All is Calm... All is Bright... Right?

The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index continued ascending in October. Contributing to the upward climb are expanding public sector, transportation, and health services payrolls. Business cycle buoyancy has helped reduce economic strains. The El Paso Household Economic Stress Index declined to 0.4 in November, the lowest reading for that gauge since May 2008.

The yield curve is still relatively flat by historical standards. Minor dips in the curve occur for 3-month and 3-year instrument yields. Returns on longer-term bonds are all higher for each rung on the term structure ladder. Long-term rates in November were substantially below the yields tallied for the same month in 2018.

El Paso unemployment remained at 3.7 percent in October, a 20 basis point year-over-year decline. That marked 32 consecutive months of the joblessness rate remaining below 5.0 percent. More people working reduces demands on social safety net programs. Supplemental Nutrition Assistance Program (SNAP) enrollments for El Paso County reached a yearly low of 156,129 in November.

The median price for single-family housing units In El Paso rose by $8,000 on a year-over-year basis in November. Through the first three weeks of December, fixed average mortgage rates for 15-, 20-, and 30-years all remained below 4 percent. During the same period in 2018, fixed mortgage rates were all above 4 percent. Months of housing inventory remained below 4 for the 13th straight month.

El Paso unleaded gasoline prices averaged $2.32 per gallon in November. Gasoline stocks held steady in the region, with November prices nearly 8 cents below year-ago levels in 2018. Holiday travel may reverse that pattern in December.

At 5.0 percent, the Las Cruces unemployment rate remained below year-ago levels for a second consecutive month. Jobless rates that low have not been observed since 2008. The civilian labor force and employment both reached all-time highs in October. Reflective of more favorable labor market conditions, Las Cruces SNAP enrollments were below year-ago levels for an eleventh straight month in October.

The peso-per-dollar exchange rate held steady in November. In spite of that, the gap between the exchange rate and the Border Region Modeling Project restaurant price ratio remains relatively large. Historically, that means that the peso could appreciate against the dollar. The internet brand name medicine price ratio held steady in November. These prices do not include the cost of doctor appointments in the United States, or shipping and handling costs for medicines ordered from Mexico.

Although the gaps have narrowed, October wait times remained at least 10 percent higher than year-ago levels at all three El Paso Bridges. While trade volumes increased, the number of trucks traversing the bridges declined in October. That means that transport companies are filling cargo bays with larger loads before sending trucks to join the queues. Available data indicate that manufacturing orders and construction volumes have increased in Chihuahua State throughout 2019.
El Paso Metropolitan Business Cycle Index

Seasonally Adjusted Index (October 1980 = 100)

Source: Federal Reserve Bank of Dallas
Source: Federal Reserve Bank of Dallas
Average Treasury Yield Curve Rates

Reflects 1 month, 2 month, 3 month, 6 month, 12 month, 2 yr, 3 yr, 5 yr, 7 yr, 10 yr, 20 yr, 30 yr.

Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
Unemployment Rate (Not Seasonally Adjusted)

El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County SNAP Enrollment. Two year period 2018 to 2019

Source: Texas Health and Human Services Commission
Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

El Paso County SNAP Enrollment

Source: Texas Health and Human Services Commission
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
El Paso Gasoline Prices

Source: GasBuddy.com
El Paso Gasoline Prices

Source: GasBuddy.com
Doña Ana County Unemployment Rate

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
Las Cruces Area SNAP (Food Stamp) Cases

Source: New Mexico Human Services Department
Restaurant Price Ratio and Exchange Rate

Source: UTEP Border Region Modeling Project and Banco de Mexico
Restaurant Price Ratio and 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
Real Peso-per-Dollar Exchange Rate Index

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
Ysleta Monthly Wait Times

Source: UTEP Border Region Modeling Project
Bridge of the Americas Monthly Wait Times

Source: UTEP Border Region Modeling Project
Monthly Border Wait Times

Source: UTEP Border Region Modeling Project
Personal Vehicle International Bridge Crossings to El Paso

Number of Vehicles

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Personal Vehicle 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
Aggregate Pedestrian International Bridge Crossing 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

Total Trade in Millions of 1982 Dollars

Real Total Trade through the El Paso Customs District

Export Oriented manufacturing employment in Ciudad Juárez

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Jobs</th>
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<tbody>
<tr>
<td>2018</td>
<td>240,000</td>
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<tr>
<td>2019</td>
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<tr>
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<td>2022</td>
<td>280,000</td>
</tr>
<tr>
<td>2023</td>
<td>290,000</td>
</tr>
</tbody>
</table>

Source: INEGI
Aggregate Export-Oriented Manufacturing Employment in Ciudad Juárez

- 140,000
- 170,000
- 200,000
- 230,000
- 260,000
- 290,000


Number of Jobs

Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Quarterly Indicator of Economic Activity for the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Source: INEGI
Total Value of Construction in the State of Chihuahua

Thousands of June 2013 Pesos

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Index (2013 = 100)

Source: INEGI
Short-Term Outlook to 2021
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.