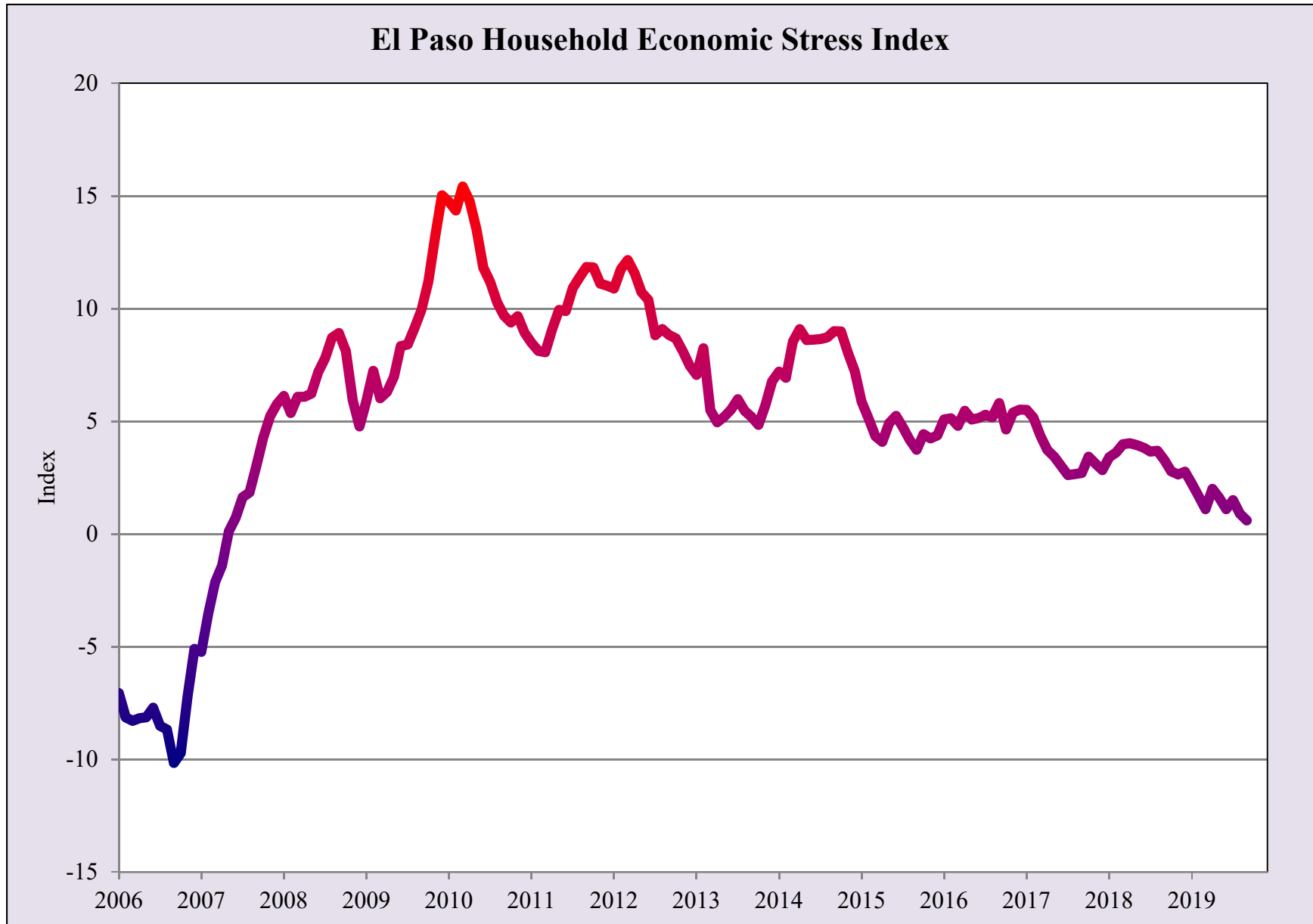
Source: Federal Reserve Bank of Dallas



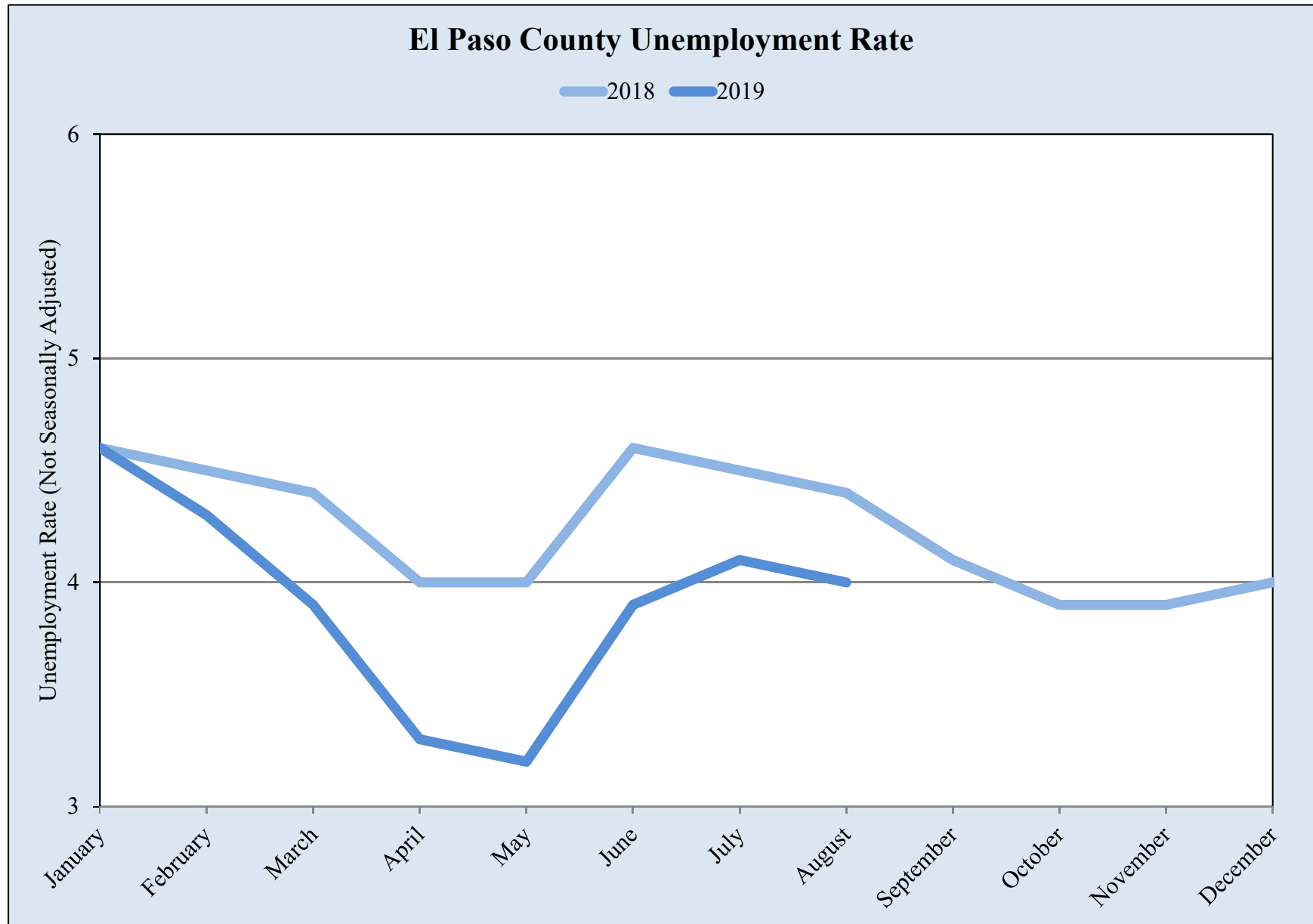
Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations



Source: UTEP Border Region Modeling Project

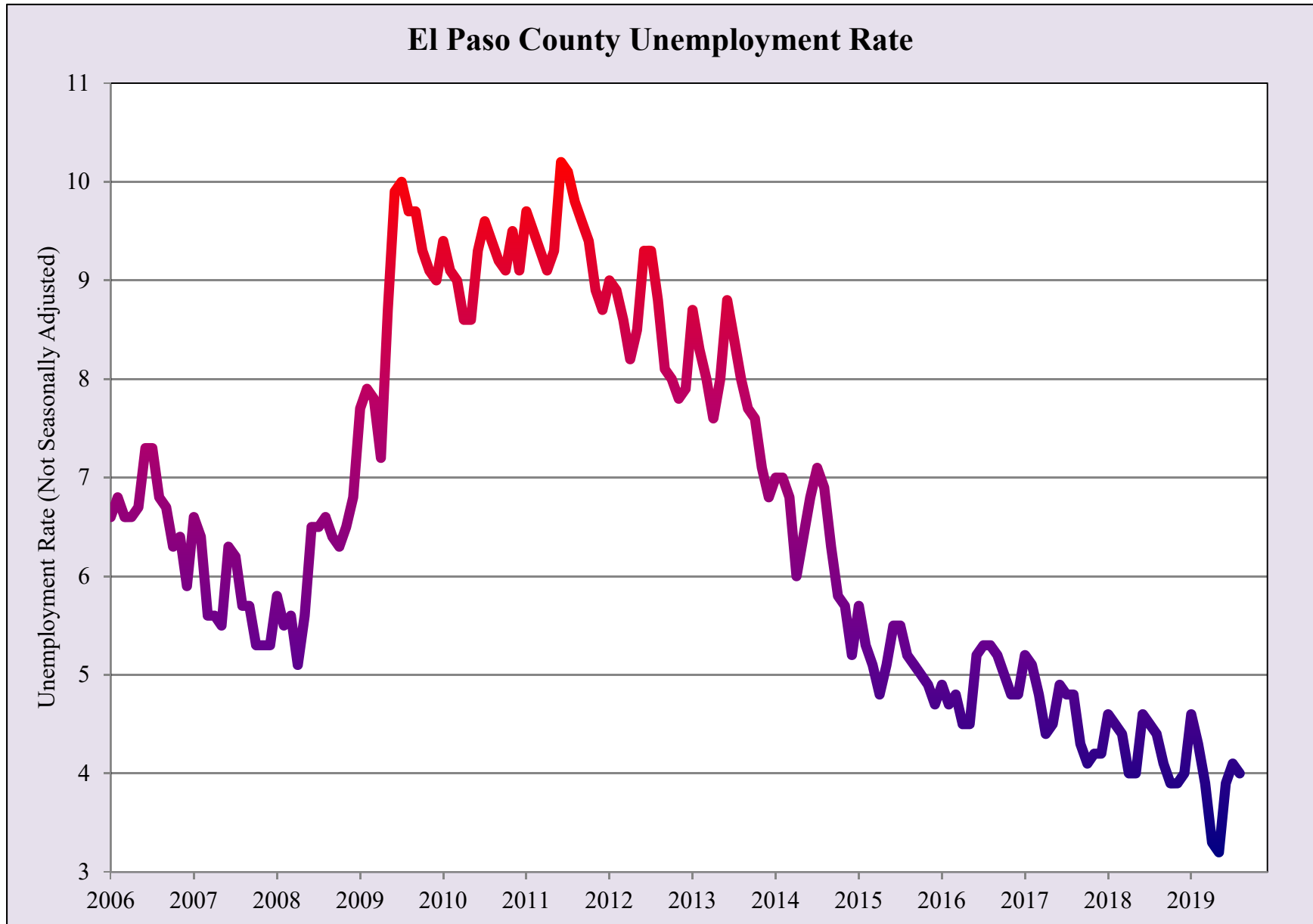


Source: UTEP Border Region Modeling Project

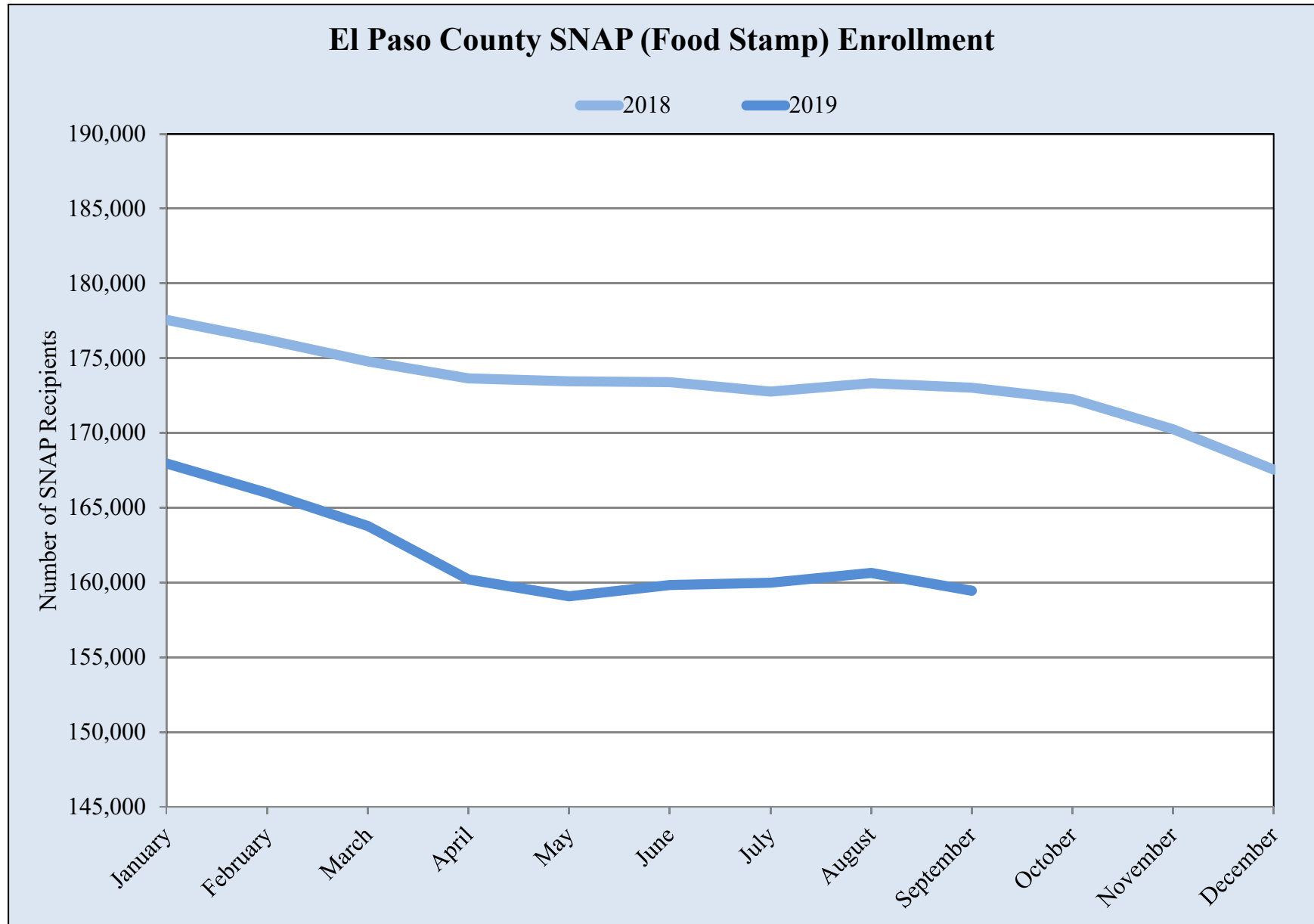


Source: Bureau of Labor Statistics

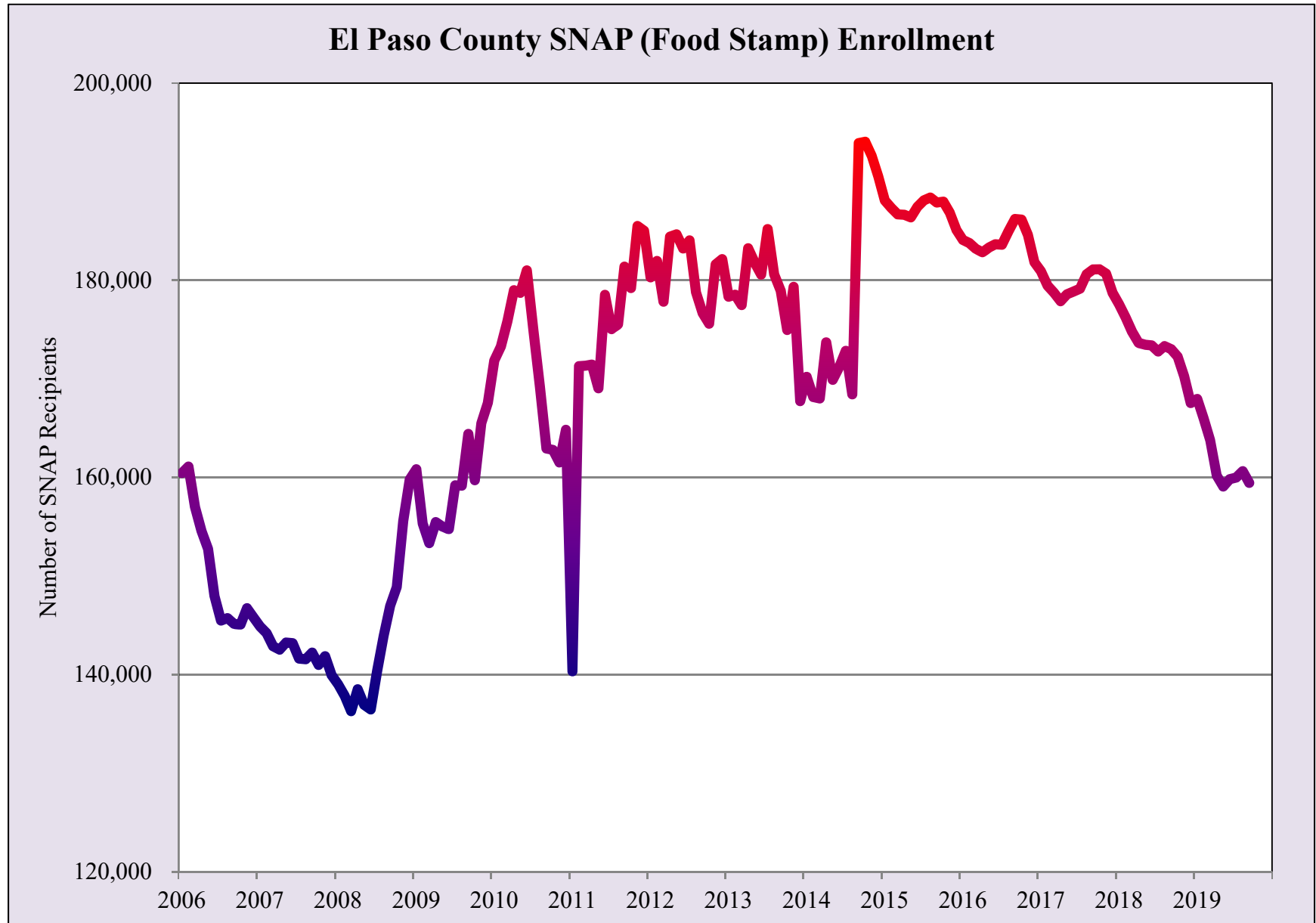




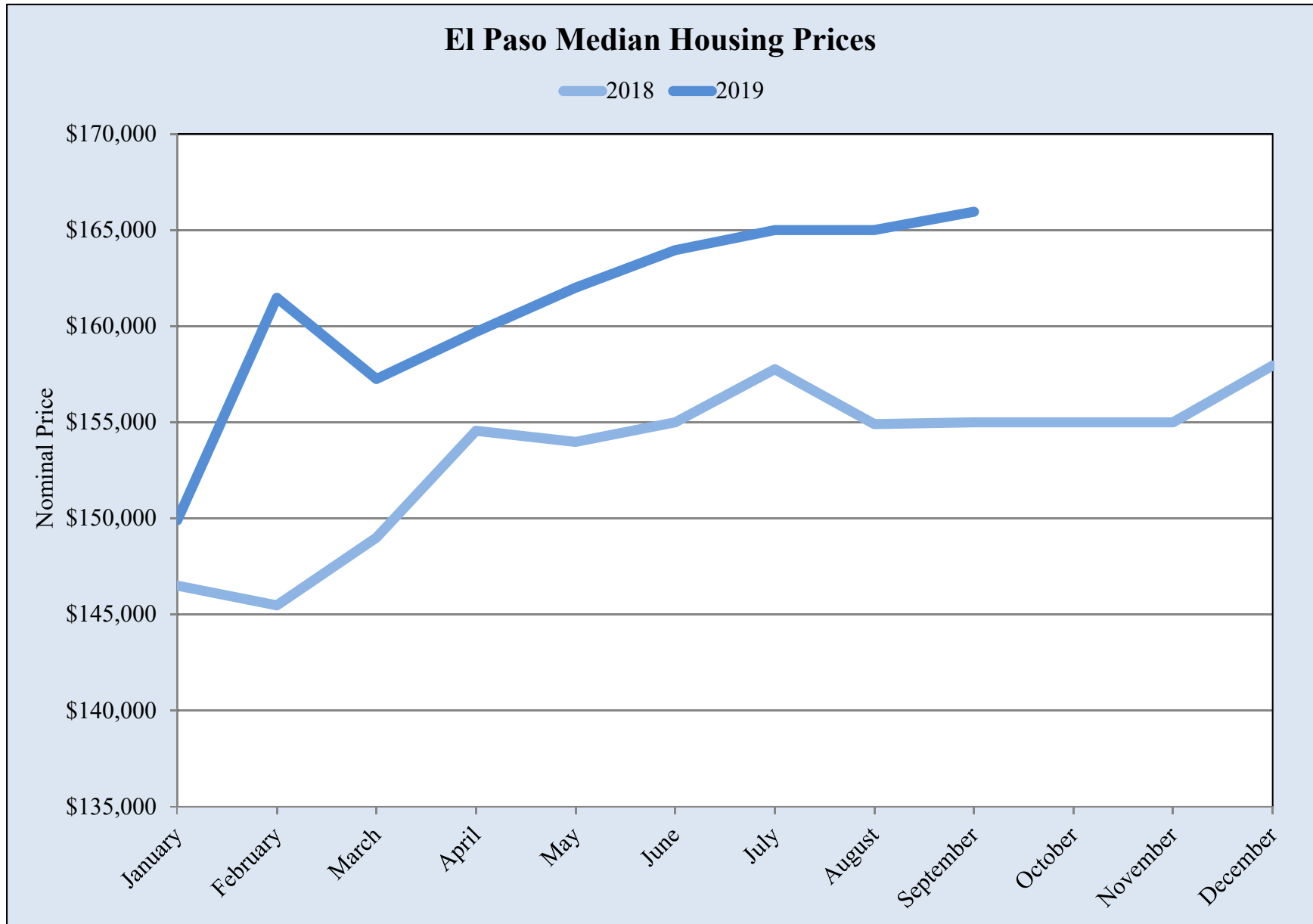
Source: Bureau of Labor Statistics



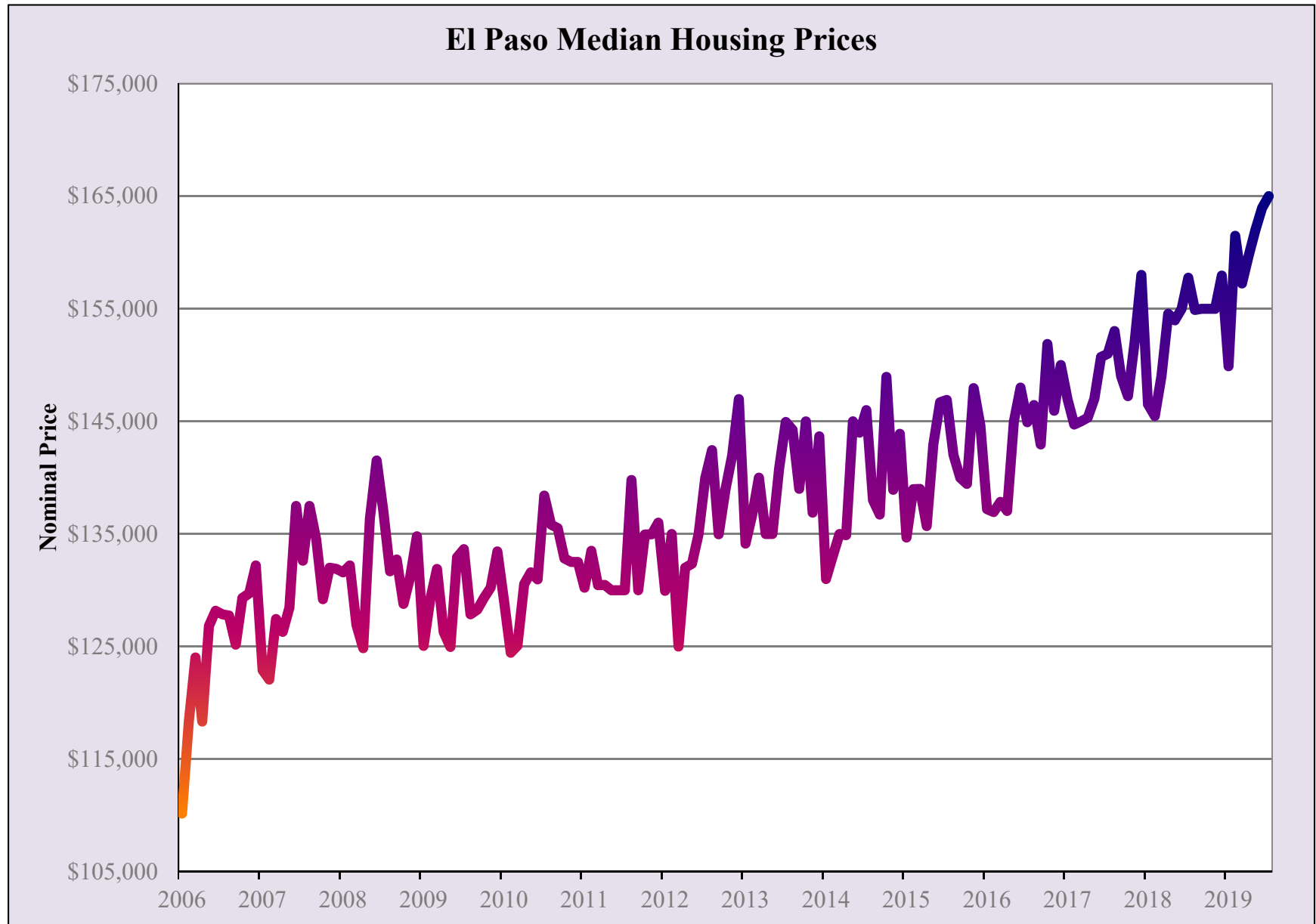
Source: Texas Health and Human Services Commission



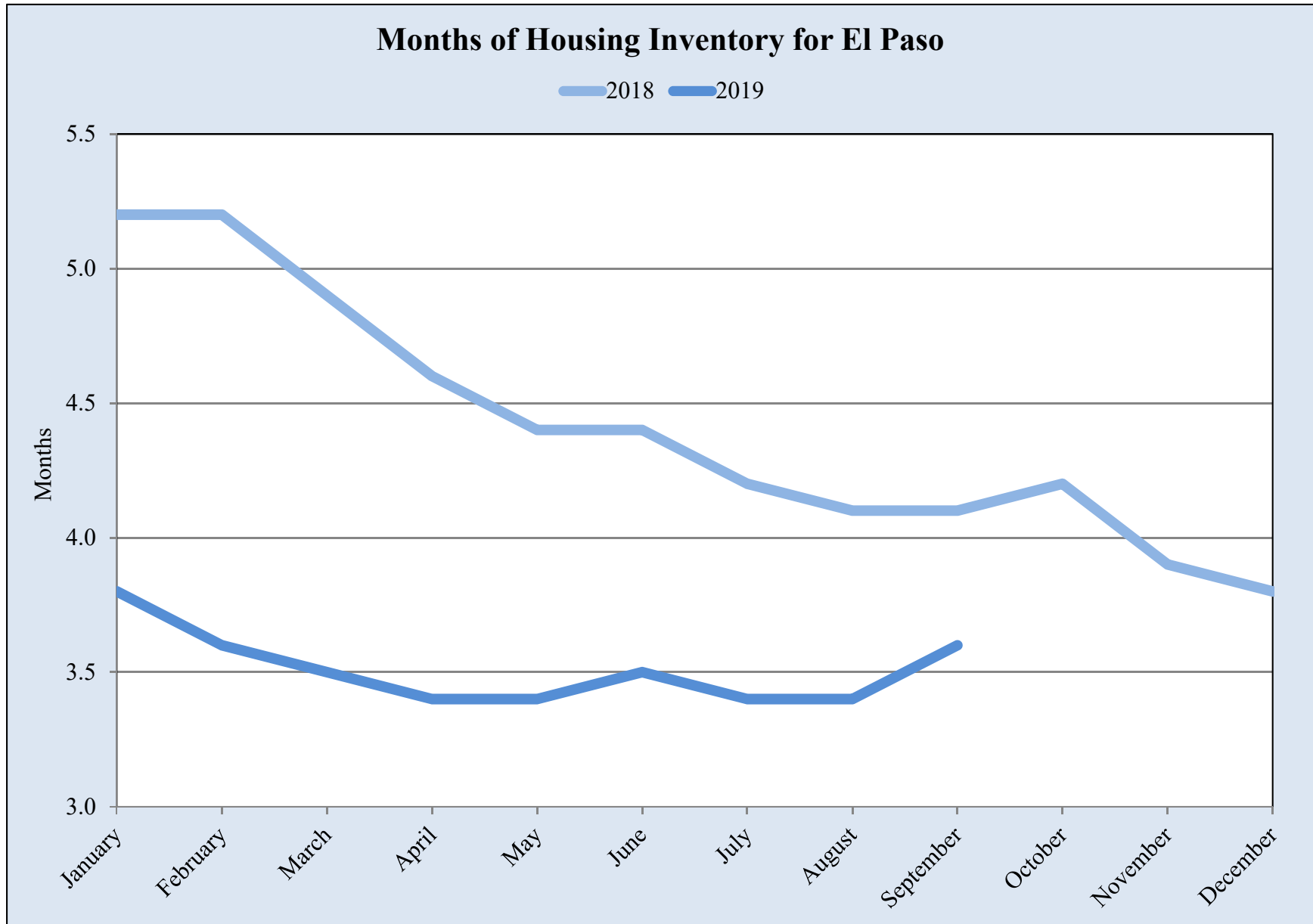
Source: Texas Health and Human Services Commission



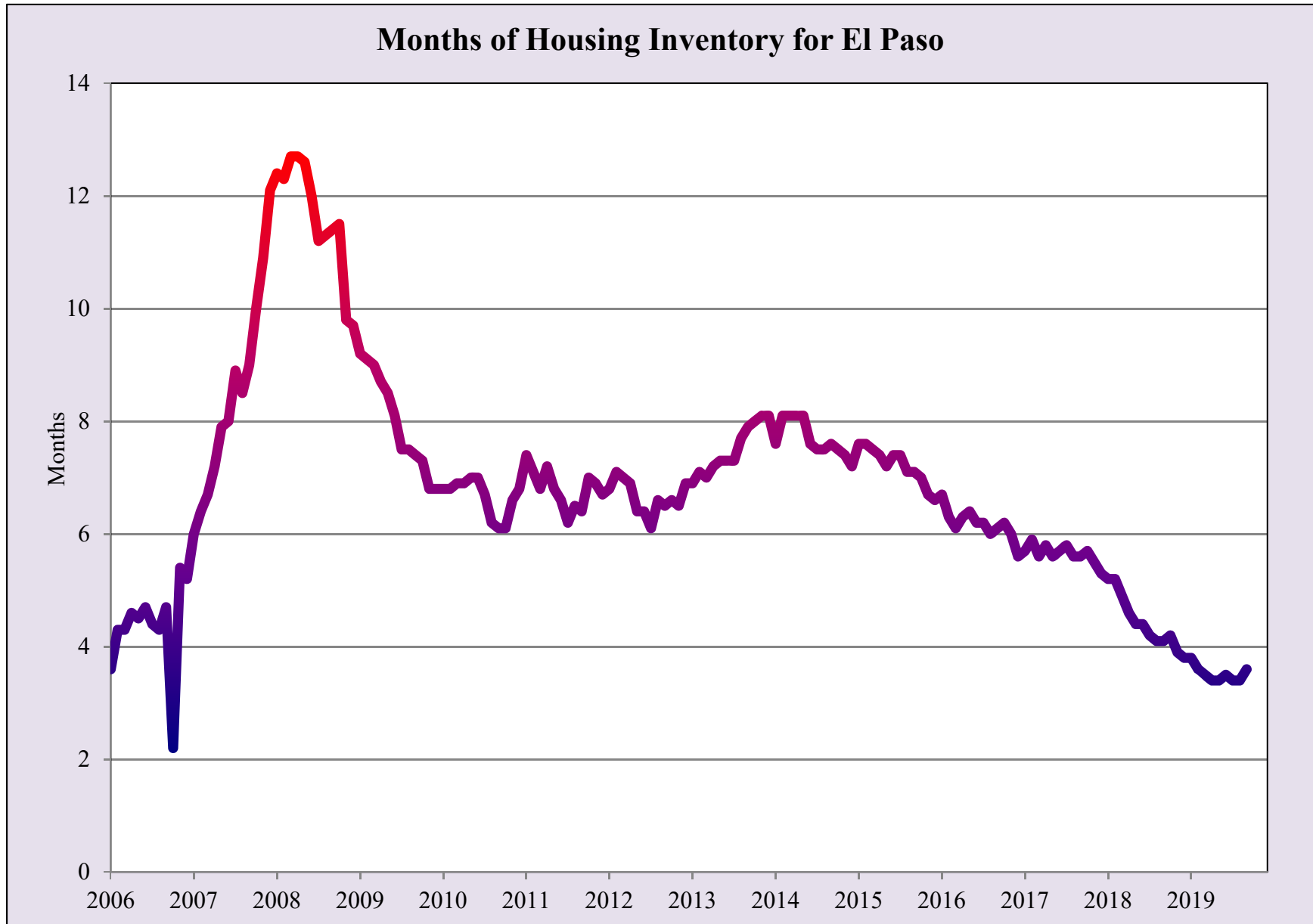
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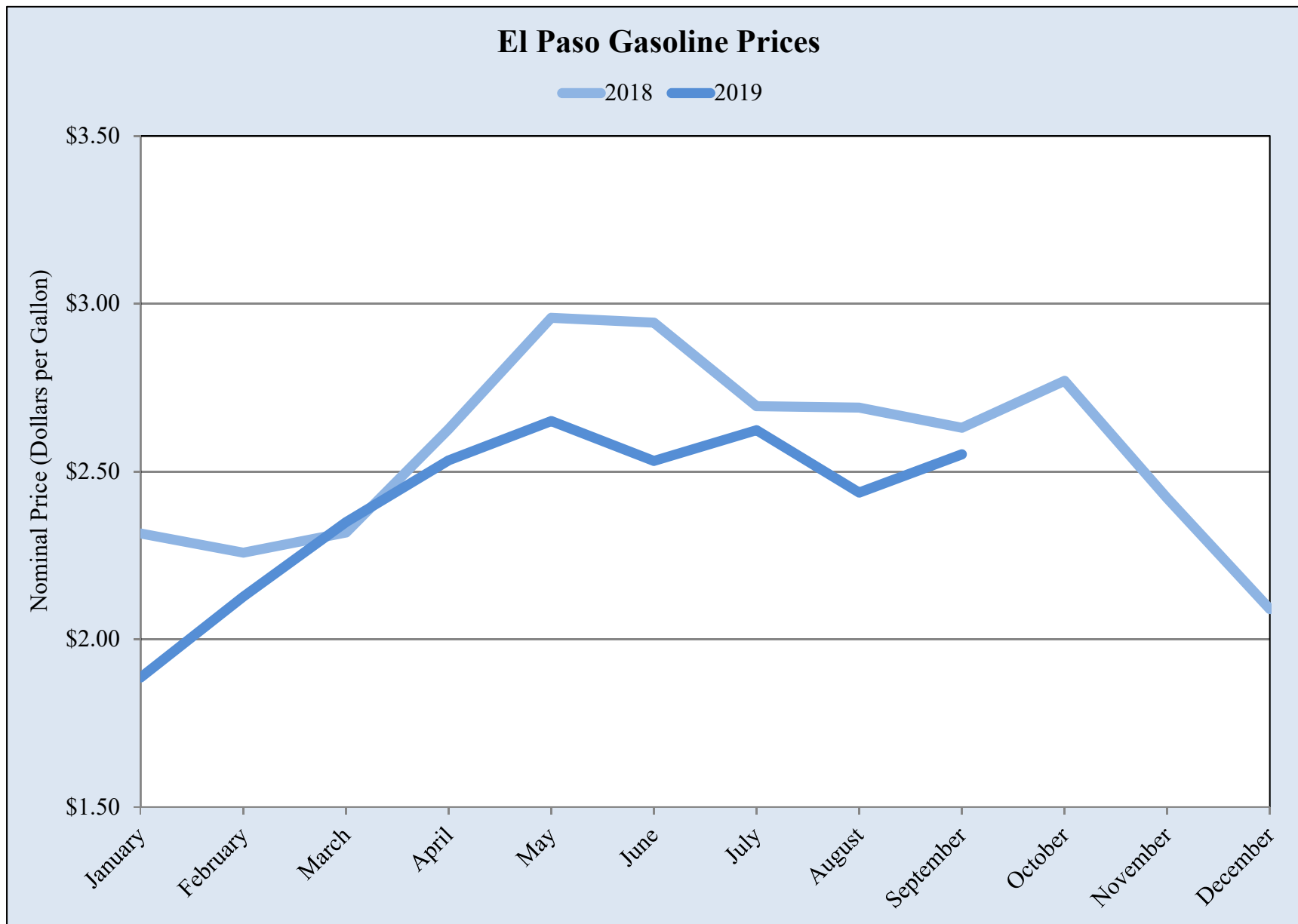
Source: Texas A&M Real Estate Center



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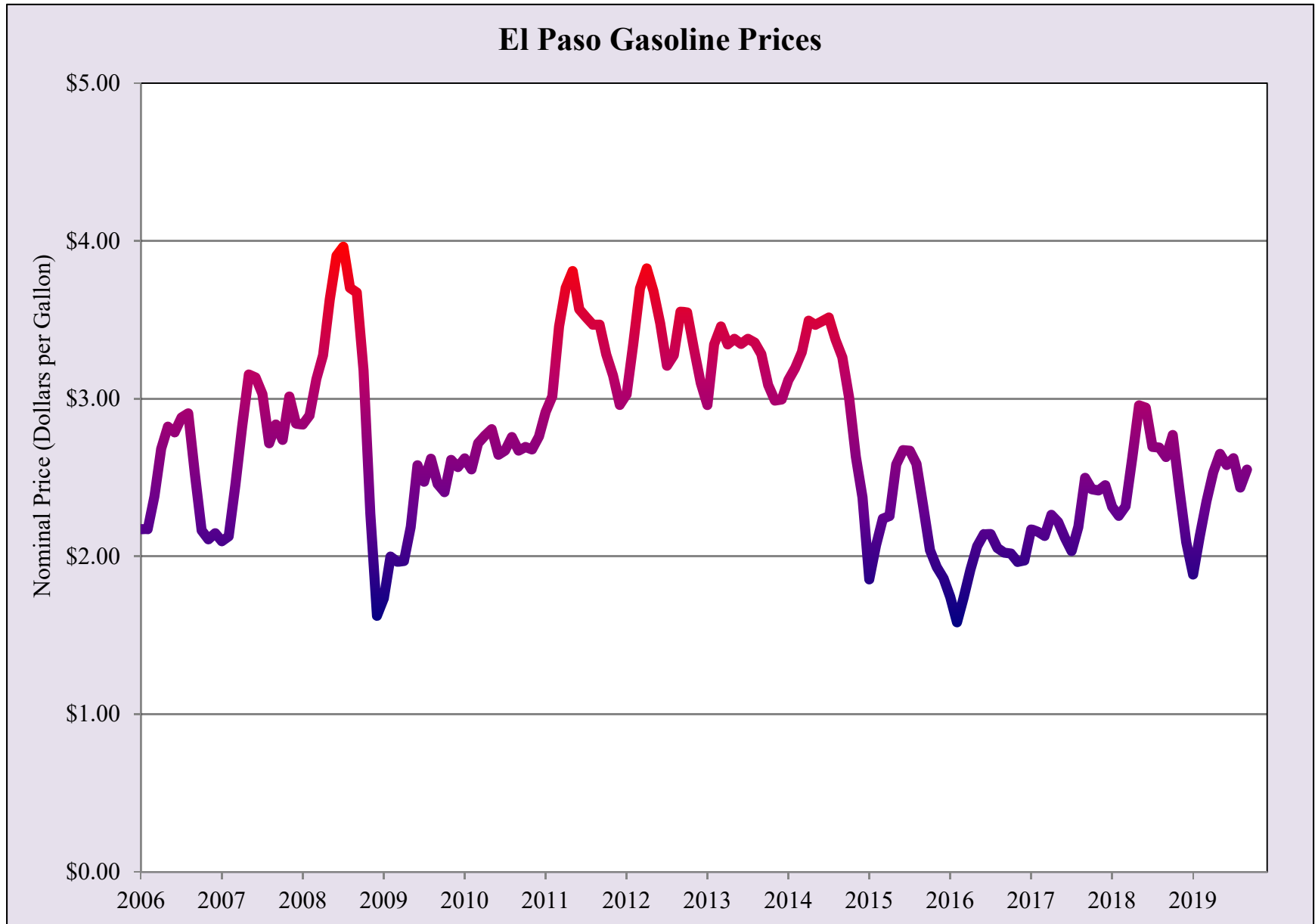


Source: Texas A&M Real Estate Center

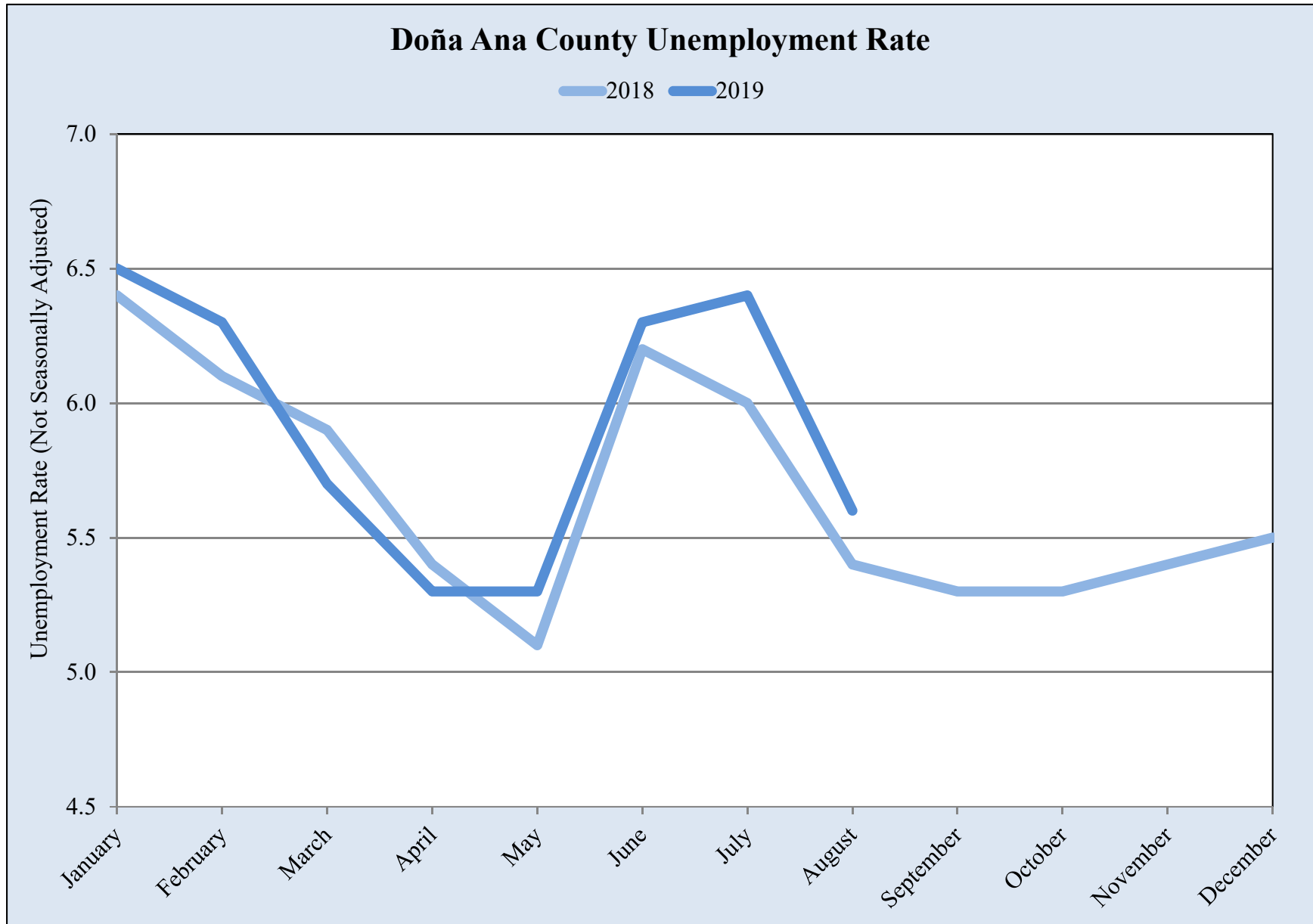


Source: GasBuddy.com

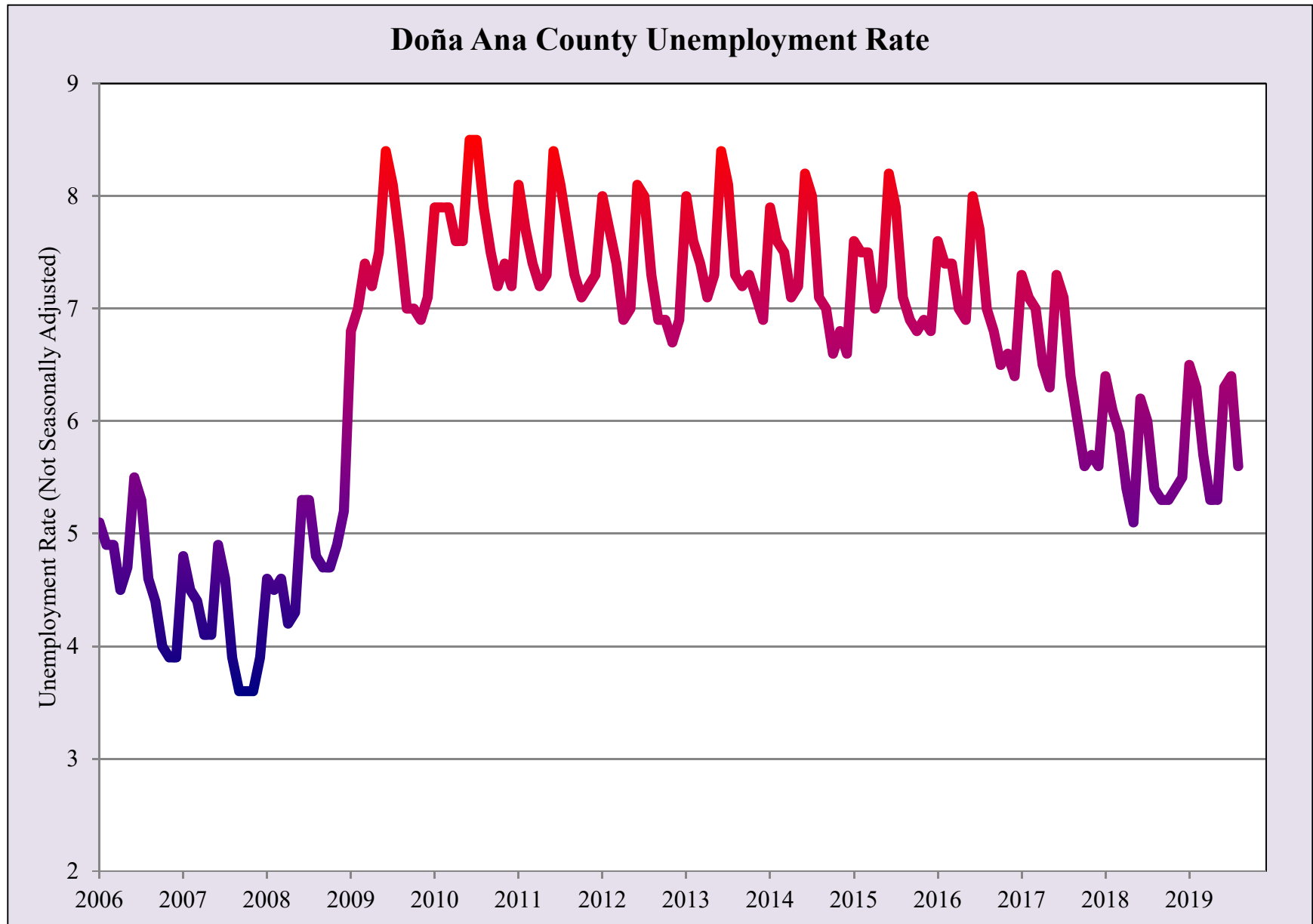




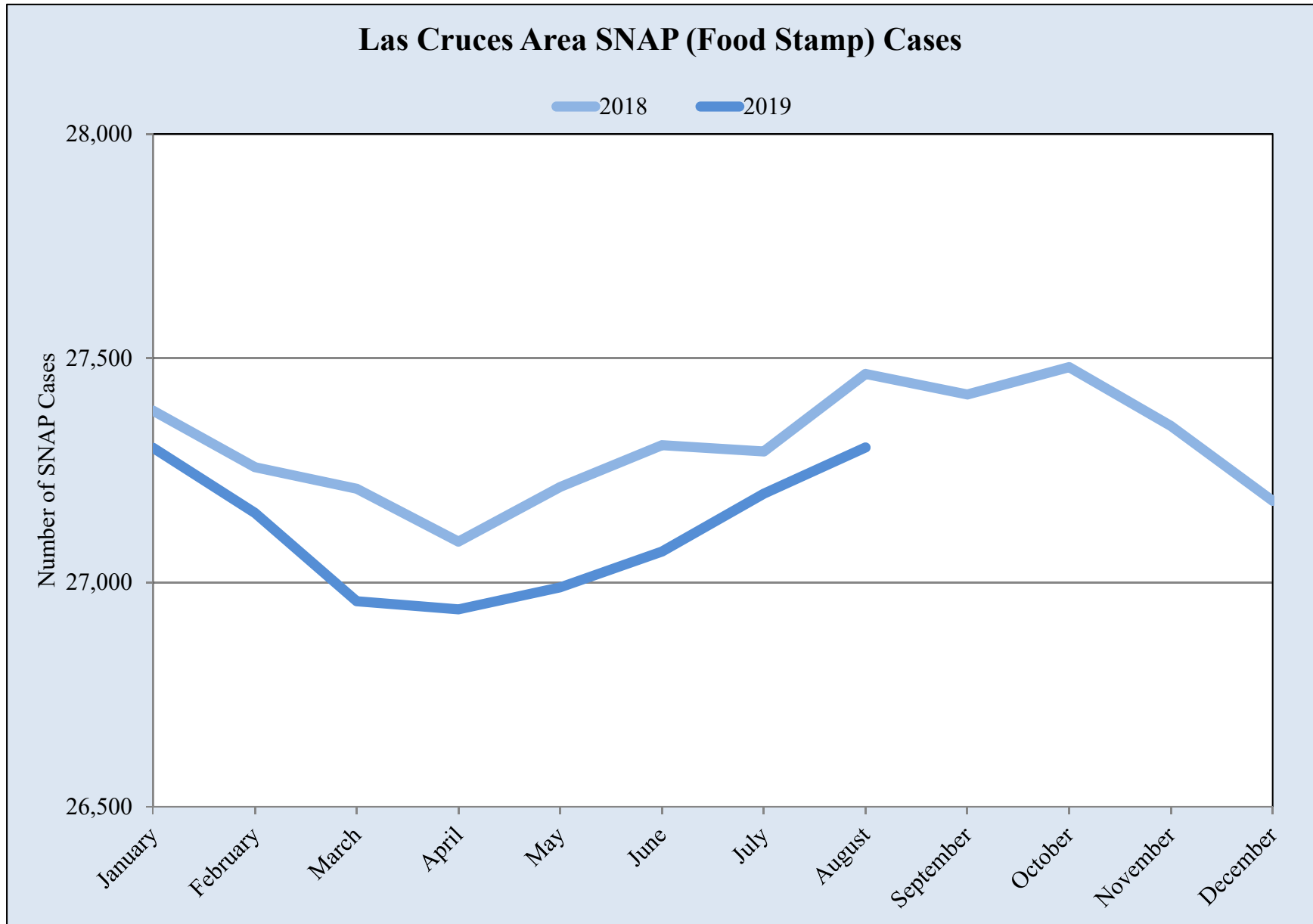
Source: GasBuddy.com



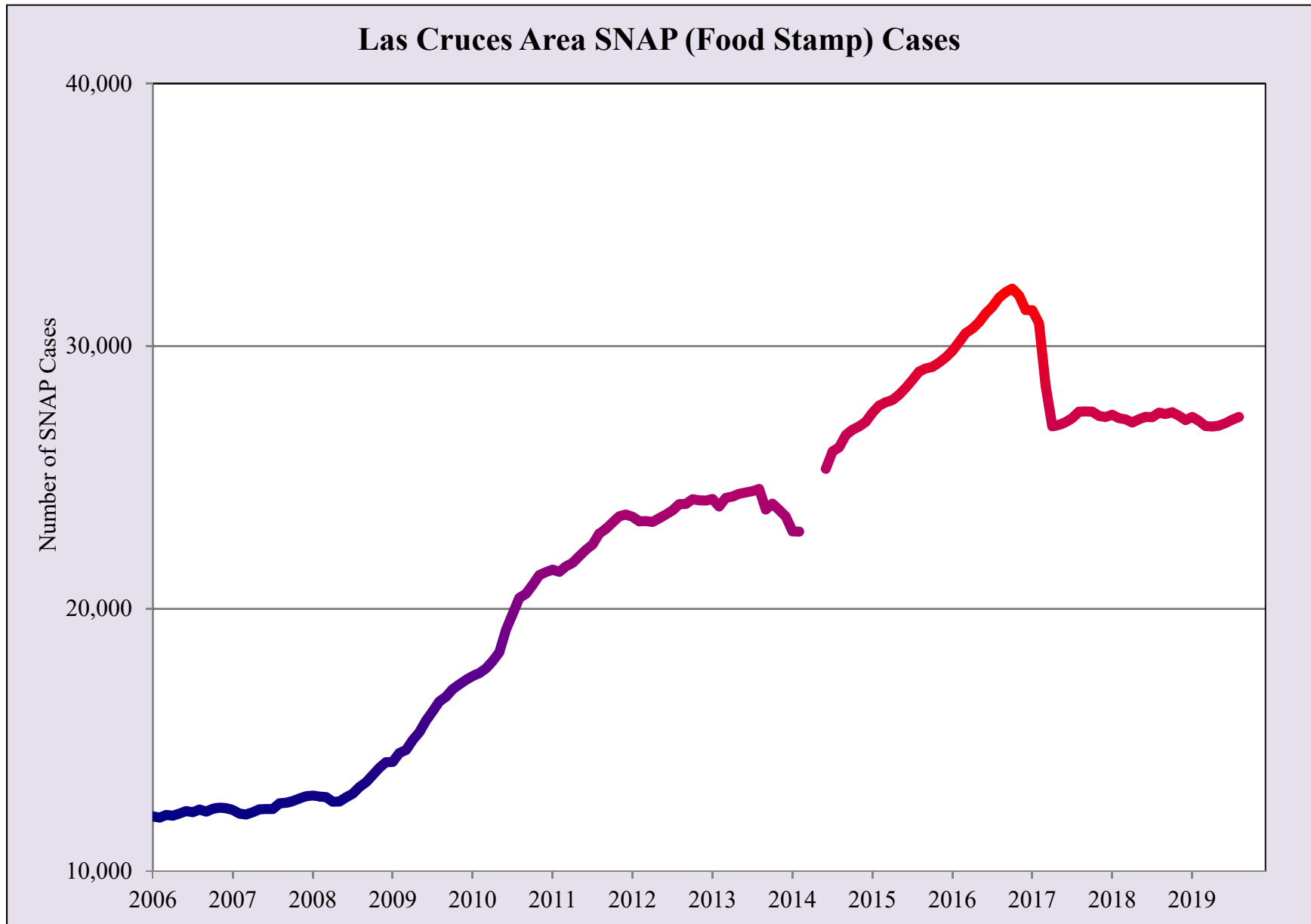
Source: Bureau of Labor Statistics



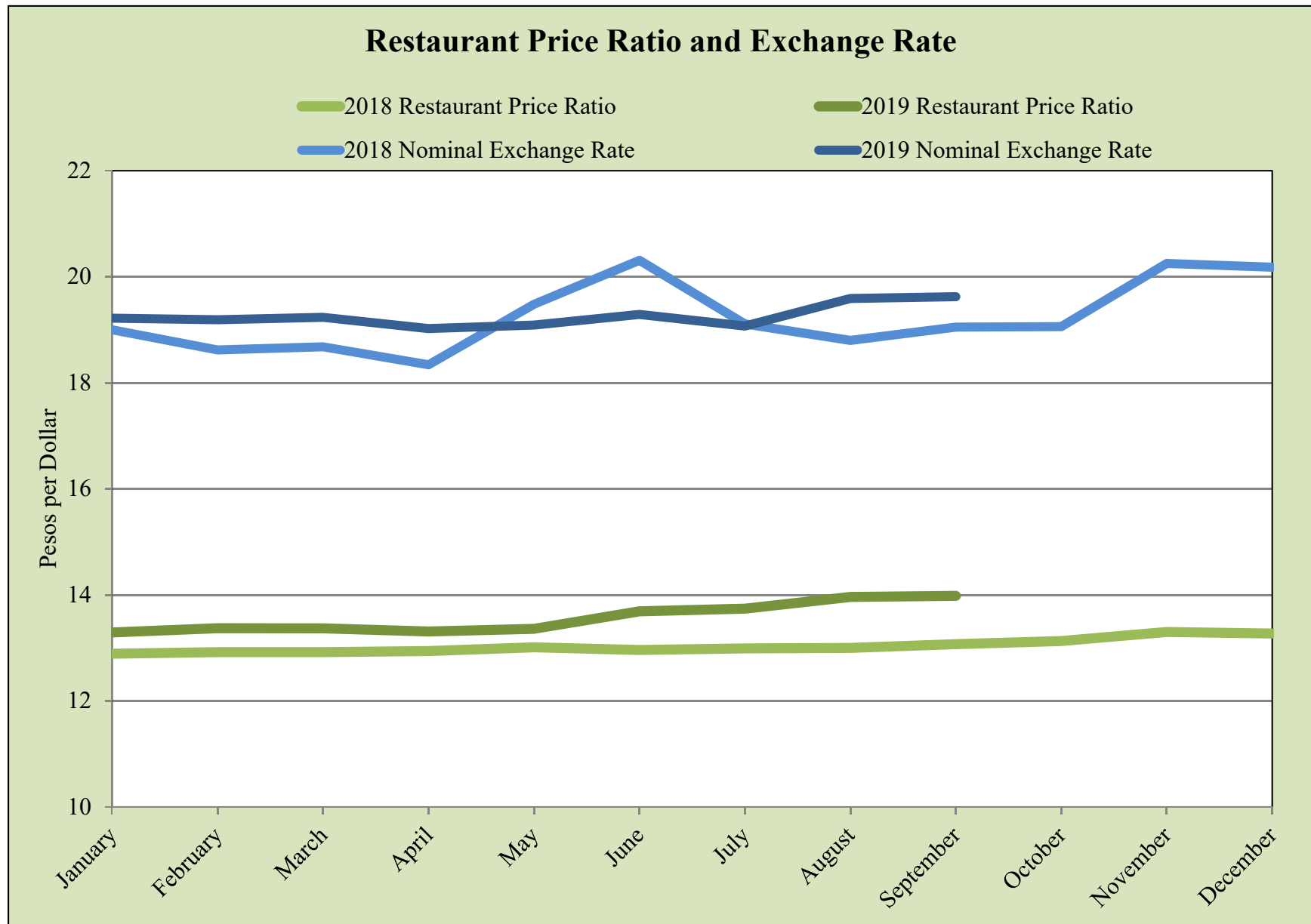
Source: Bureau of Labor Statistics



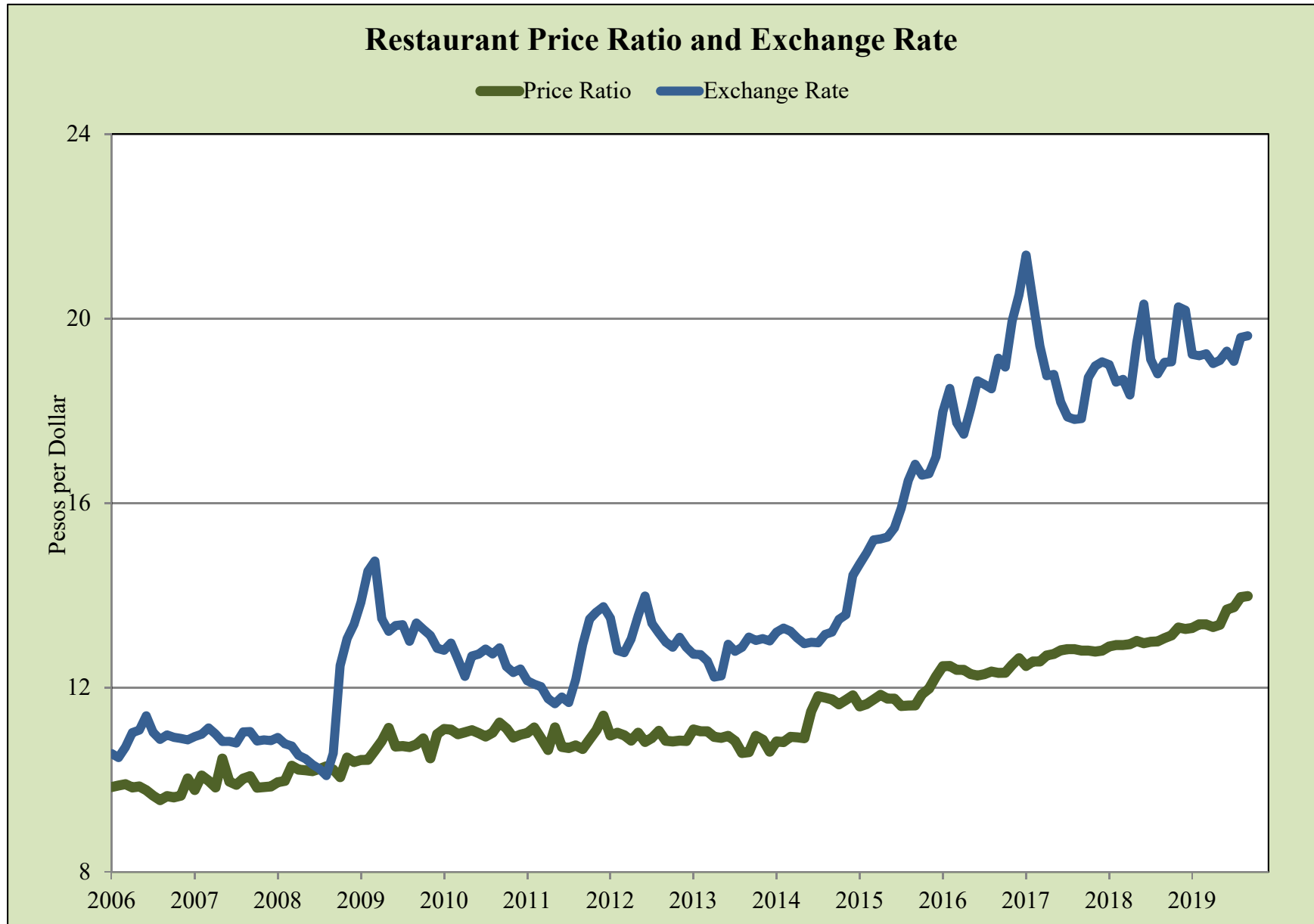
Source: New Mexico Human Services Department



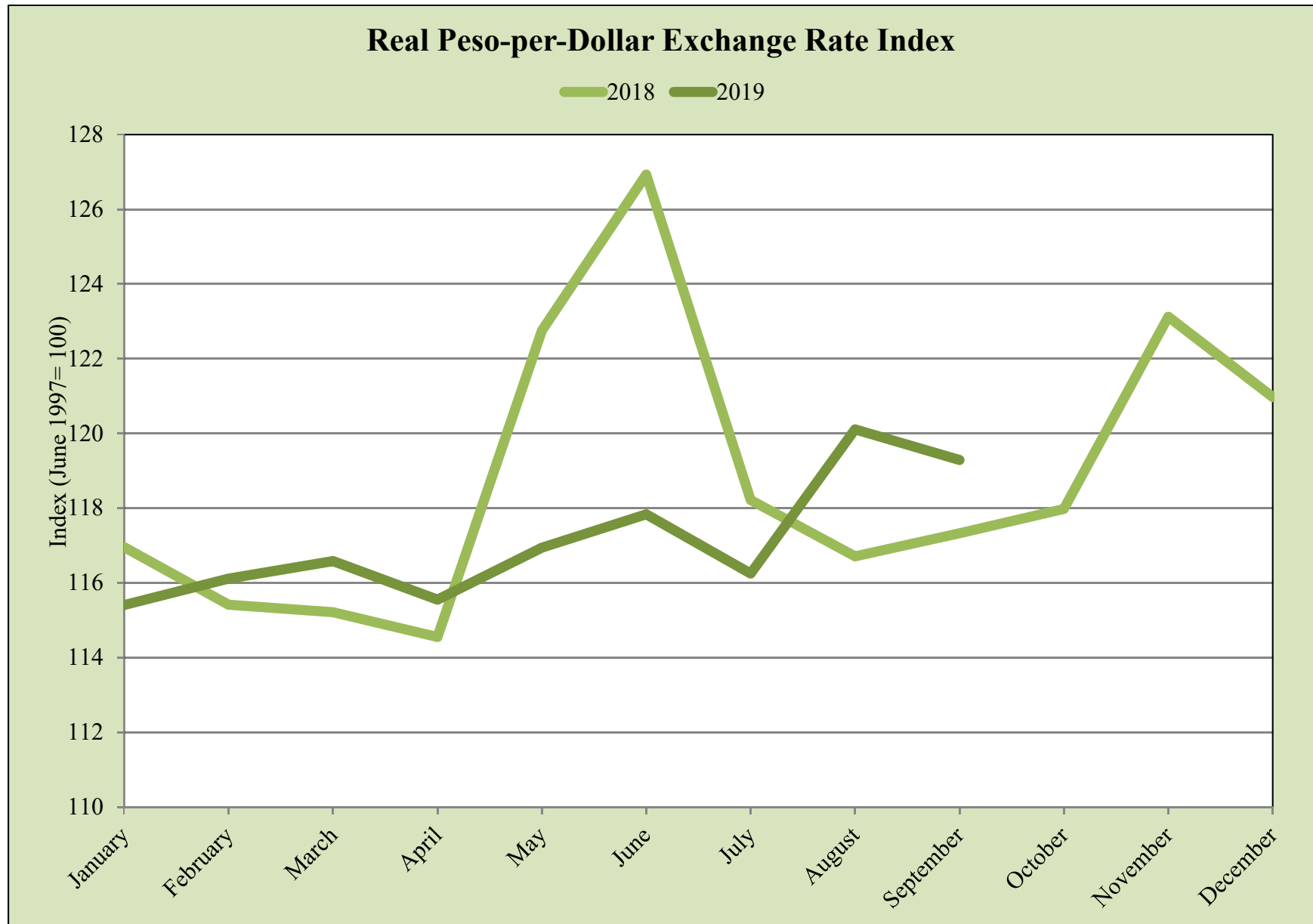
Source: New Mexico Human Services Department



Source: UTEP Border Region Modeling Project and Banco de Mexico



Source: UTEP Border Region Modeling Project and Banco de Mexico

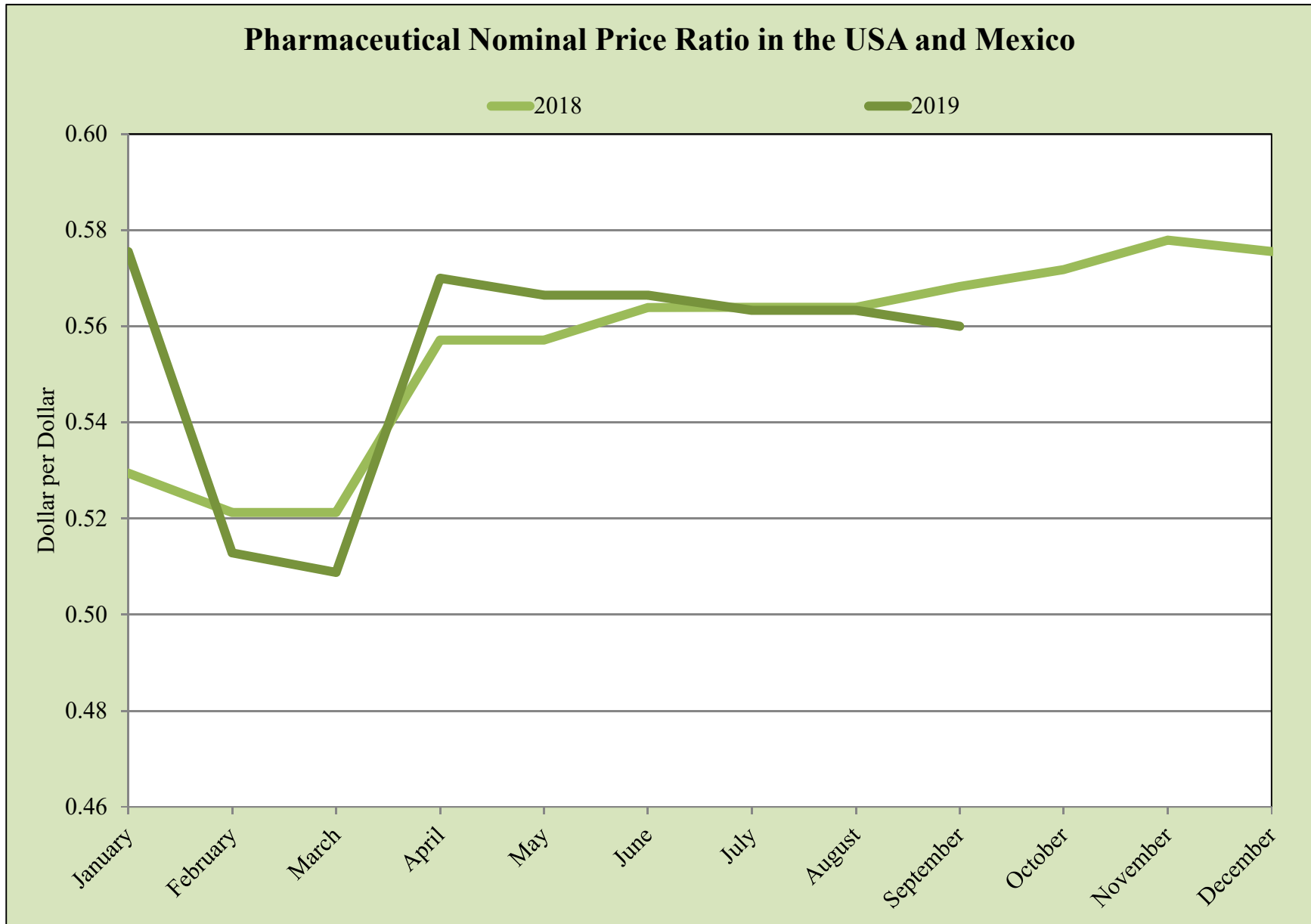


Source: UTEP Border Region Modeling Project





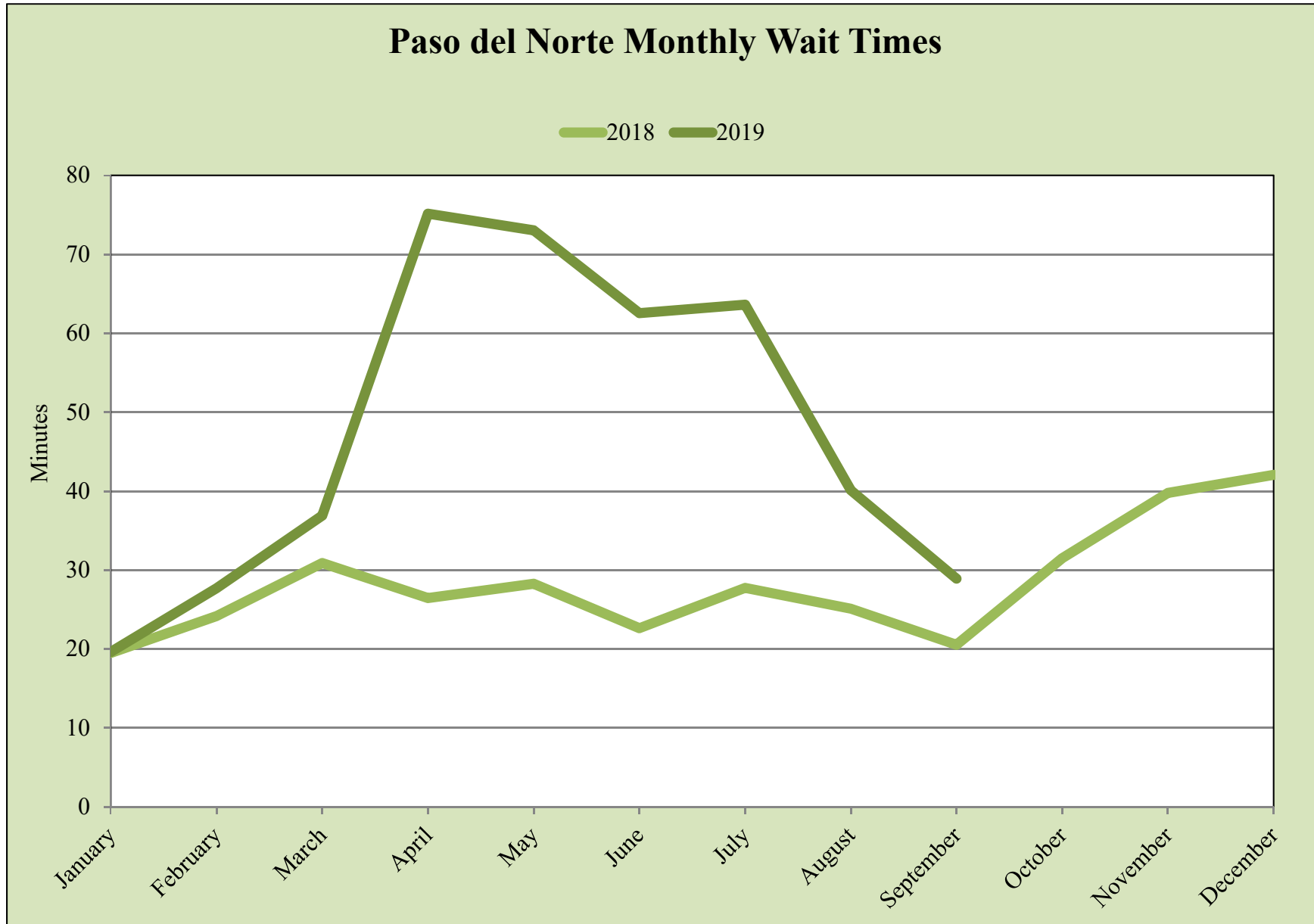
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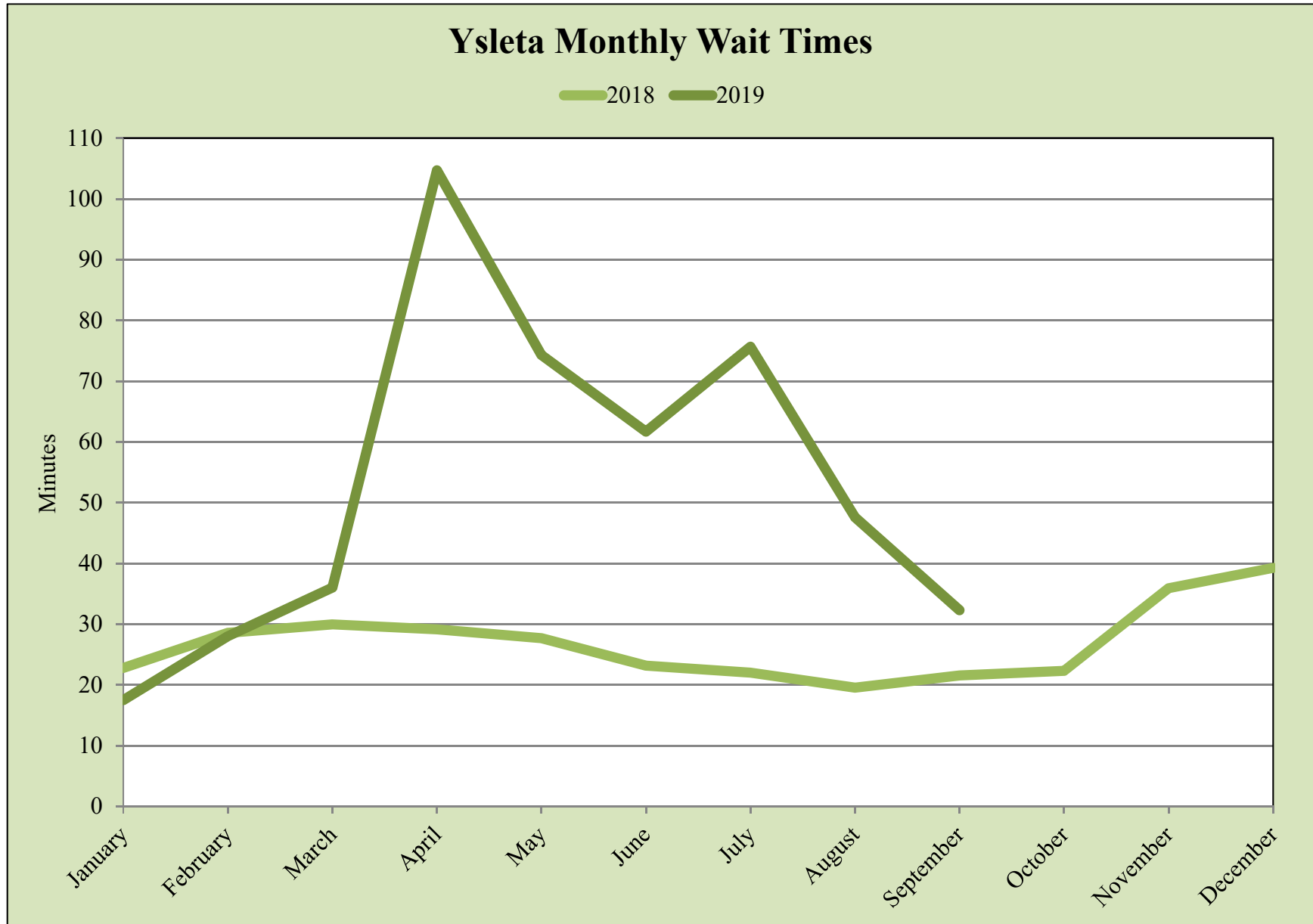
Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [medicinesmexico.com](http://medicinesmexico.com), [medsmex.com](http://medsmex.com)



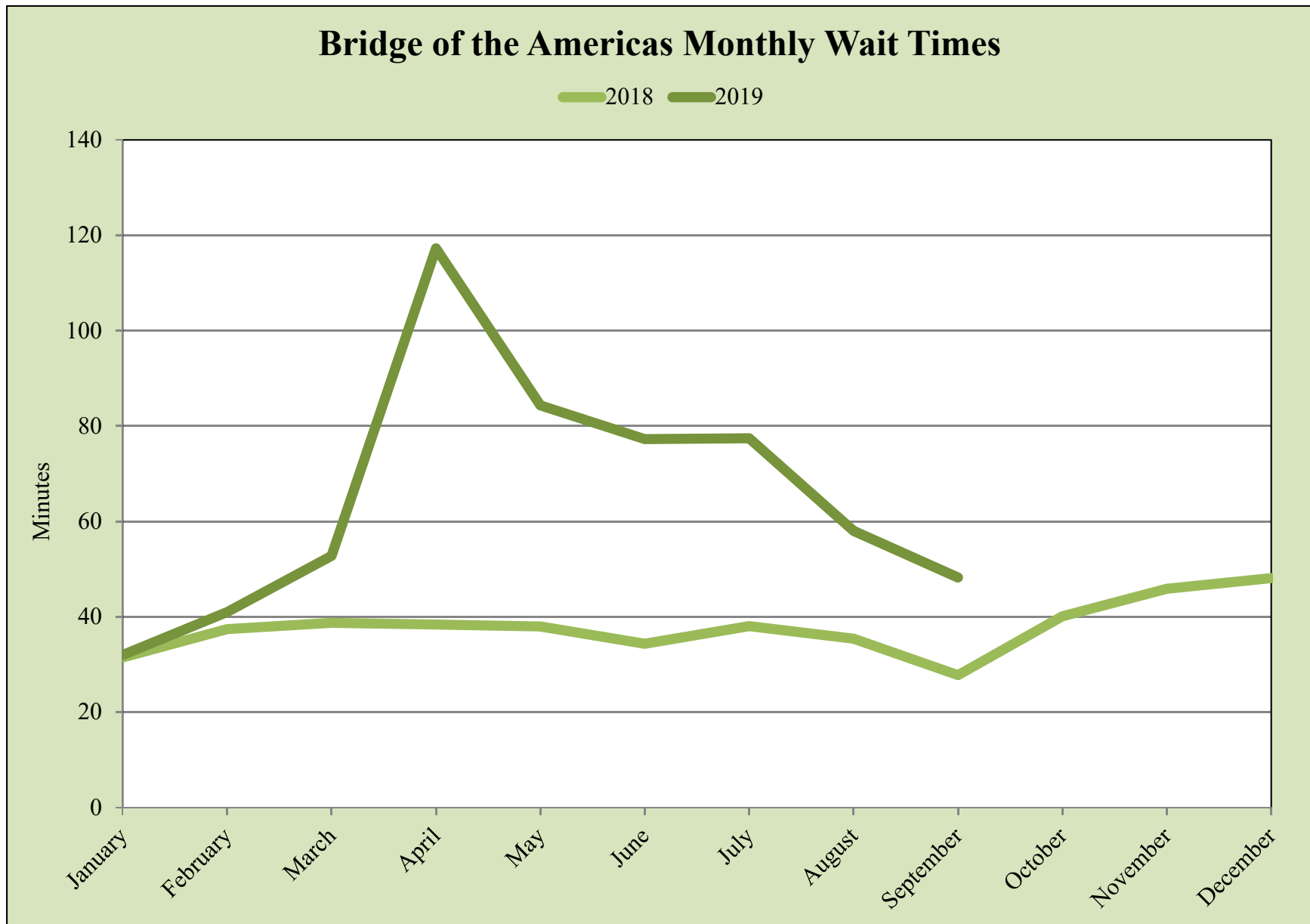
Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [medicinesmexico.com](http://medicinesmexico.com), [medsmex.com](http://medsmex.com)



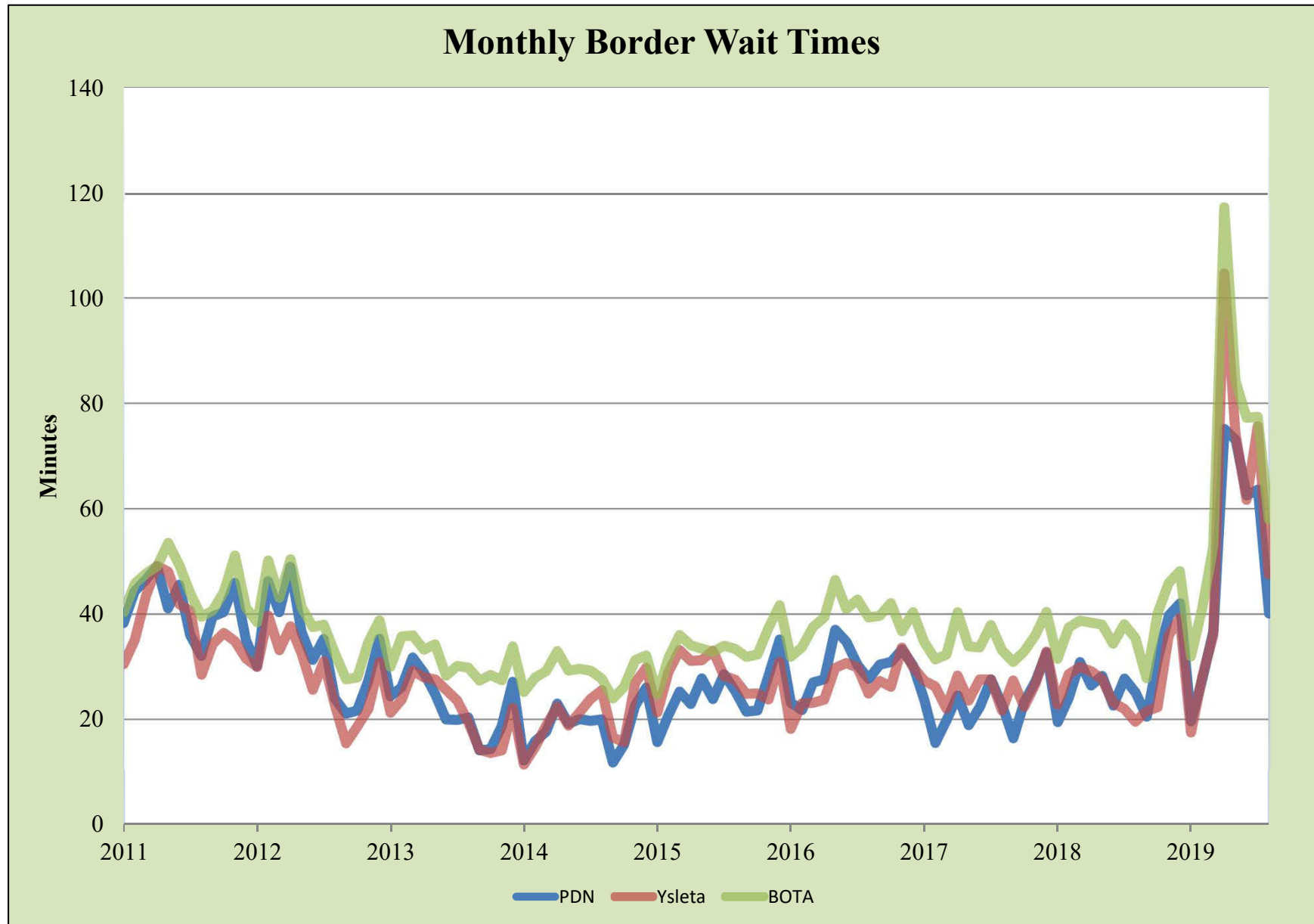
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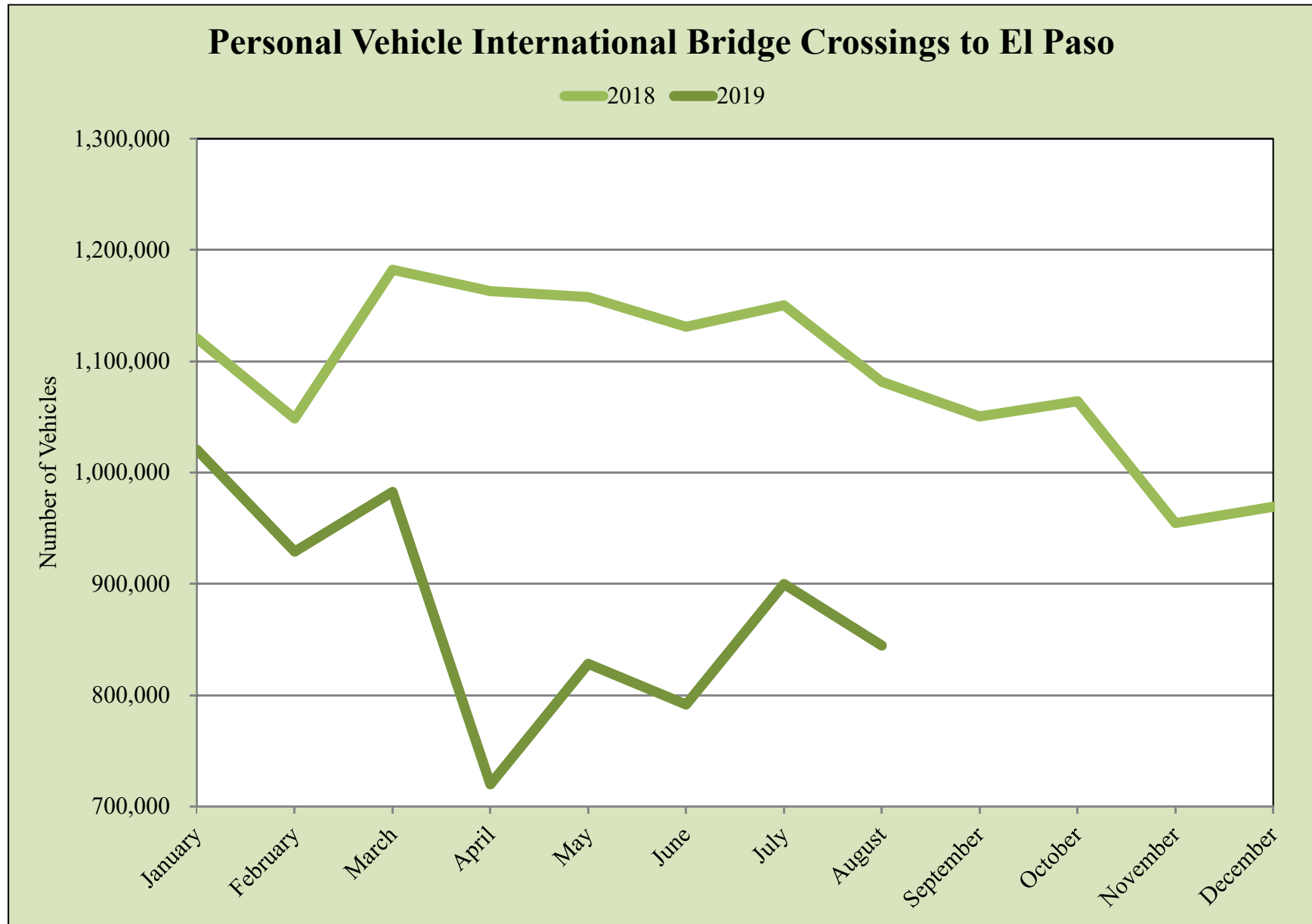
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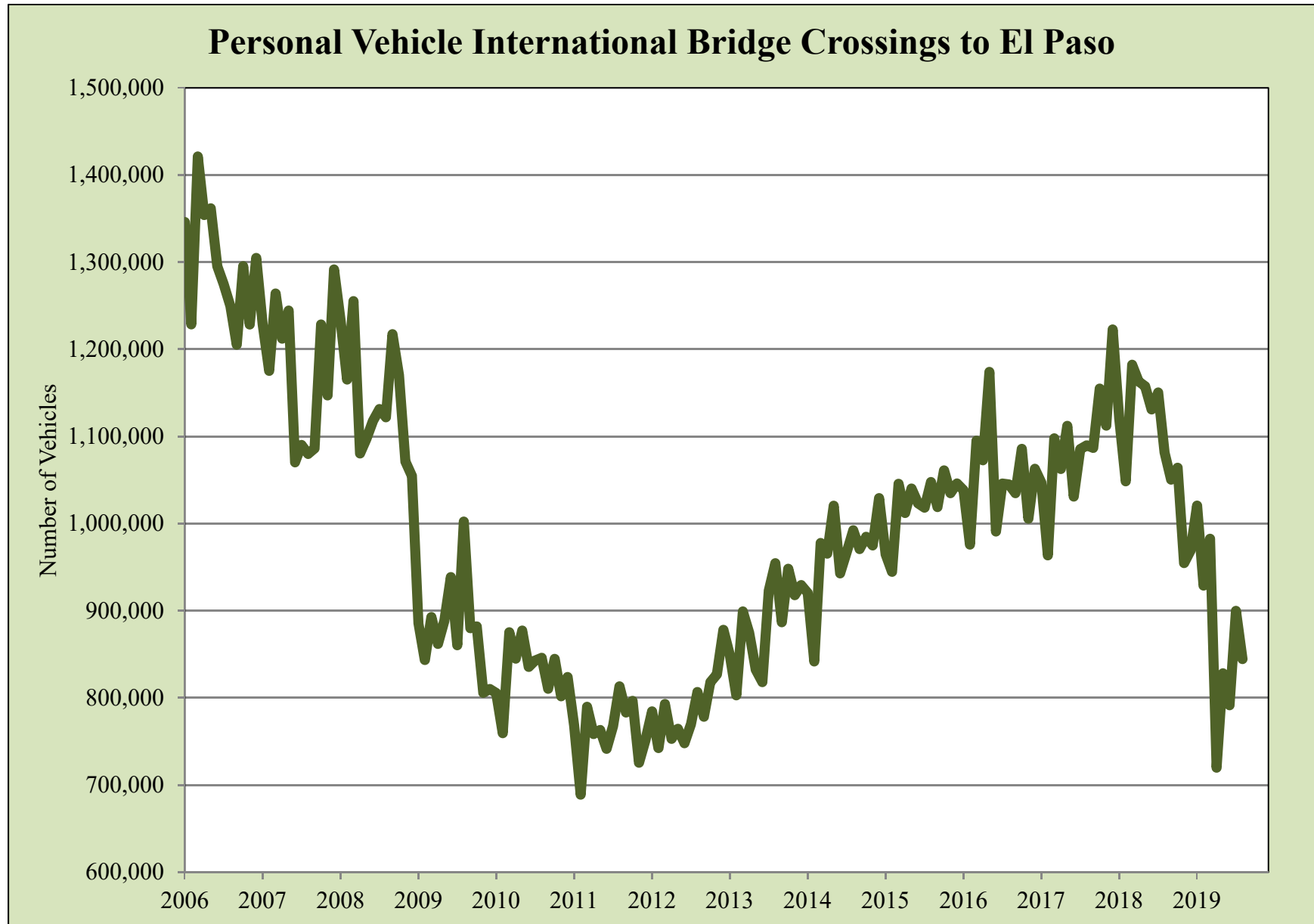


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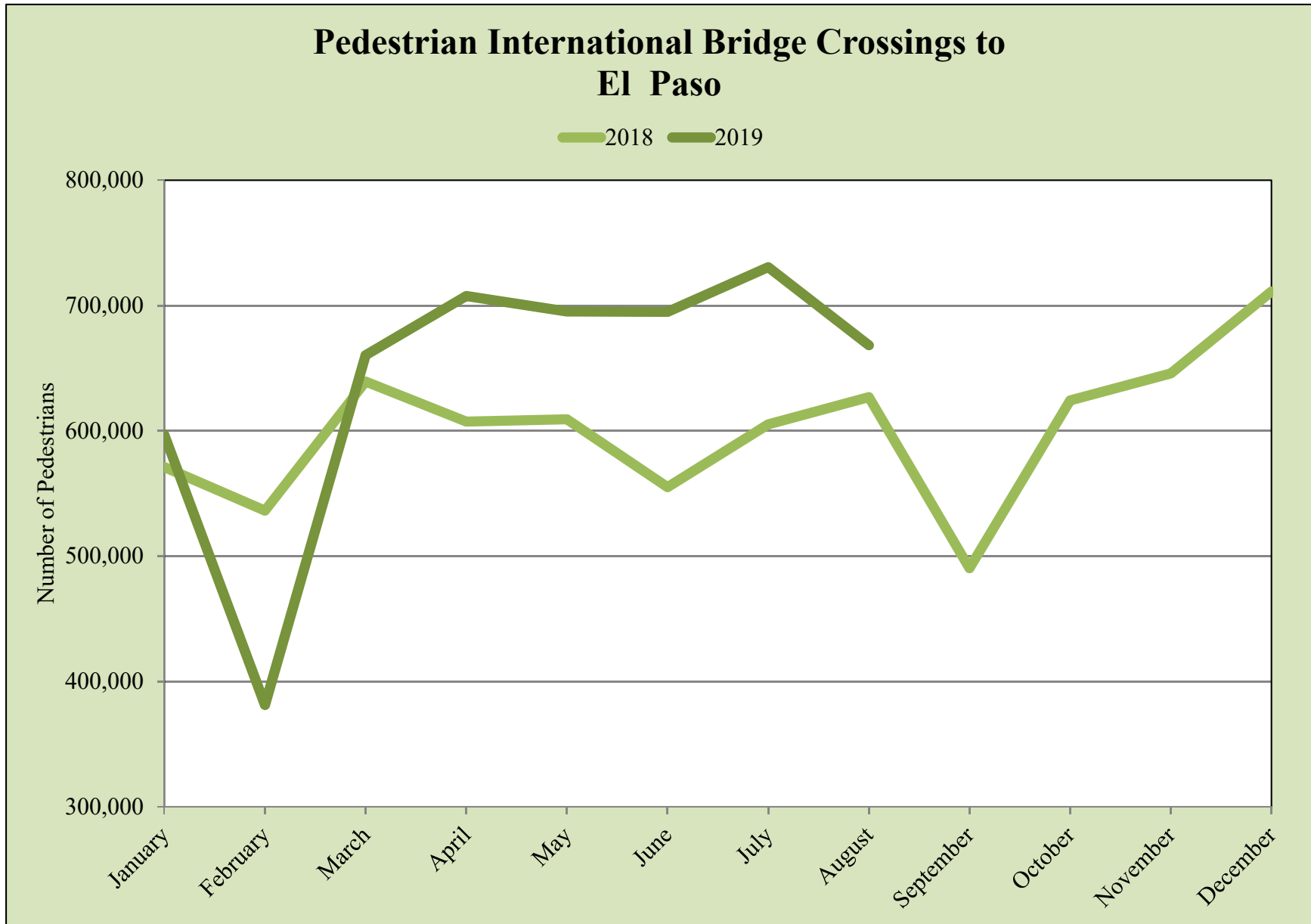


Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

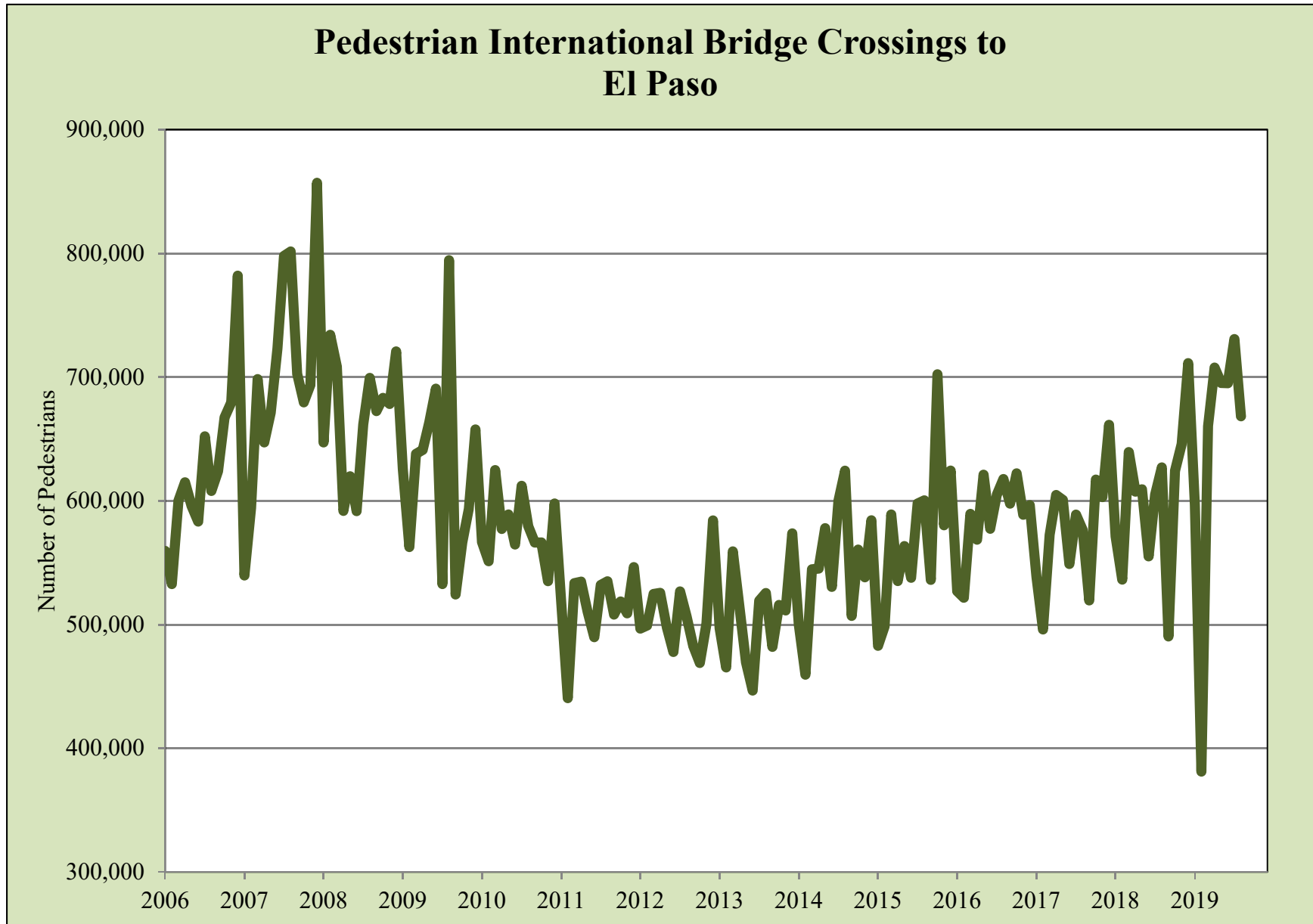




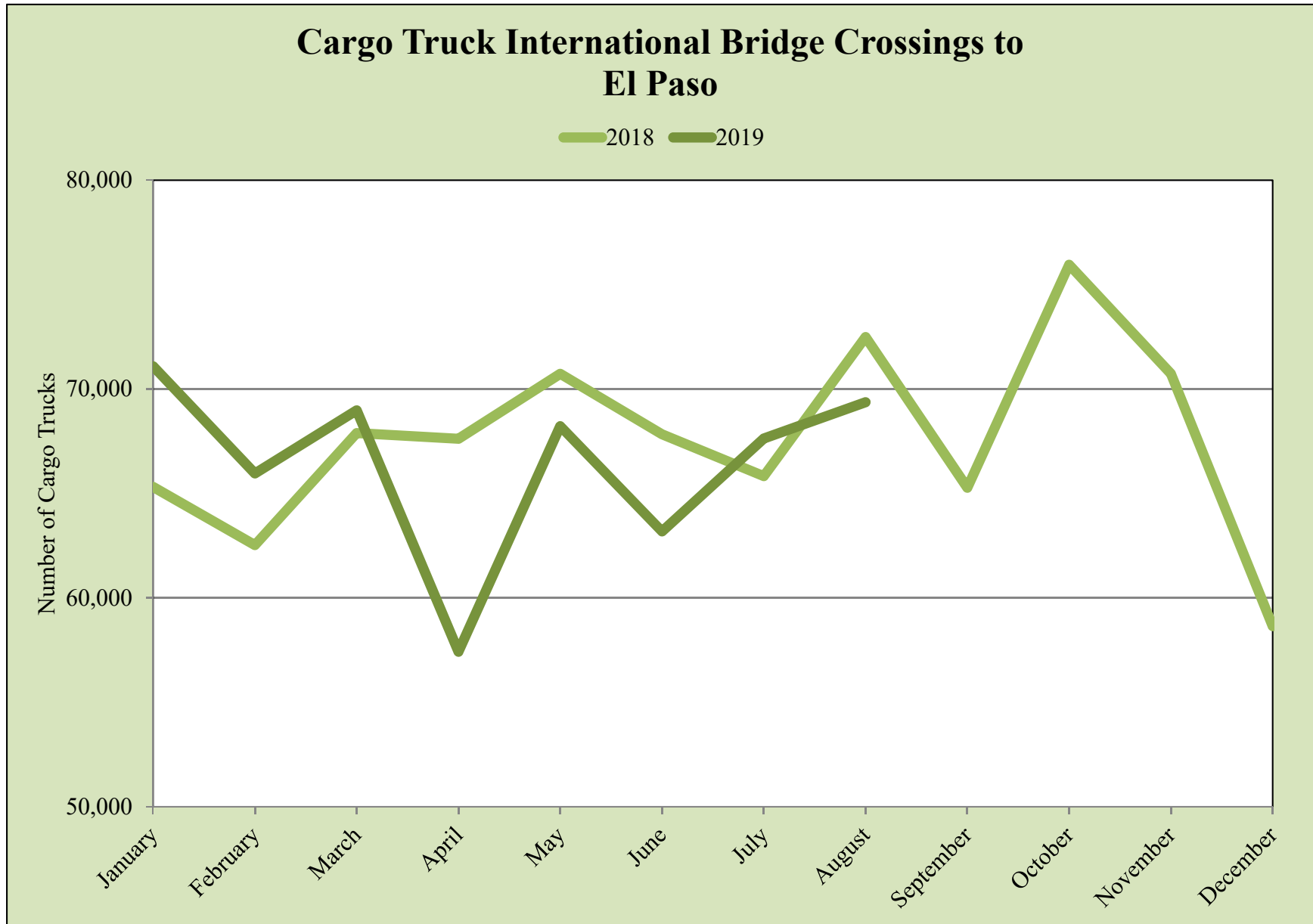
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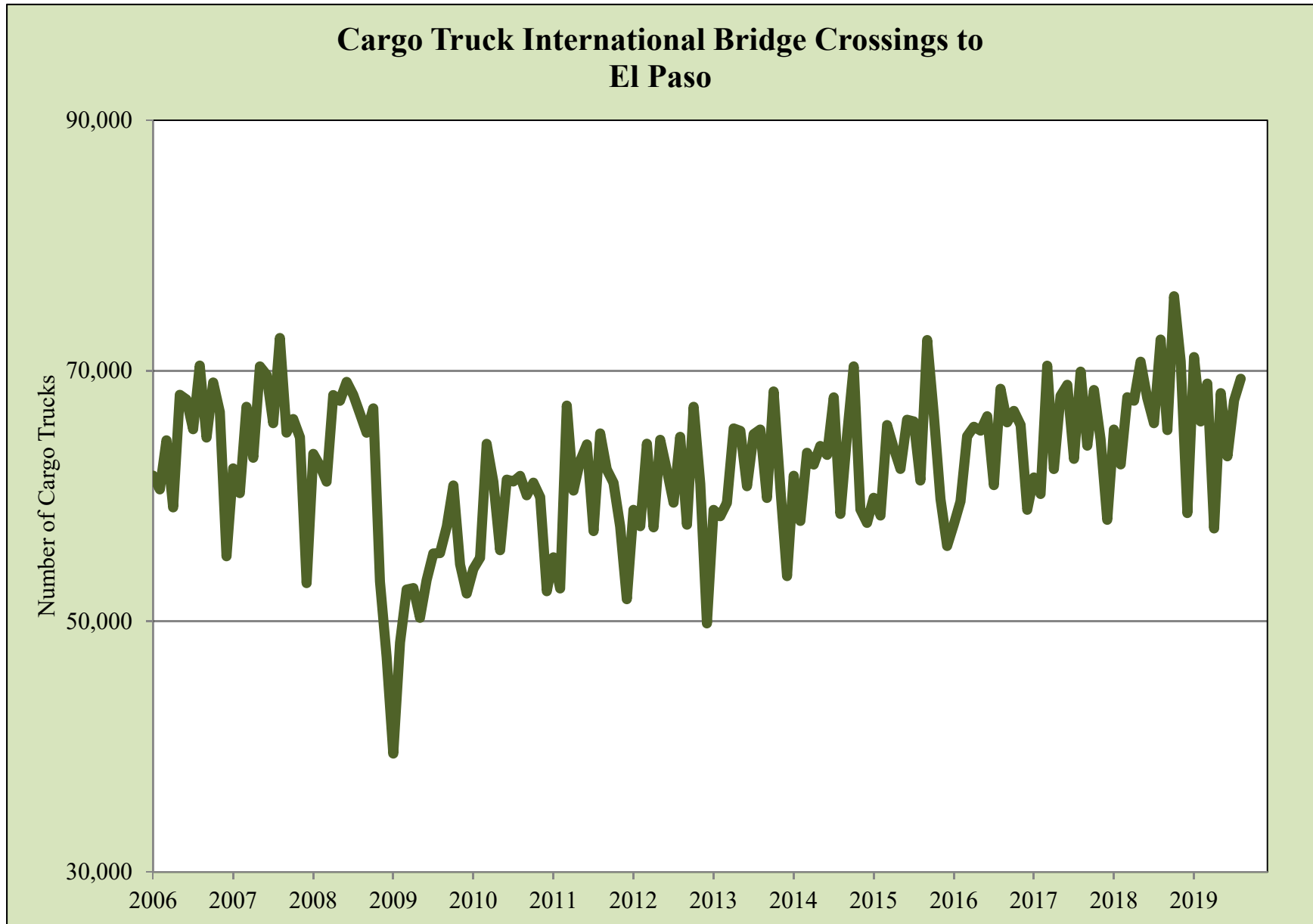
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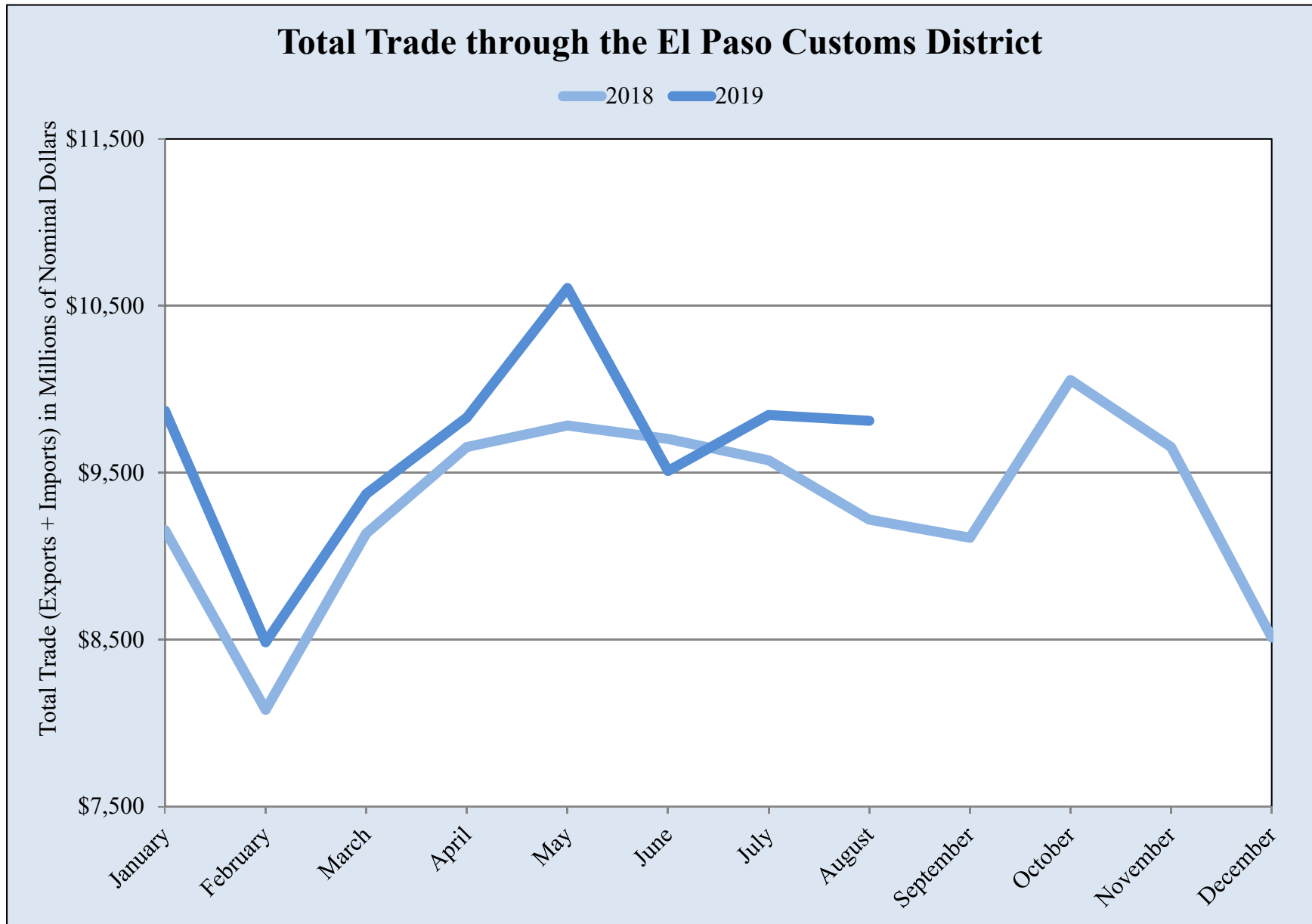
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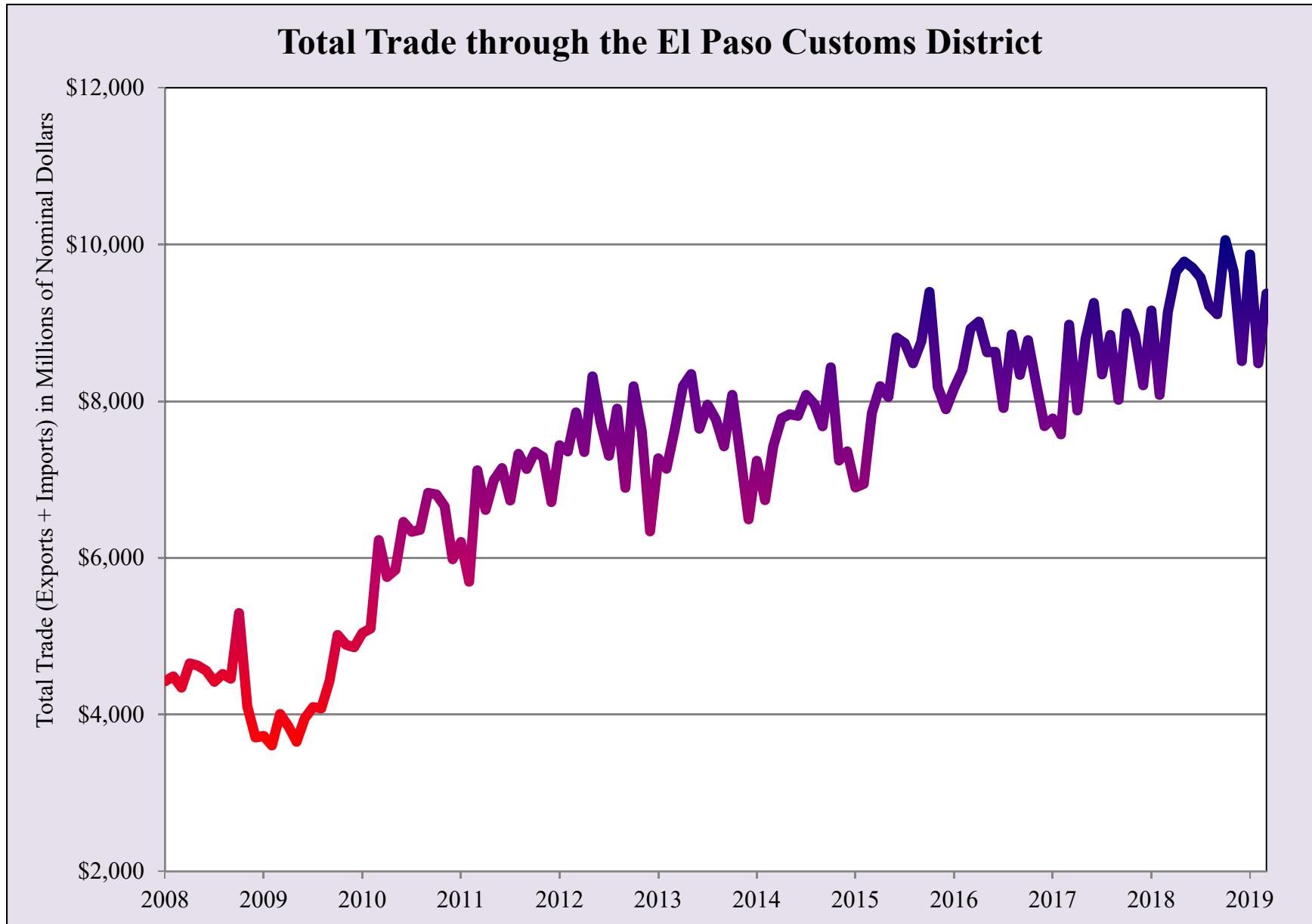
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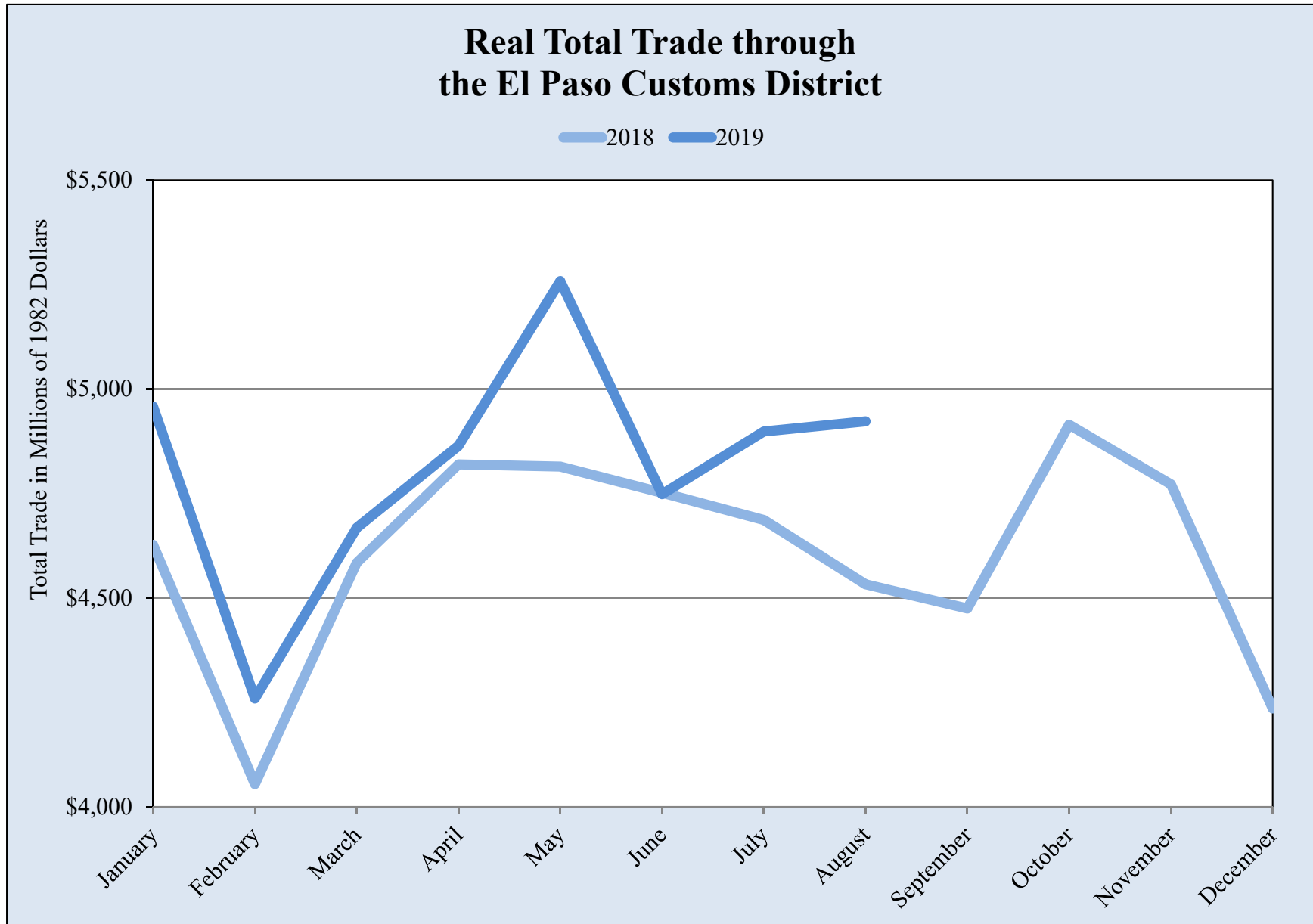
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



Source: U.S. International Trade Commission

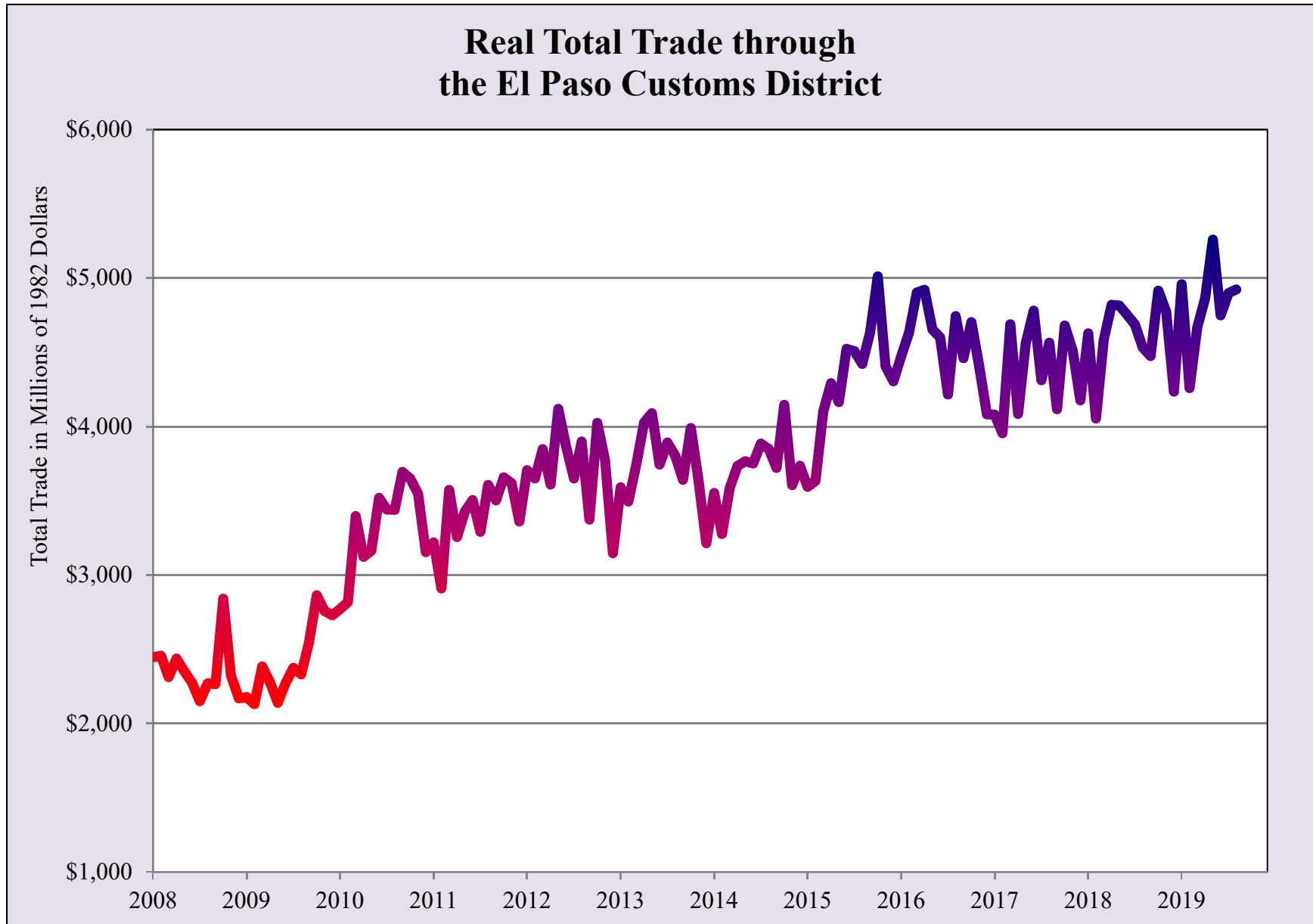


Source: U.S. International Trade Commission



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

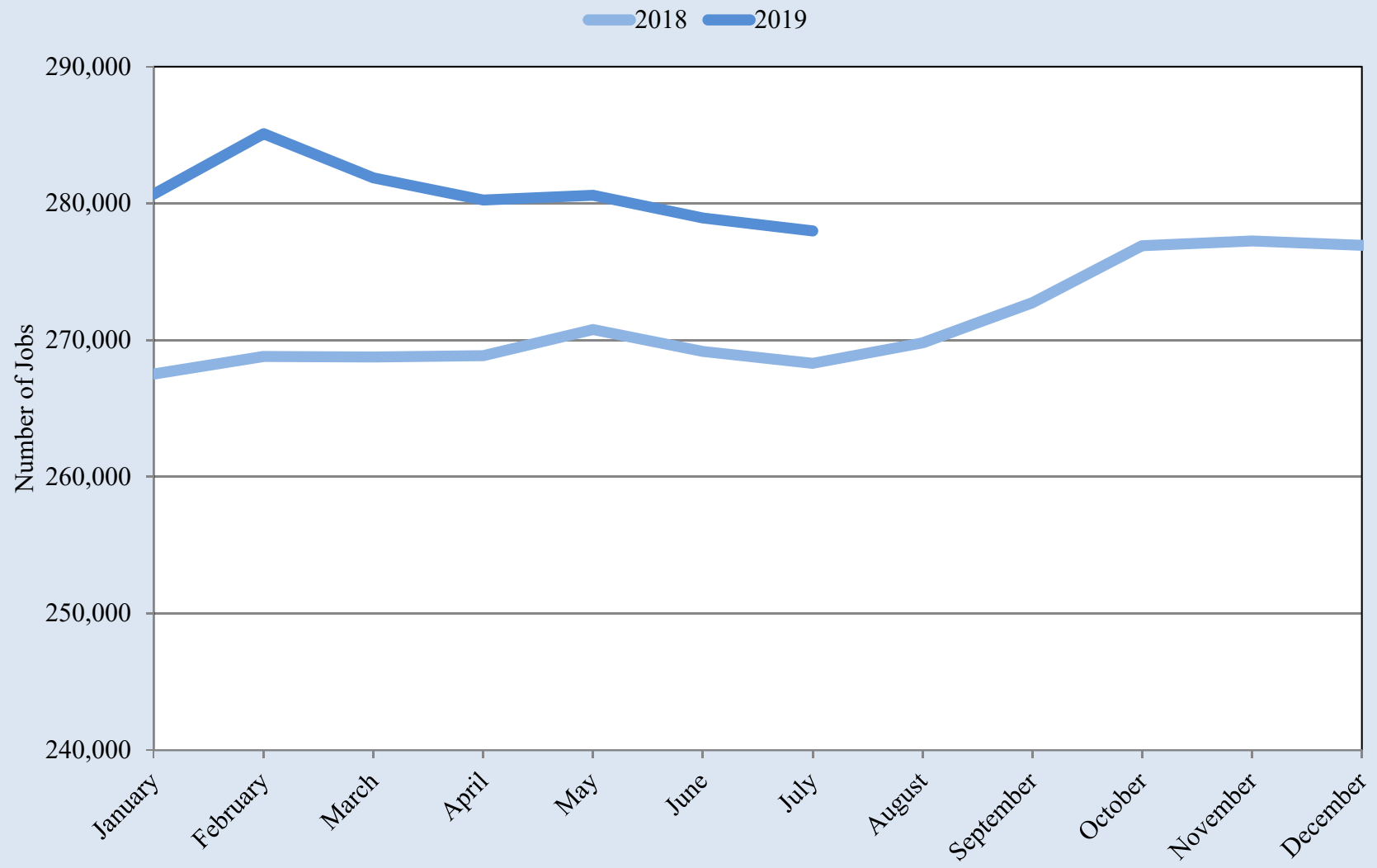




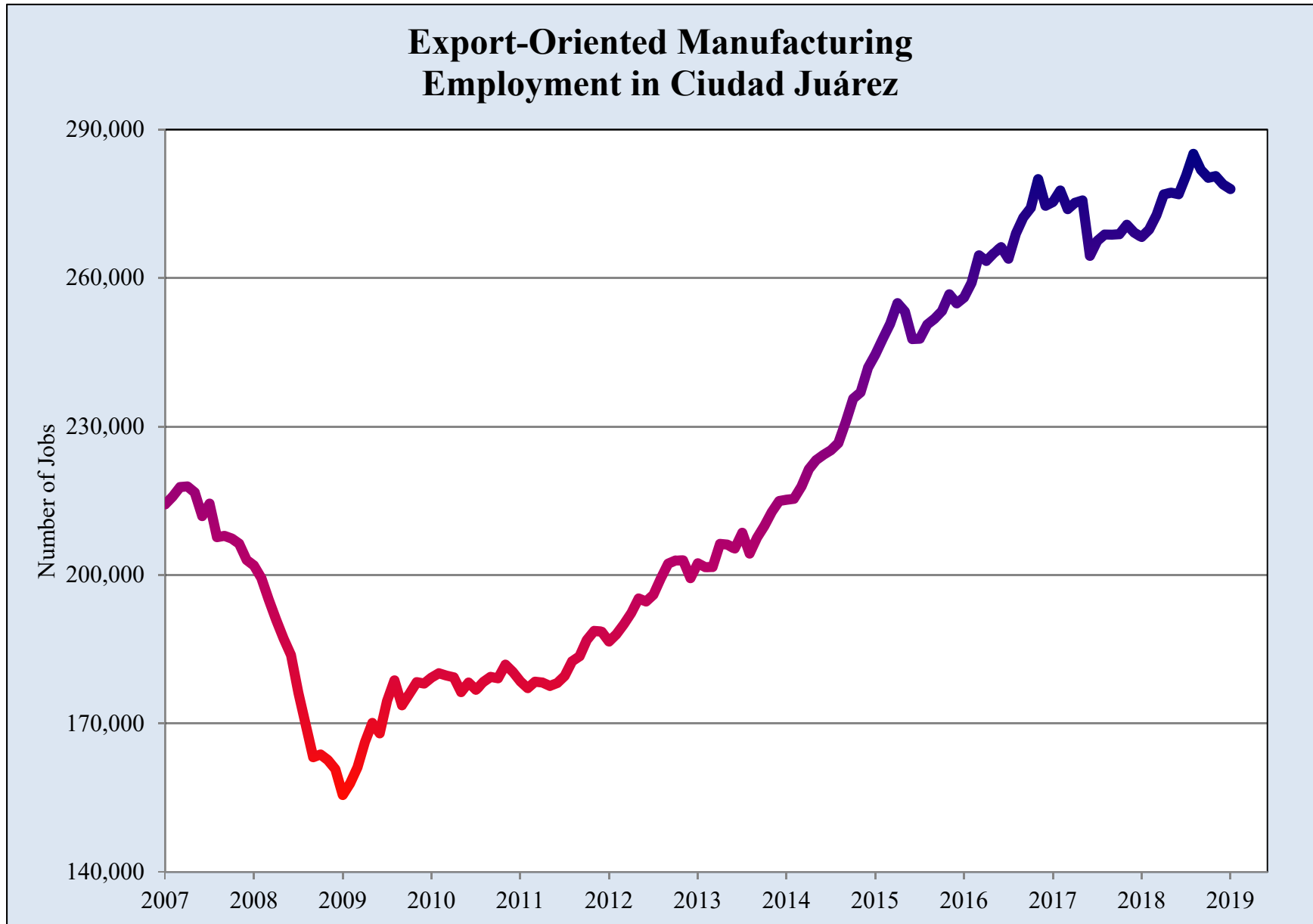
Source: U.S. International Trade Commission and Bureau of Labor Statistics



## Export-Oriented Manufacturing Employment in Ciudad Juárez



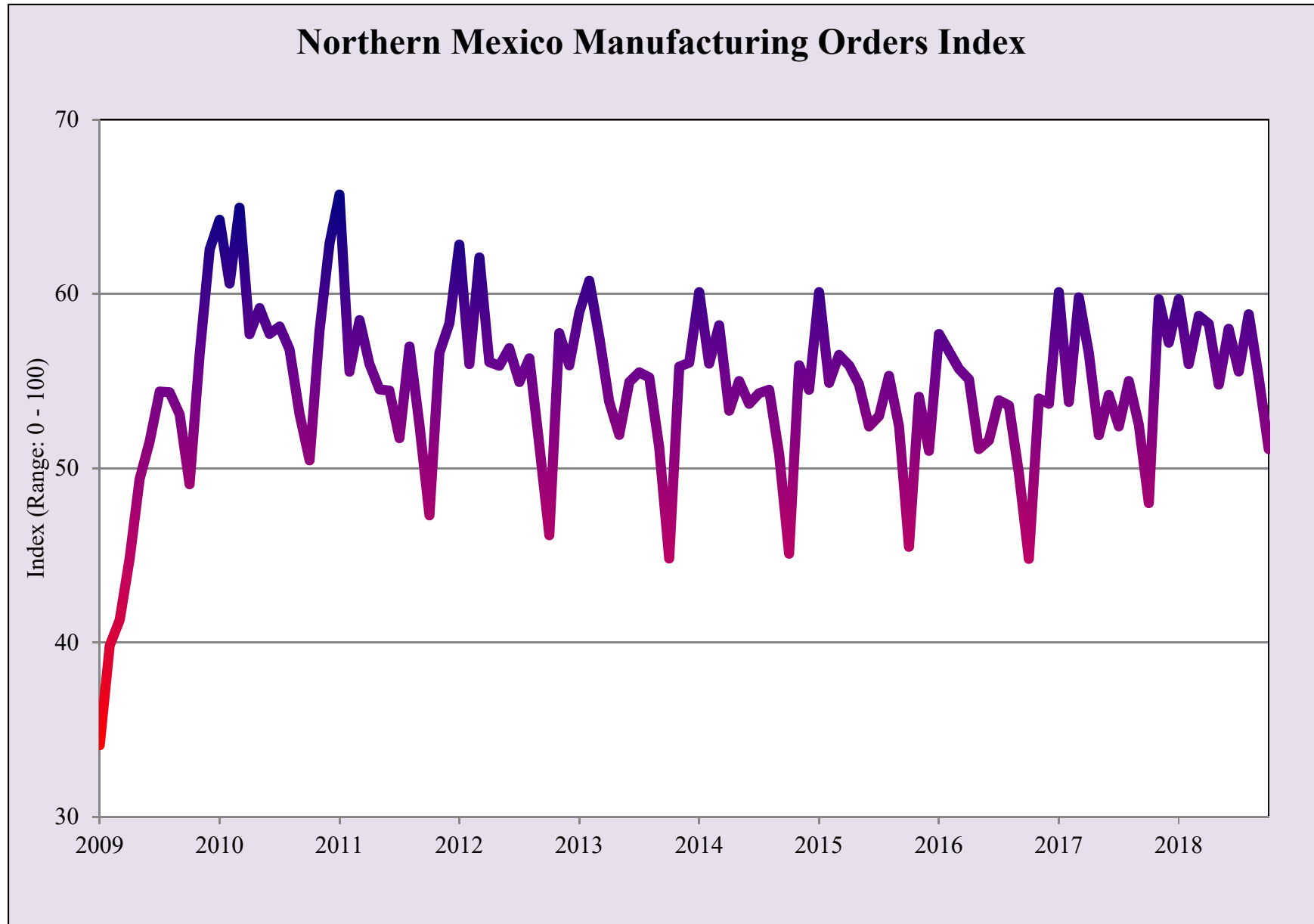
Source: INEGI



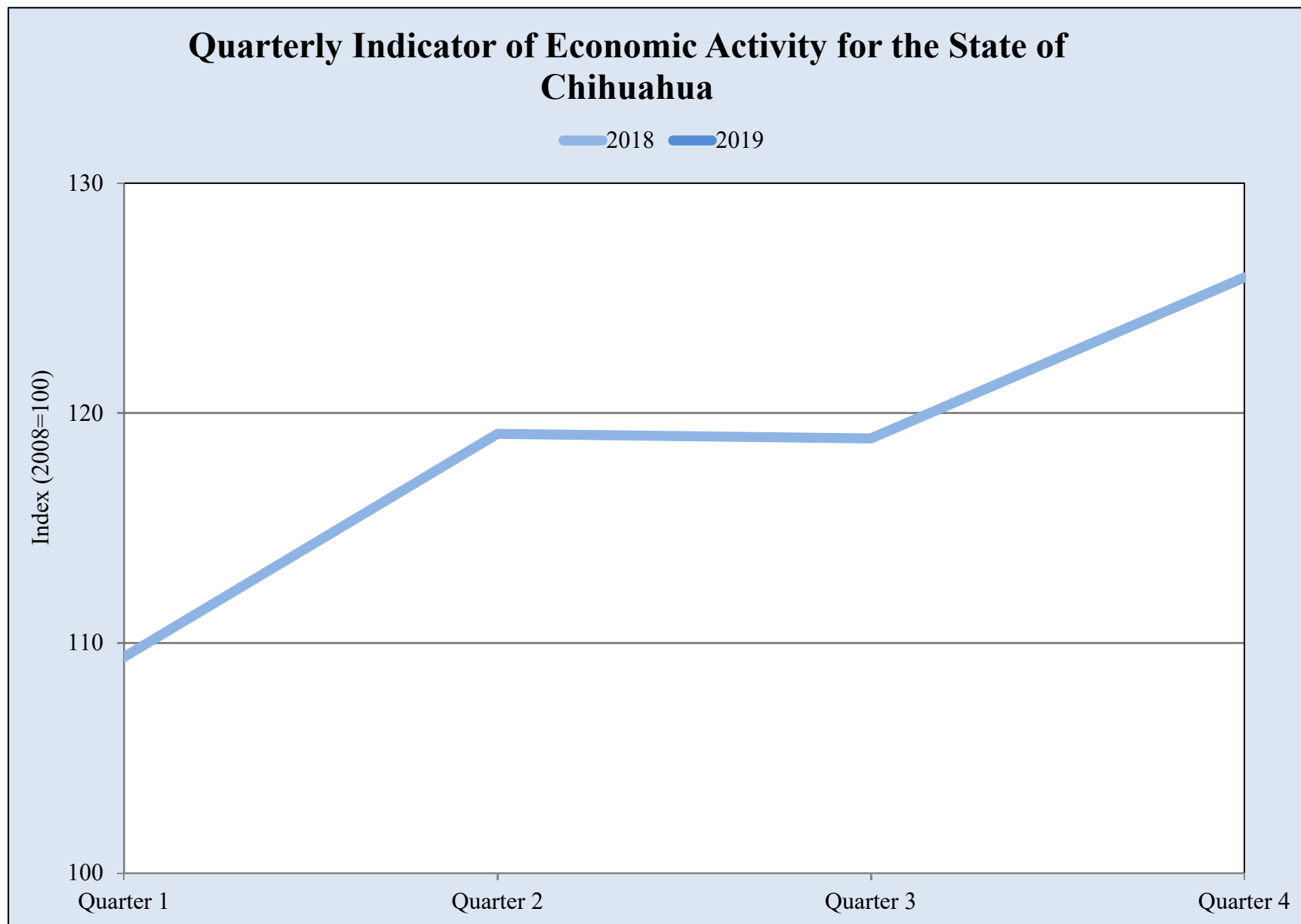
Source: INEGI



Source: Banco de México



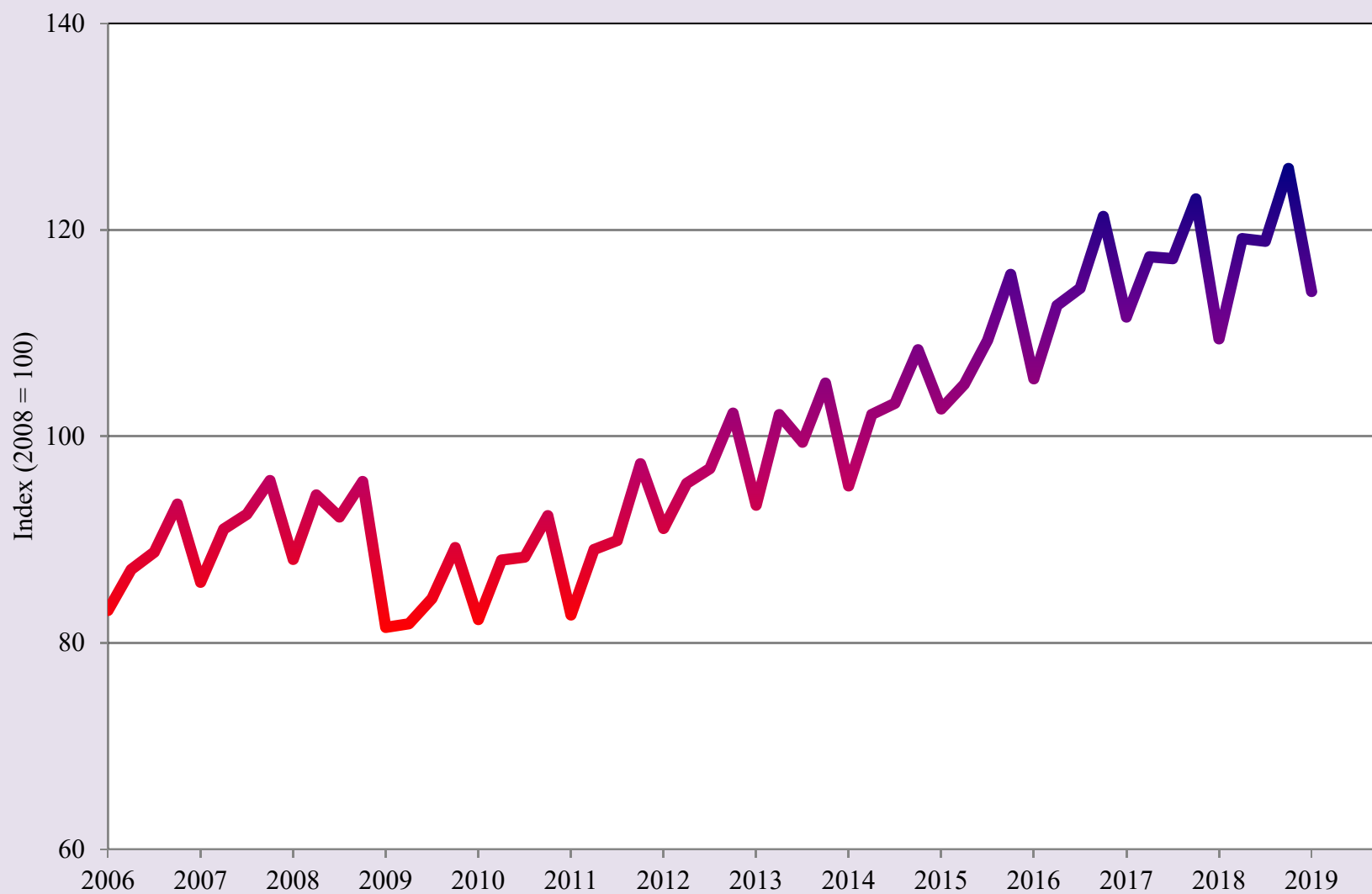
Source: Banco de México



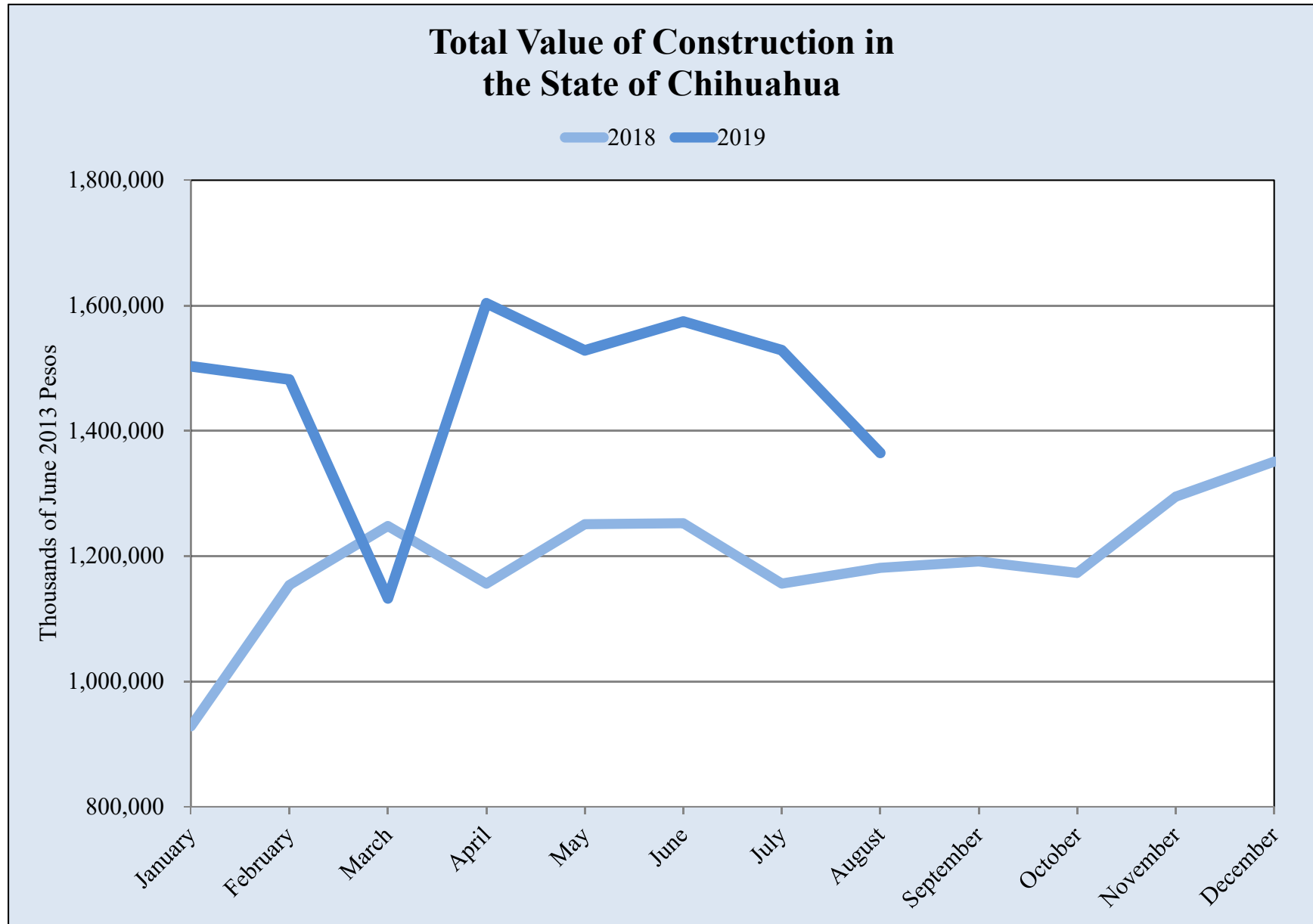
Source: INEGI



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



Source: INEGI

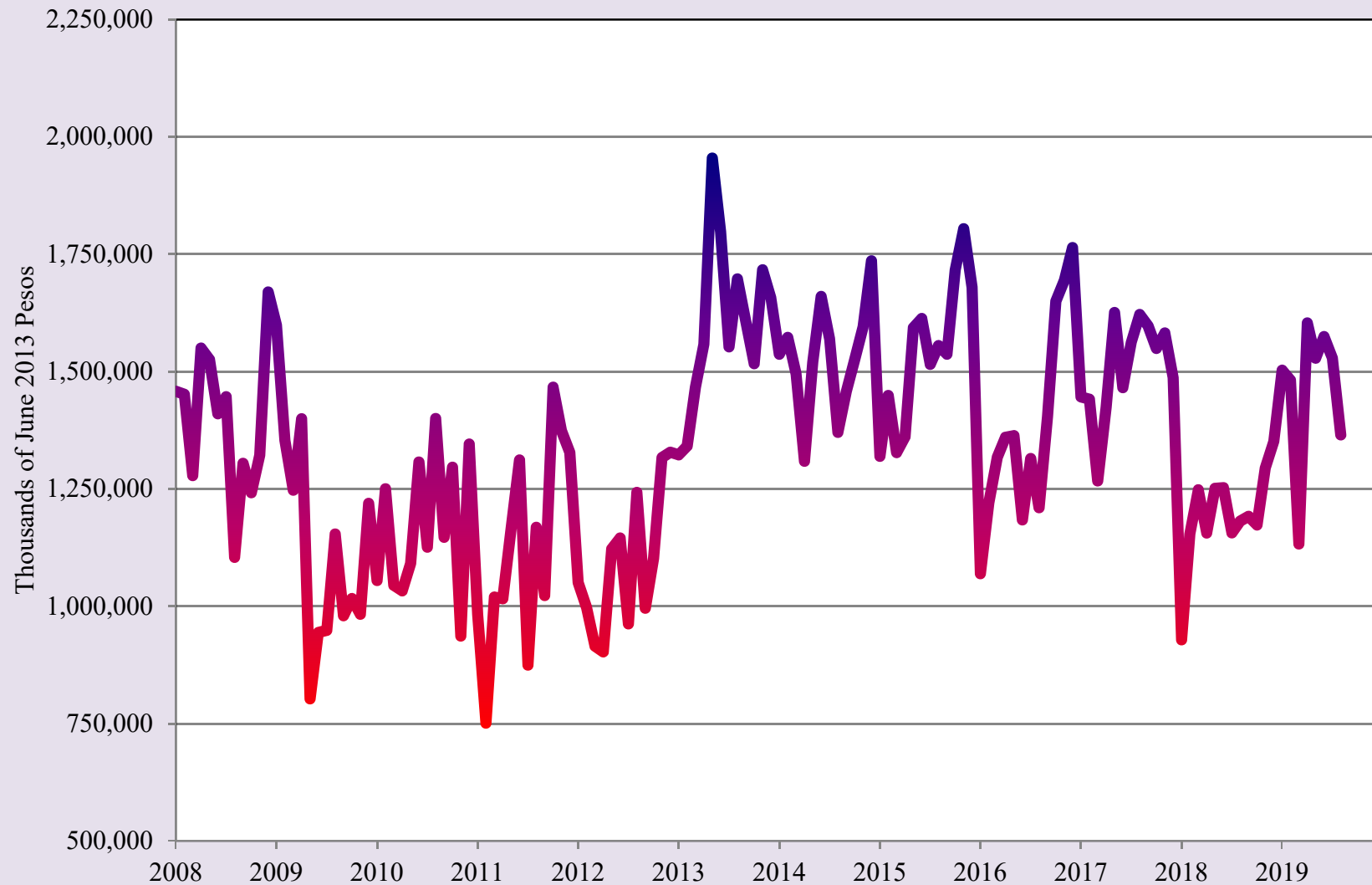


Source: INEGI

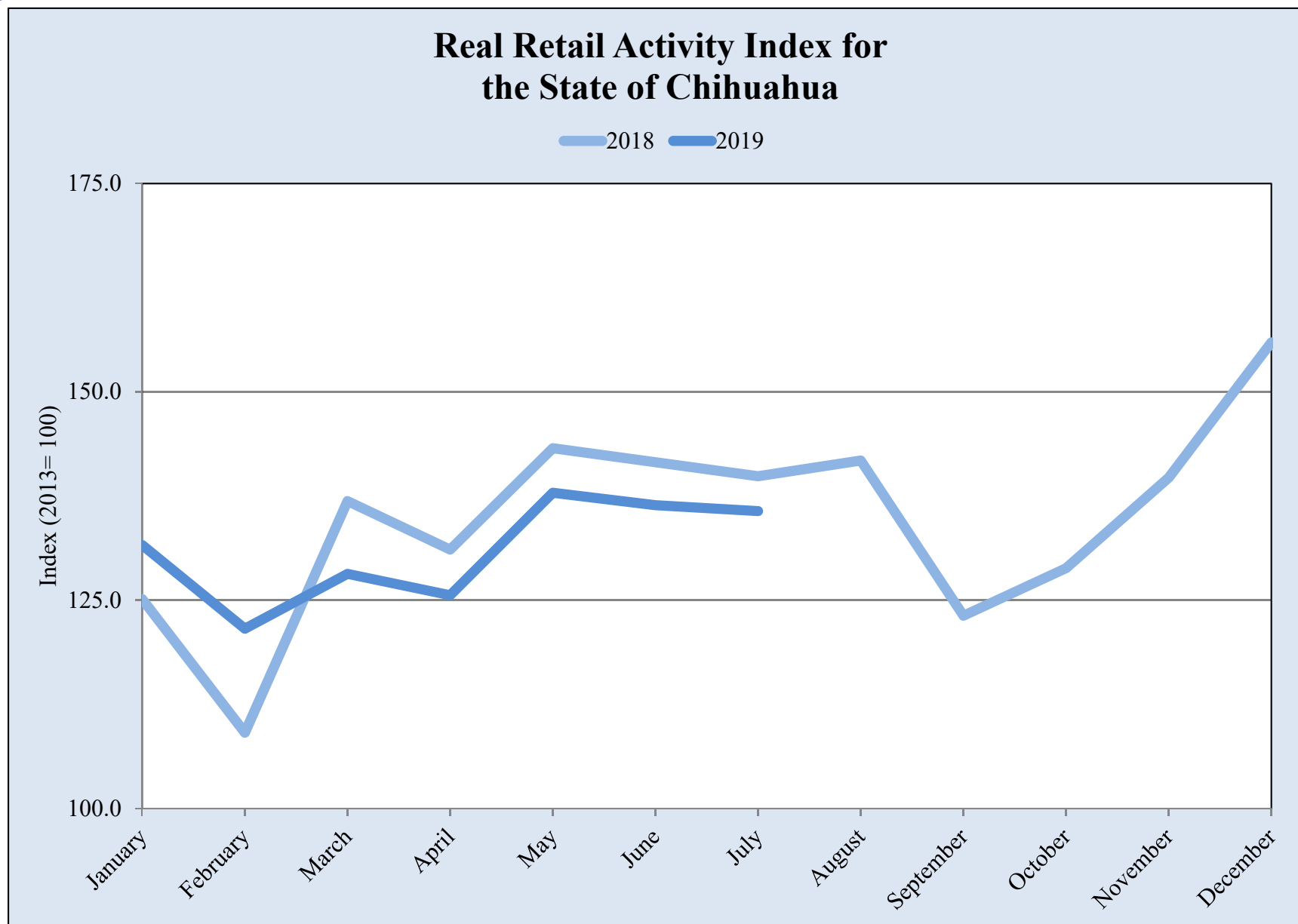




## Total Value of Construction in the State of Chihuahua



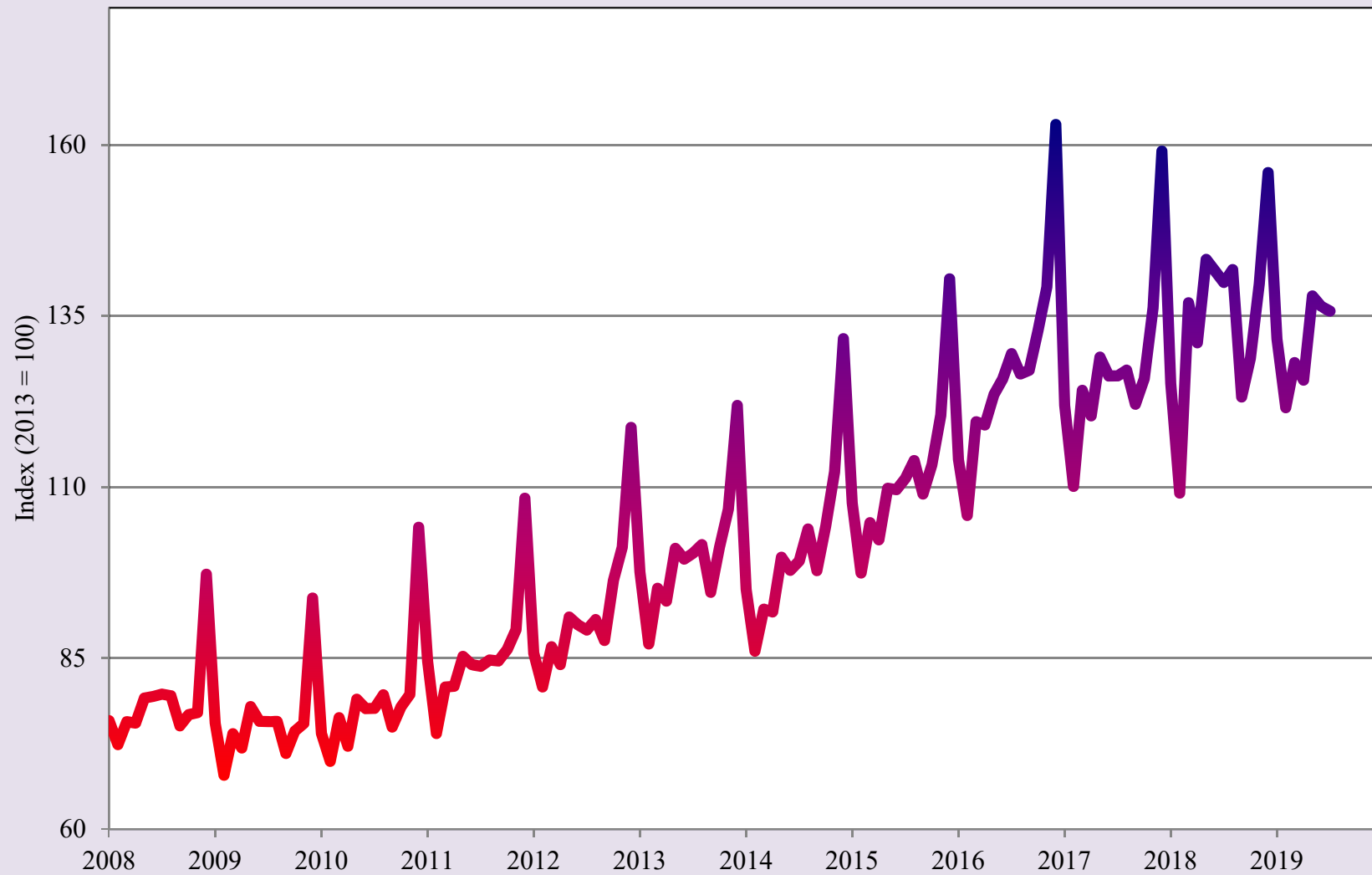
Source: INEGI



Source: INEGI



## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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