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Borderplex Business Barometer, Volume 3, Number 11

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BORDERPLEX BUSINESS BAROMETER

November 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 11

Look to the Data, not to the Headlines

The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index reached a new record high in November for the third time this year. Jobs growth continues to buttress the local economy, with relatively strong performances observed for construction, financial services, healthcare, plus leisure and hospitality. Reflective of business cycle buoyancy, the El Paso Household Economic Stress Index remained at 0.7 in October, the lowest mark for that metric since June 2007.

Short-term interest rates declined in October. That caused the yield curve to assume a more traditional appearance with the 20- and 30-year long-term instruments providing higher yields than all of the short-term instruments. The U-shaped appearance has not been completely erased, however, as the average yields on 1-, 2-, 3-, and 5-year Treasury notes remained below the 30-day short-term Treasury bill rate in October.

The September unemployment rate dropped to 3.7 percent, a 40 basis point year-over-year decline. Helped by oil patch demand for semi-skilled labor, joblessness has remained below the 5.0 percent mark in the Sun City for 31 consecutive months. Supplemental Nutrition Assistance Program enrollments for El Paso County also decreased in October.

The median price for single-family housing units rose by \$9,950 on a year-over-year basis in October. In fact, housing prices have exceeded year-ago levels by margins of \$3,400 or more every month, thus far in 2019. In addition to a healthy local labor market, housing demand has been boosted by a favorable interest rate environment. In November, the 15-, 20-, and 30-year fixed mortgage rates all remained below 4 percent. Given those conditions, the El Paso months of housing inventory has now remained below 4.0 for 12 straight months.

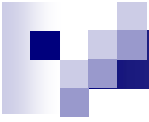
Gasoline supplies continue to hold steady in El Paso. Unleaded gasoline prices in El Paso averaged \$2.46 in October. That is 31 cents below the corresponding mark for 2018.

The Doña Ana County unemployment rate dropped to 5.0 percent in September, the lowest it has been since November 2008. Underscoring the health of the labor market, job growth continues to outpace civilian labor force expansion in the Mesilla Valley.

In a welcome development, Las Cruces SNAP enrollments were, again, below year-ago levels in September.

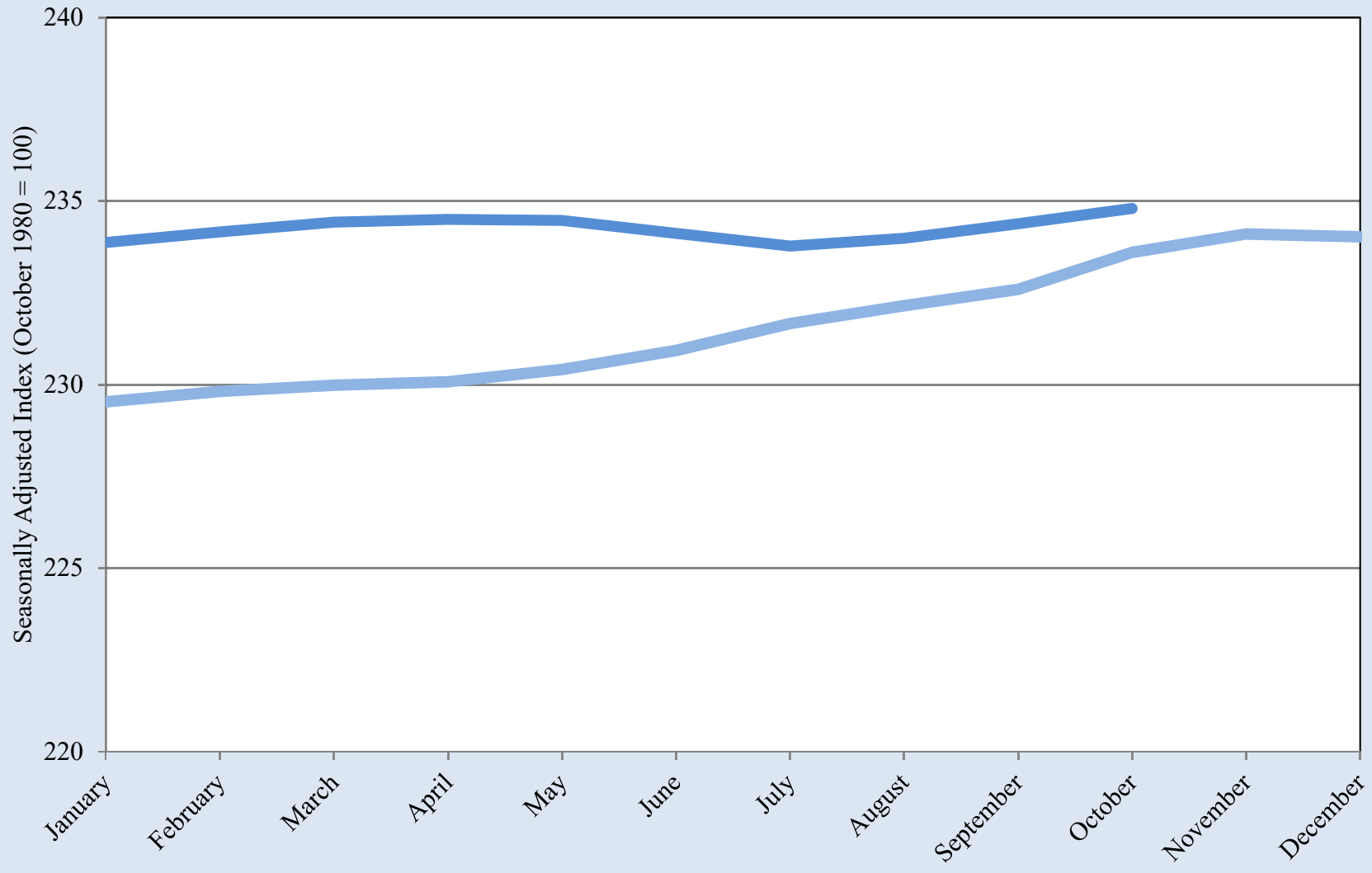
At 19.37 pesos per dollar, the nominal exchange rate was below the 20 peso mark for a tenth straight month in October. The gap between the exchange rate and the Border Region Modeling Project restaurant price ratio narrowed slightly in October but remains large by historical standards. Mexico internet brand name medicine prices were 44 percent below corresponding web prices in the United States in October. These prices do not include the cost of doctor appointments in the United States, nor shipping and handling costs for medicines purchased in Mexico.

Northbound vehicle flows from Ciudad Juarez were more than 14 percent below the volume processed 12 months earlier in September. Although wait times waned at all three El Paso bridges, the Ysleta-Zaragoza queues were still 80 percent higher than what was observed in October 2018. Cargo vehicle traffic was flat again in September, although loads are probably higher than in 2018.

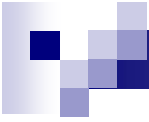


El Paso Metropolitan Business Cycle Index

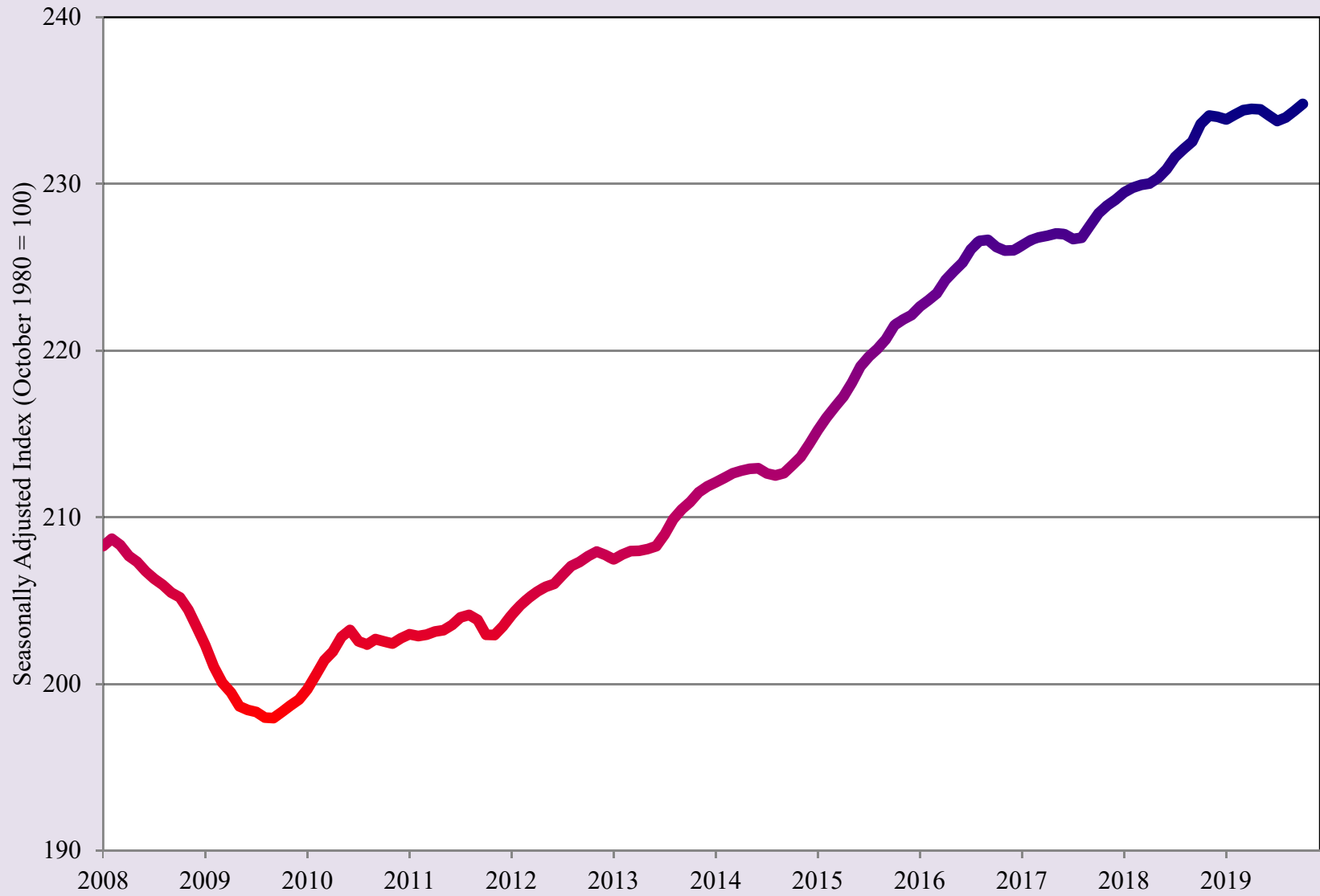
— 2018 — 2019



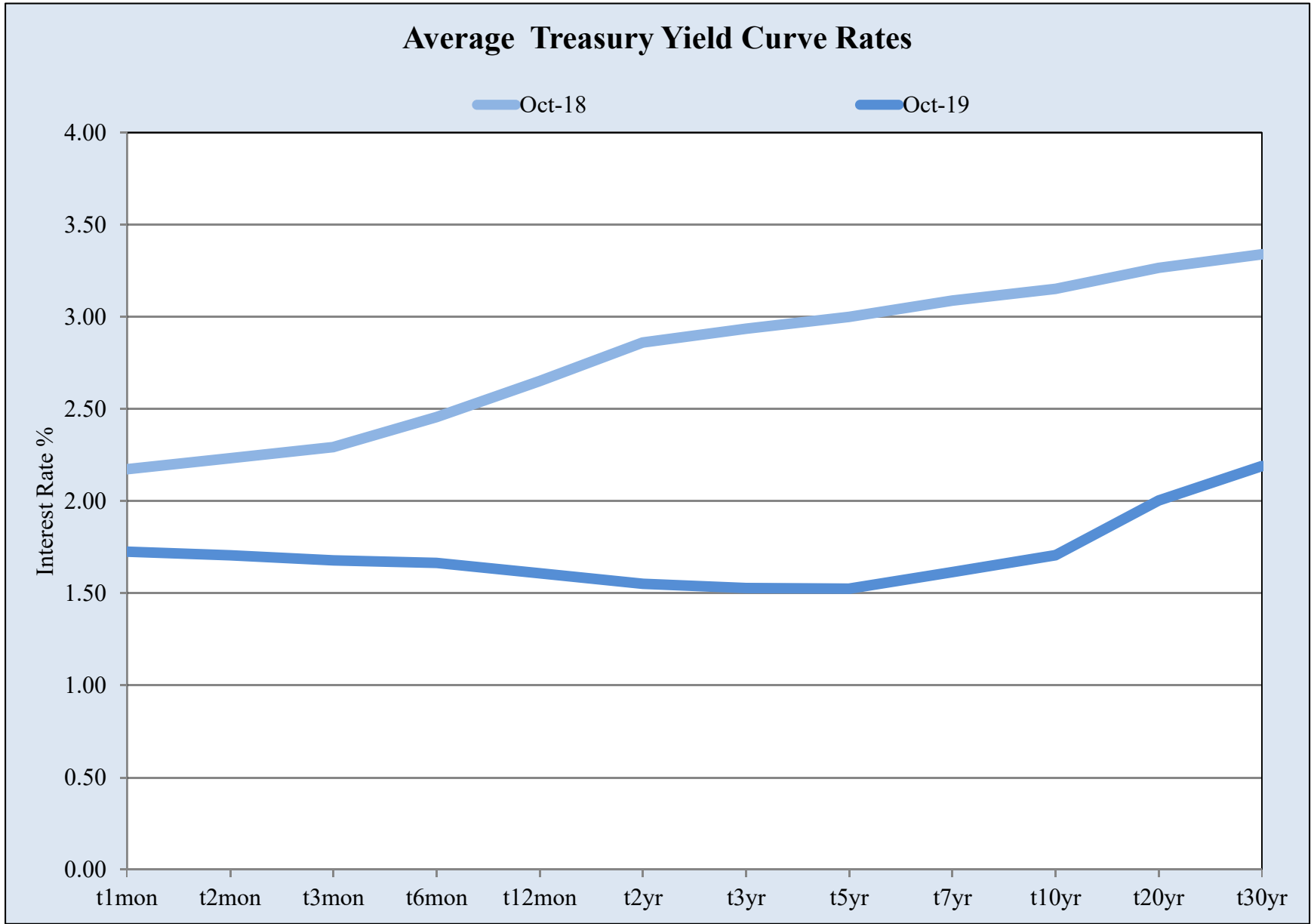
Source: Federal Reserve Bank of Dallas



El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

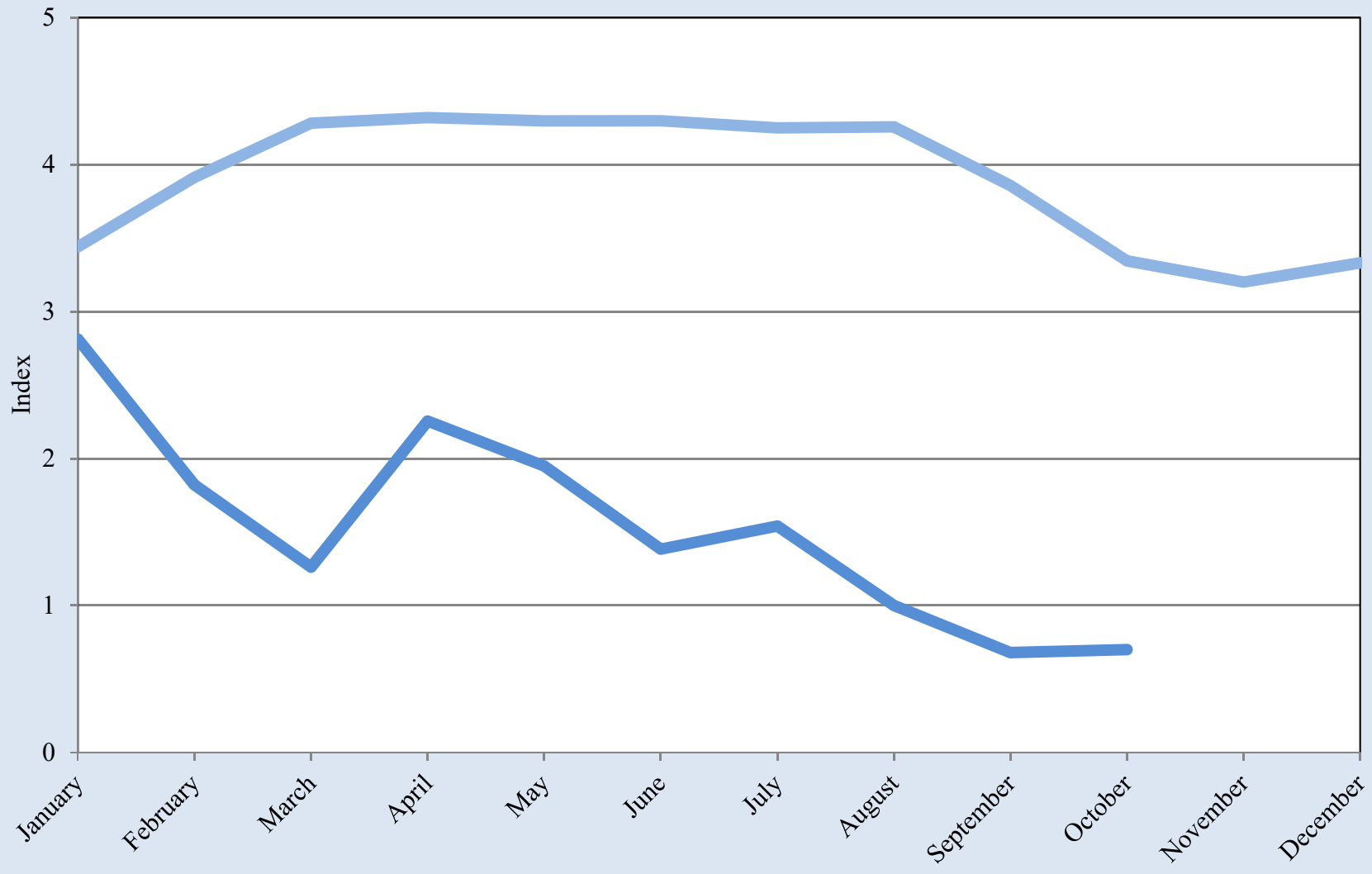


Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations

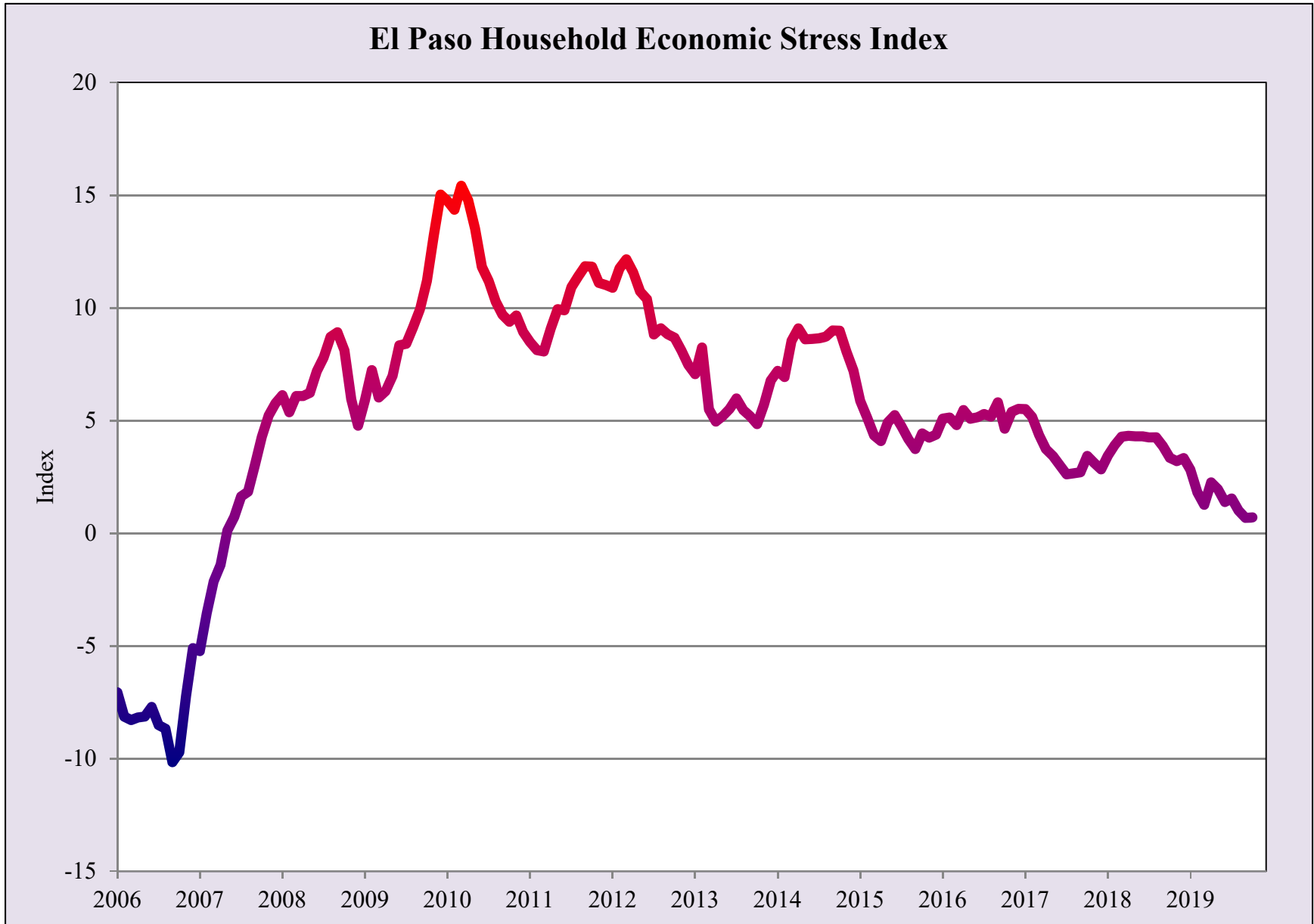


El Paso Household Economic Stress Index

— 2018 — 2019



Source: UTEP Border Region Modeling Project

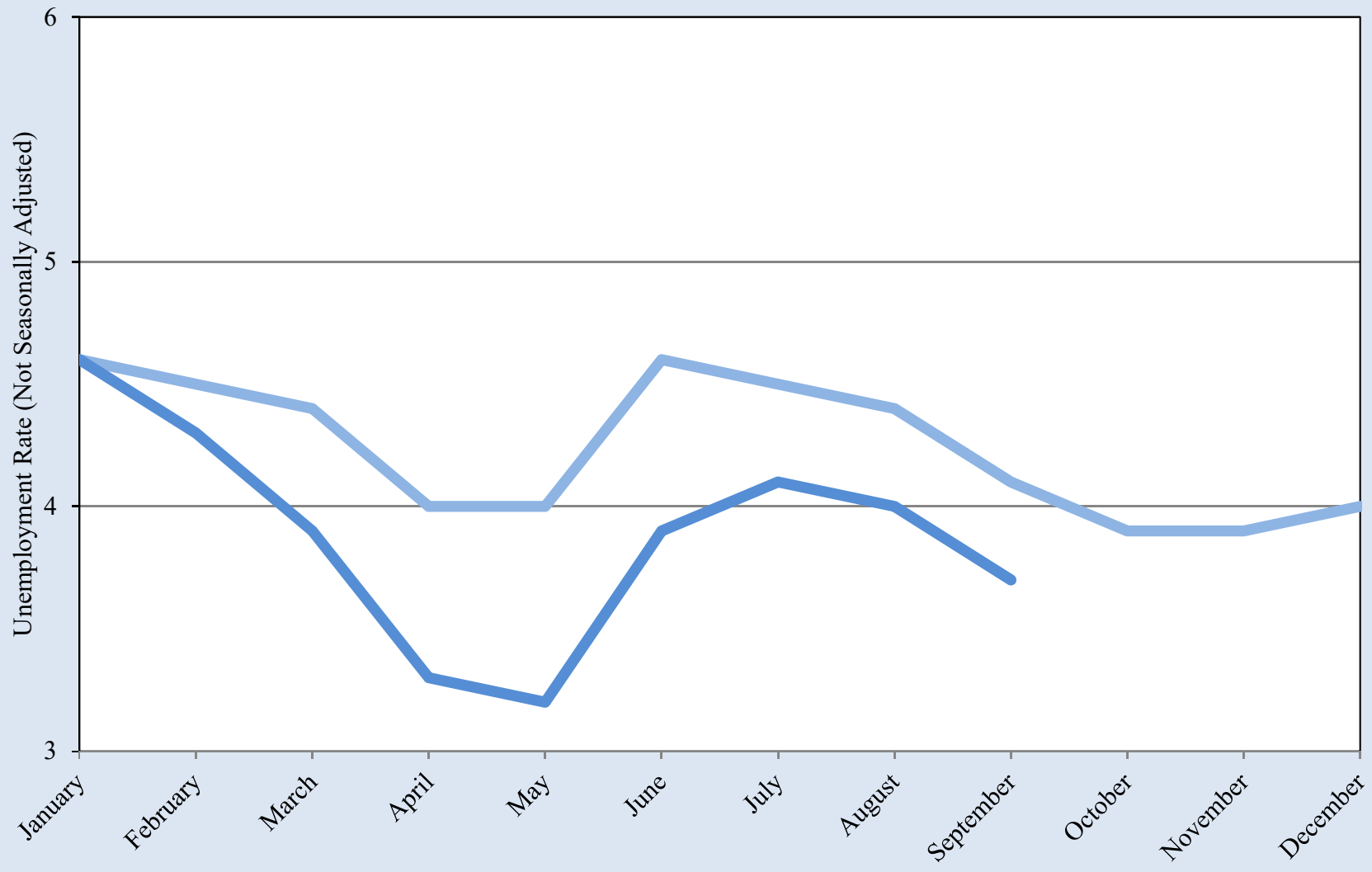


Source: UTEP Border Region Modeling Project

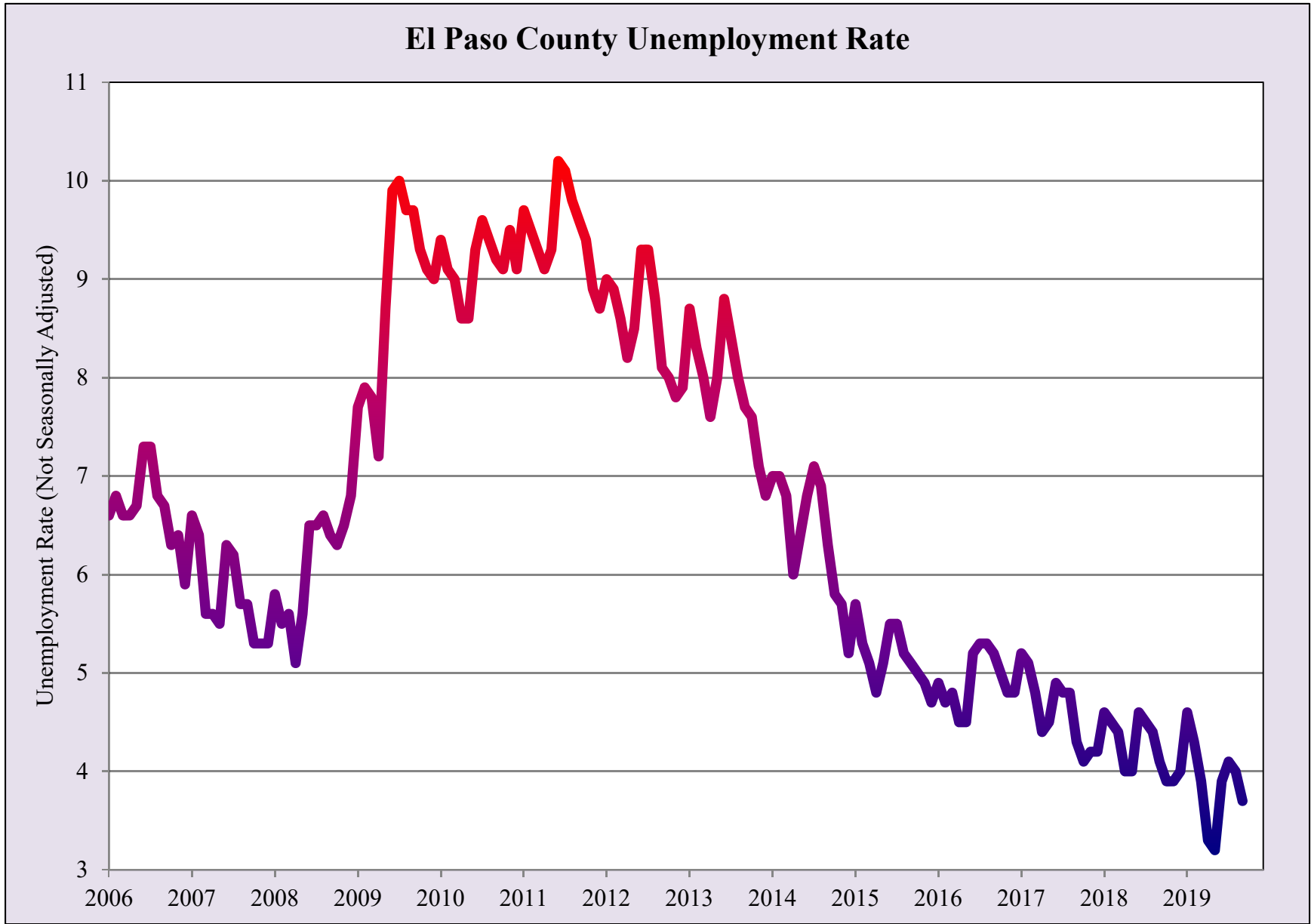


El Paso County Unemployment Rate

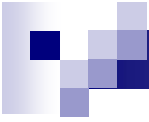
— 2018 — 2019



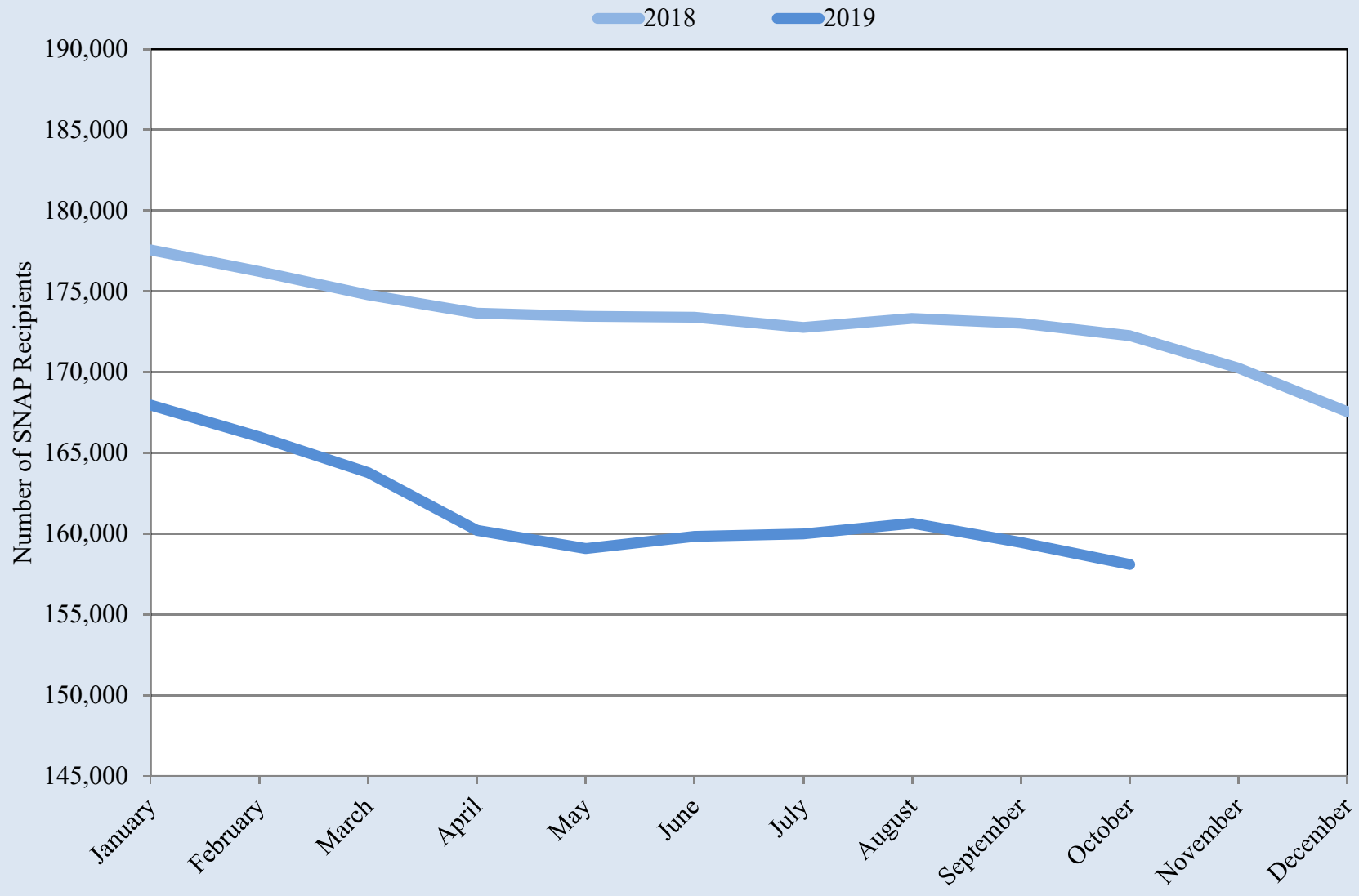
Source: Bureau of Labor Statistics



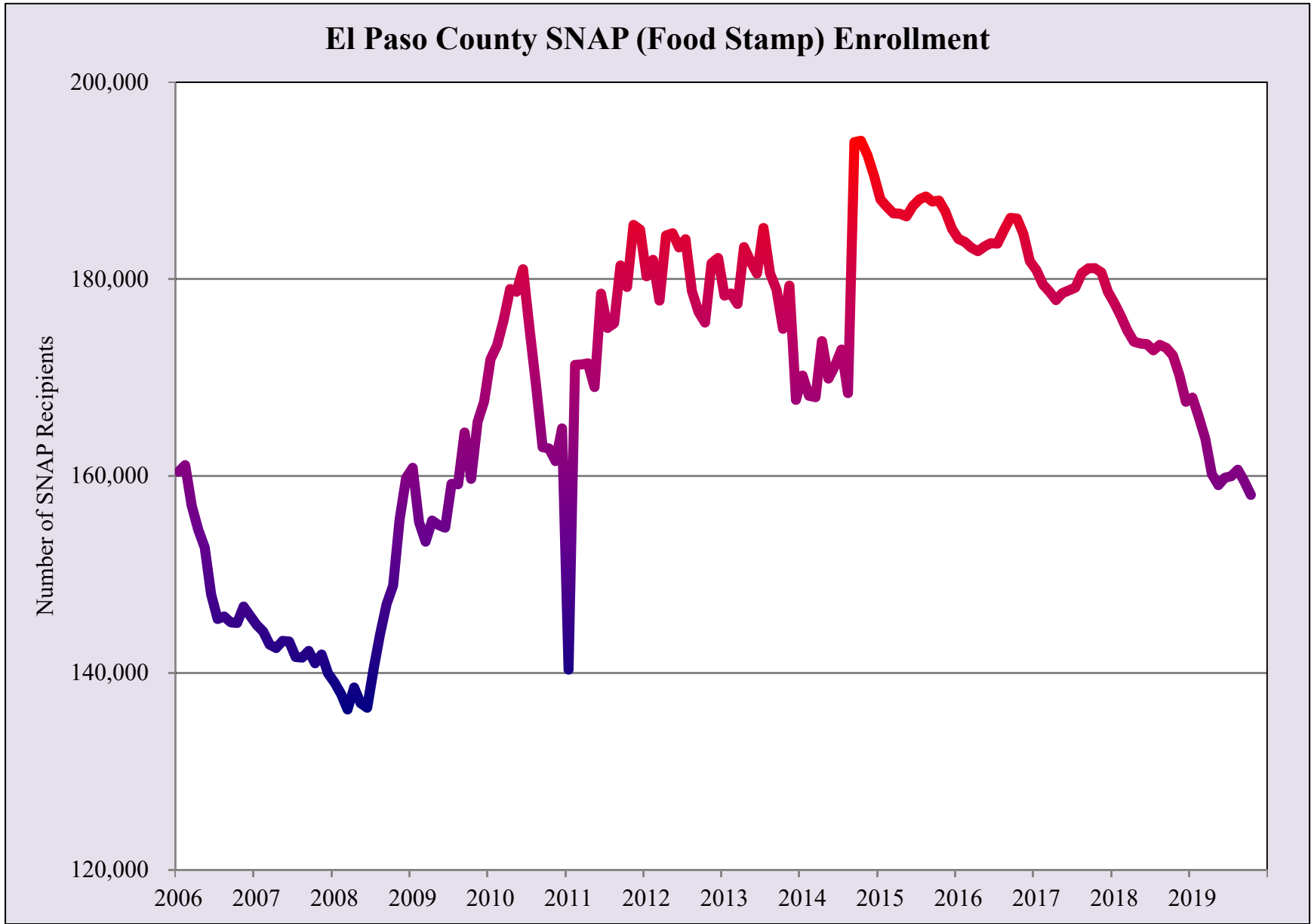
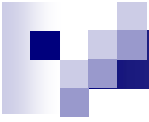
Source: Bureau of Labor Statistics



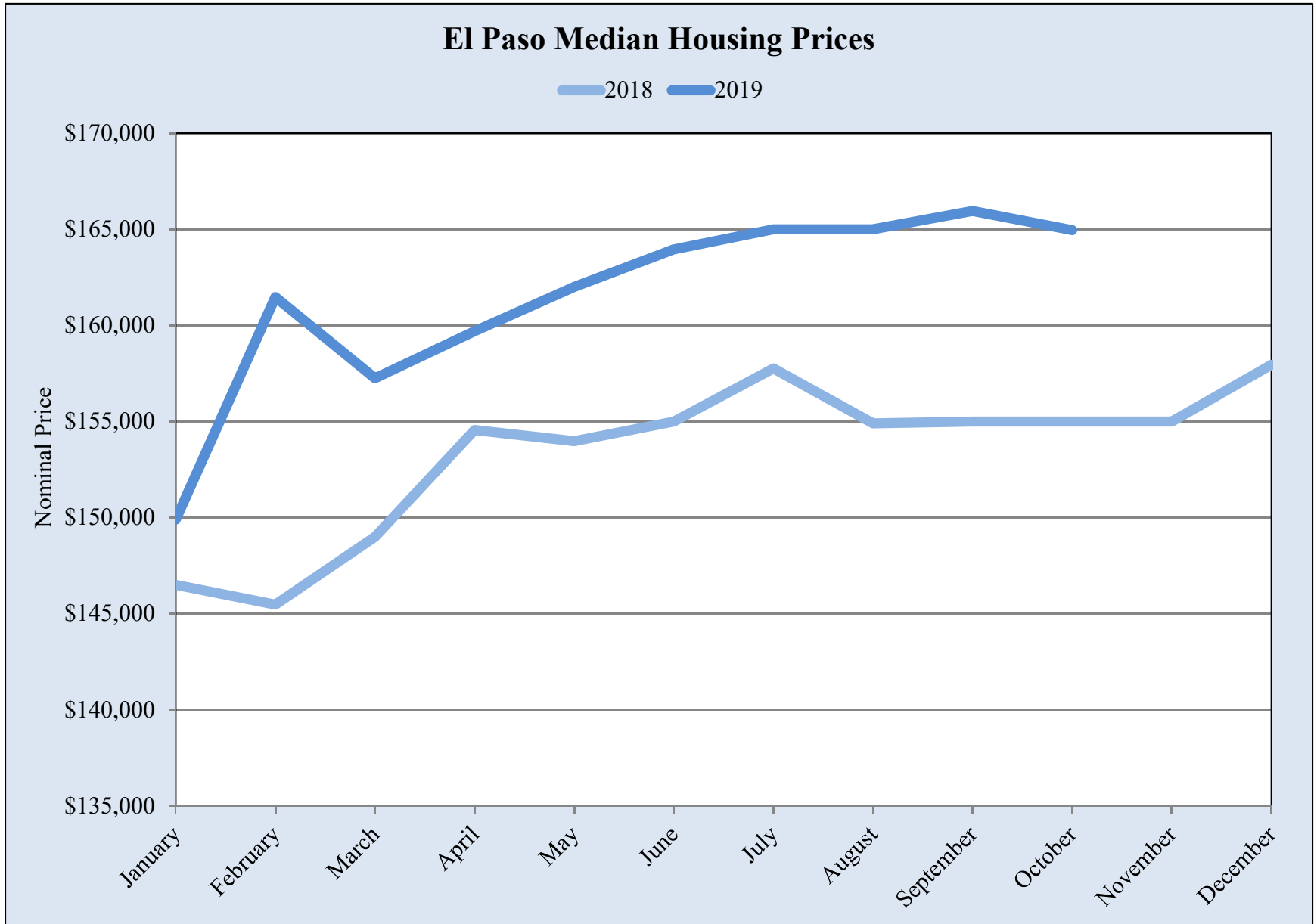
El Paso County SNAP (Food Stamp) Enrollment



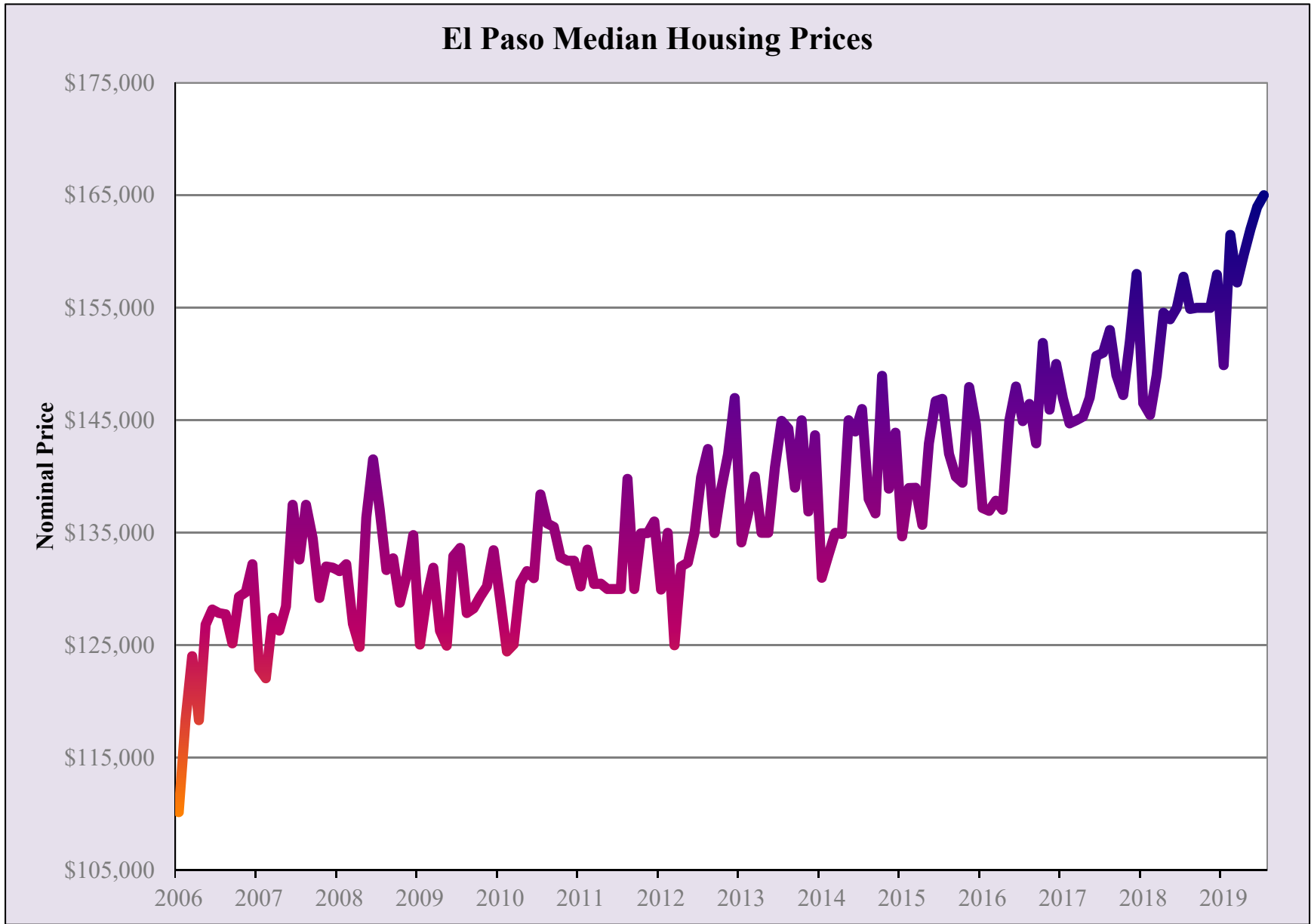
Source: Texas Health and Human Services Commission



Source: Texas Health and Human Services Commission



Source: Texas A&M Real Estate Center

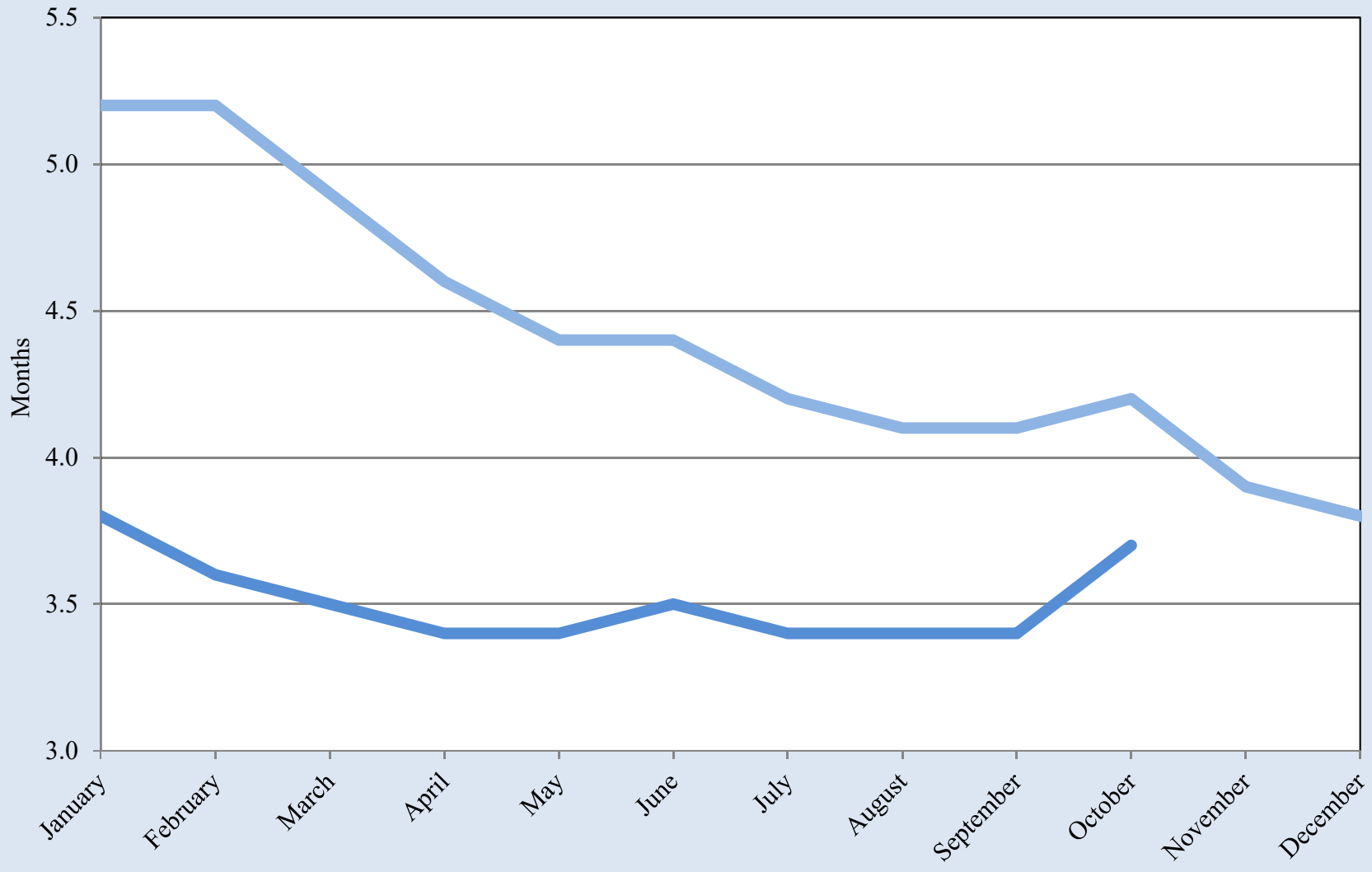


Source: Texas A&M Real Estate Center

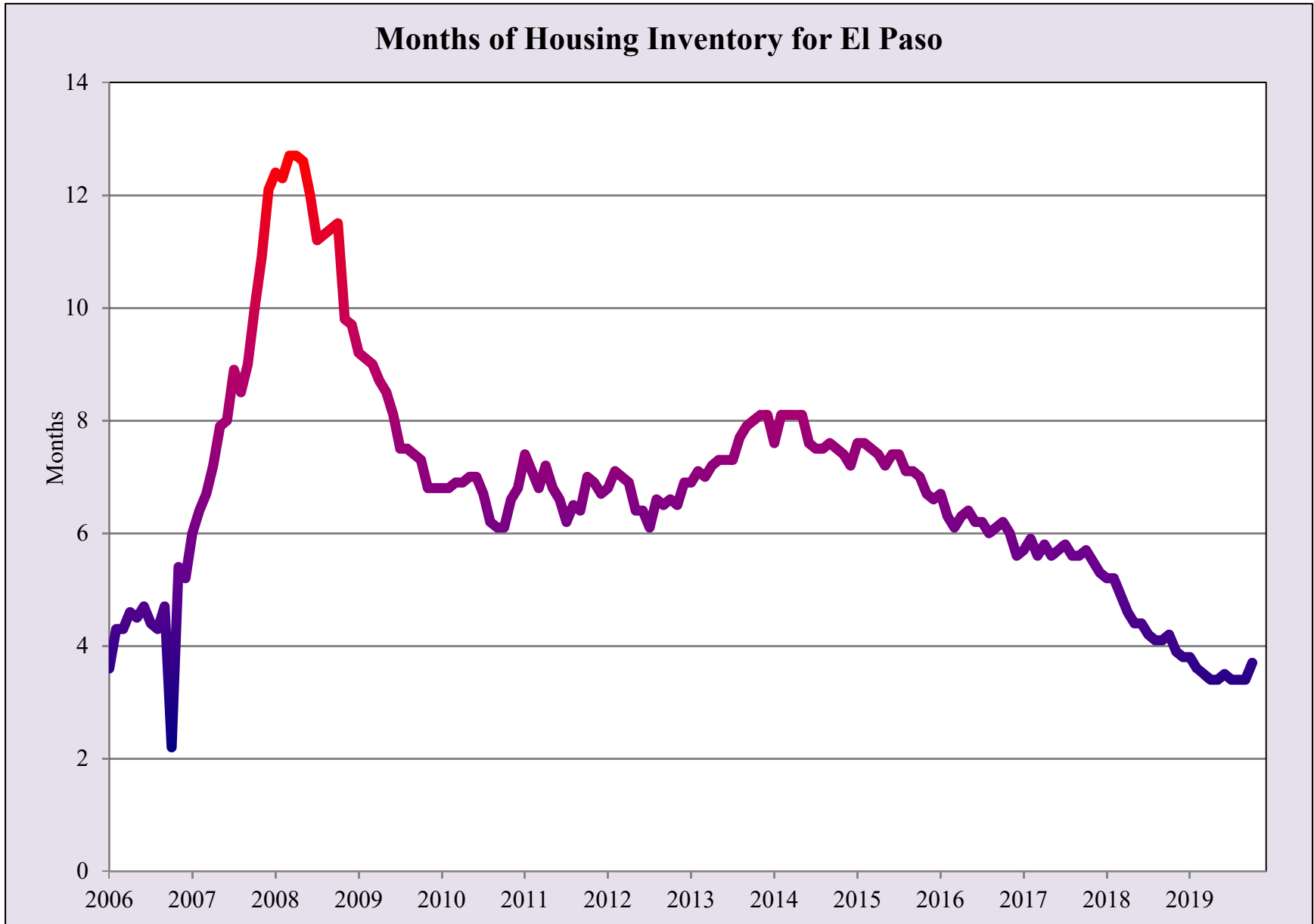


Months of Housing Inventory for El Paso

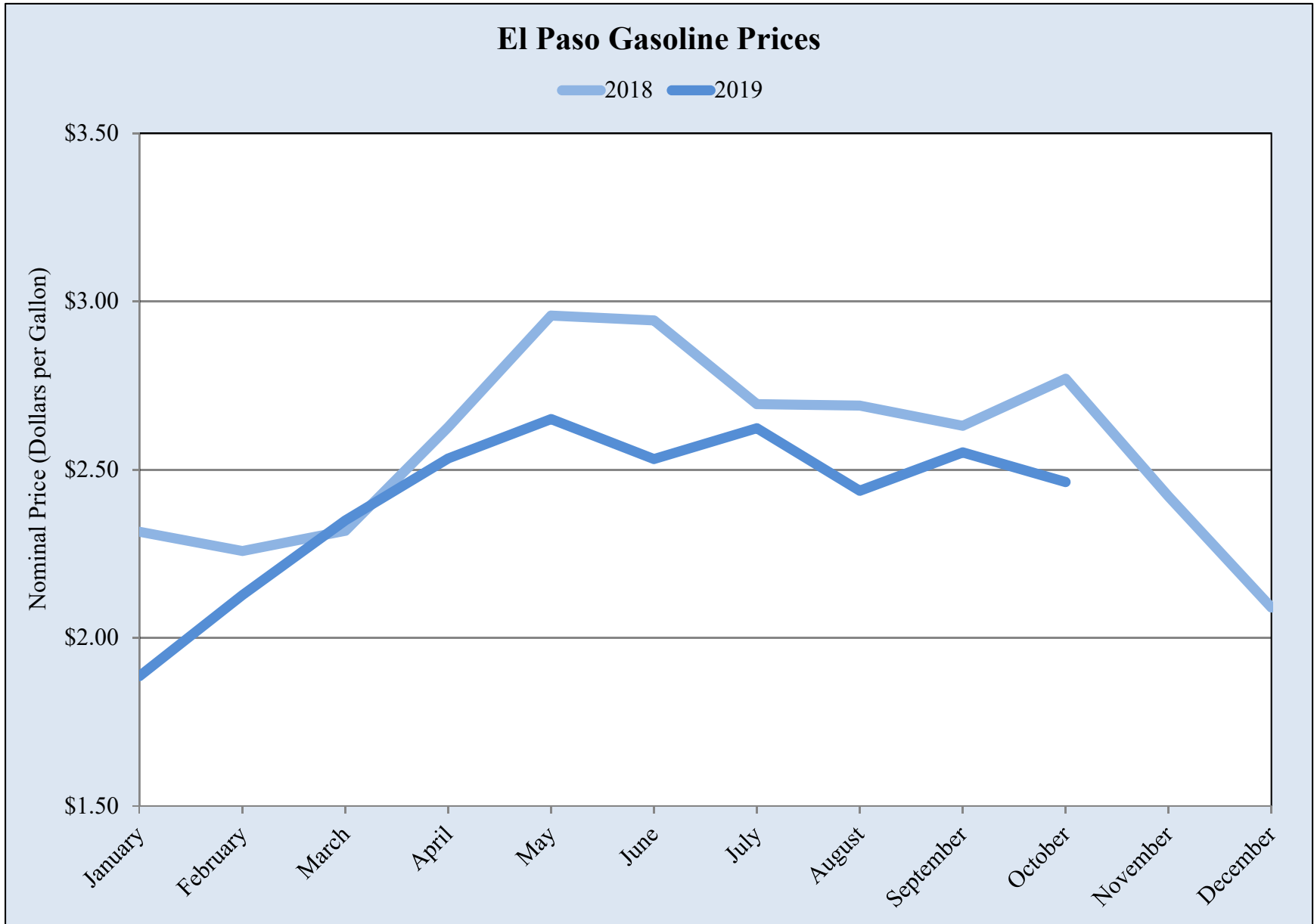
— 2018 — 2019



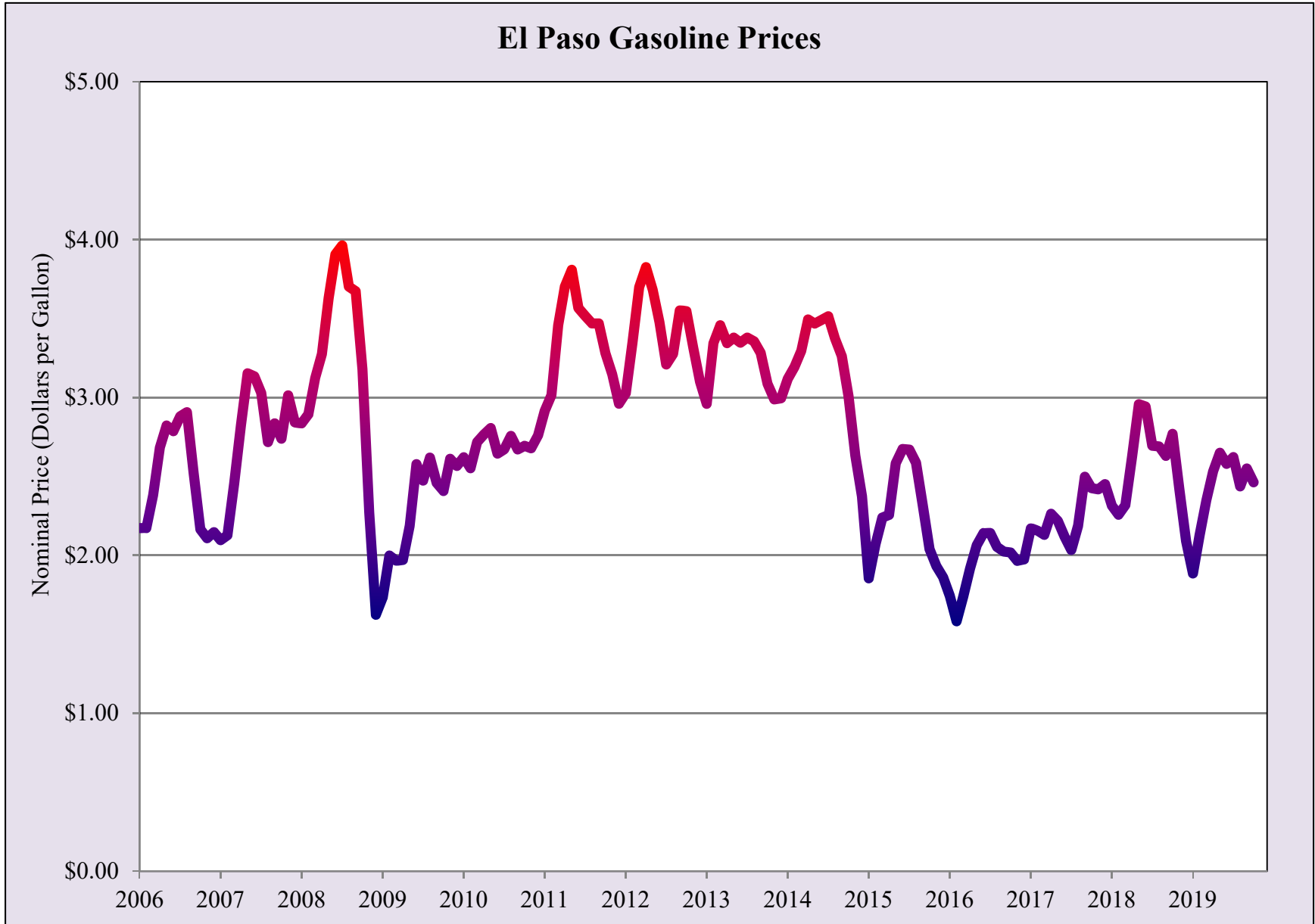
Source: Texas A&M Real Estate Center



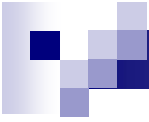
Source: Texas A&M Real Estate Center



Source: GasBuddy.com

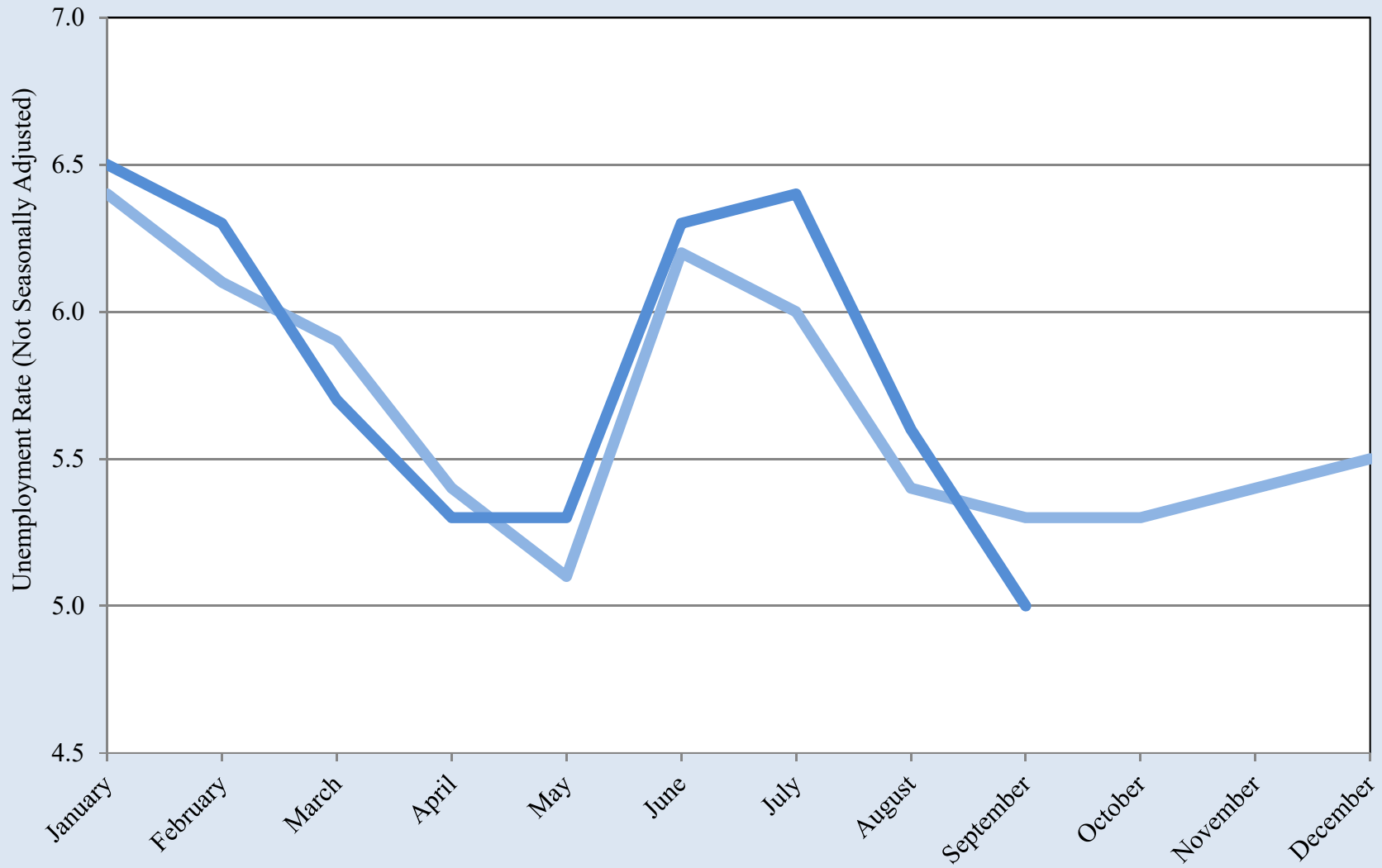


Source: GasBuddy.com

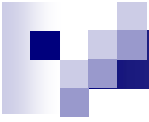


Doña Ana County Unemployment Rate

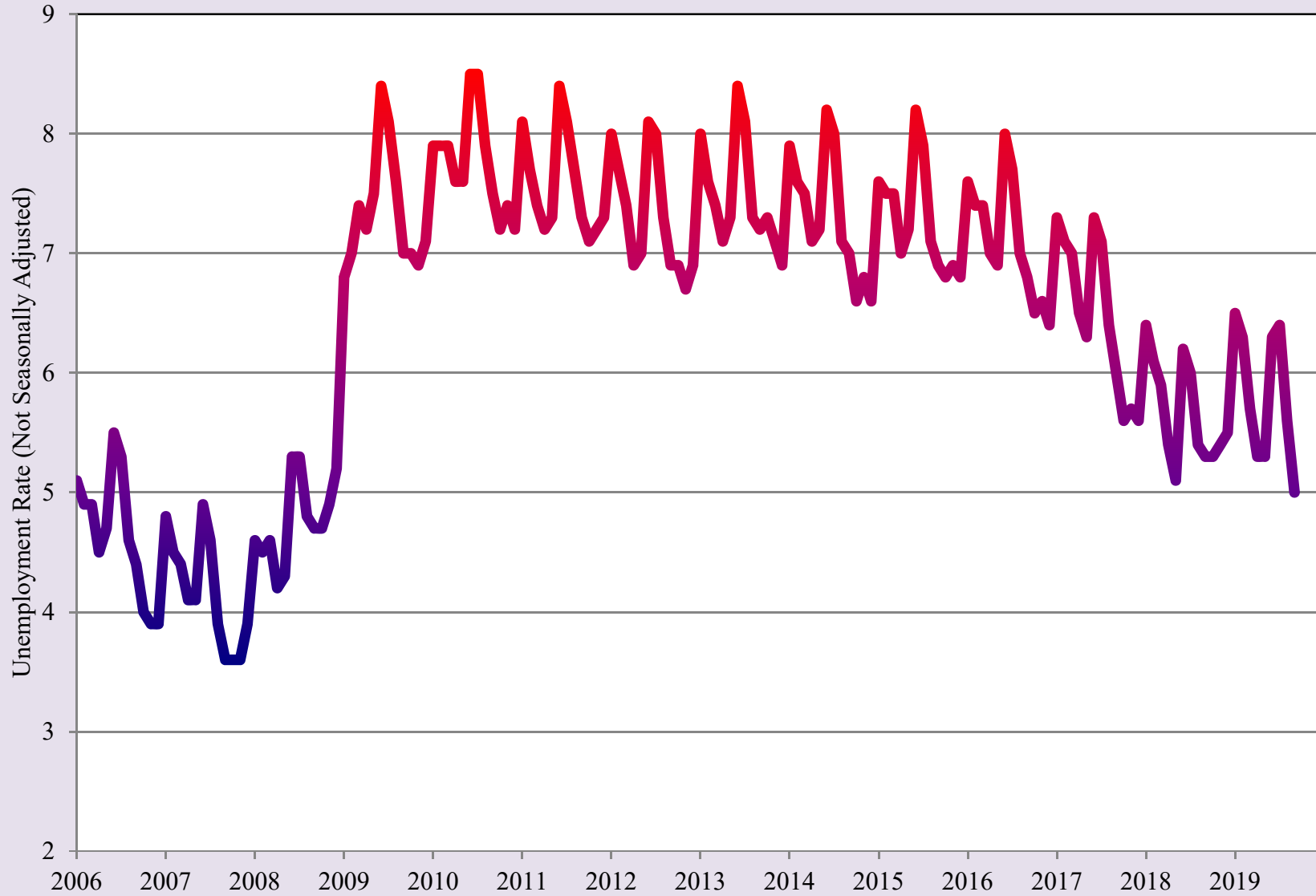
— 2018 — 2019



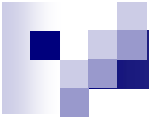
Source: Bureau of Labor Statistics



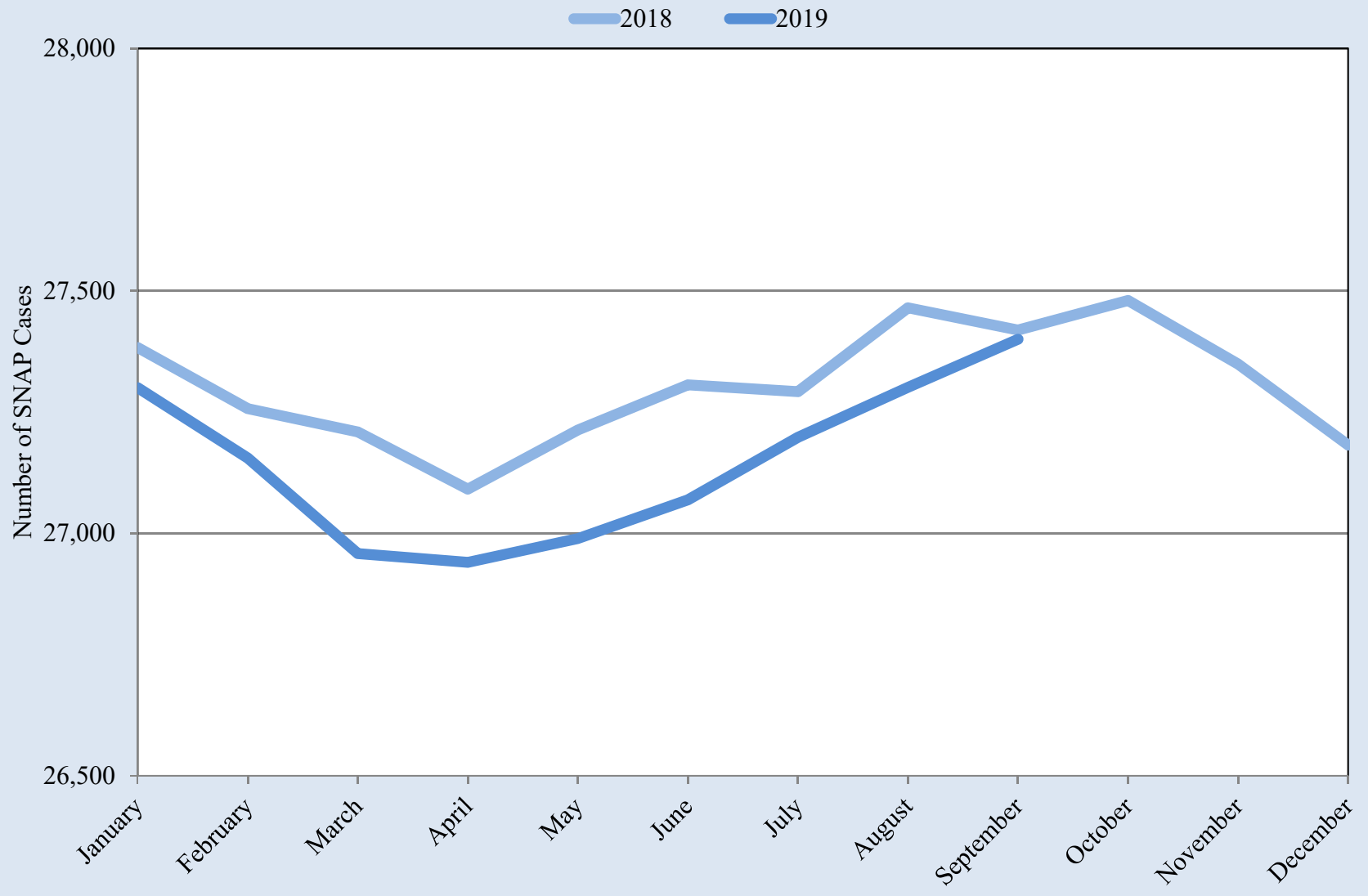
Doña Ana County Unemployment Rate



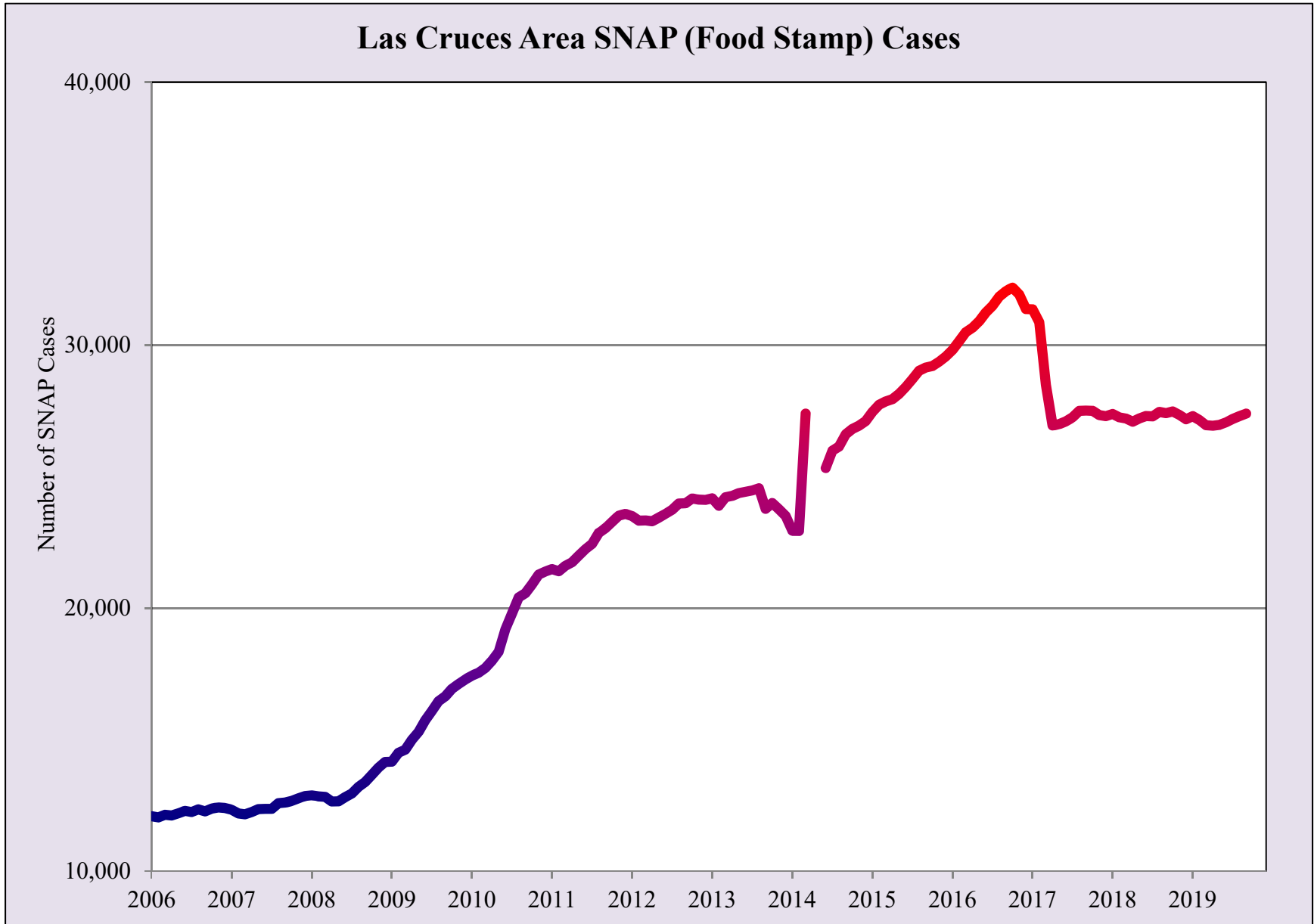
Source: Bureau of Labor Statistics



Las Cruces Area SNAP (Food Stamp) Cases



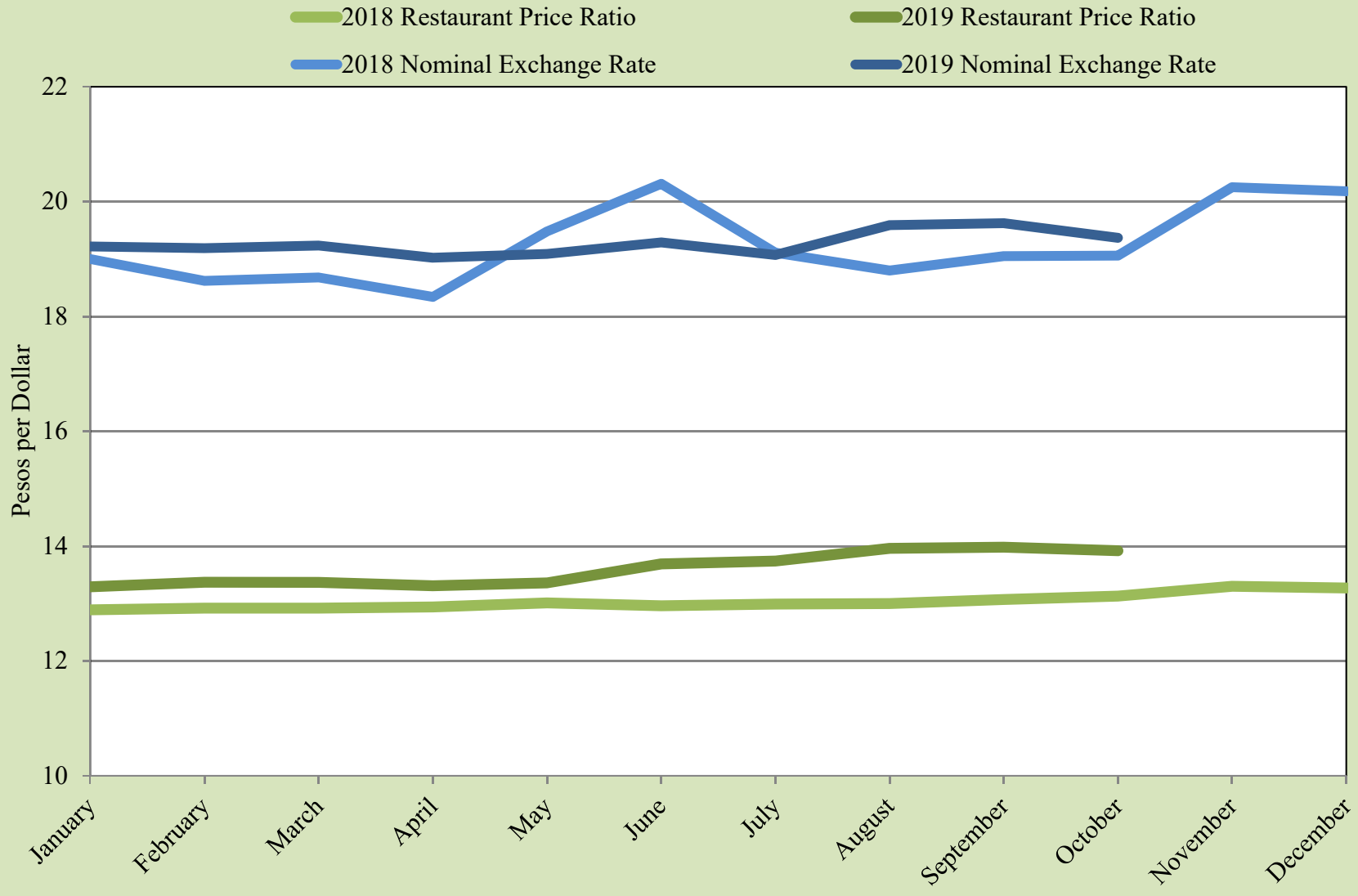
Source: New Mexico Human Services Department



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Restaurant Price Ratio and Exchange Rate

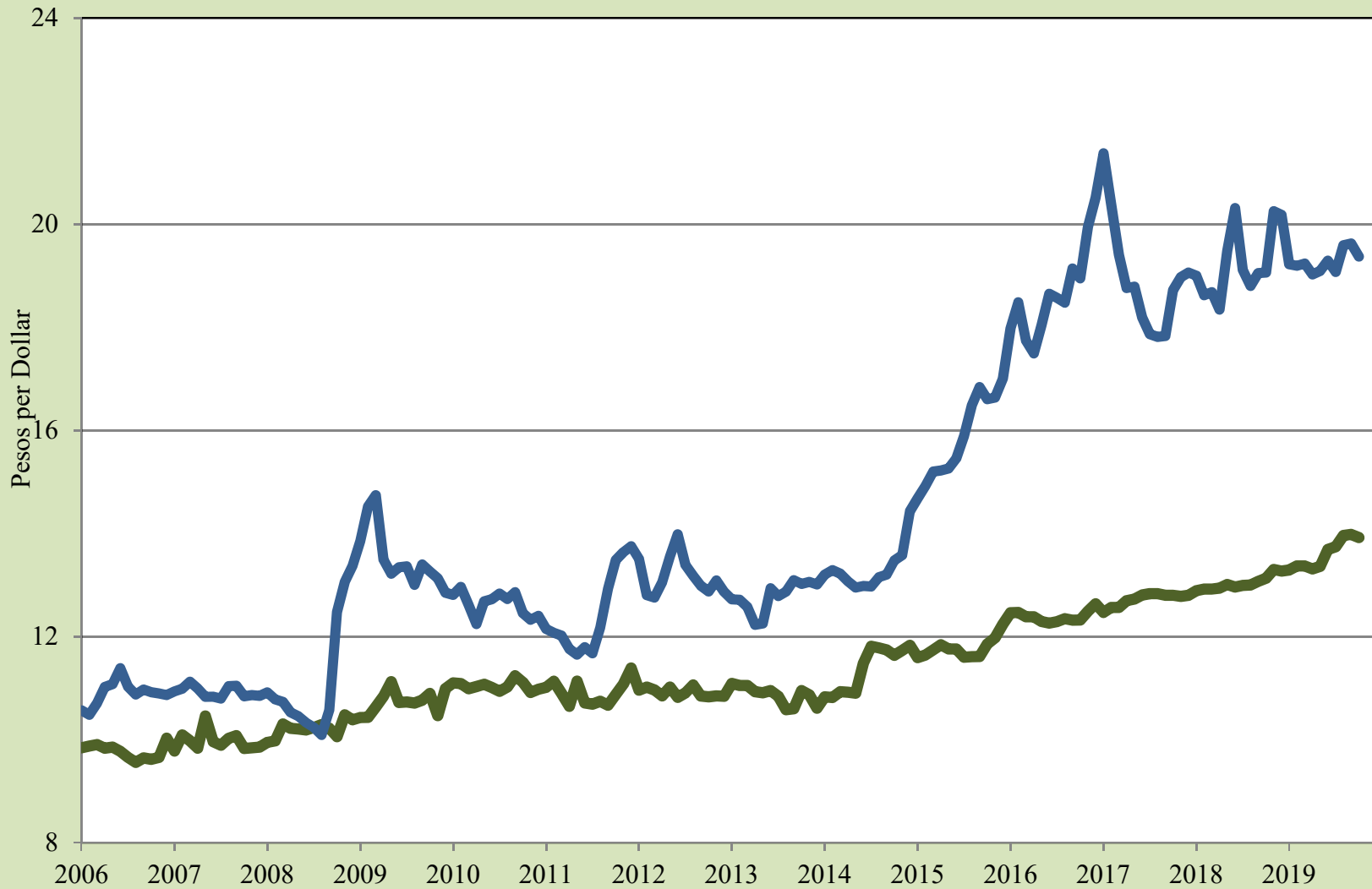


Source: UTEP Border Region Modeling Project and Banco de Mexico



Restaurant Price Ratio and Exchange Rate

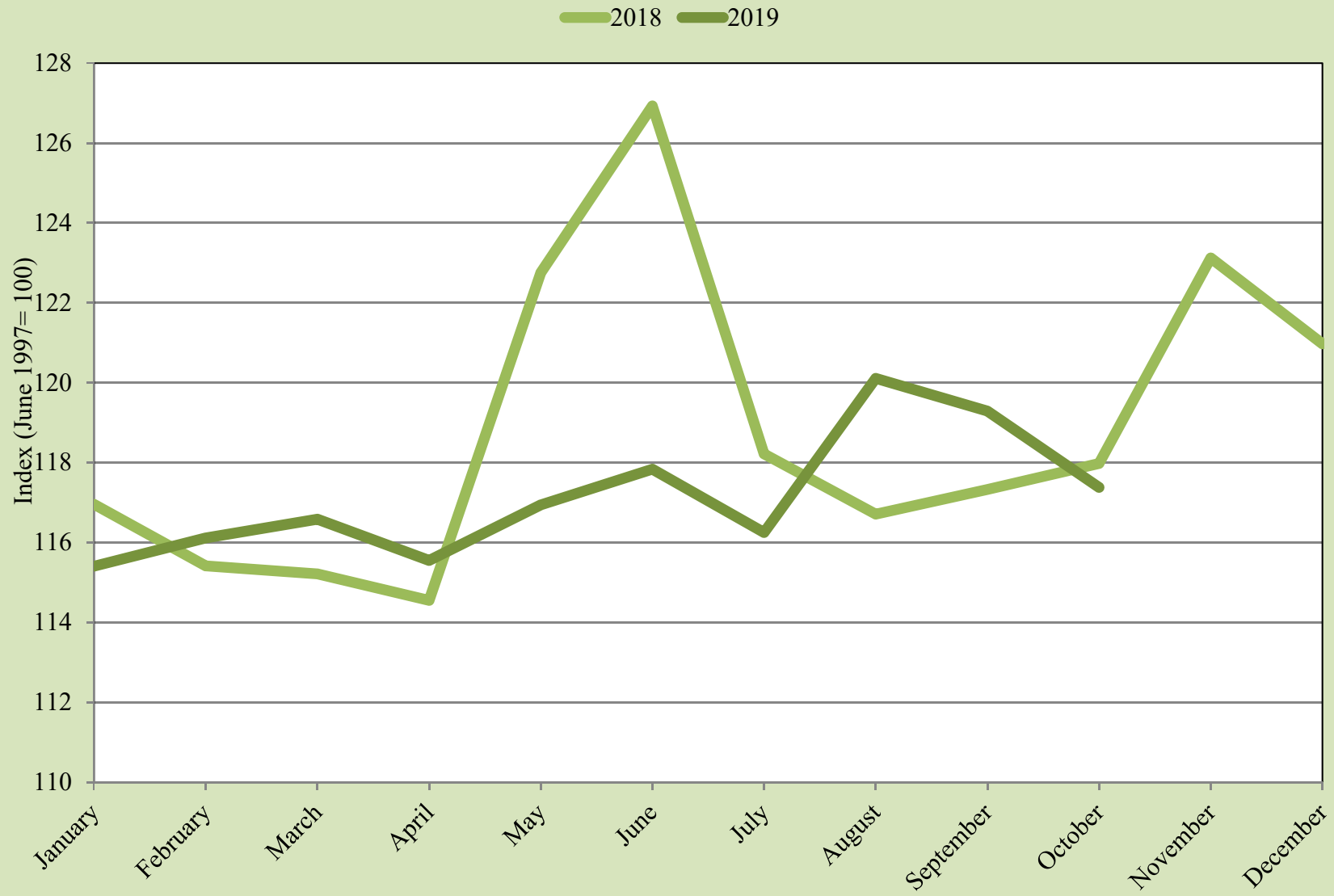
Price Ratio Exchange Rate



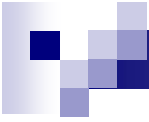
Source: UTEP Border Region Modeling Project and Banco de Mexico



Real Peso-per-Dollar Exchange Rate Index



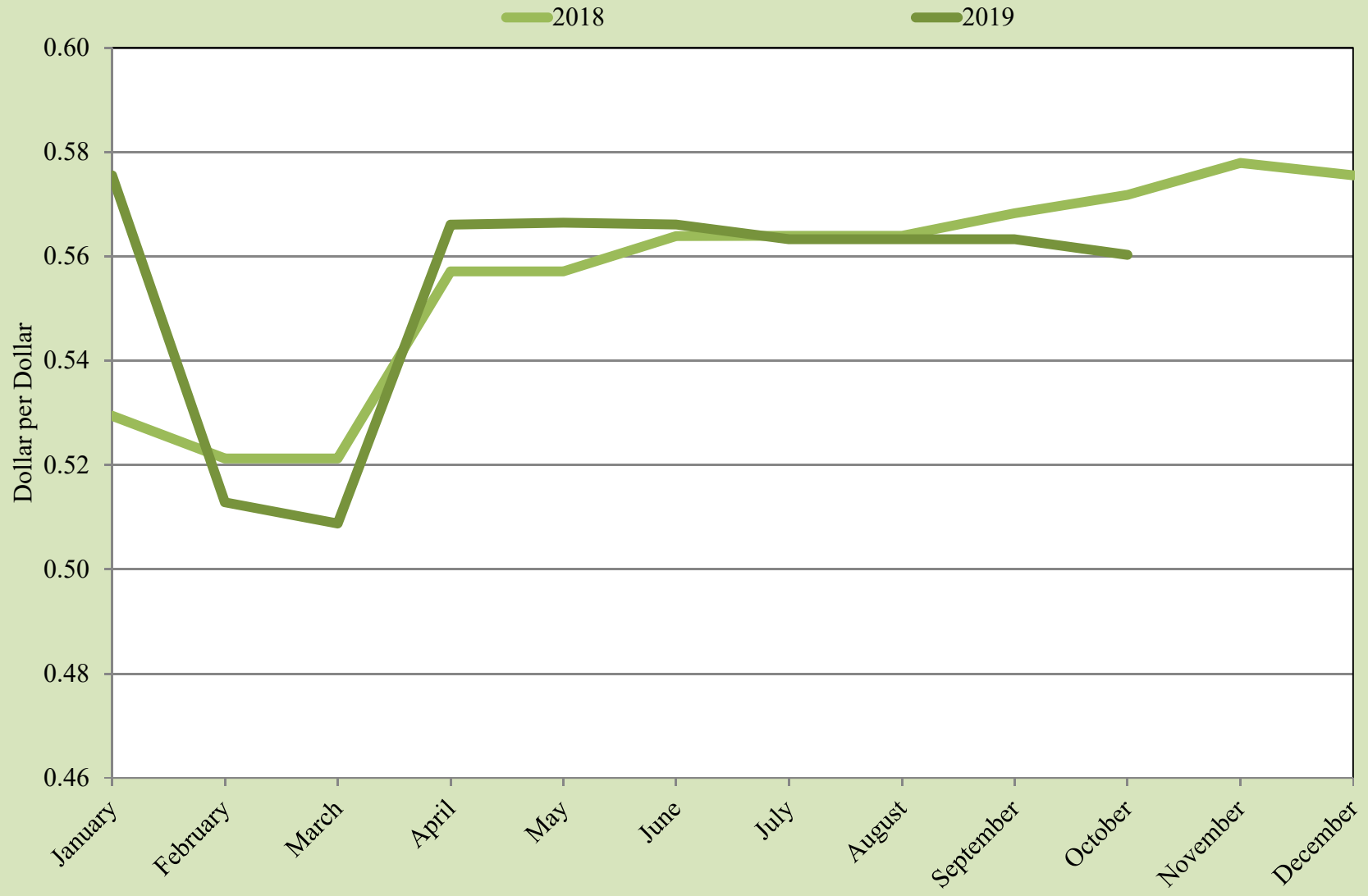
Source: UTEP Border Region Modeling Project



Source: UTEP Border Region Modeling Project



Pharmaceutical Nominal Price Ratio in the USA and Mexico



Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com



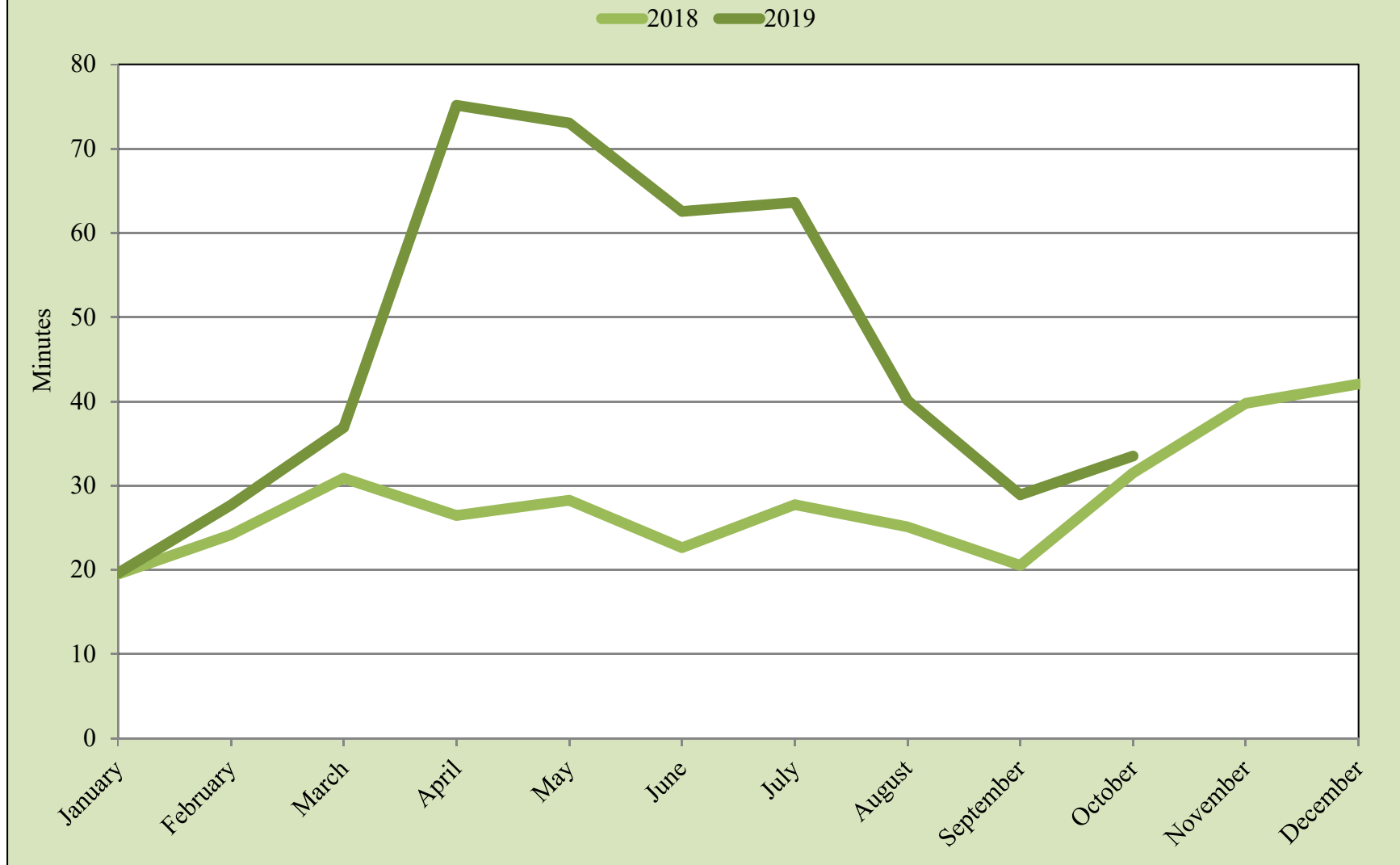
Pharmaceutical Nominal Price Ratio in the USA and Mexico



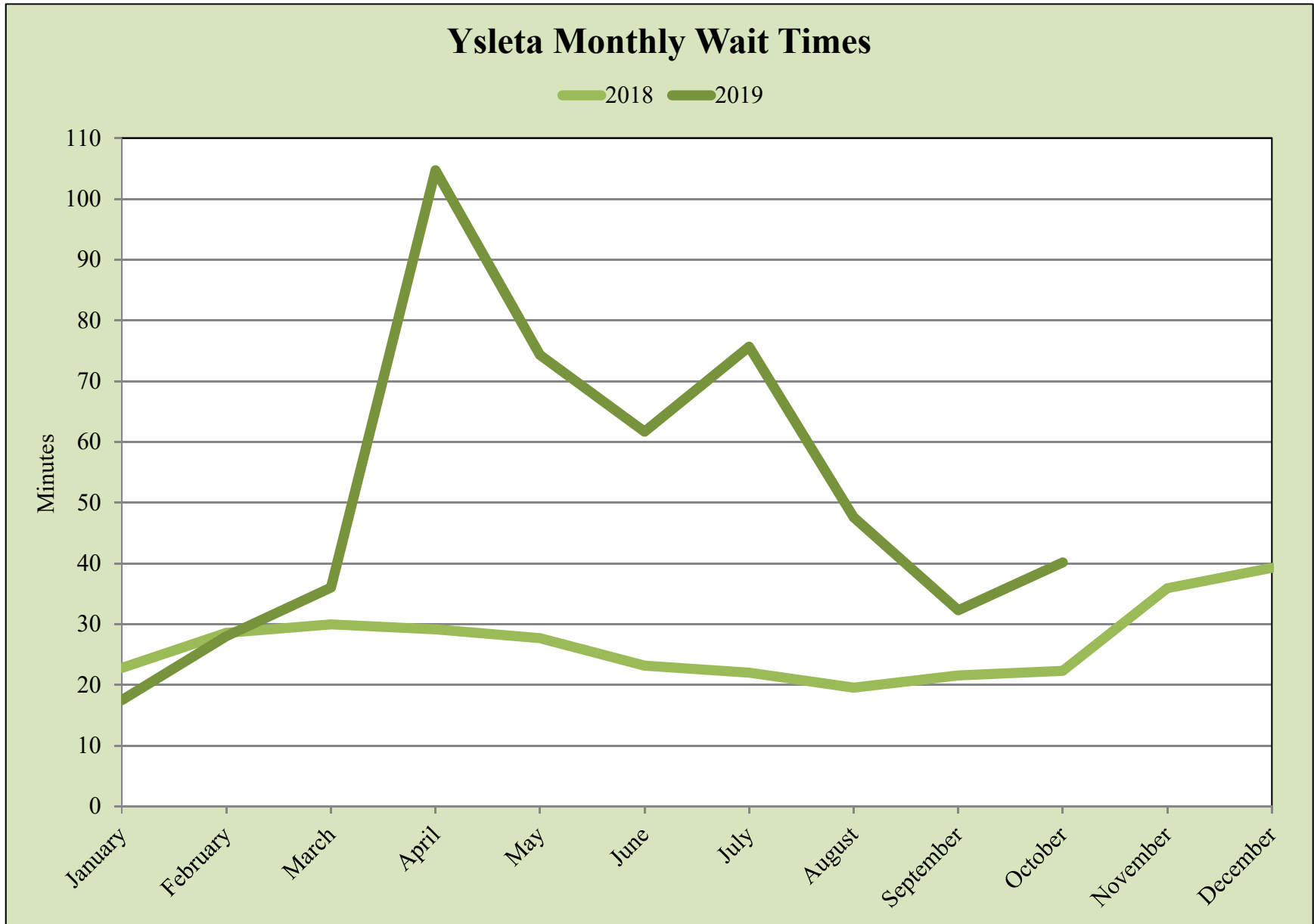
Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com



Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

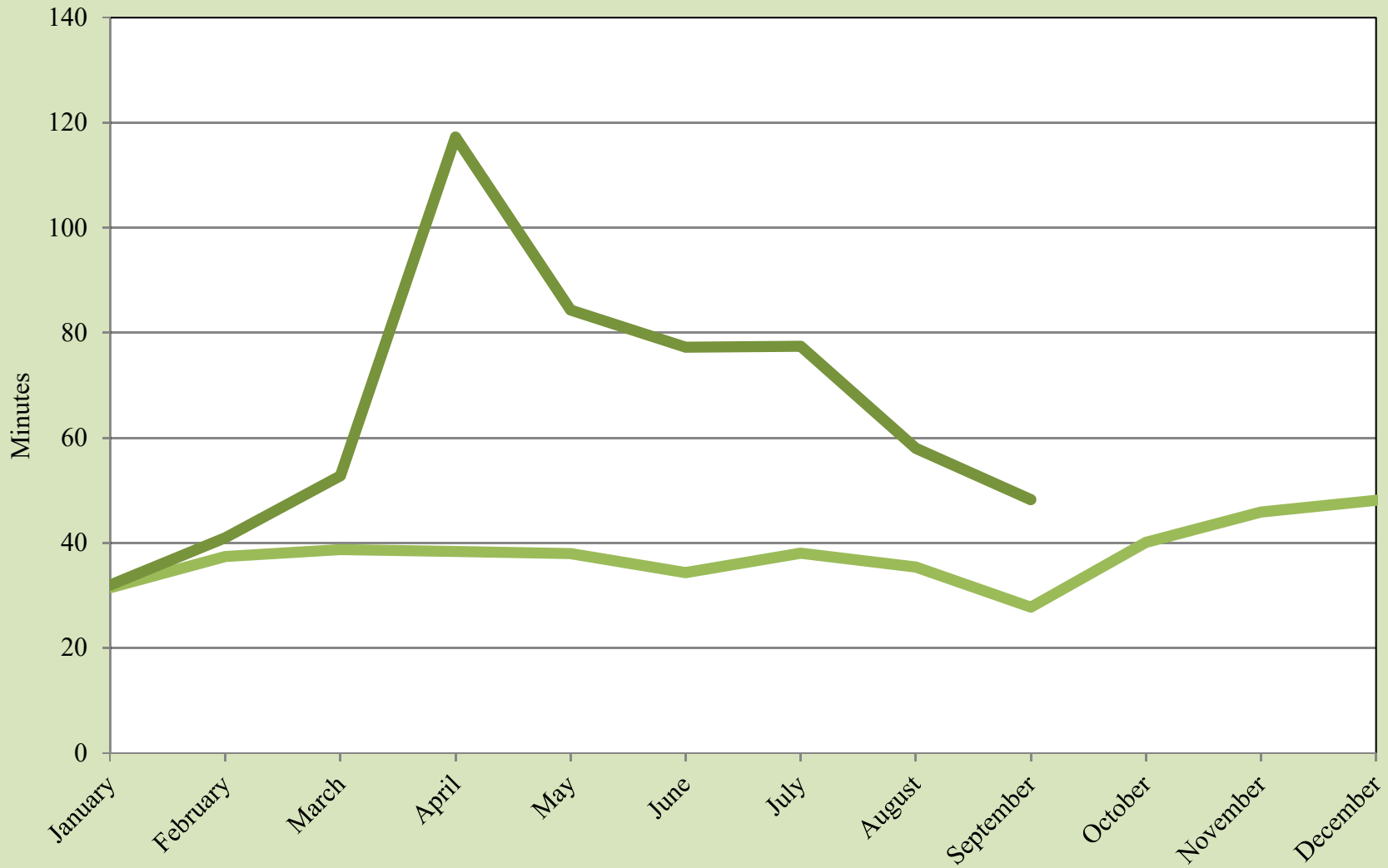


Source: UTEP Border Region Modeling Project

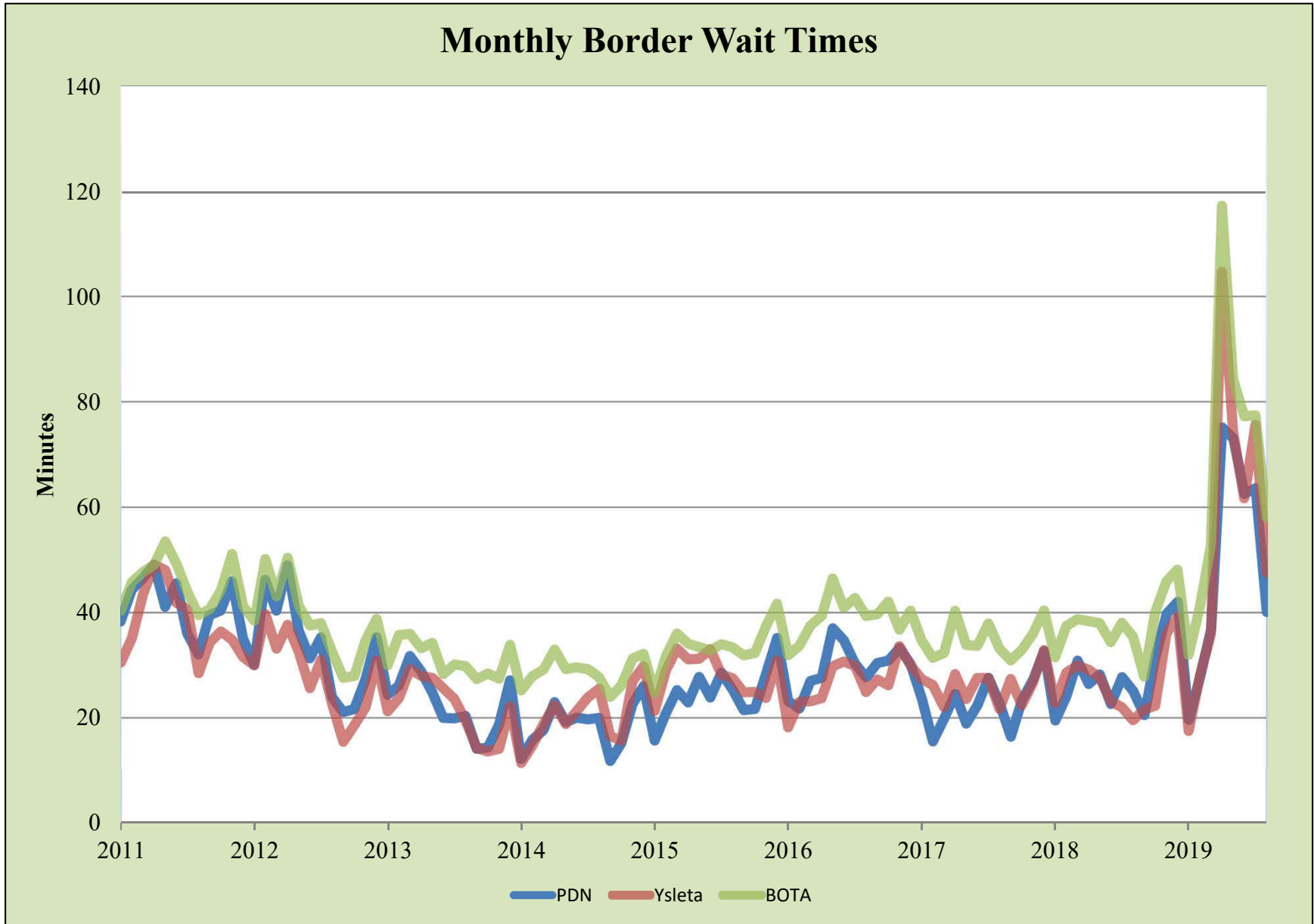


Bridge of the Americas Monthly Wait Times

— 2018 — 2019



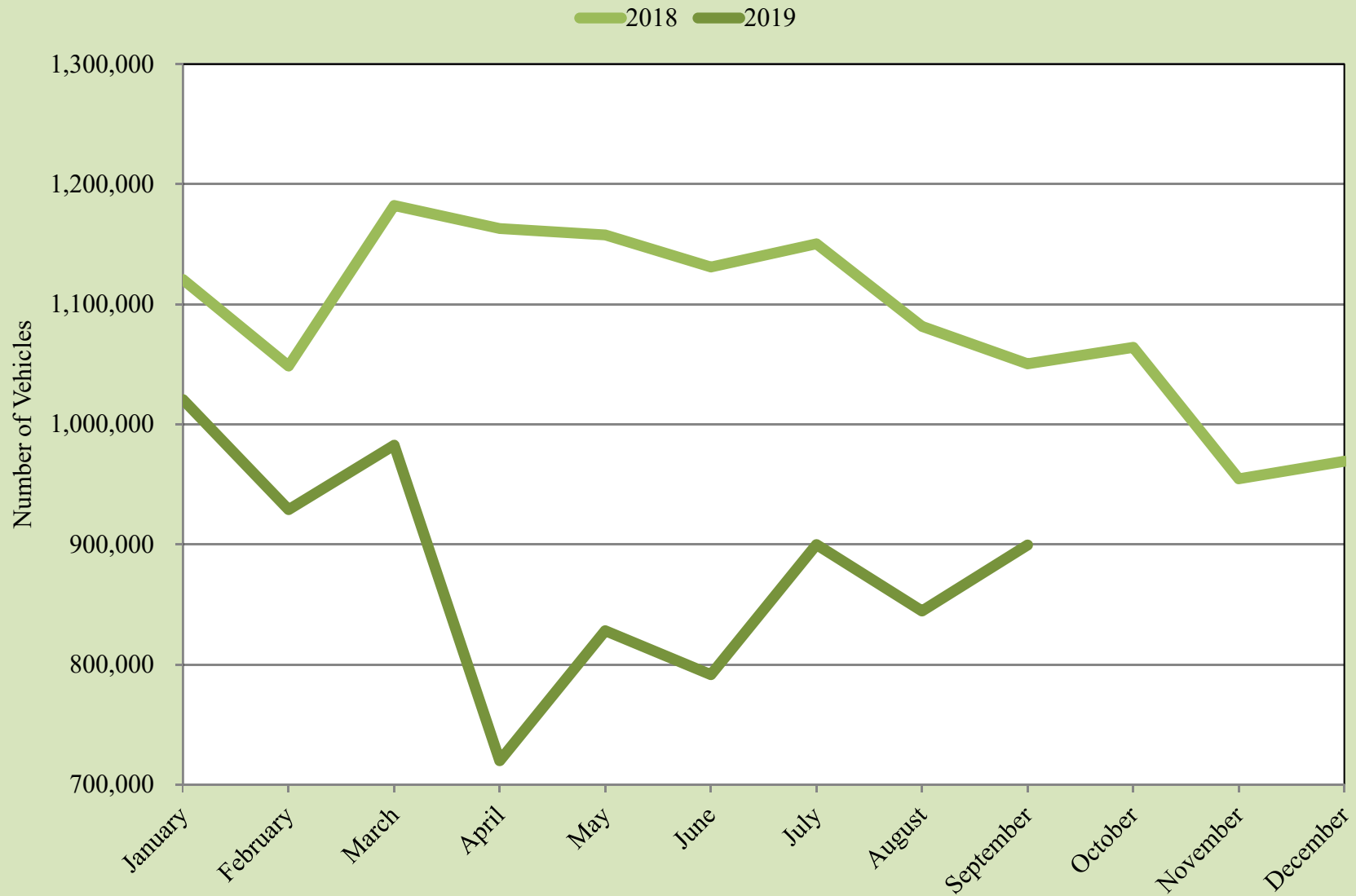
Source: UTEP Border Region Modeling Project



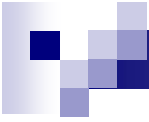
Source: UTEP Border Region Modeling Project



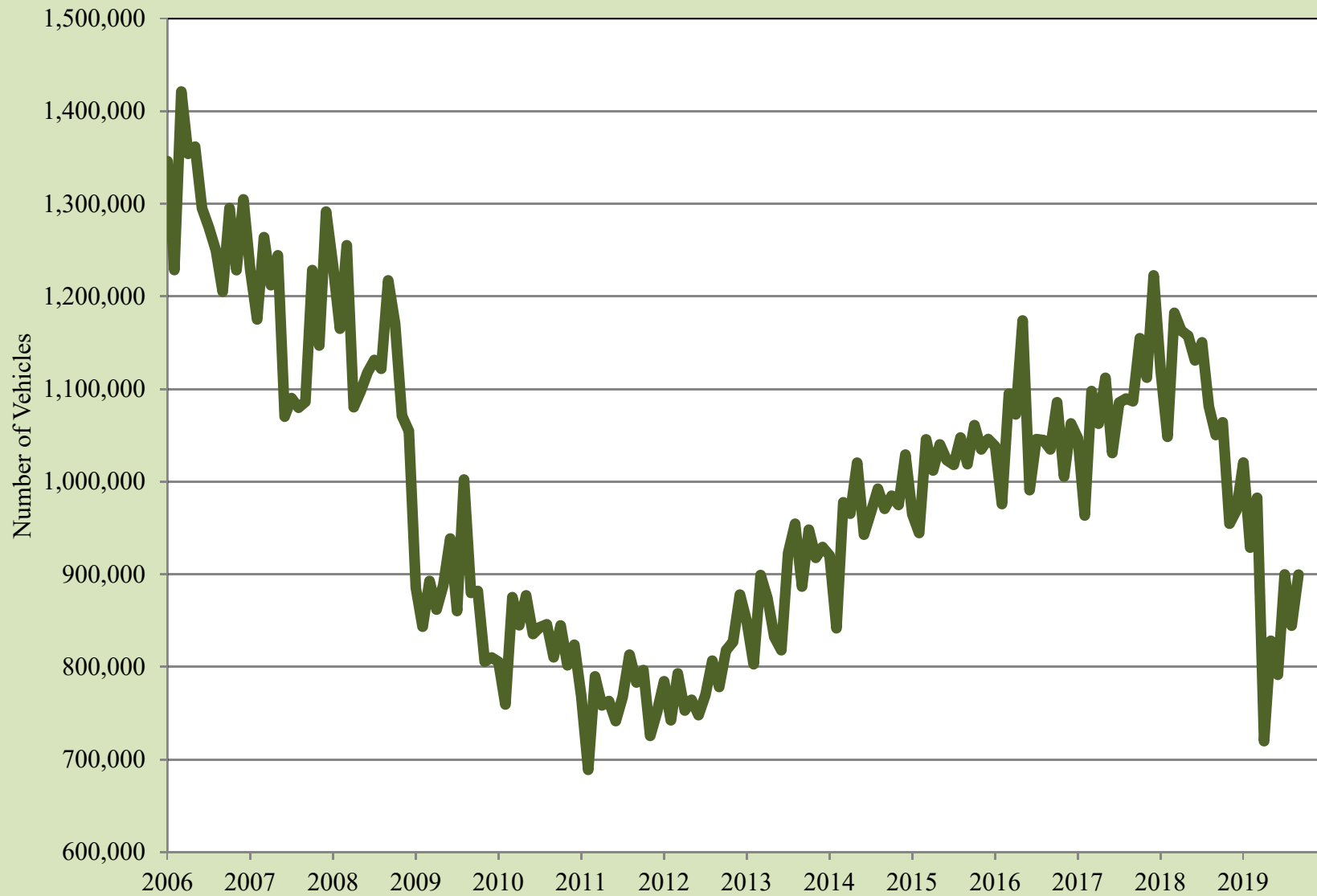
Personal Vehicle International Bridge Crossings to El Paso



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



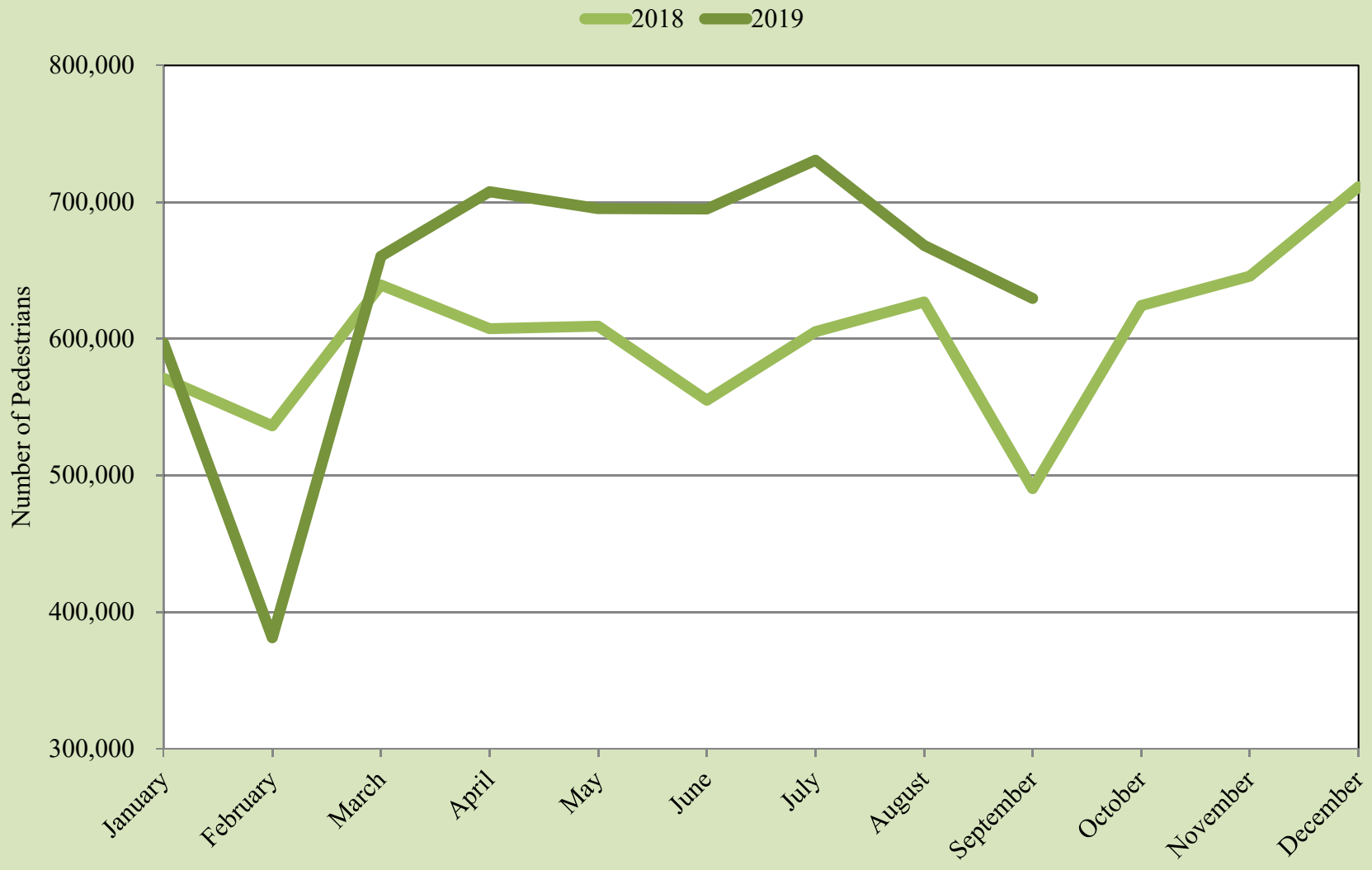
Personal Vehicle International Bridge Crossings to El Paso



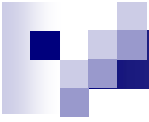
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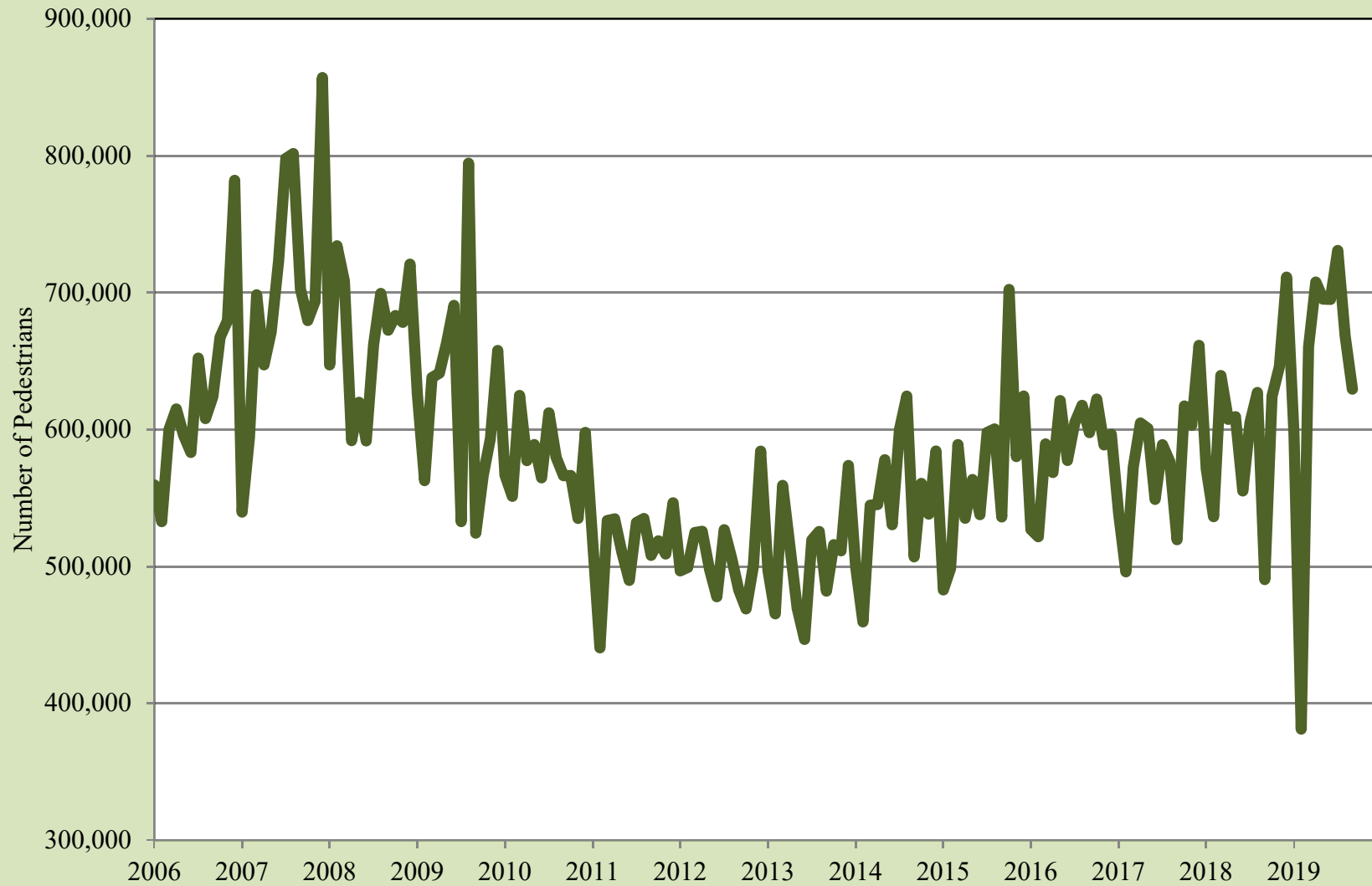
Pedestrian International Bridge Crossings to El Paso



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



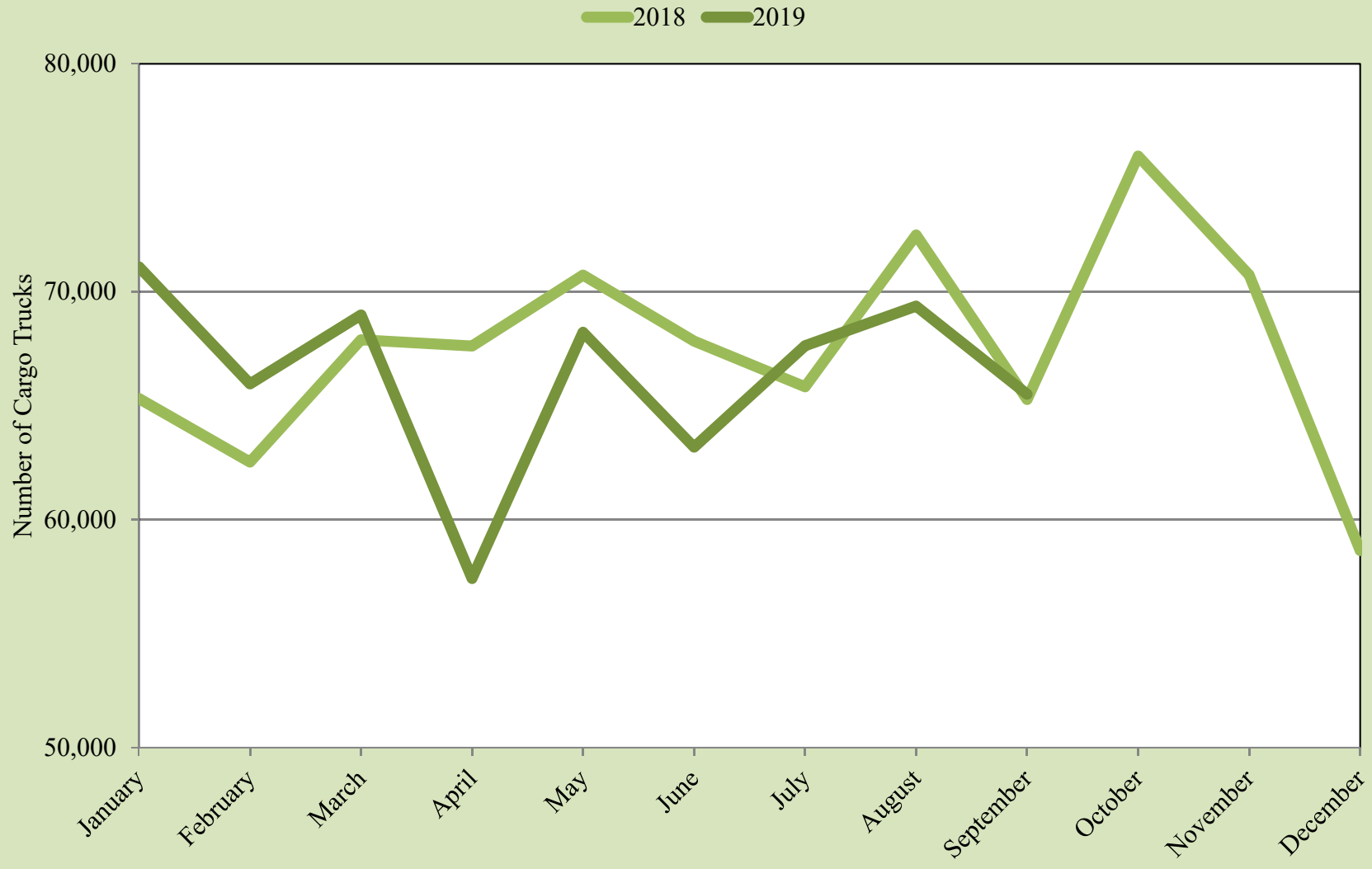
Pedestrian International Bridge Crossings to El Paso



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



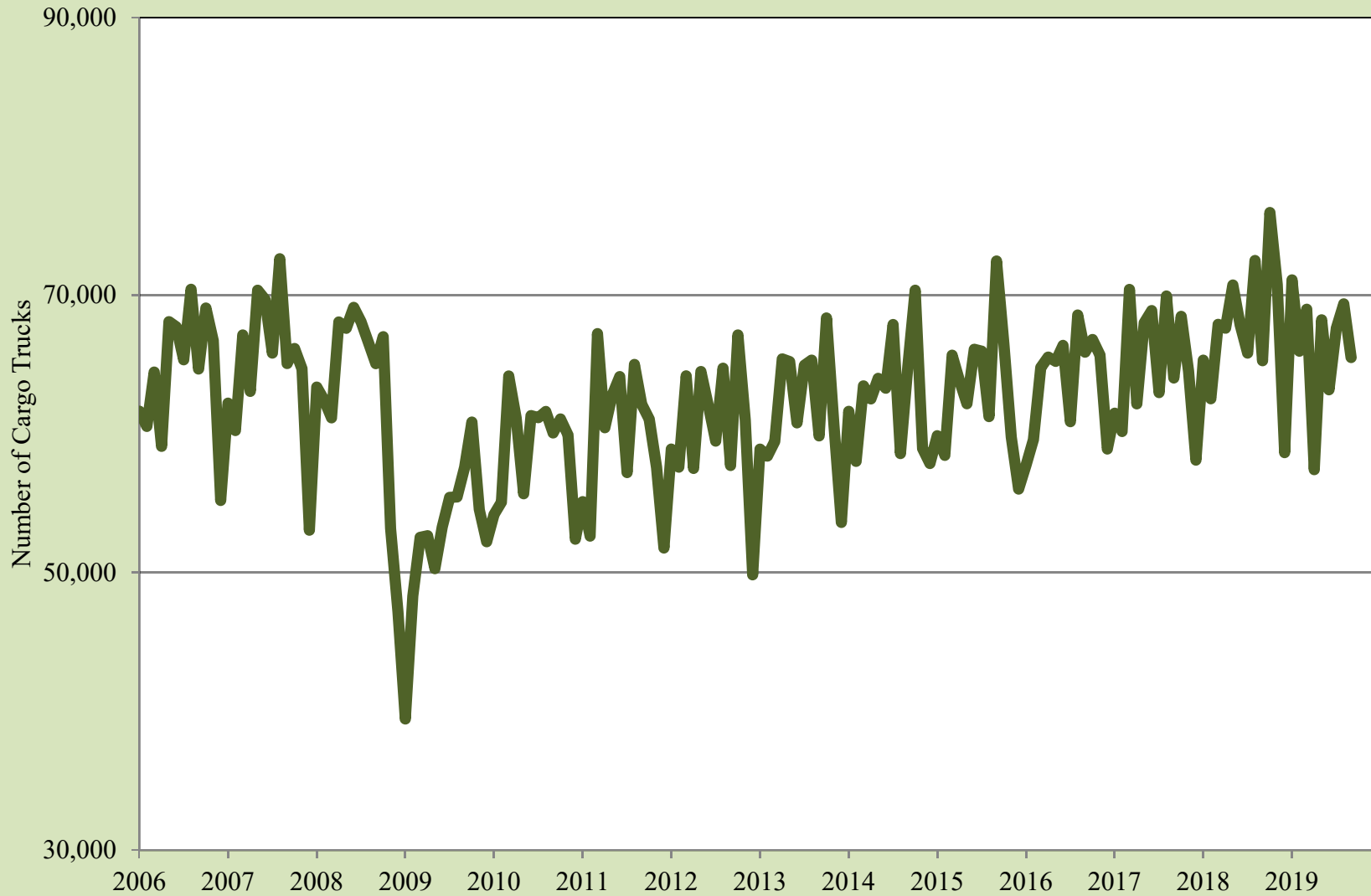
Cargo Truck International Bridge Crossings to El Paso



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



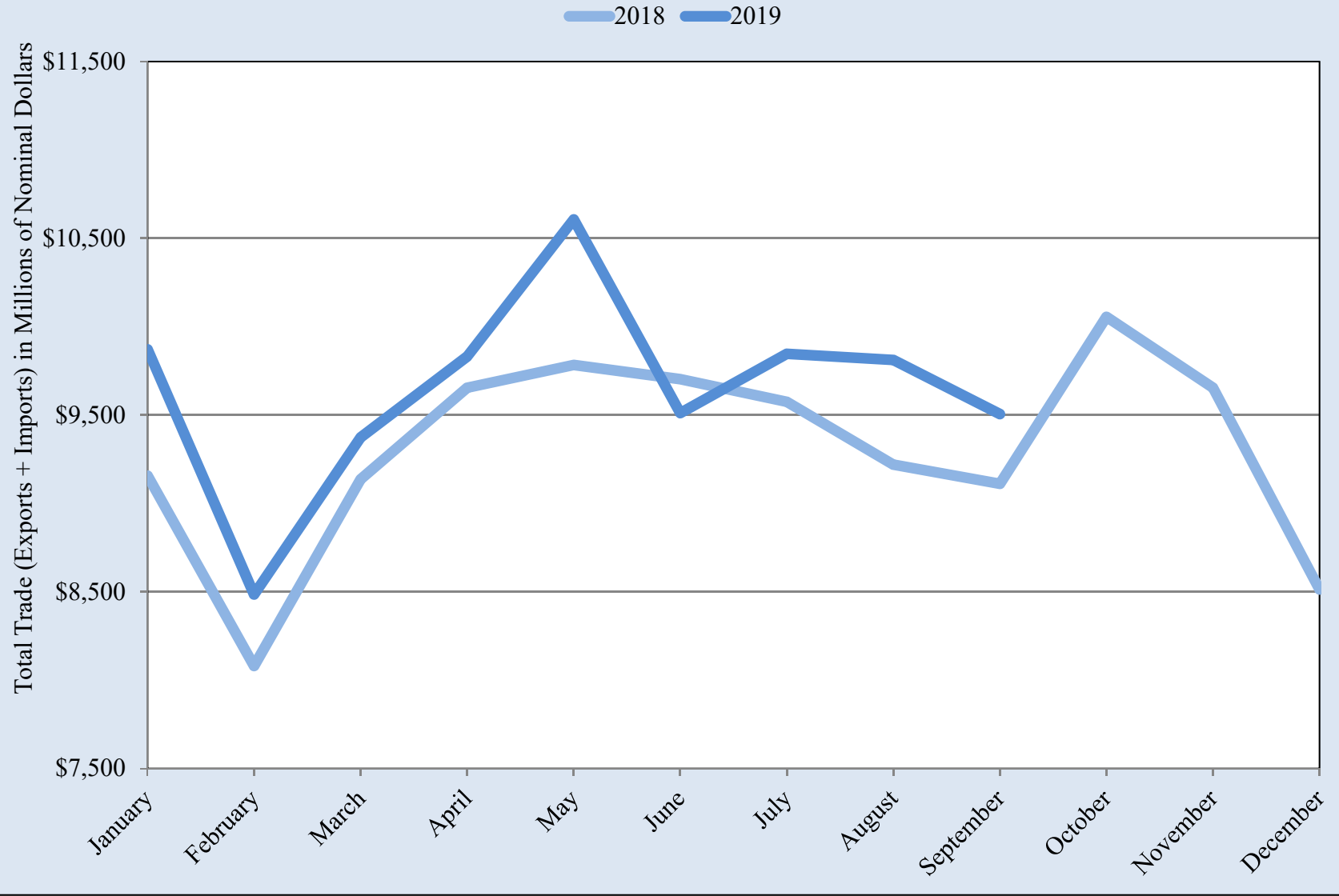
Cargo Truck International Bridge Crossings to El Paso



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



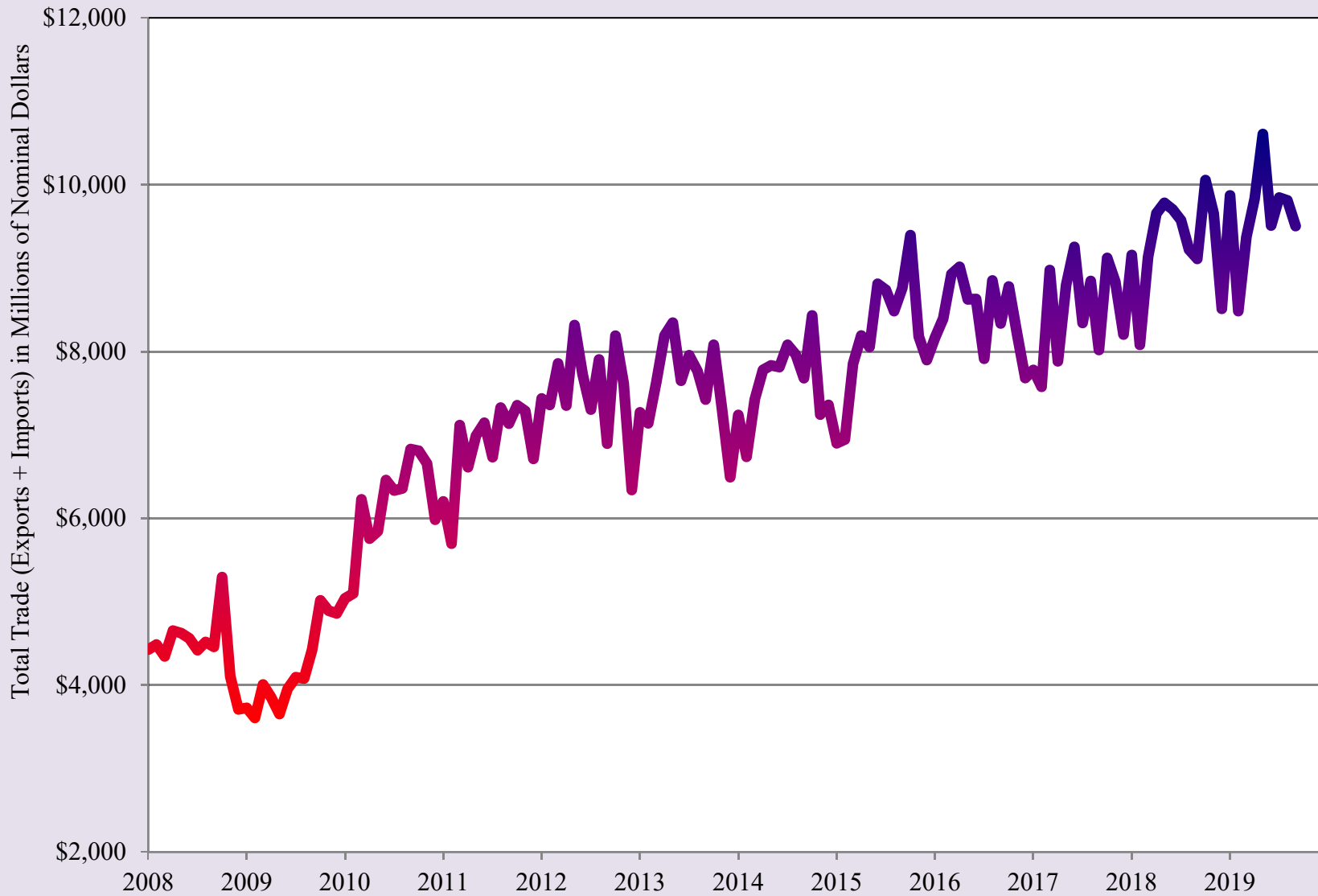
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission



Total Trade through the El Paso Customs District

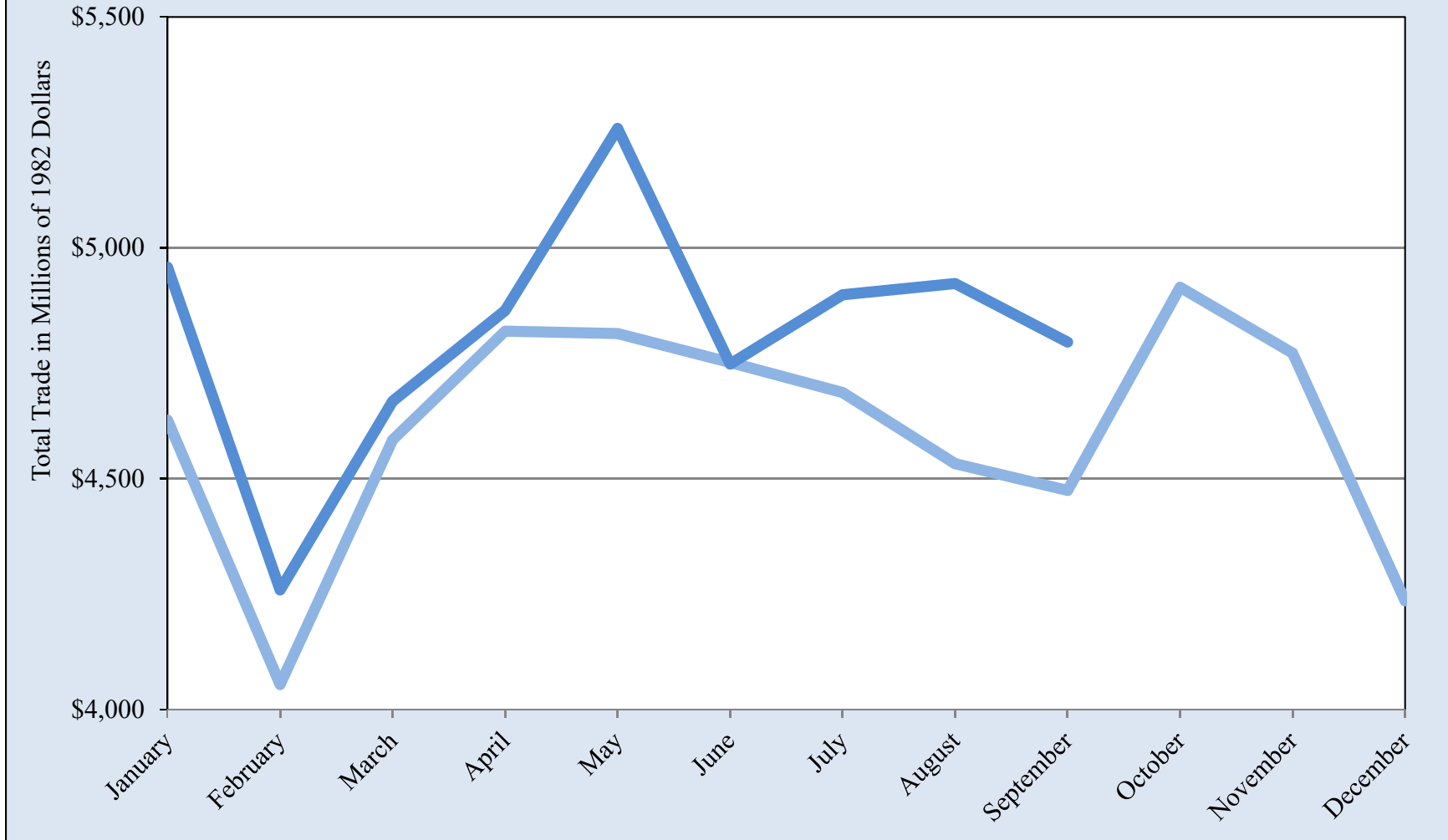


Source: U.S. International Trade Commission



Real Total Trade through the El Paso Customs District

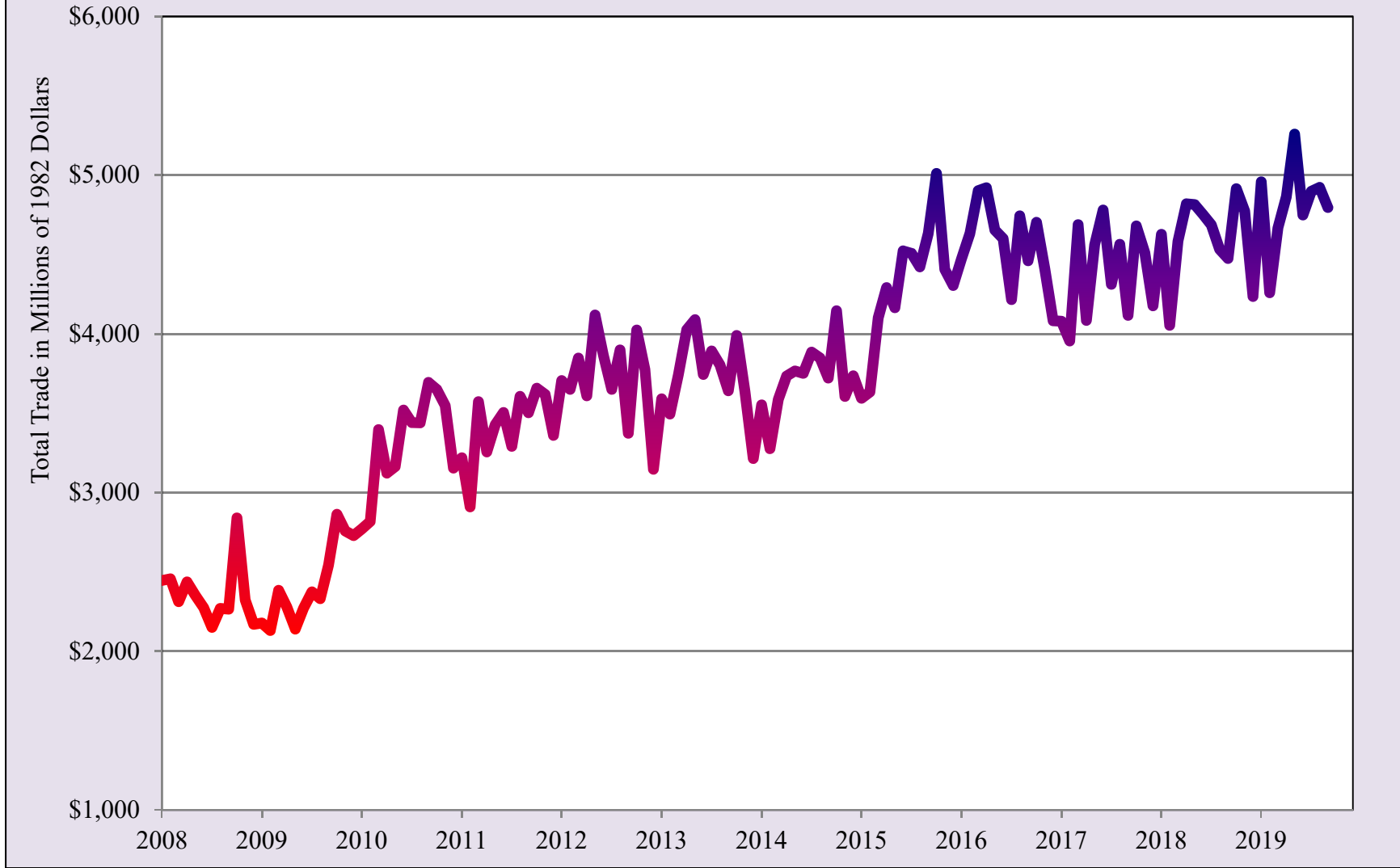
— 2018 — 2019



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



Real Total Trade through the El Paso Customs District

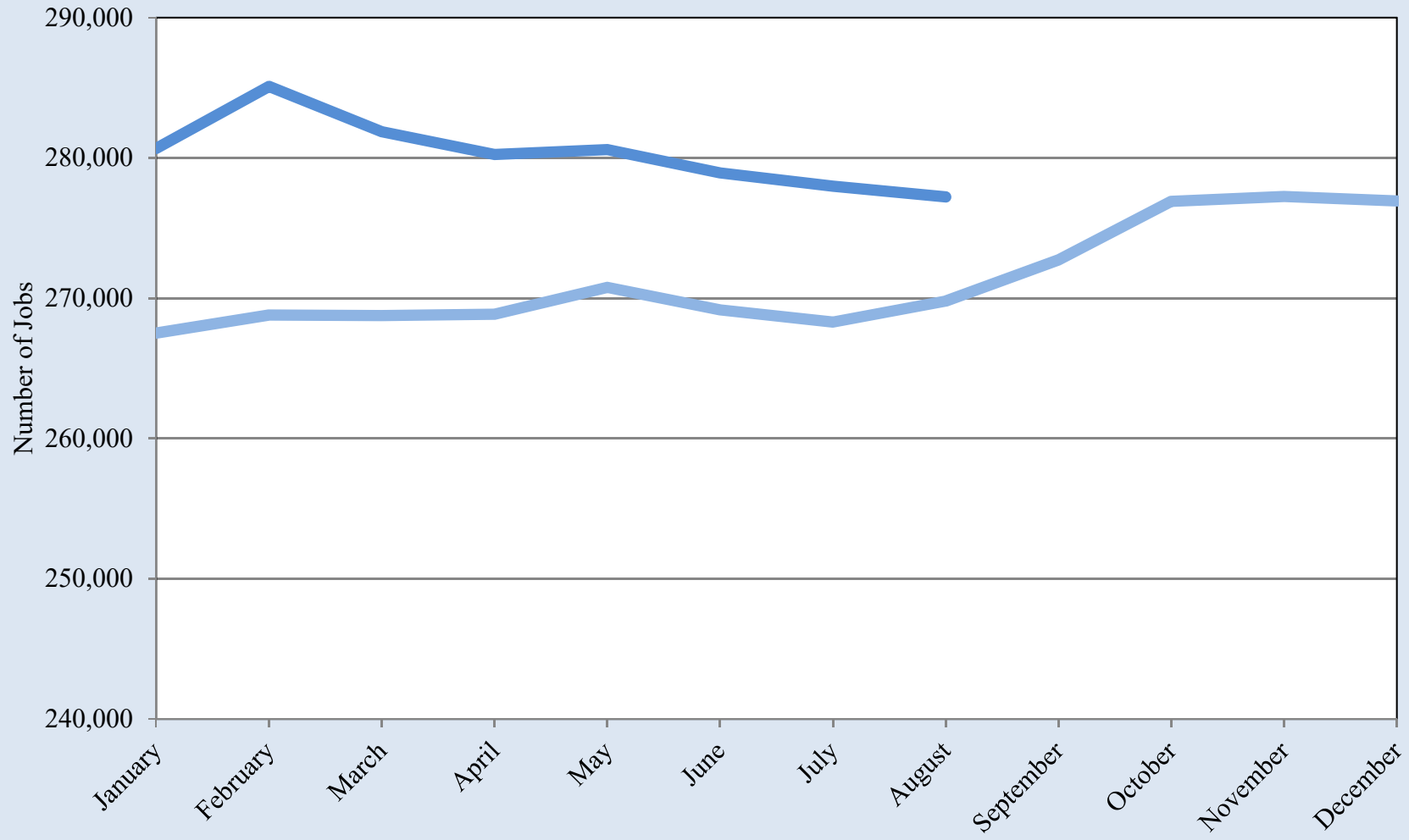


Source: U.S. International Trade Commission and Bureau of Labor Statistics



Export-Oriented Manufacturing Employment in Ciudad Juárez

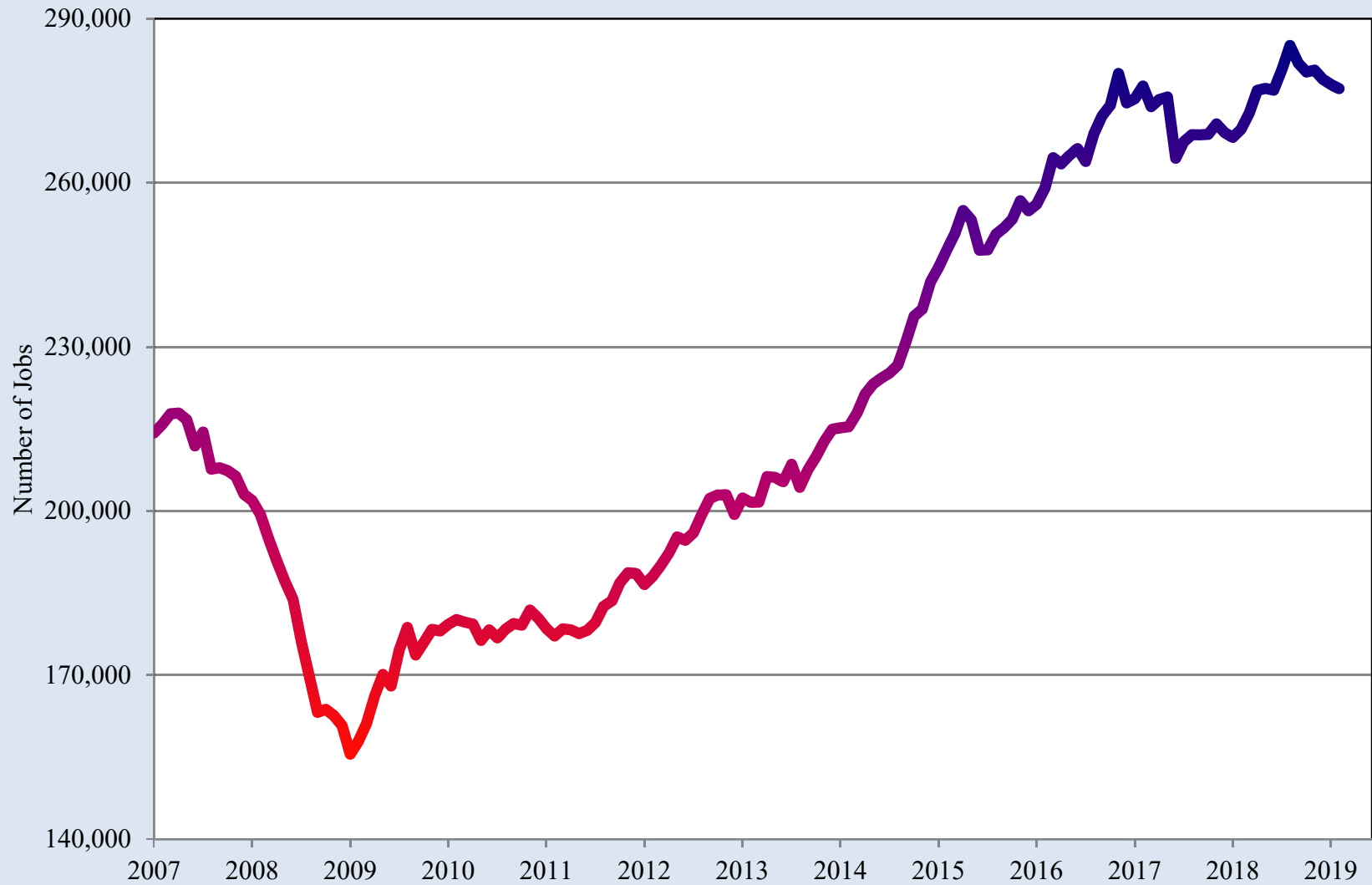
— 2018 — 2019



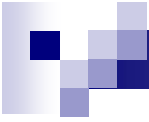
Source: INEGI



Export-Oriented Manufacturing Employment in Ciudad Juárez

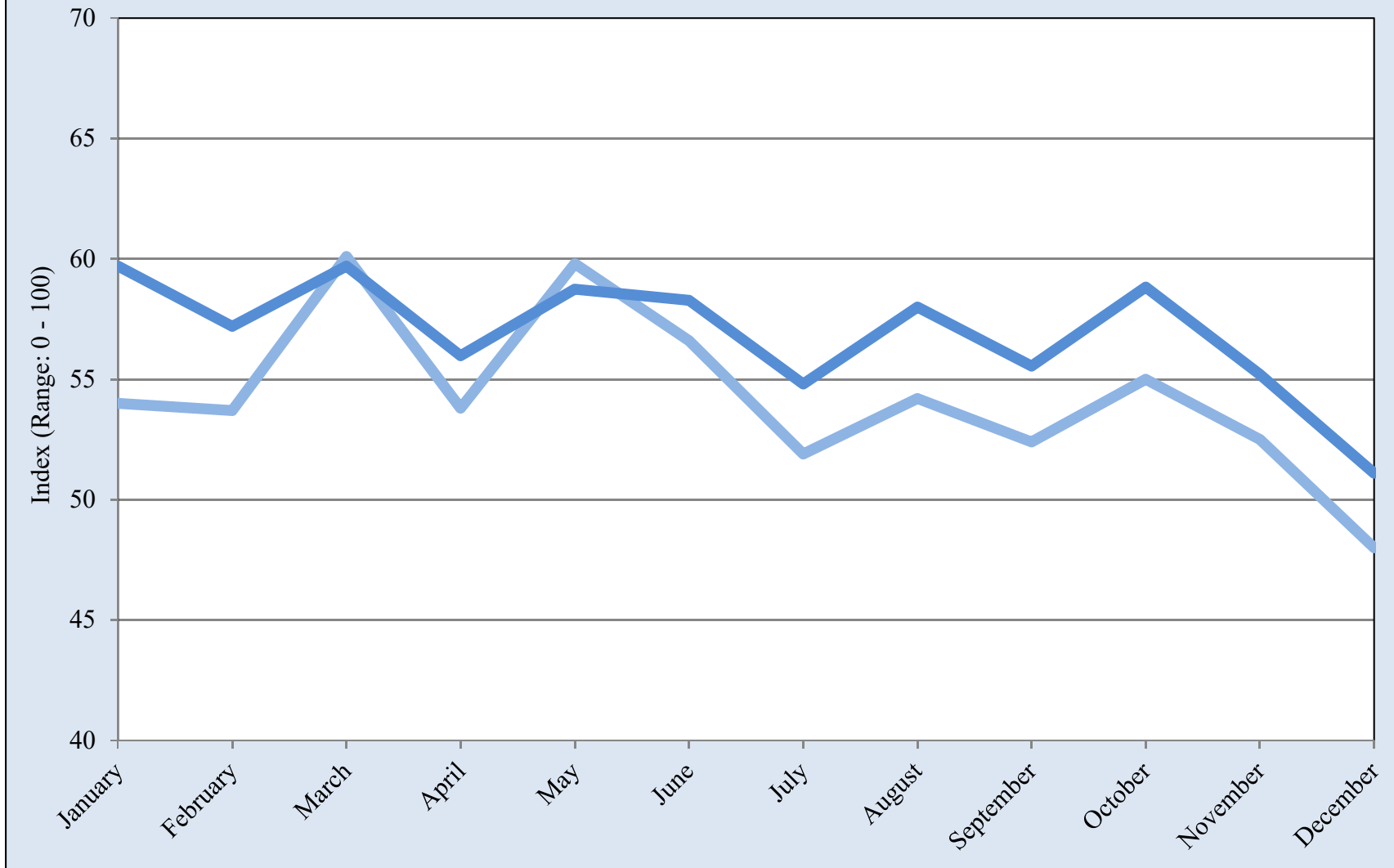


Source: INEGI



Northern Mexico Manufacturing Orders Index

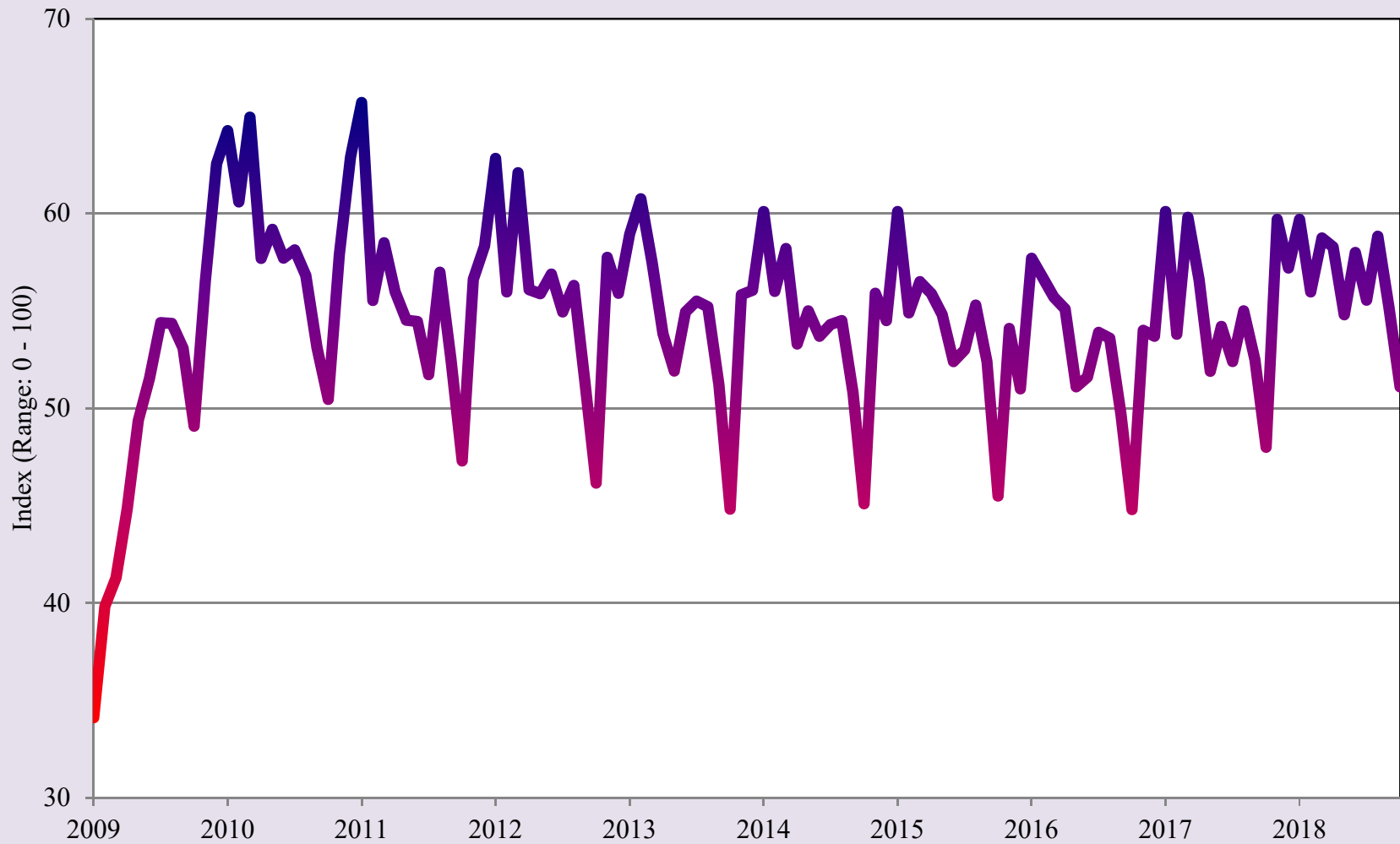
— 2017 — 2018



Source: Banco de México



Northern Mexico Manufacturing Orders Index

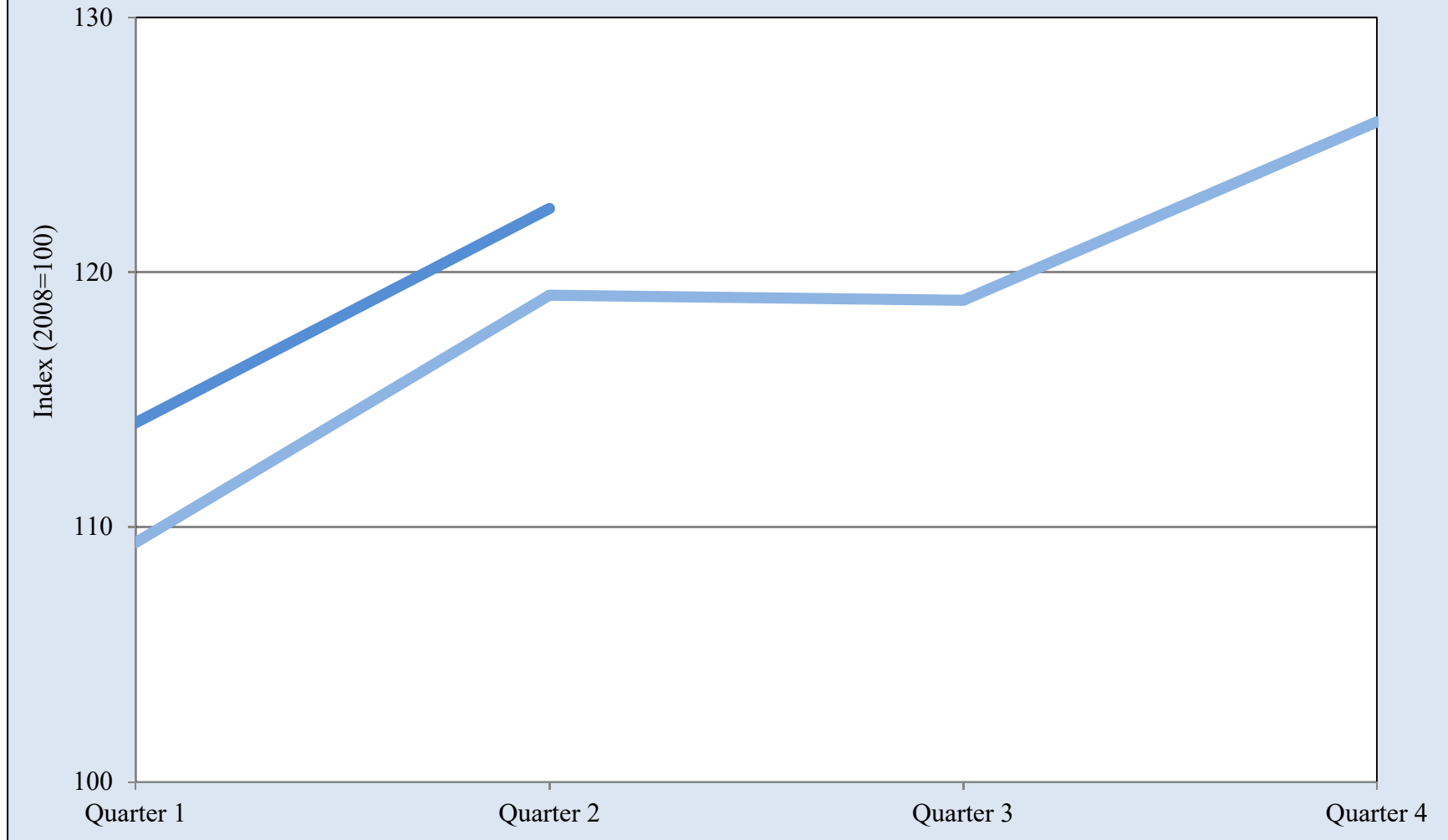


Source: Banco de México



Quarterly Indicator of Economic Activity for the State of Chihuahua

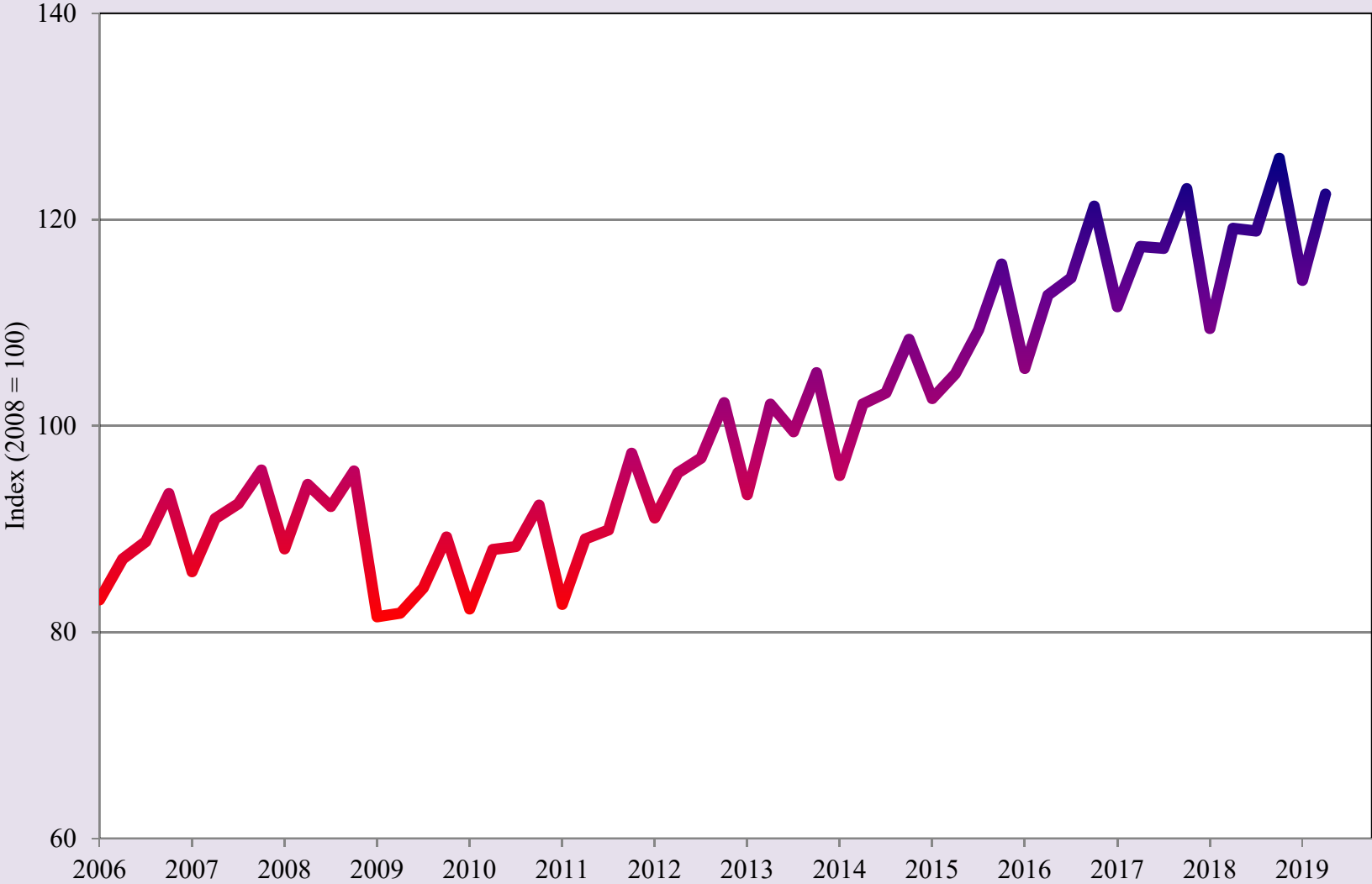
— 2018 — 2019



Source: INEGI



Quarterly Indicator of Economic Activity for the State of Chihuahua

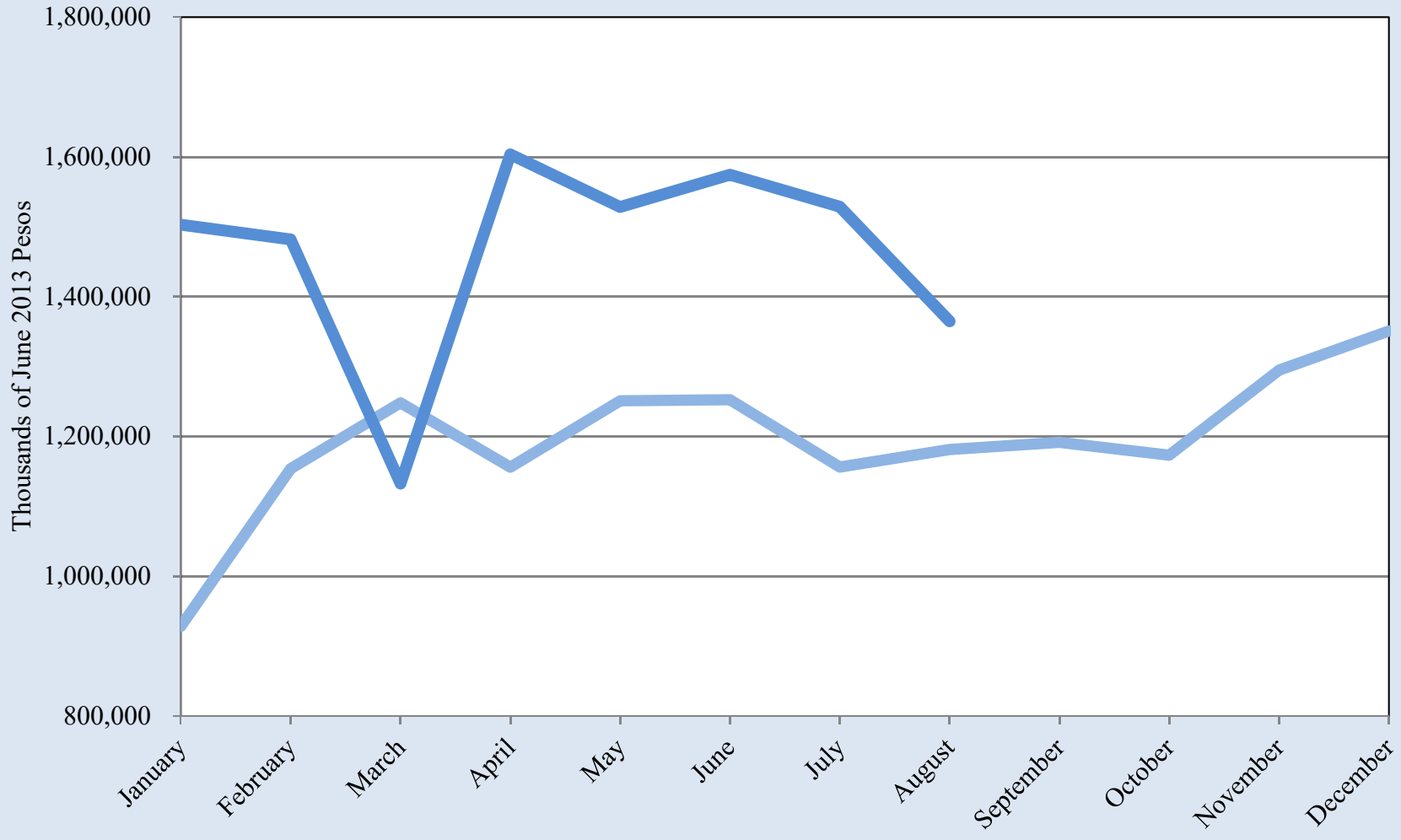


Source: INEGI



Total Value of Construction in the State of Chihuahua

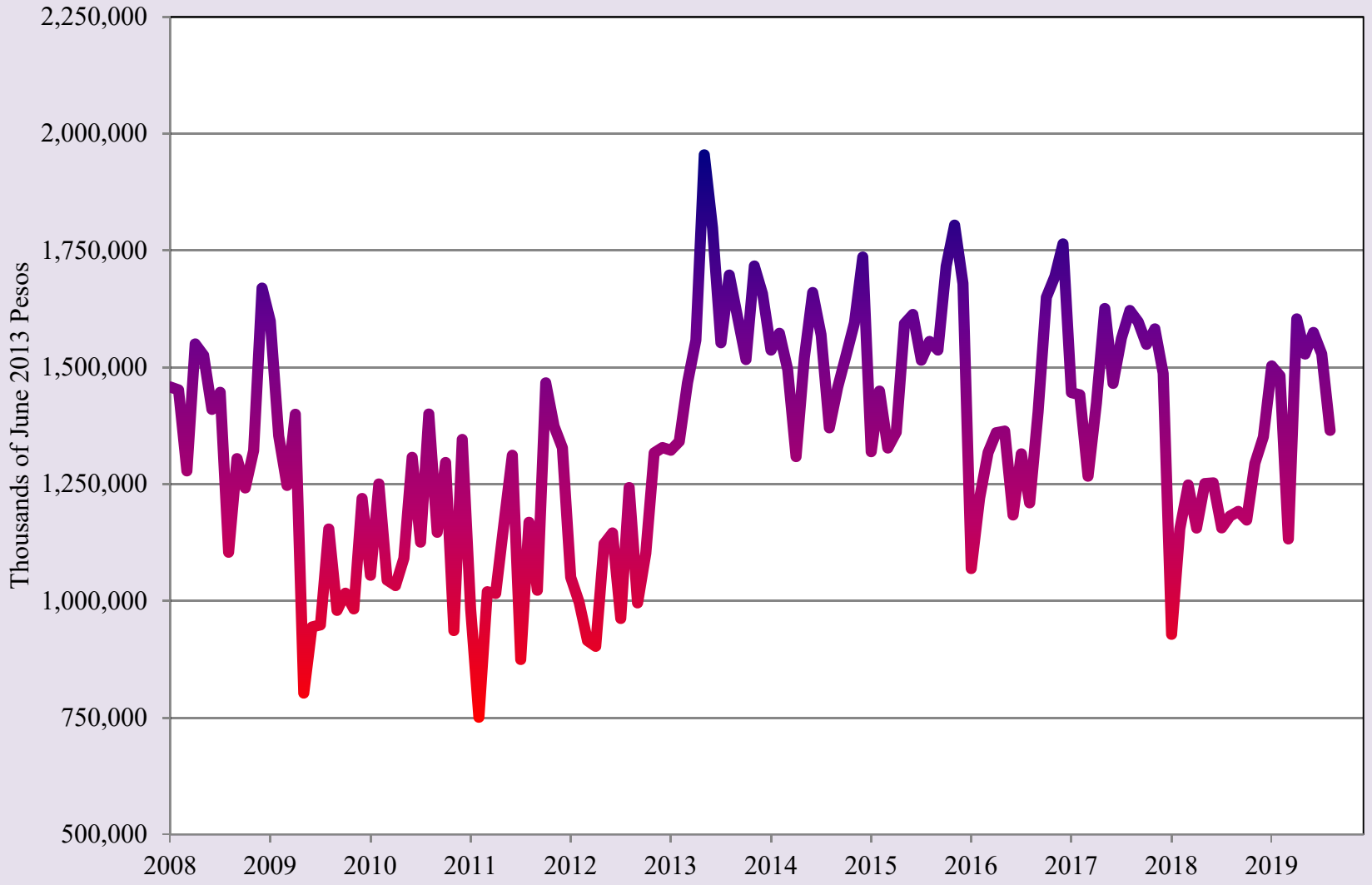
— 2018 — 2019



Source: INEGI



Total Value of Construction in the State of Chihuahua

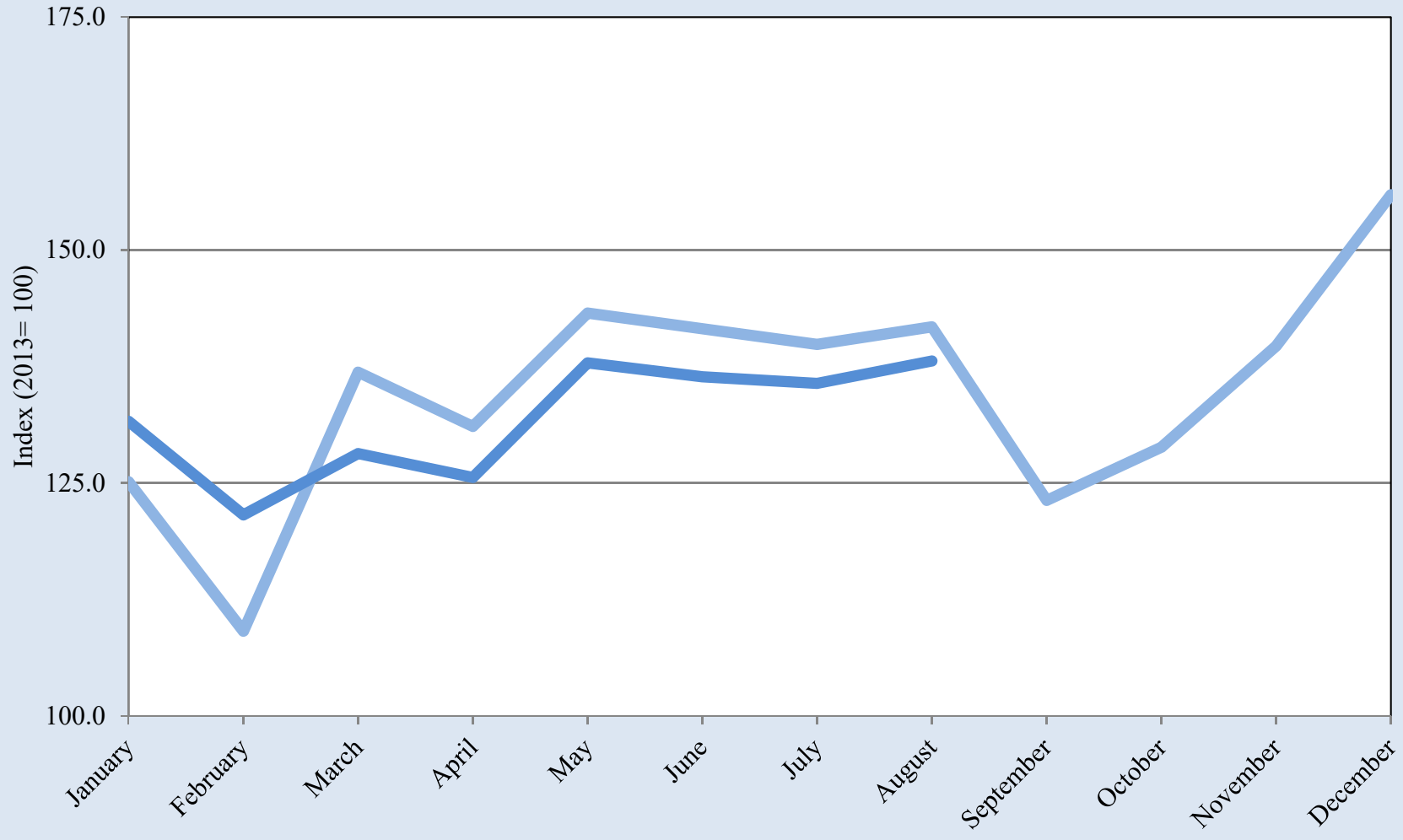


Source: INEGI



Real Retail Activity Index for the State of Chihuahua

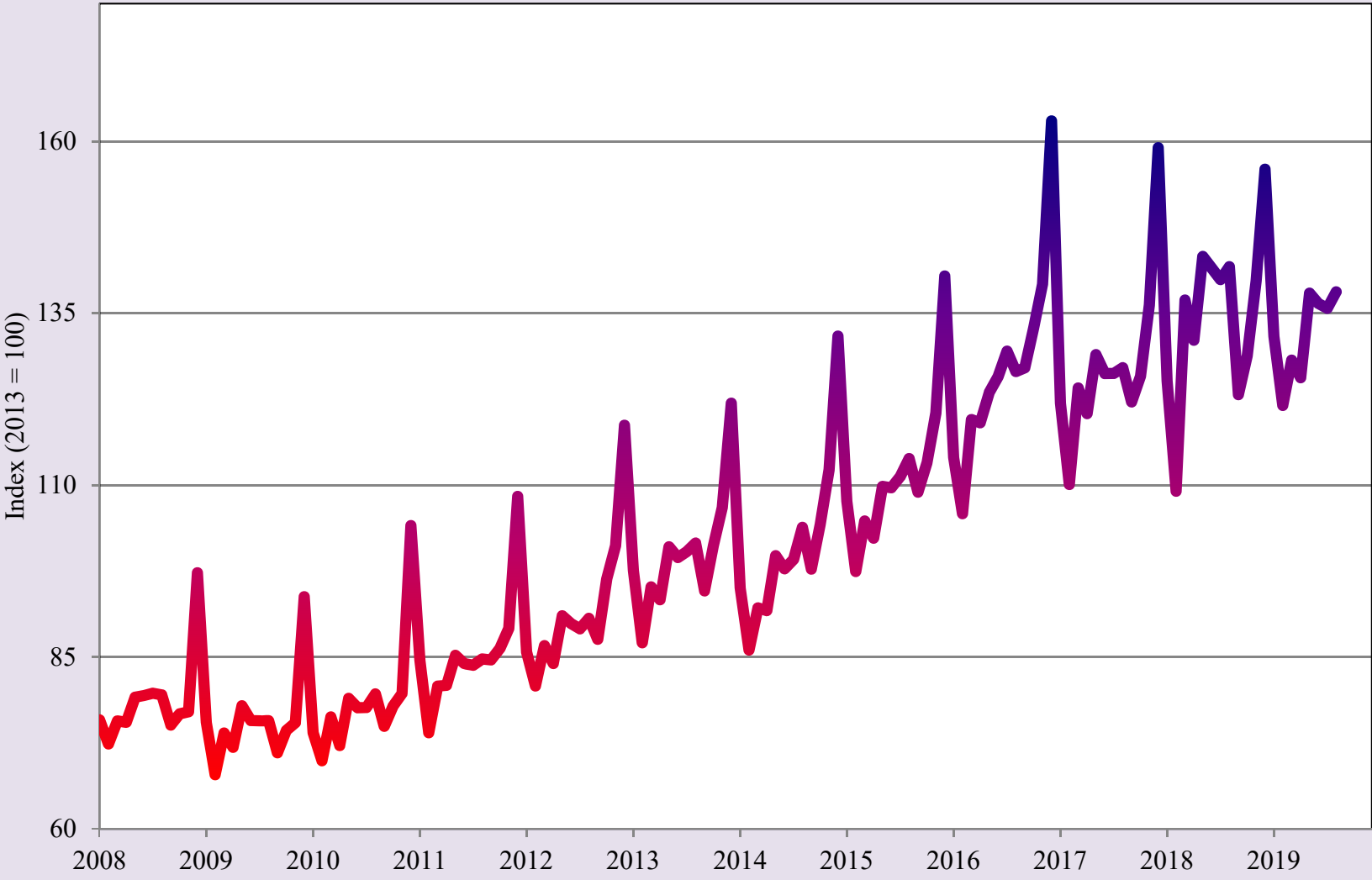
— 2018 — 2019



Source: INEGI



Real Retail Activity Index for the State of Chihuahua



Source: INEGI



BORDERPLEX BUSINESS BAROMETER

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Borderplex Business Barometer is a monthly publication of the Border Region Modeling Project (BRMP), a research unit within the Department of Economics & Finance at the College of Business Administration of The University of Texas at El Paso. BRMP information is available at: <https://www.utep.edu/business/border-region-modeling-project/index.html>. For additional information, contact the Border Region Modeling Project - CBA 236, UTEP Department of Economics & Finance, 500 West University Avenue, El Paso, TX 79968-0543, USA, (915) 747-7775.