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Borderplex Business Barometer, Volume 4, Number 1

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BORDERPLEX BUSINESS BAROMETER

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For more information about the Border Region Modeling Project (click here)

Border Commerce & Economics

Borderplex Business Barometer, Volume 4, Number 1

Out with a Roar

The El Paso economy ended 2019 on several high-notes. Among them, the Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index increased for the 38th consecutive month in December. Beyond that, the BRMP El Paso Household Economic Stress Index declined to its lowest level since April 2007. Generally, that bodes well for Sun City commercial activity.

The yield curve remained largely unchanged in December. Minor dips were tallied for 12-month T-bill and 10-year T-note yields. Across all ranges of the maturity spectrum, the December rates were approximately 80 basis points lower than what they averaged during the same month in 2018. Historically, that development leads to stronger commercial loan demand and healthy retail sales.

The El Paso County unemployment rate was 3.6 percent in December. That represents a 40 basis point decline from December 2018. It also marked 33 consecutive months of a sub-5-percent jobless rate. Accompanying the low unemployment rate lows are twelve straight months of year-over-year reductions in Supplemental Nutrition Assistance Program (SNAP) enrollments. The December 2019 volume of food stamp recipients was more than 13 thousand below its prior year level.

The median housing price for single-family housing units in El Paso reached a historic high in December. At $172 thousand, it grew by 8.9 percent on a year-over-year basis. While that is a rapid rate of growth, it is not exactly unexpected. In December, the months of housing inventory dwindled to 3.2 months. That is the lowest value reached by that metric since October 2006. Although housing supplies remain tight, conventional fixed mortgage rates all remained below 4 percent in December.

El Paso unleaded gasoline prices averaged $2.30 per gallon in December. Middle East geopolitical tensions and holiday travel caused prices to harden. While December 2019 prices were 20 cents above year-ago levels, the 2019 annual average was 16 cents below the 2018 average price of $2.56 per gallon.

The Las Cruces unemployment rate was below year-ago levels for a third consecutive month in November. Construction, health services, and government were the sectors where payrolls expanded most rapidly. In concert with the good labor market performance, SNAP enrollments remained below year-ago levels again in November.

The nominal peso-per-dollar exchange rate index closed the year at 19.10. Although the BRMP restaurant price ratio rose again in December, the gap between it and the exchange rate remains sizable by historical standards. That usually means that the current market value of the peso will hold steady or climb against the dollar. The real peso-per-dollar exchange rate index diminished to 114.29, a level not observed since April of 2018. The Internet brand name medicine price ratio continued to hold steady in December.

December border wait times descended below year-ago levels for the first time in 2019, a pleasant surprise for the region. Export manufacturing employment in Ciudad Juarez was above prior-year levels in October. Real trade volumes through the El Paso Customs District, on balance, increased relative to those observed in 2018. That has translated into greater construction and economic activity throughout much of Chihuahua state regional economy.
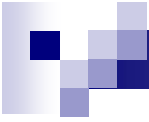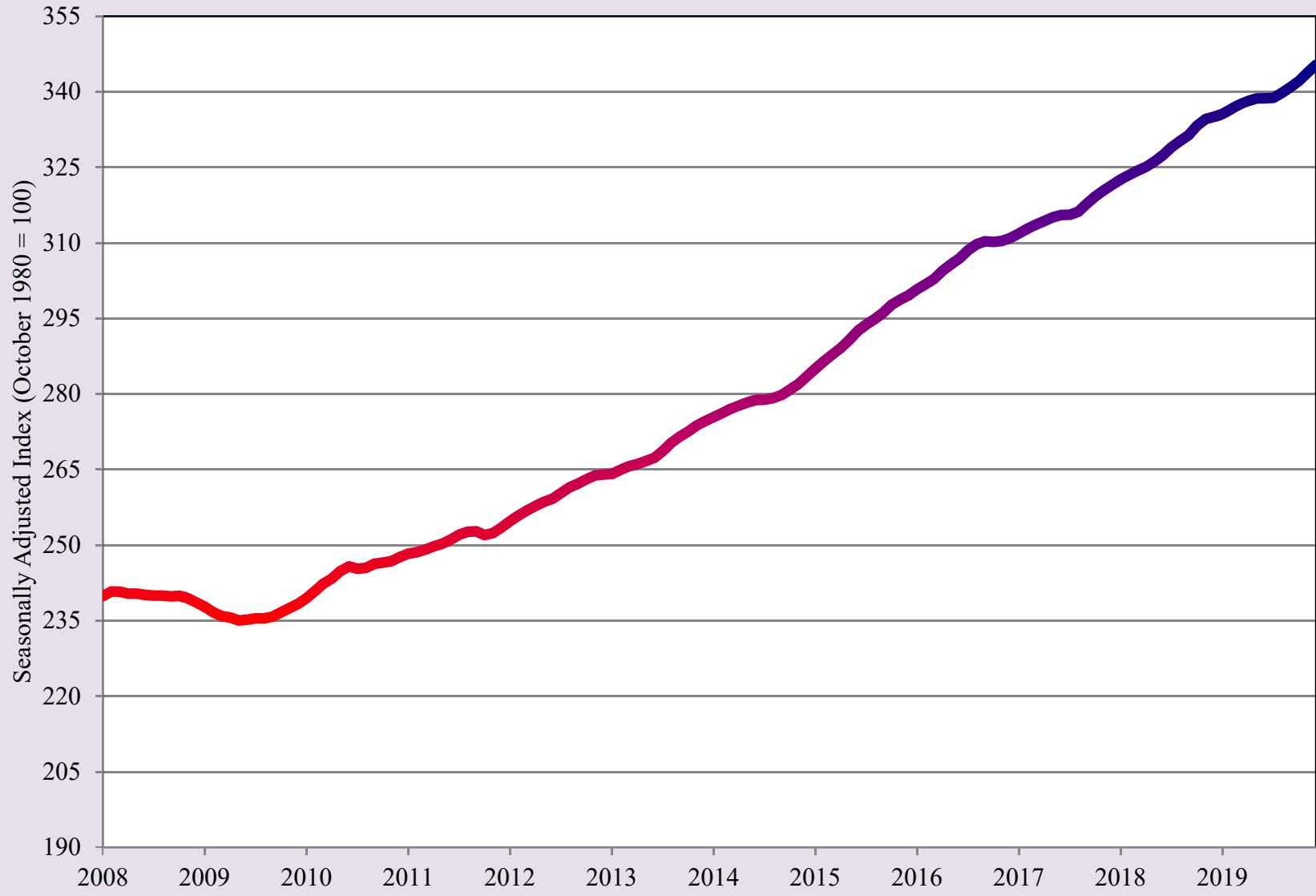
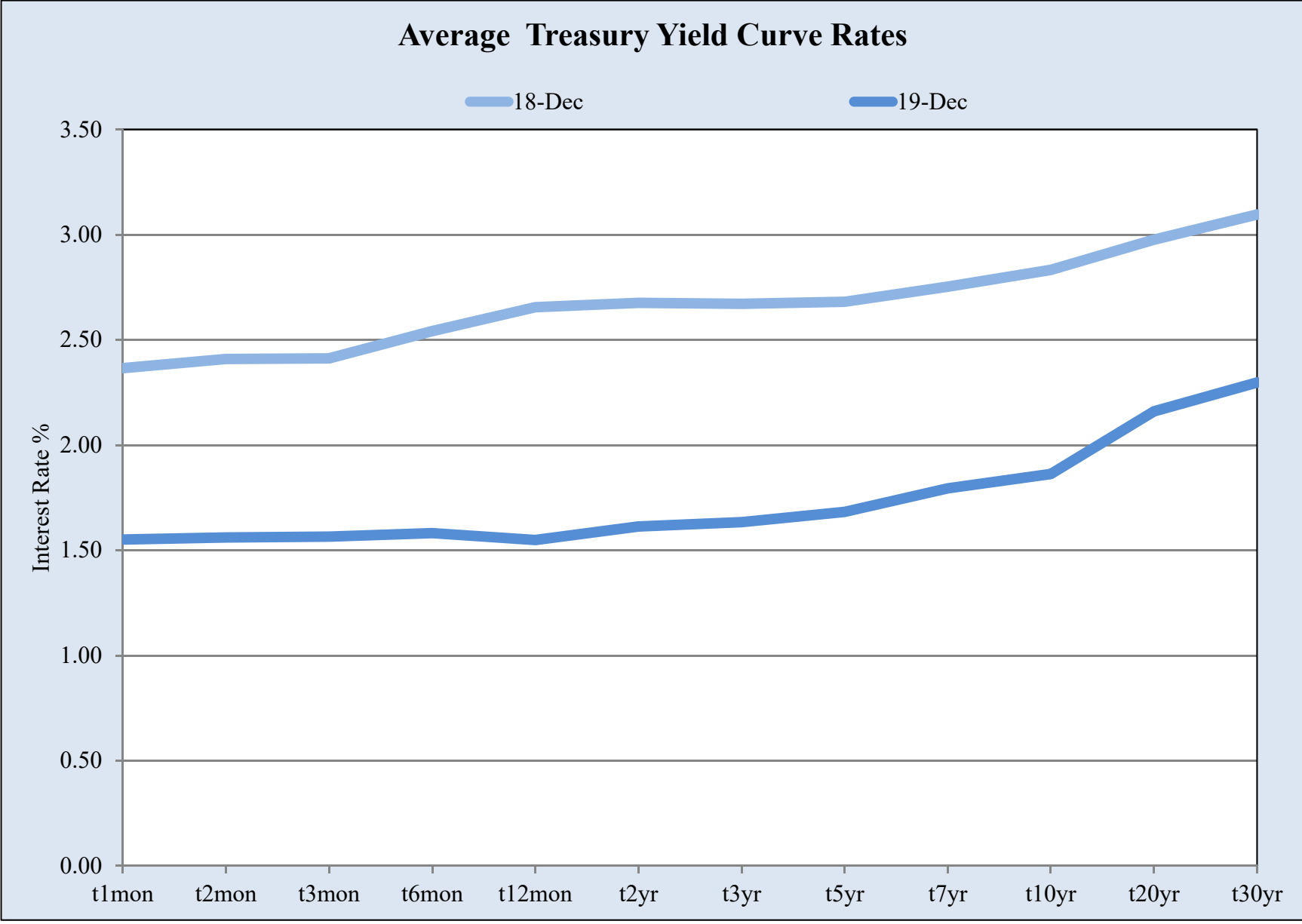# El Paso Metropolitan Business Cycle Index
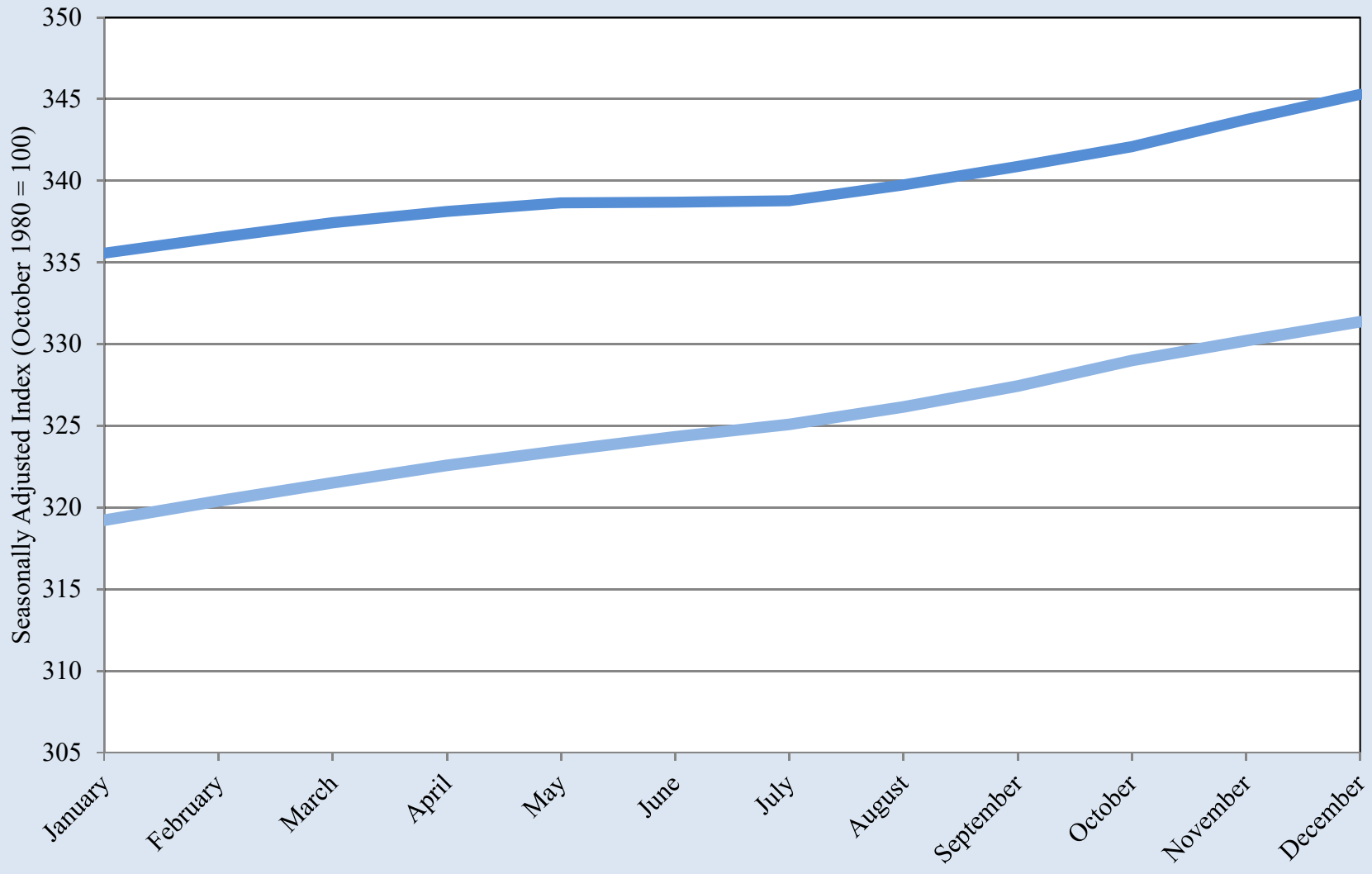
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index

Source: Federal Reserve Bank of Dallas

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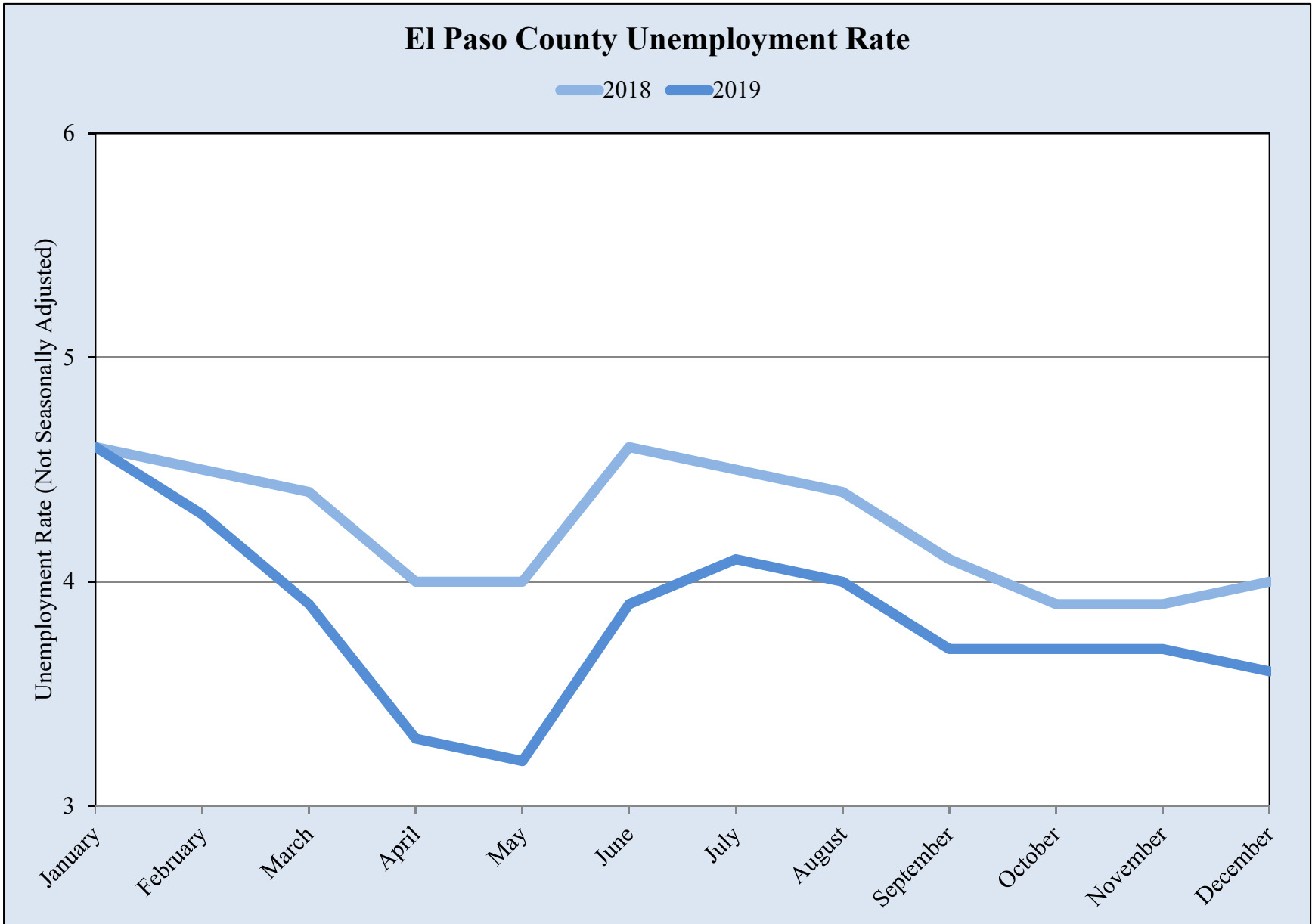
Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations
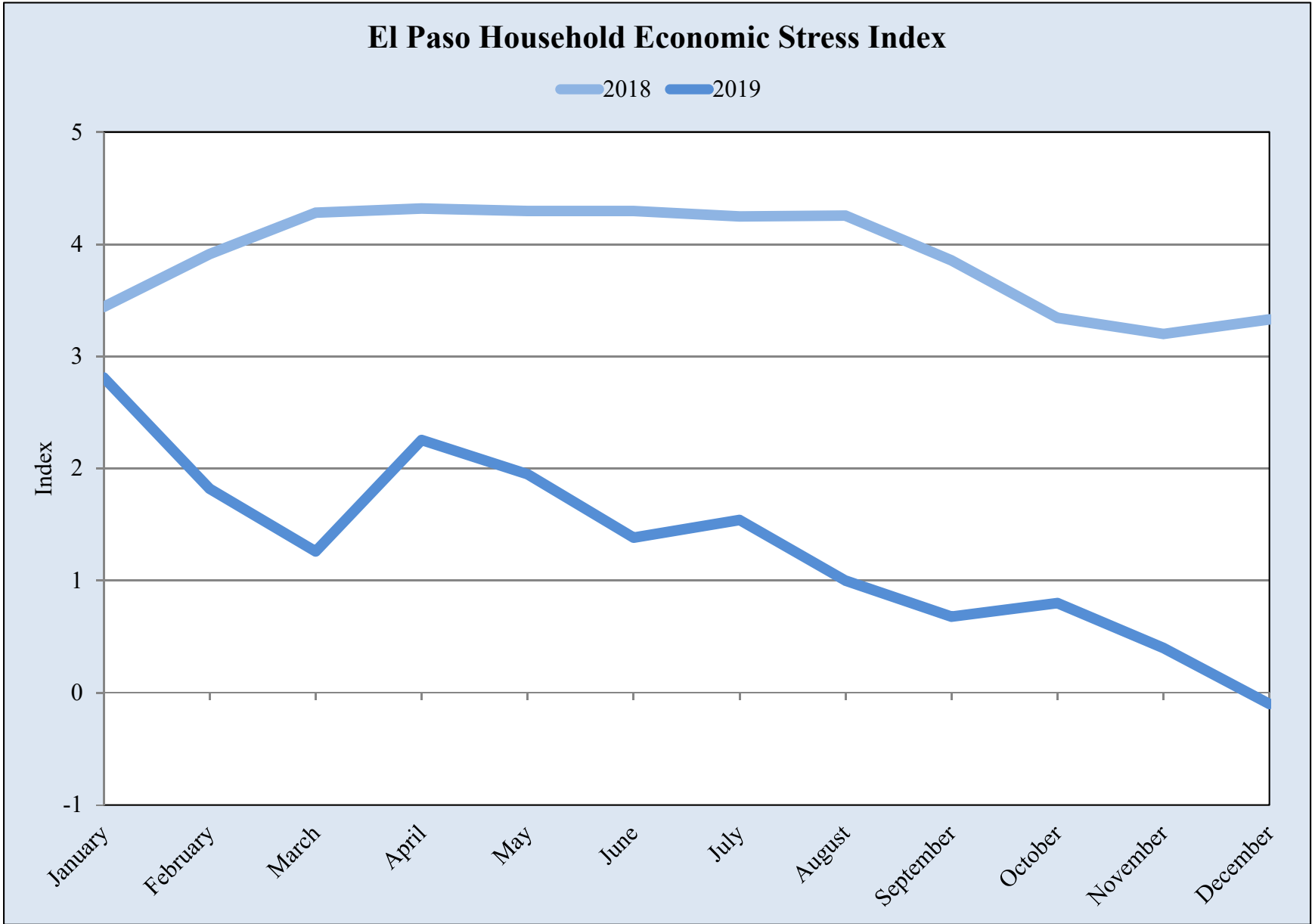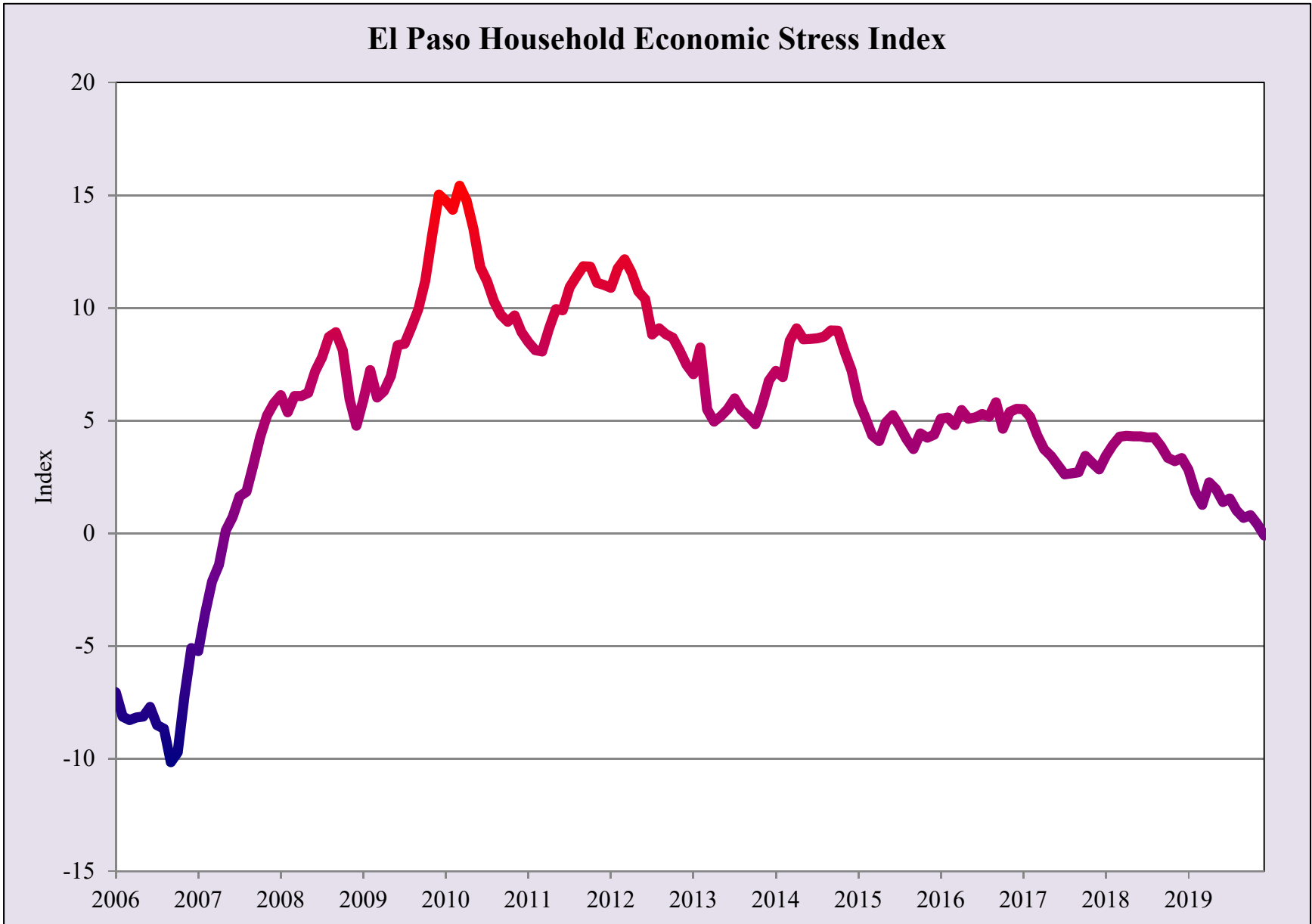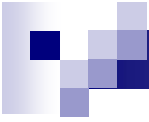
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project

El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project

El Paso County Unemployment Rate

Source: Bureau of Labor Statistics

El Paso County Unemployment Rate

Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment

Source: Texas Health and Human Services Commission

El Paso County SNAP (Food Stamp) 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
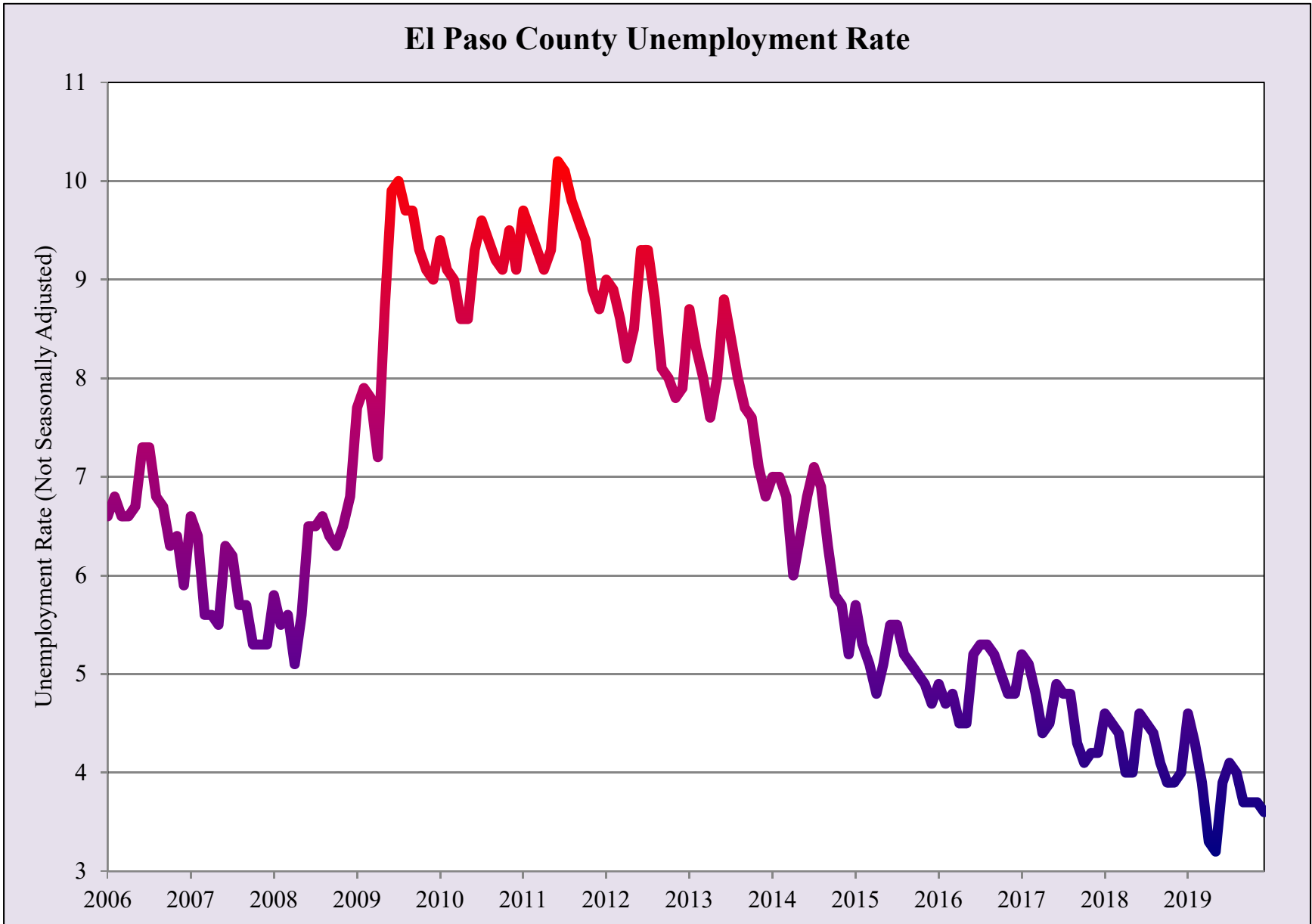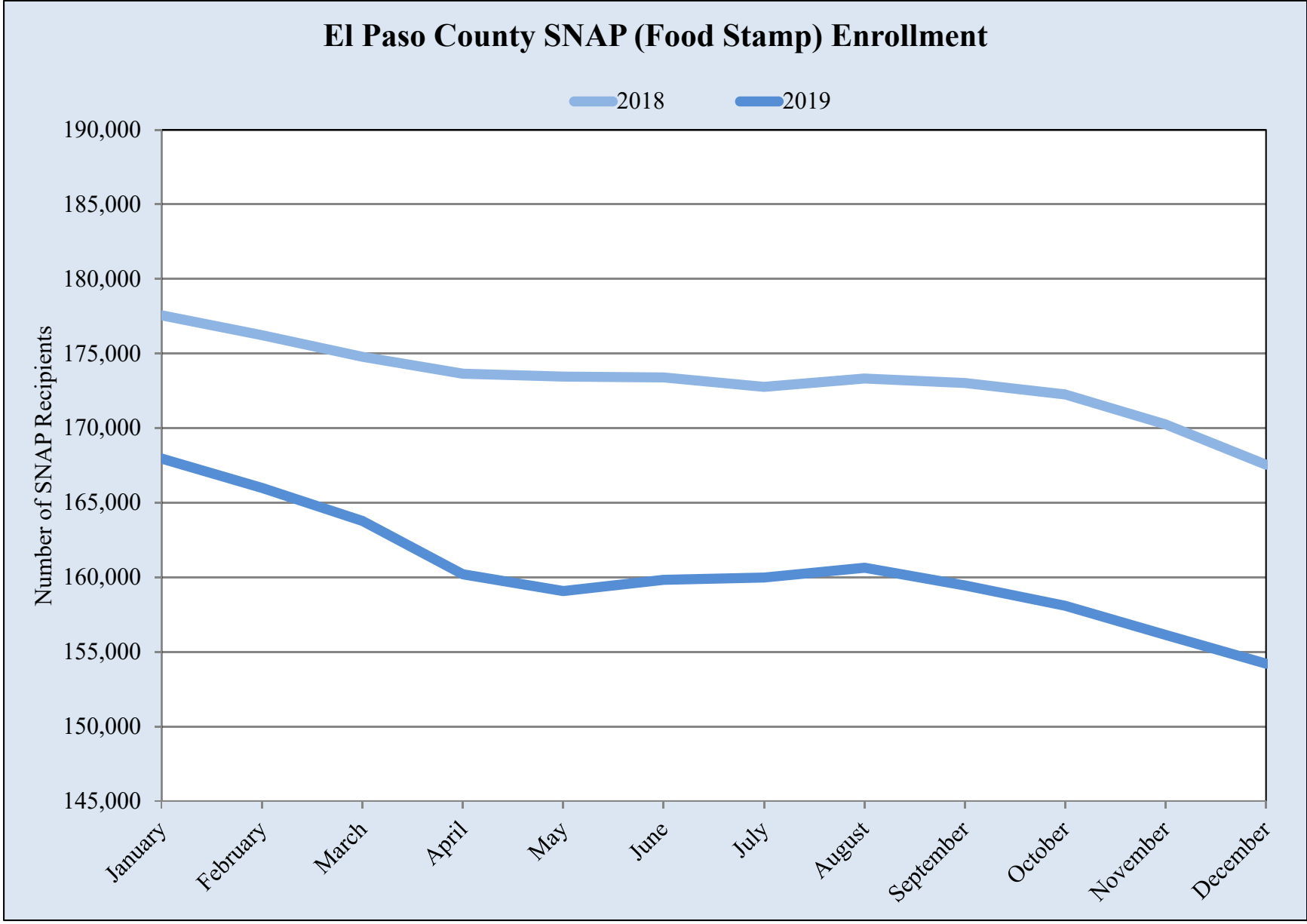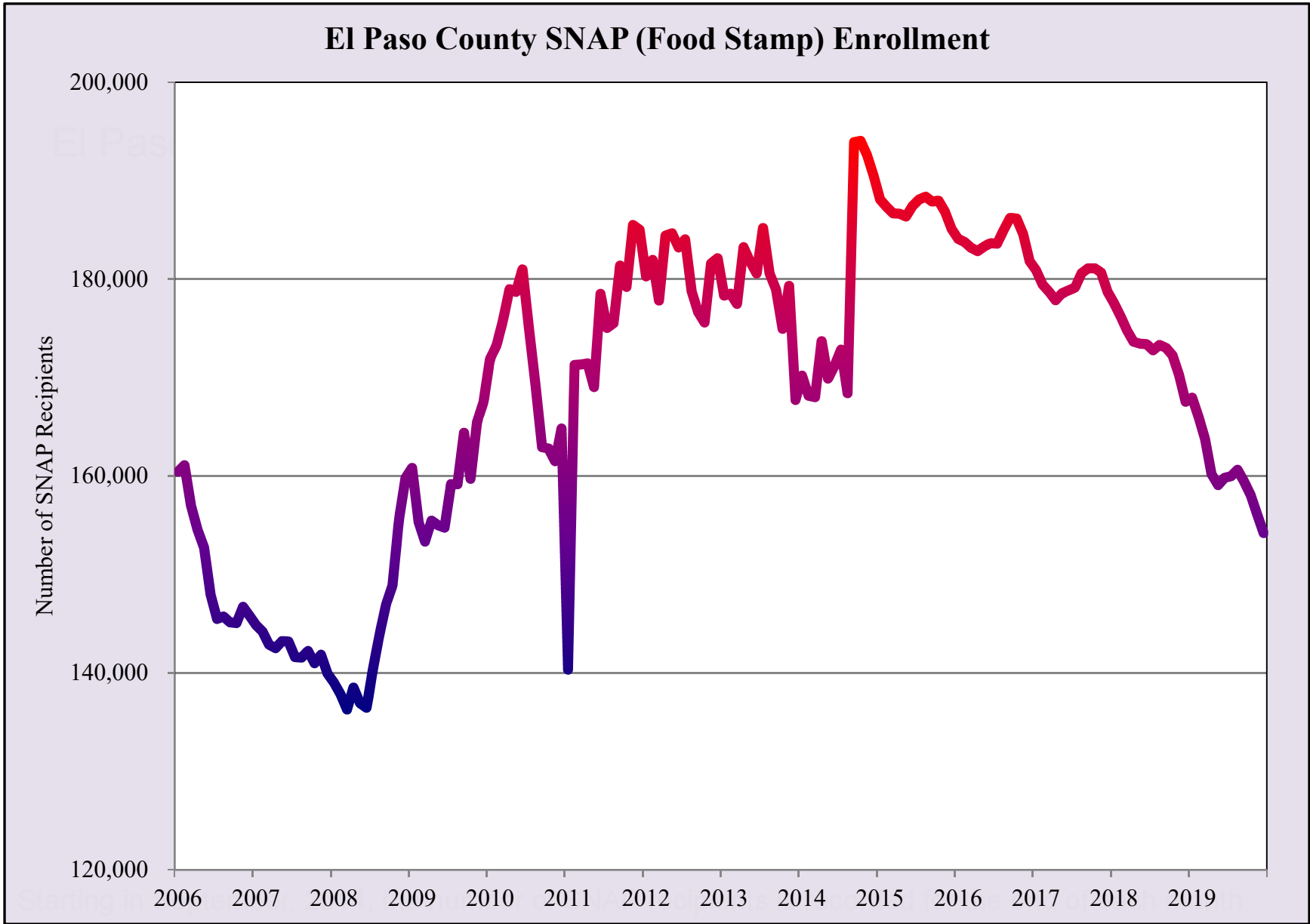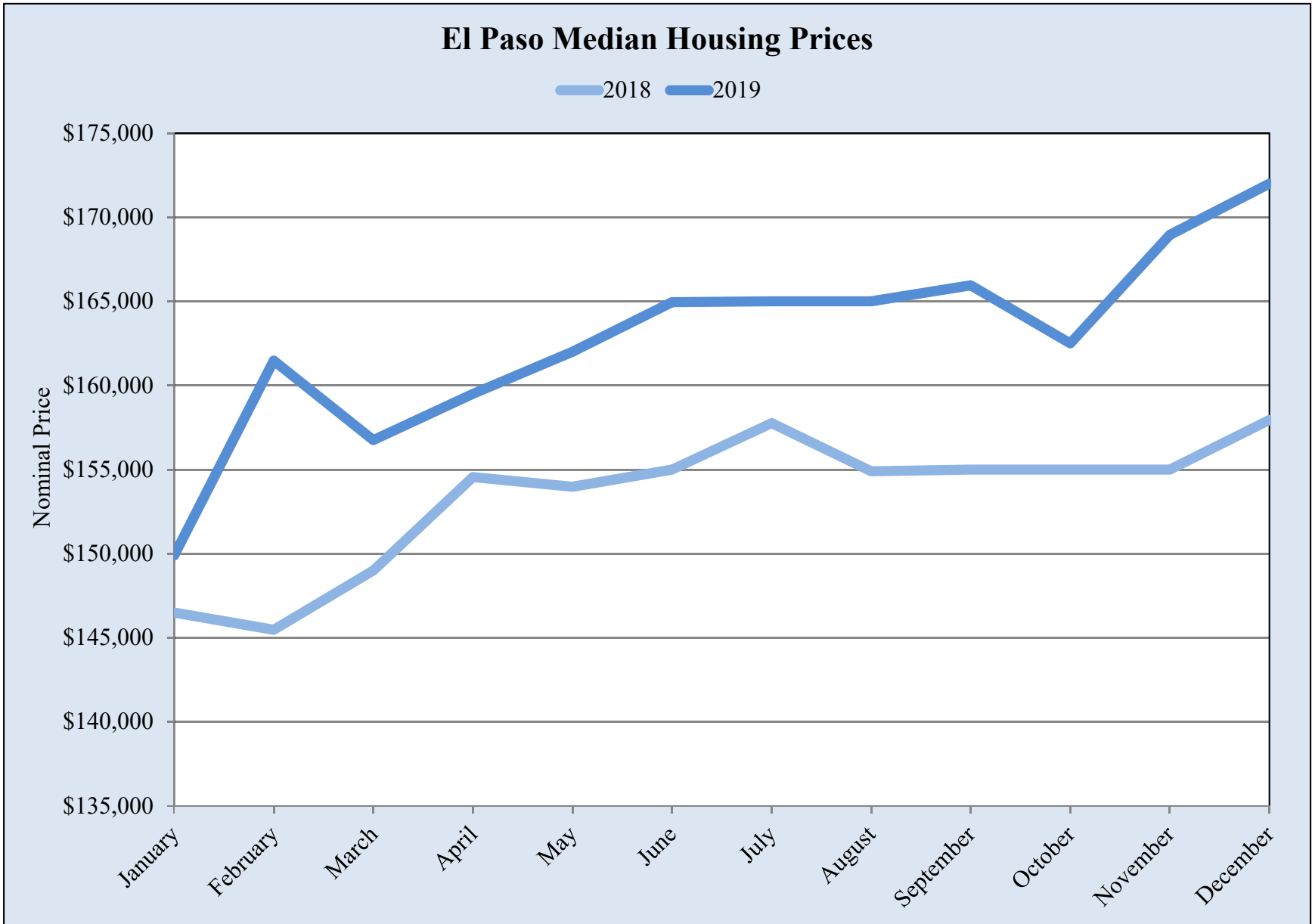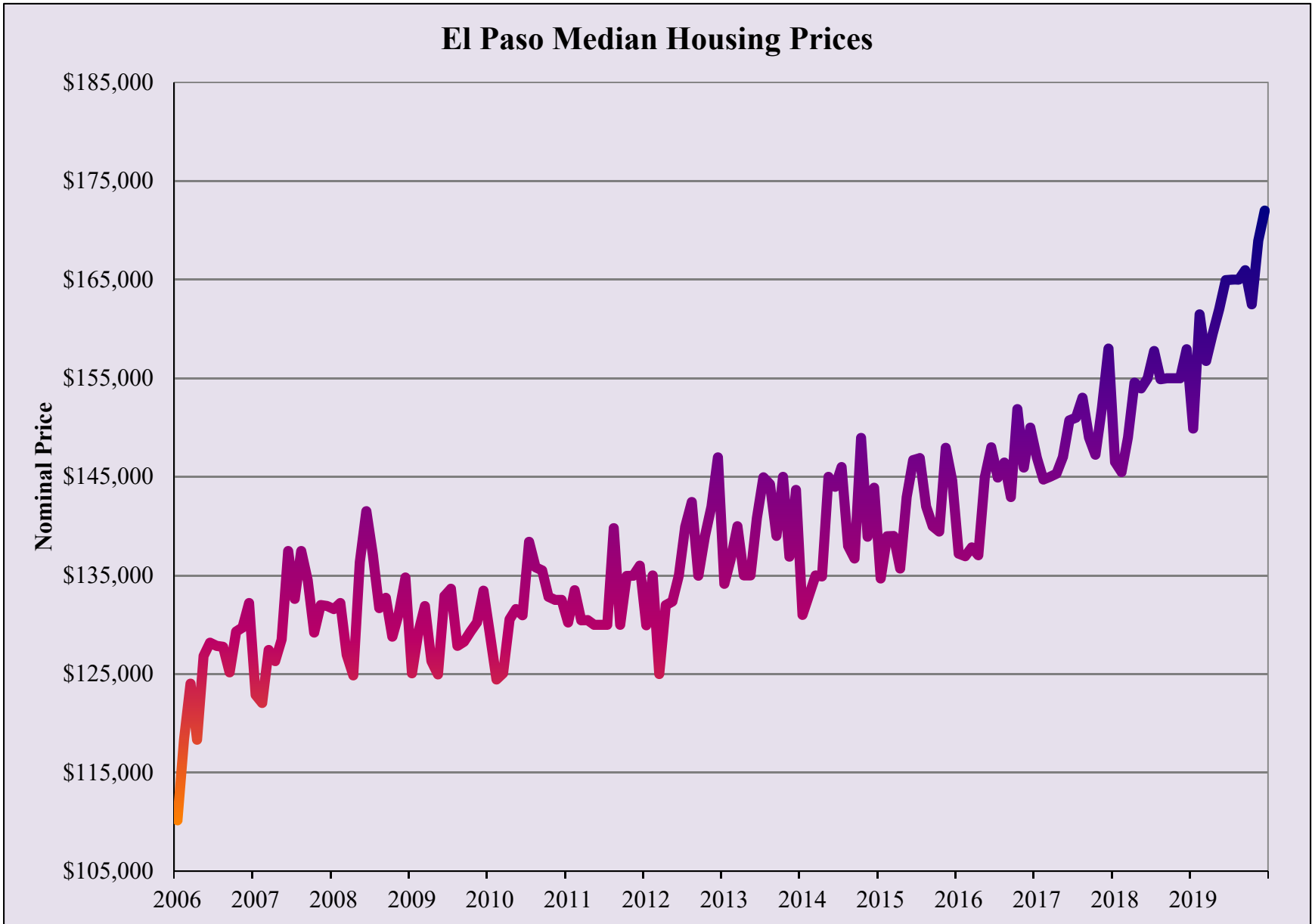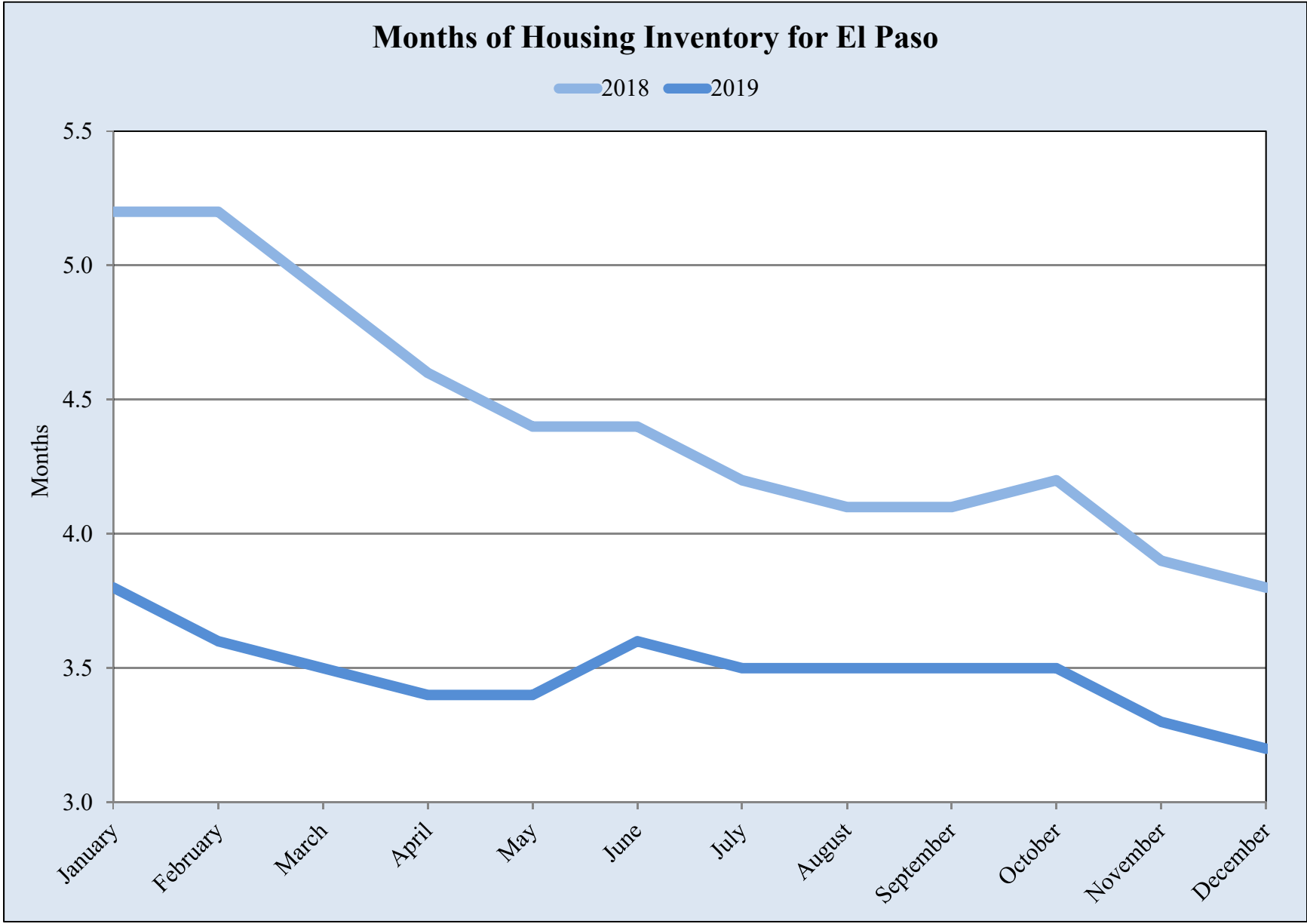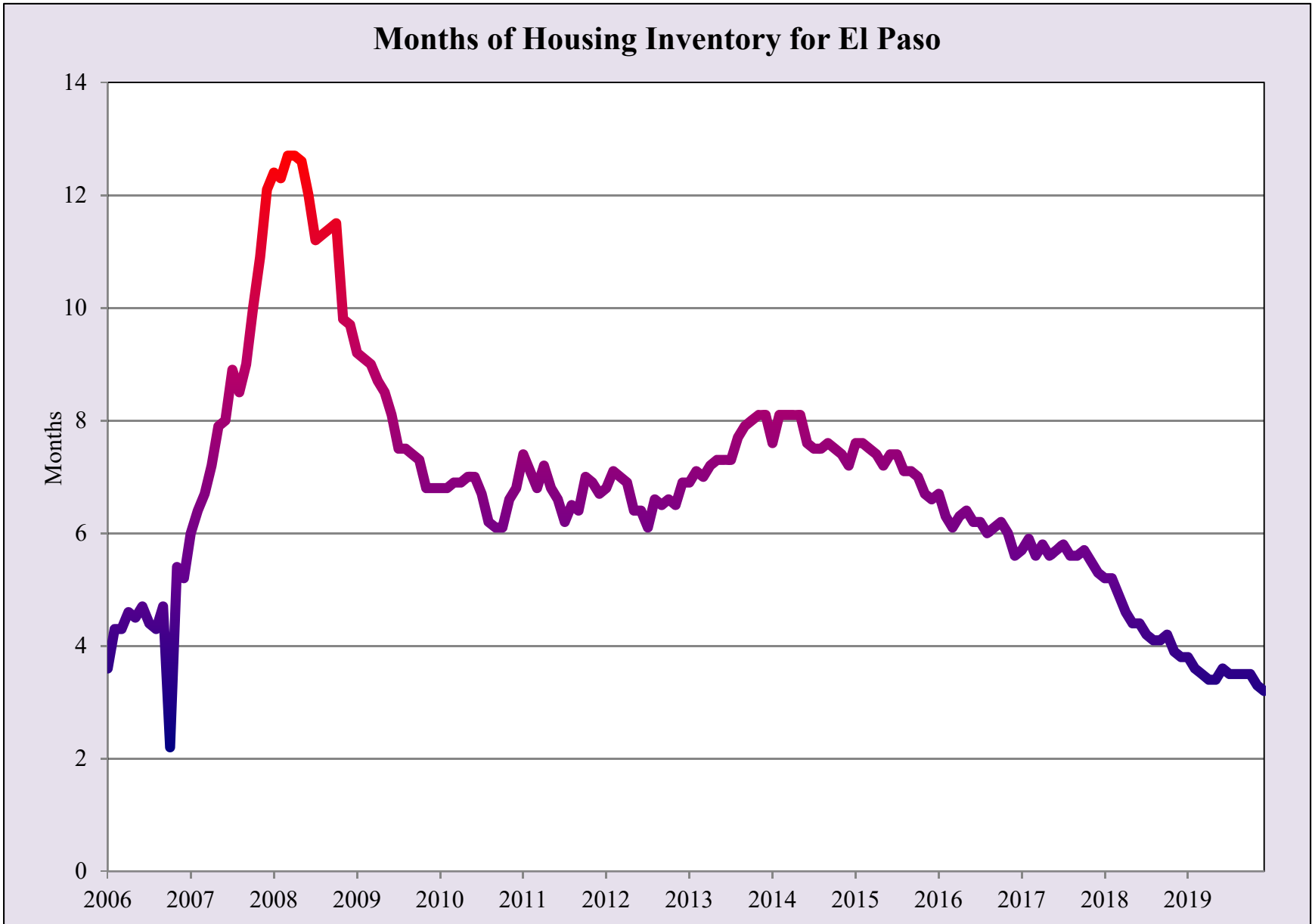
Source: Texas A&M Real Estate Center

El Paso Gasoline Prices
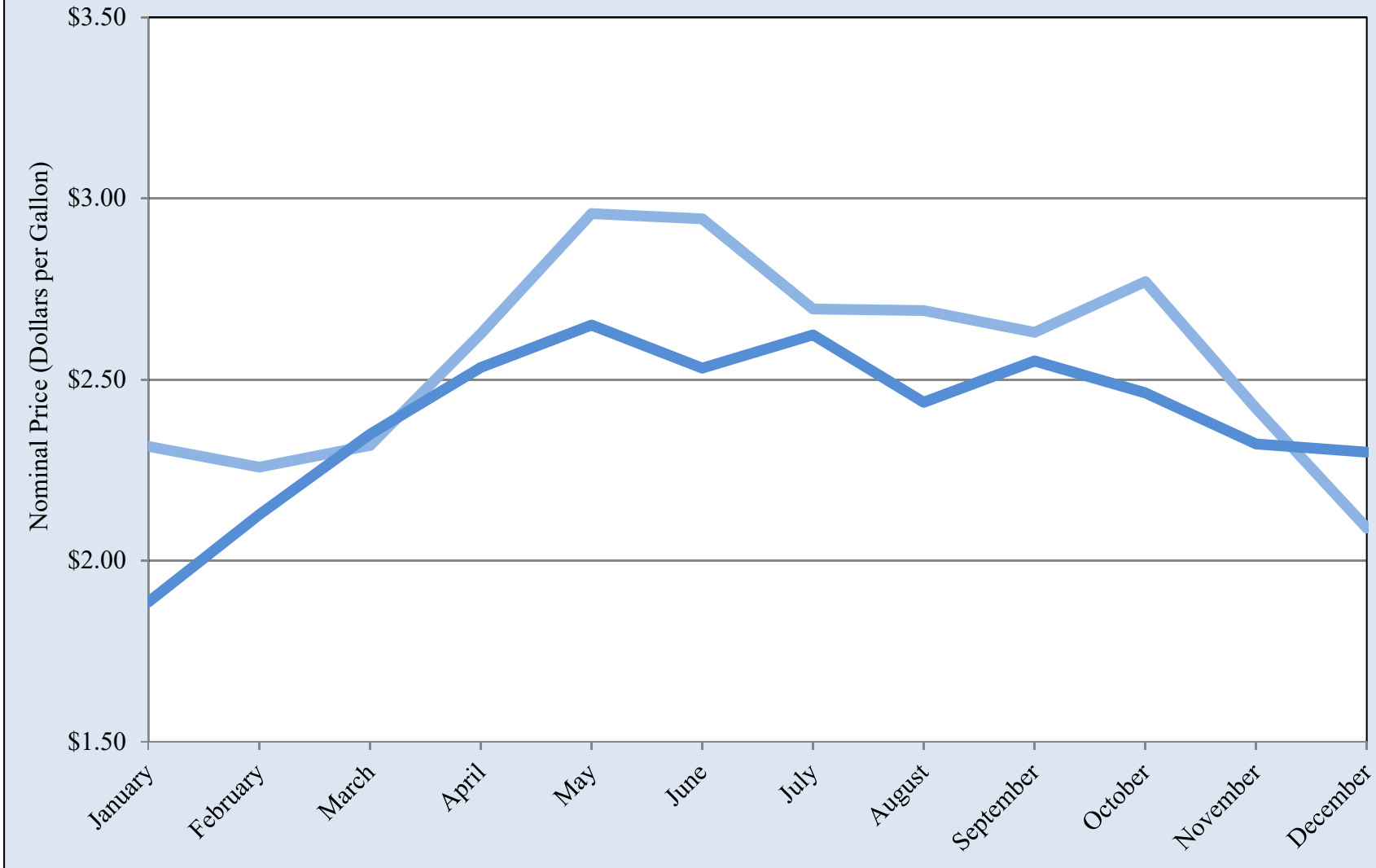
Source: GasBuddy.com

El Paso Gasoline Prices
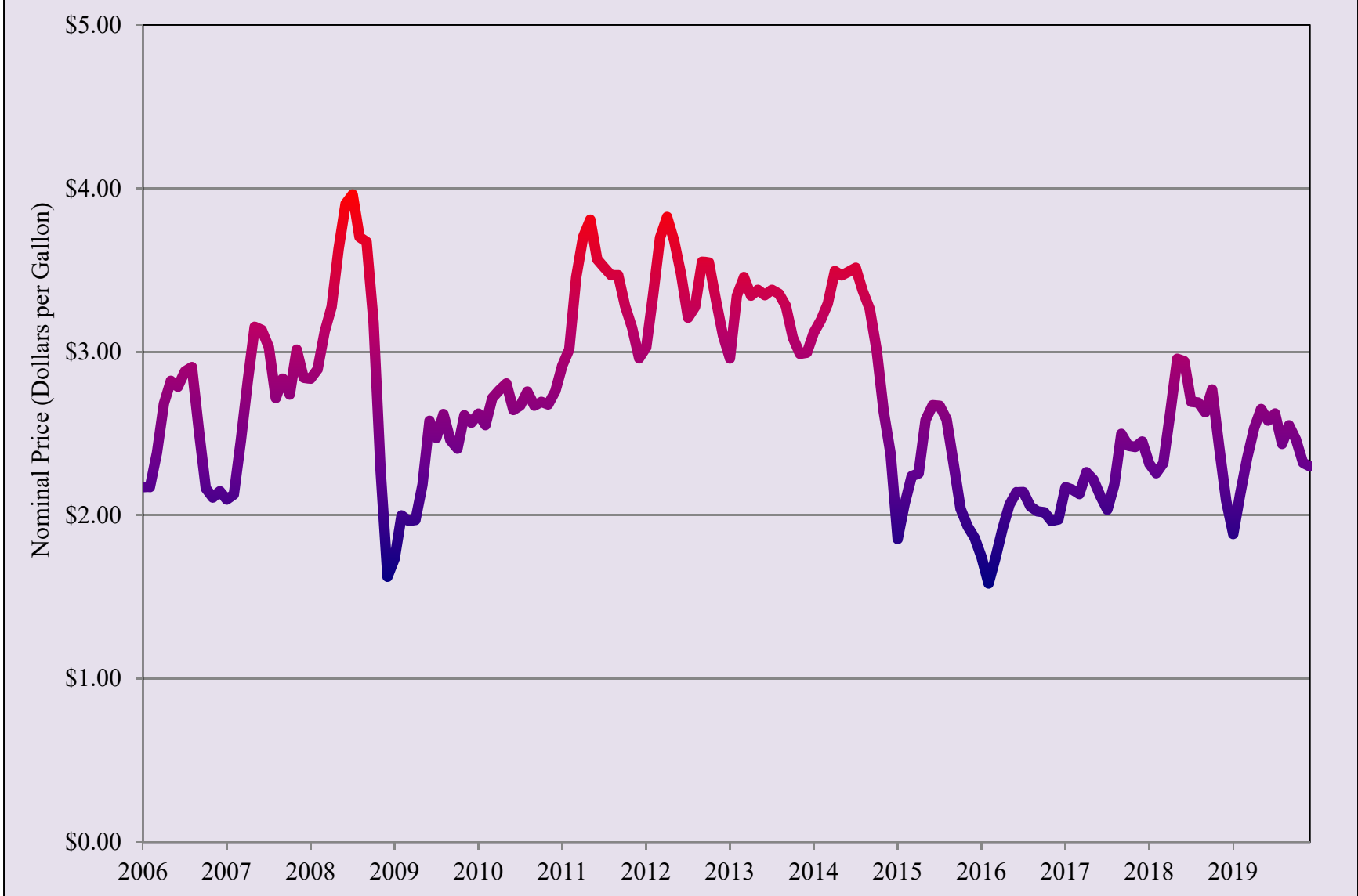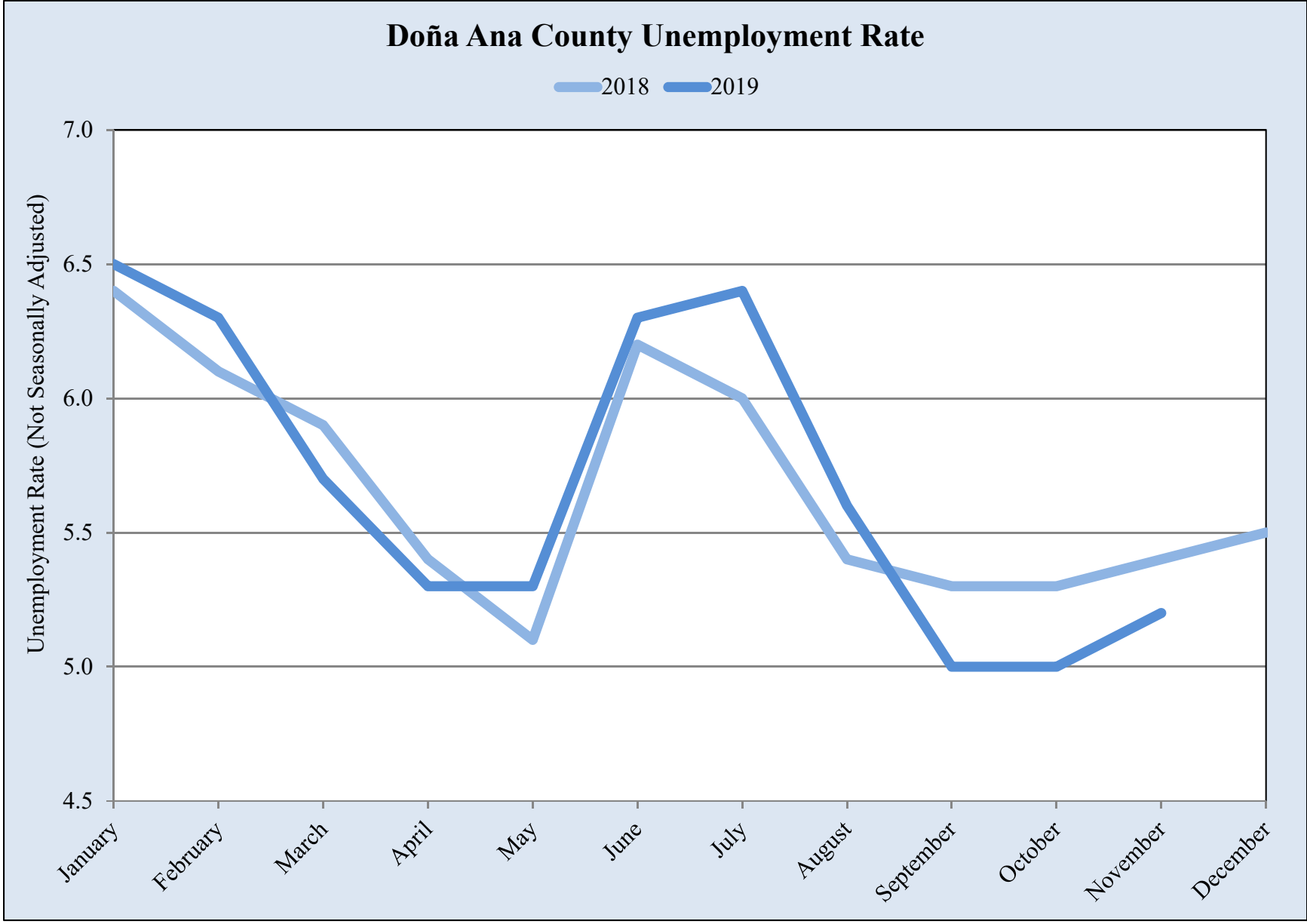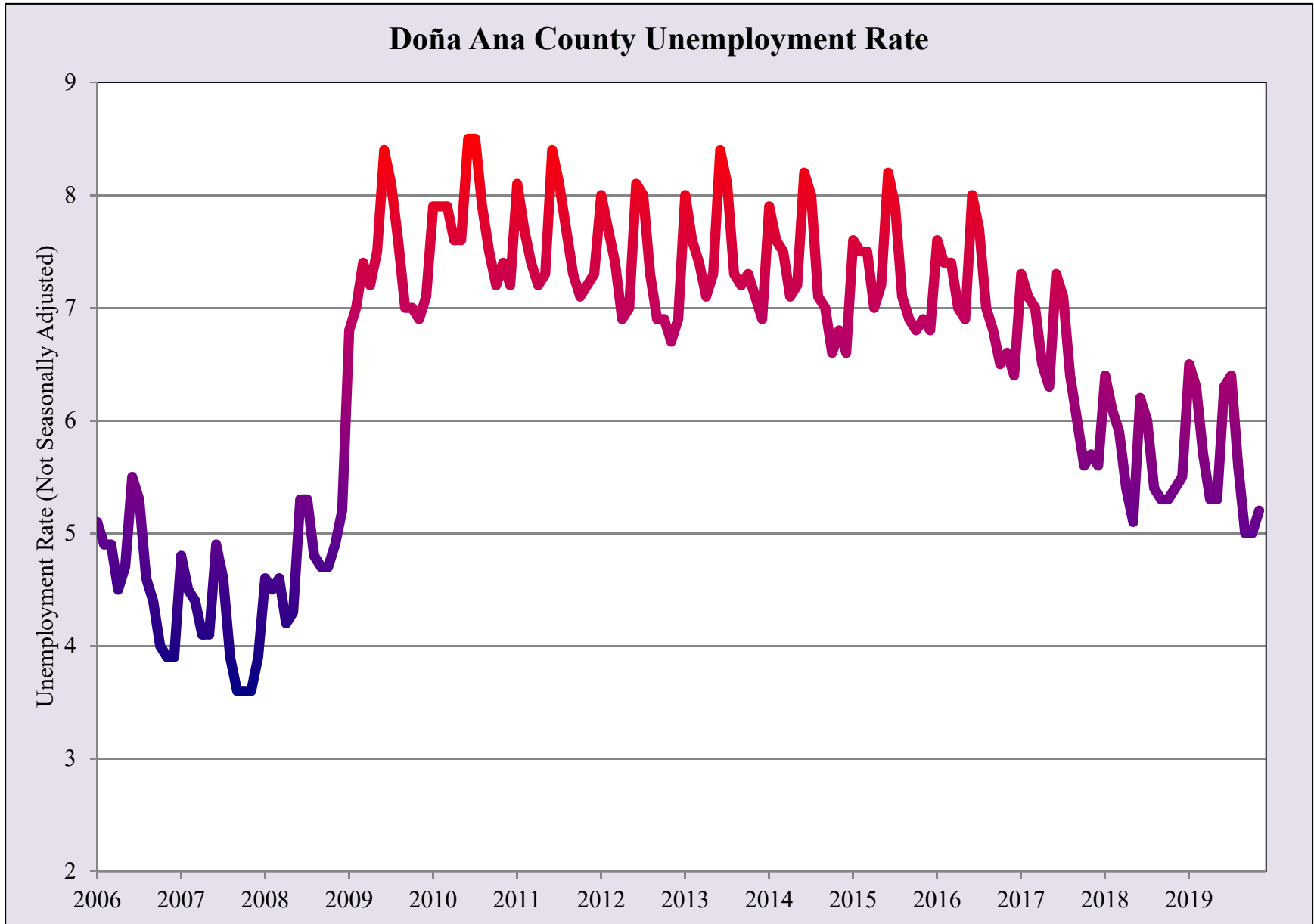
Source: GasBuddy.com

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
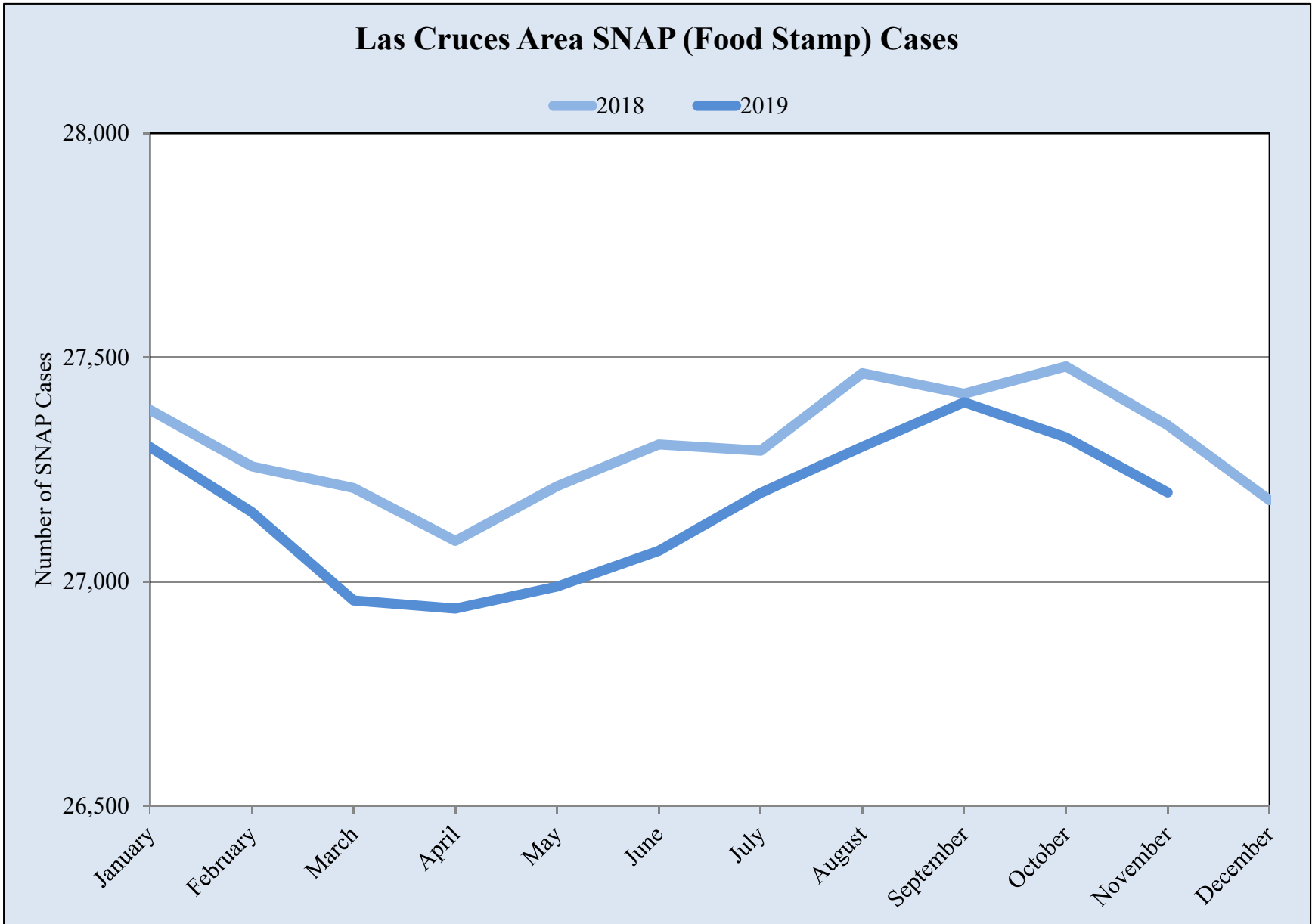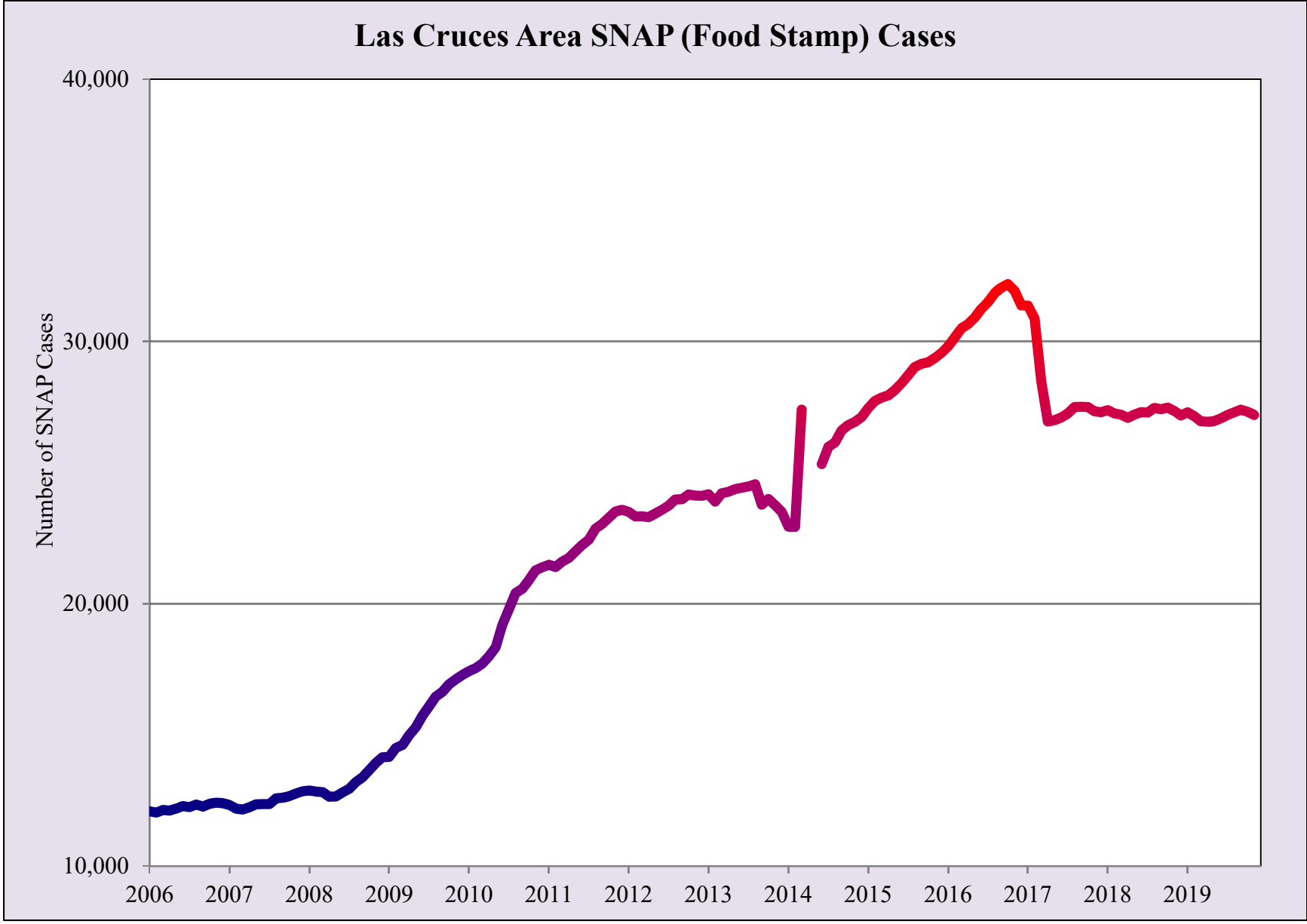
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate

Legend:
- 2018 Restaurant Price Ratio
- 2019 Restaurant Price Ratio
- 2018 Nominal Exchange Rate
- 2019 Nominal Exchange Rate

Y-axis: Pesos per Dollar (10, 12, 14, 16, 18, 20, 22)

X-axis: January, February, March, April, May, June, July, August, September, October, November, December

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**
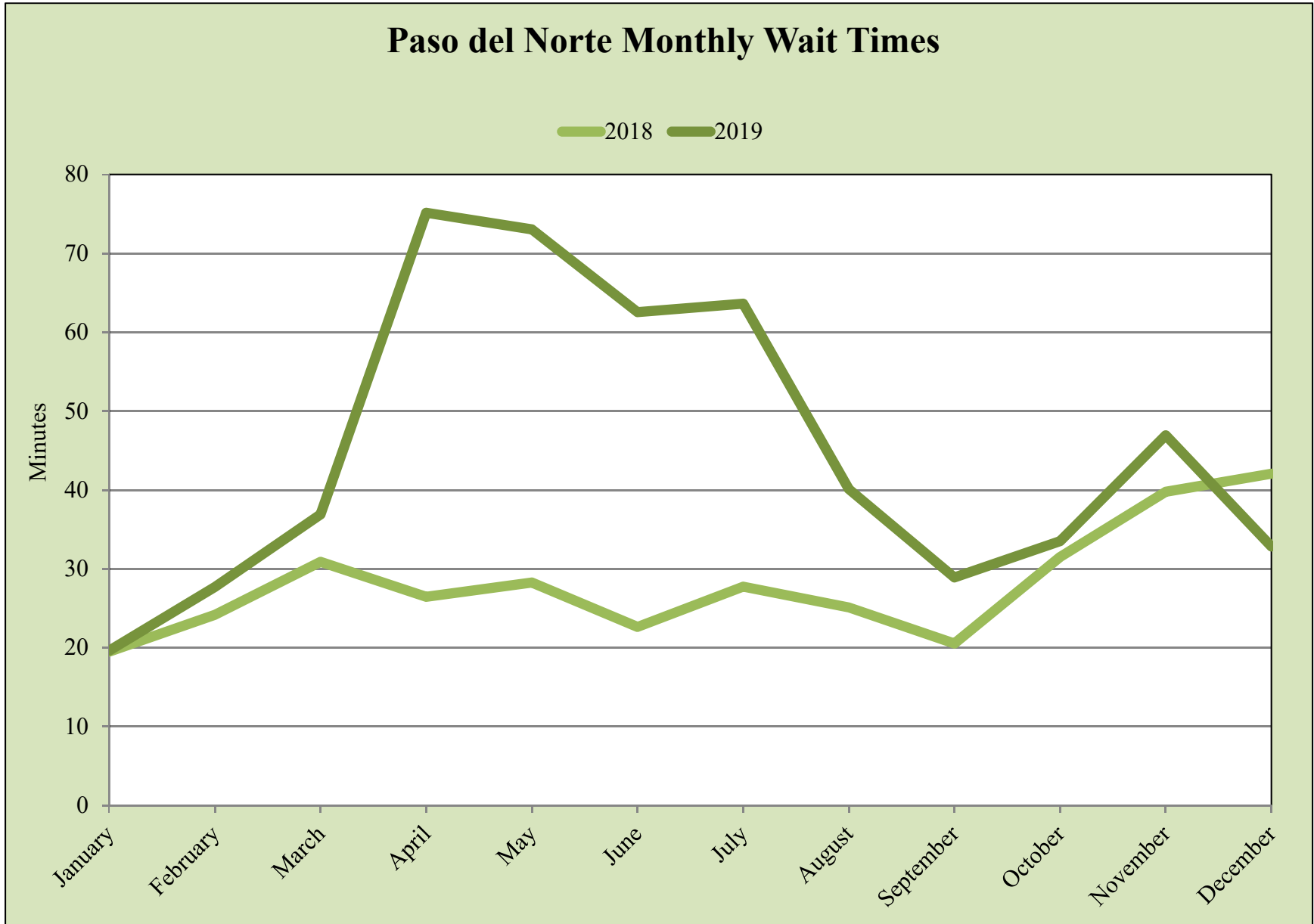
Source: UTEP Border Region Modeling Project

Pharmaceutical Nominal Price Ratio in the USA and Mexico
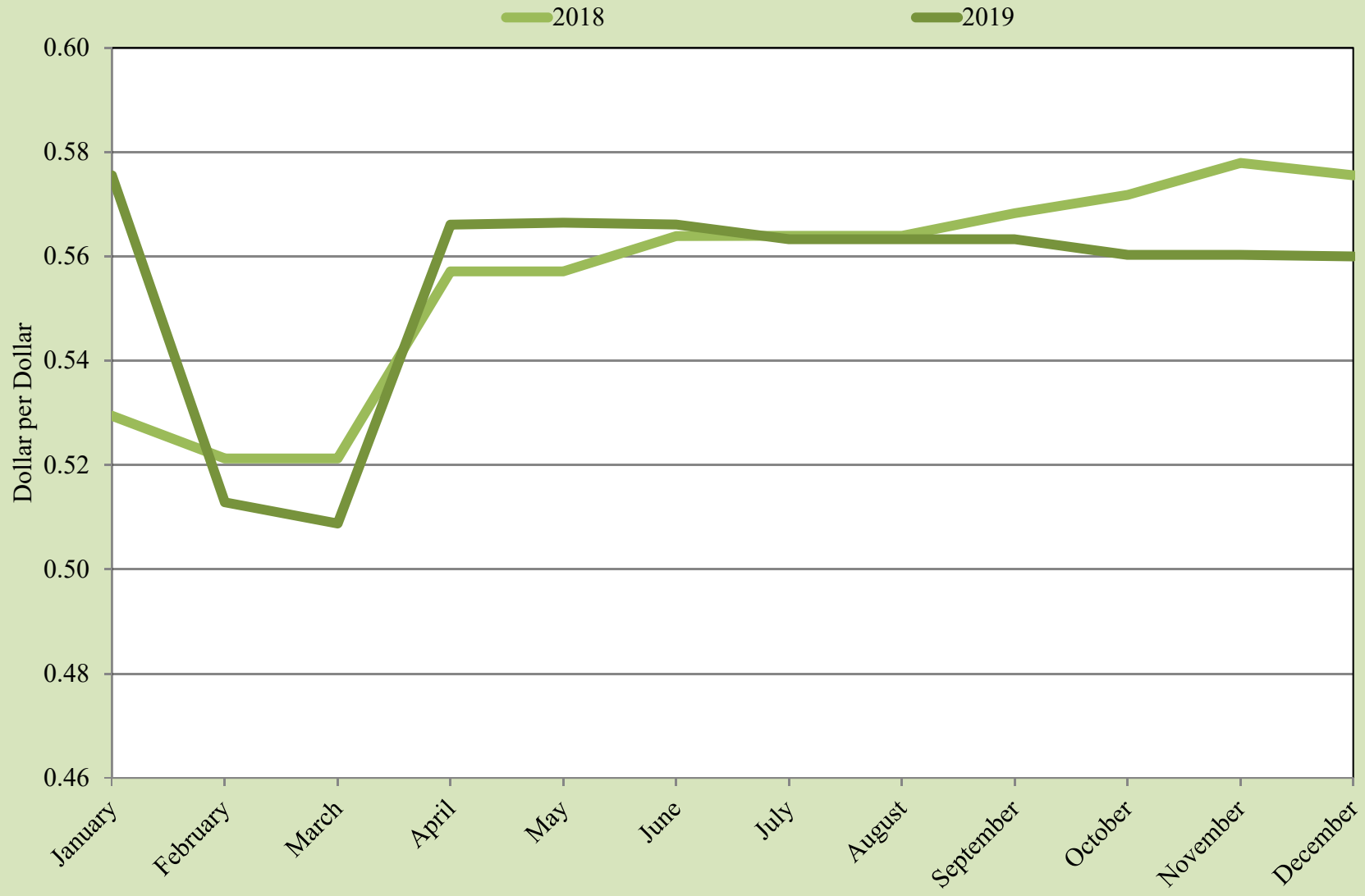
— 2018   — 2019

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
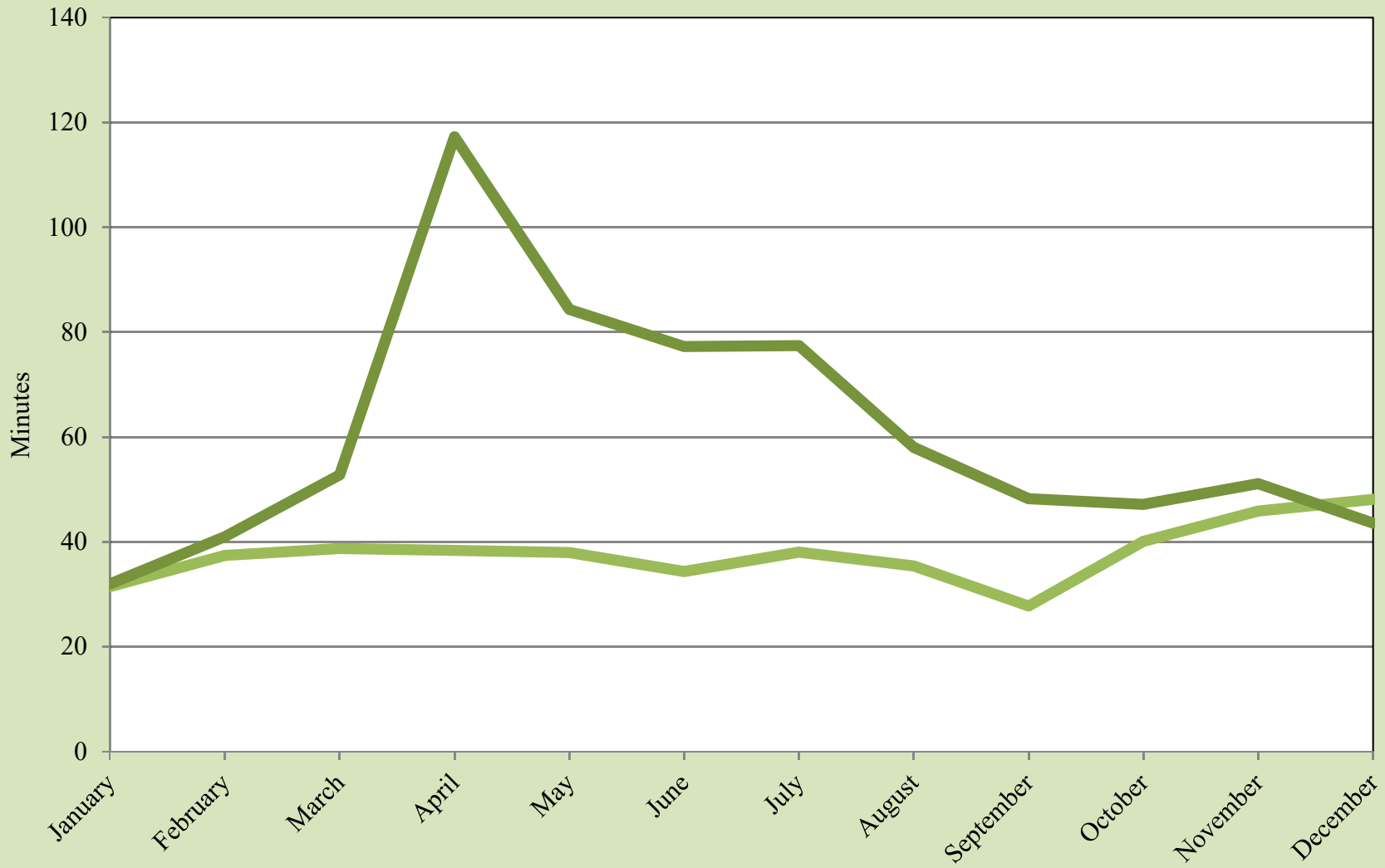
Paso del Norte Monthly Wait Times
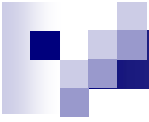
Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times
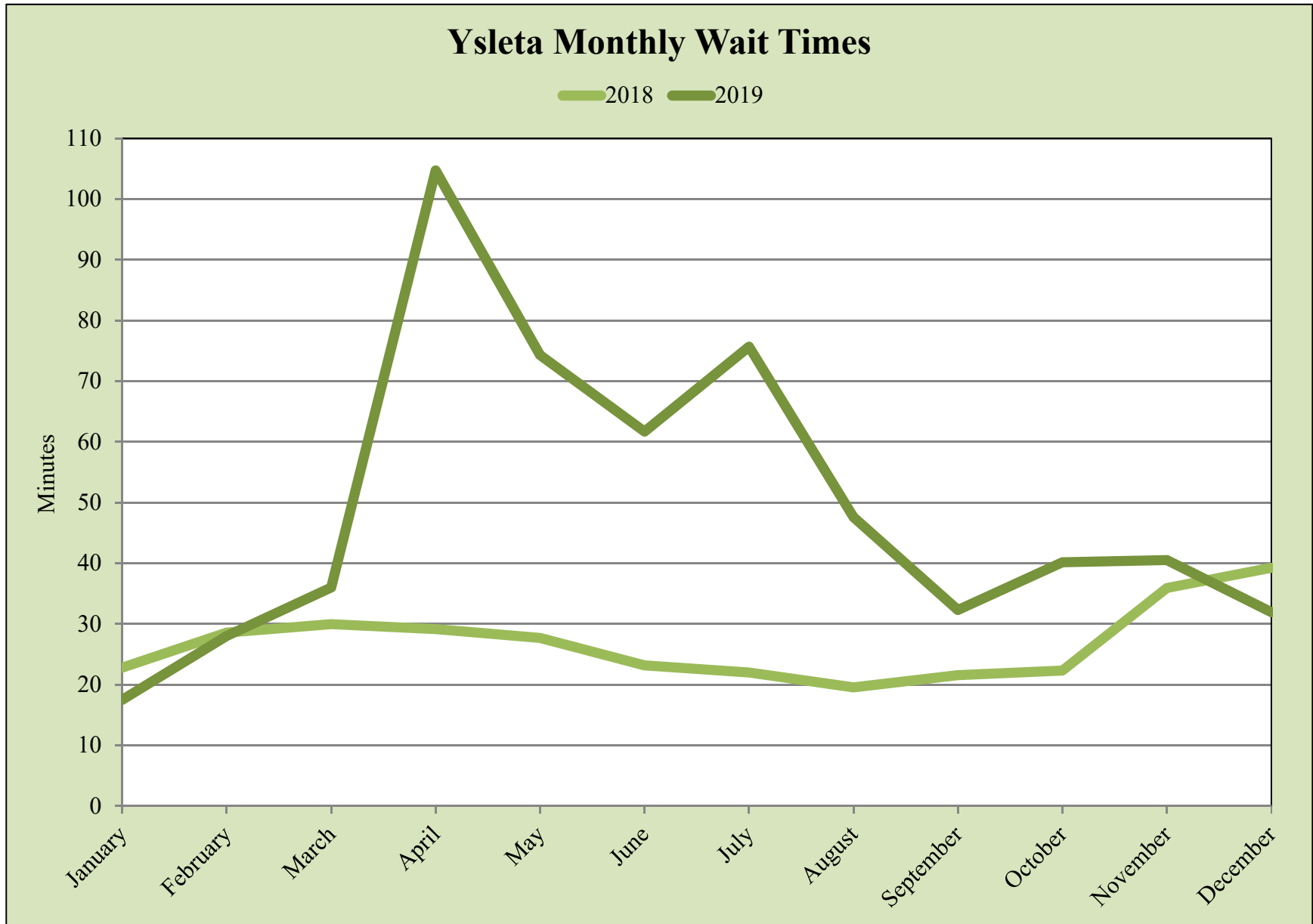
Source: UTEP Border Region Modeling Project

Bridge of the Americas Monthly Wait Times

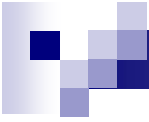Source: UTEP Border Region Modeling Project

Monthly Border Wait Times

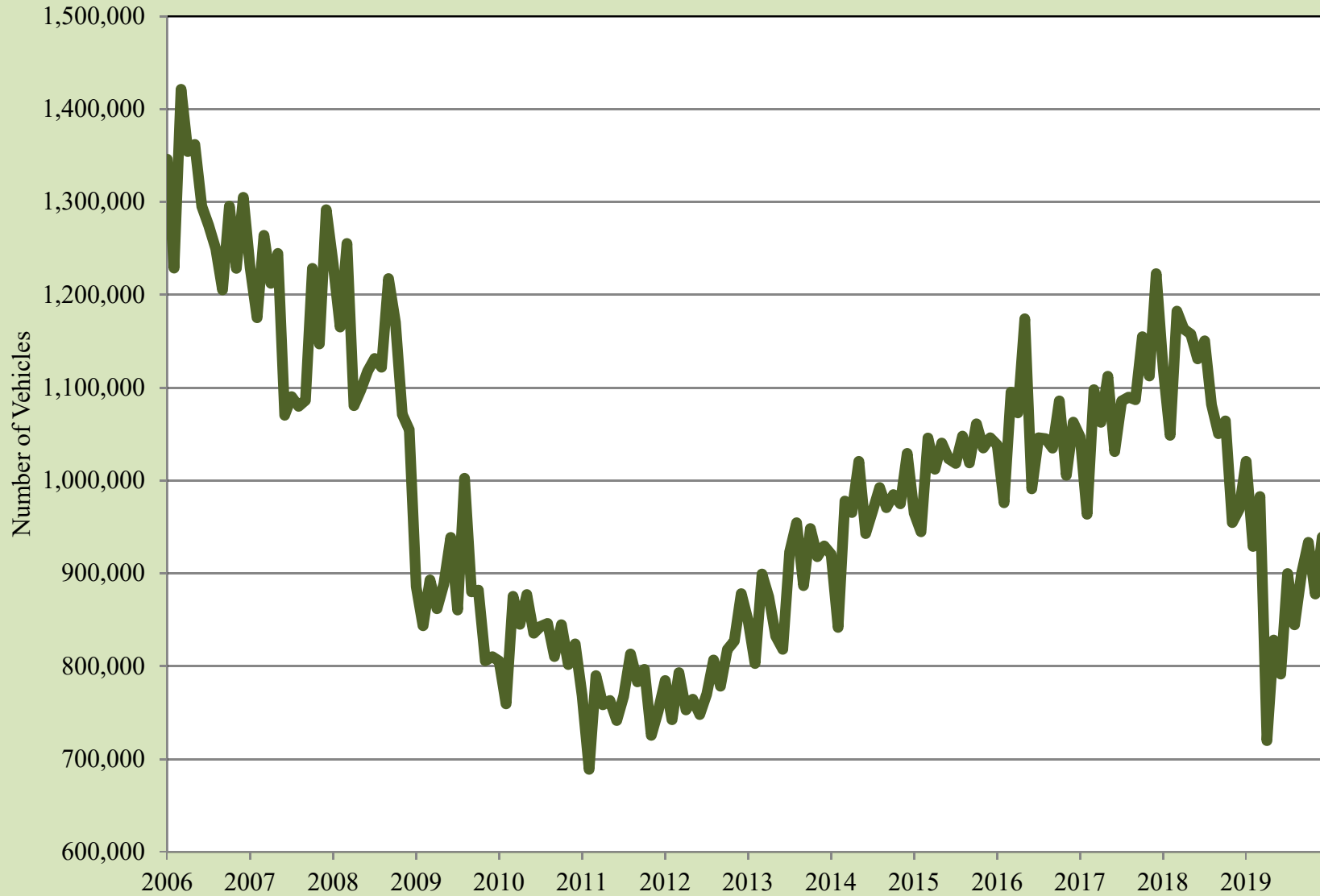Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso
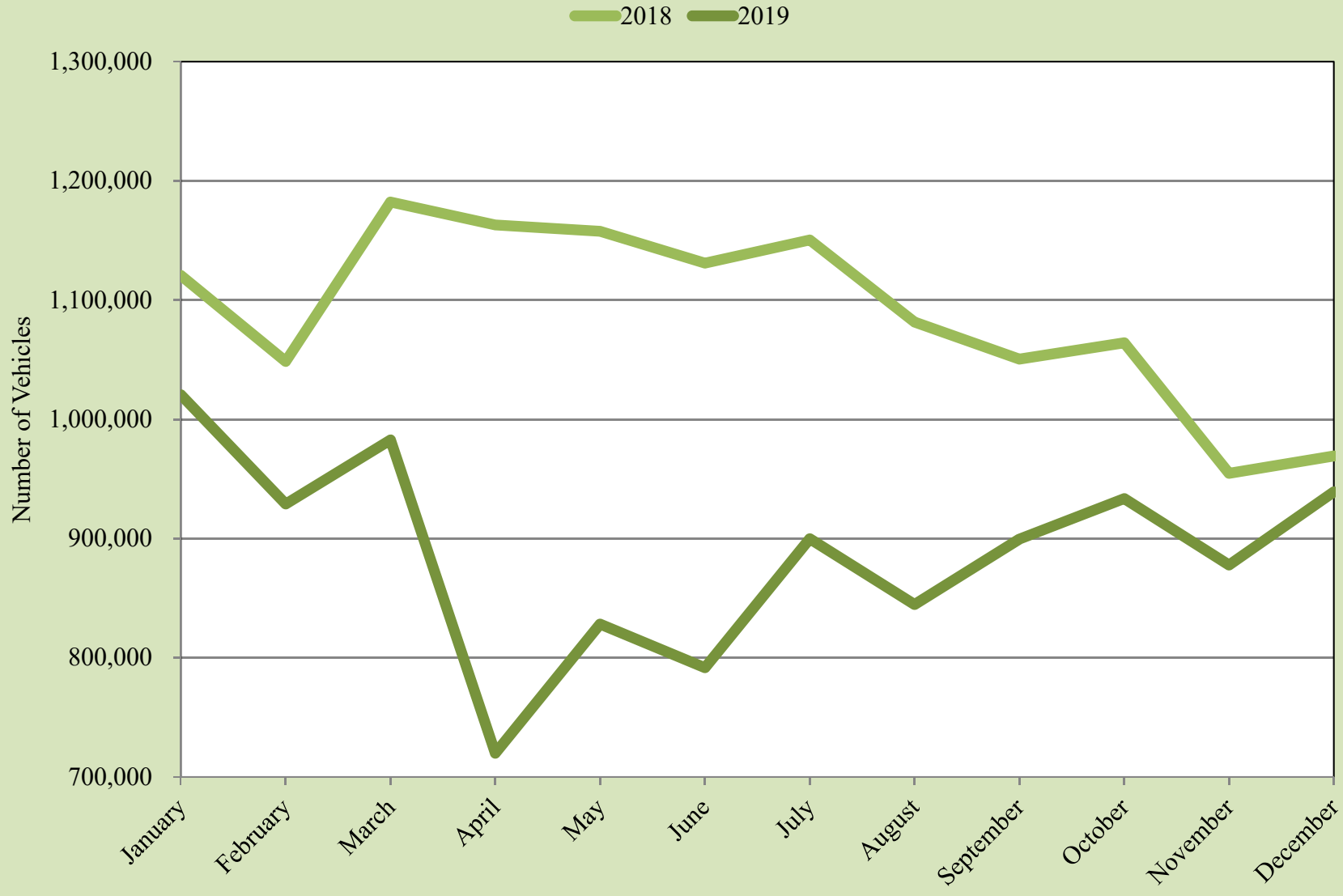
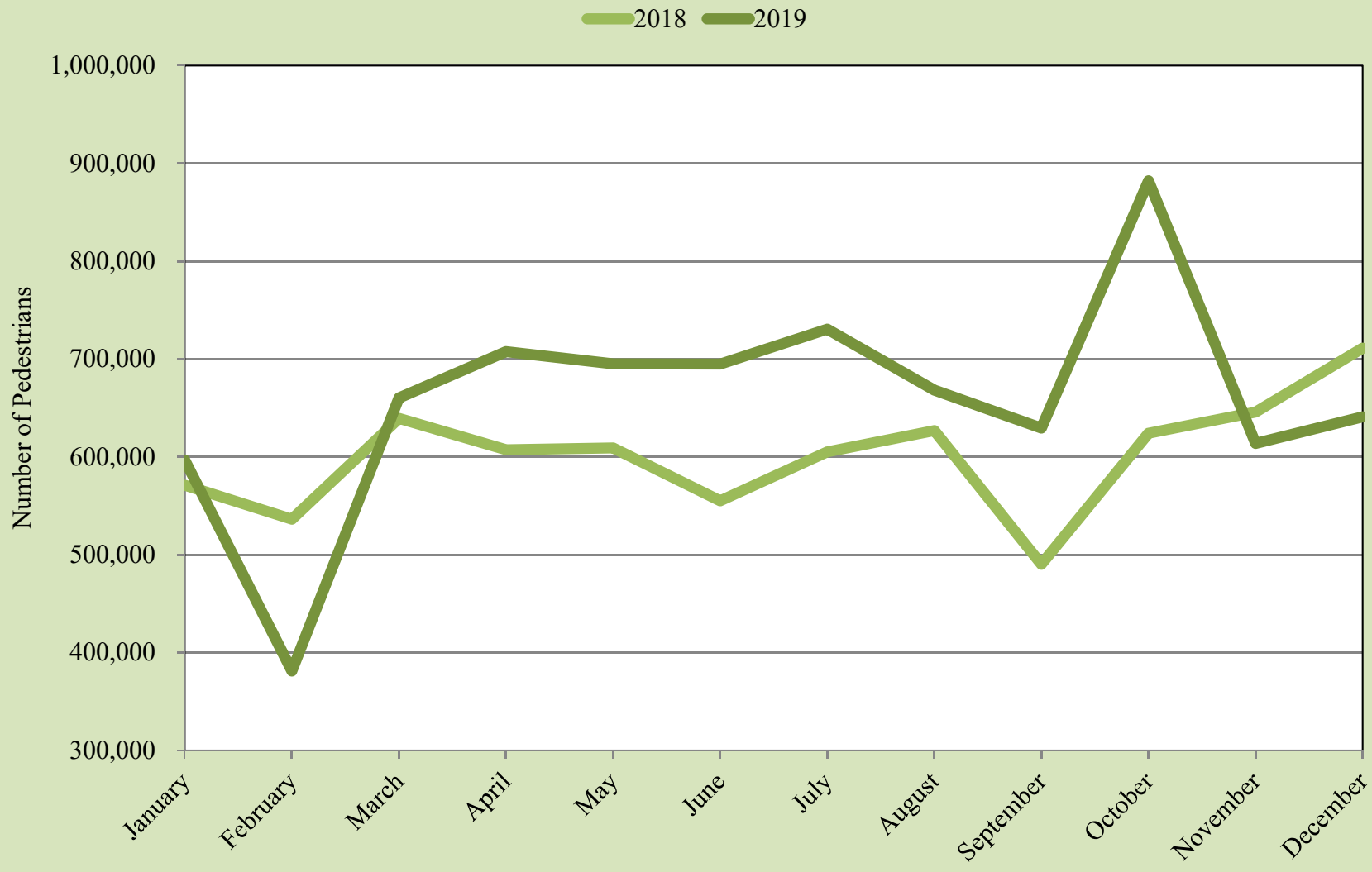Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Personal Vehicle International Bridge Crossings to El Paso

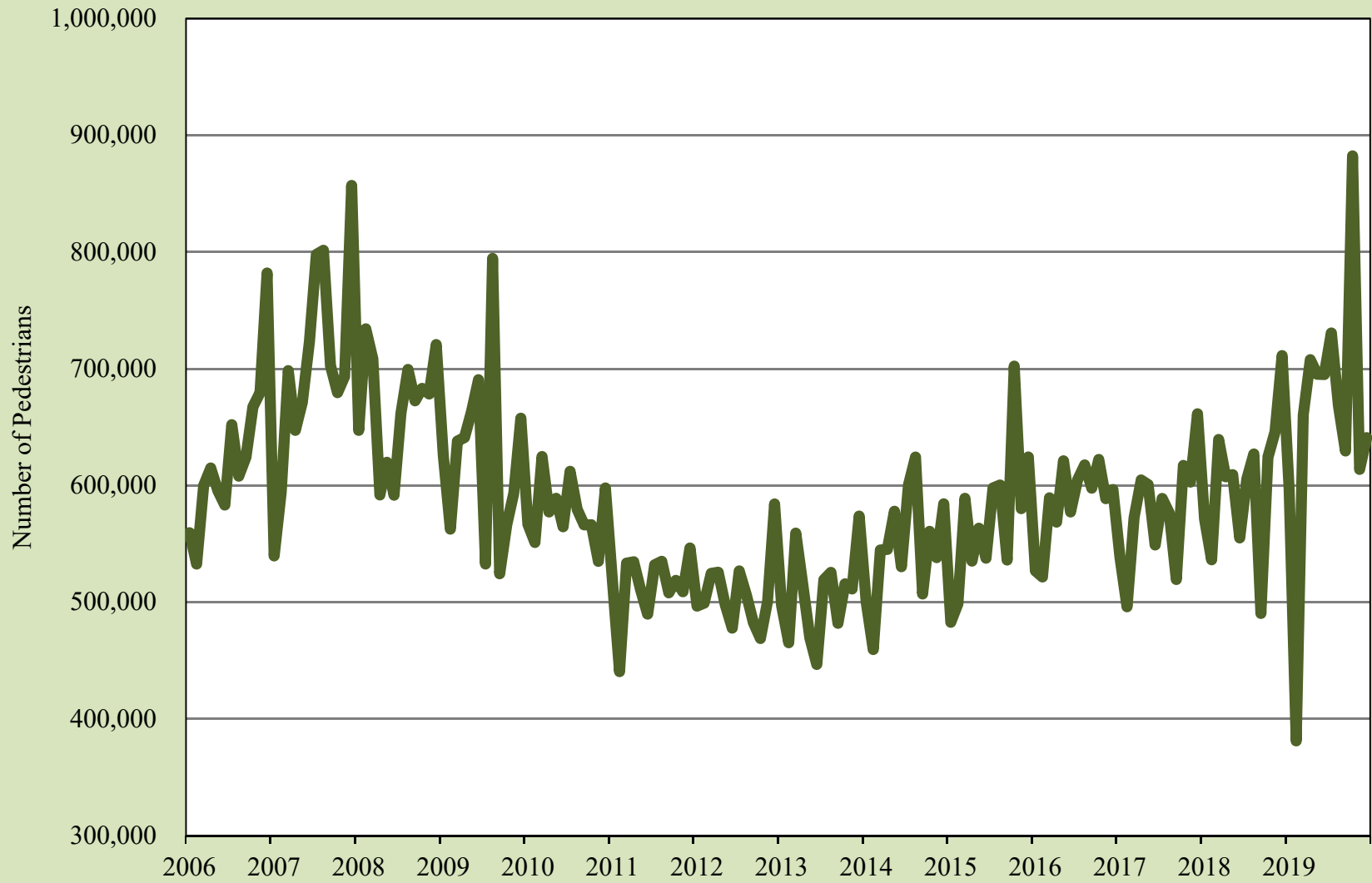Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Pedestrian International Bridge Crossings to El Paso

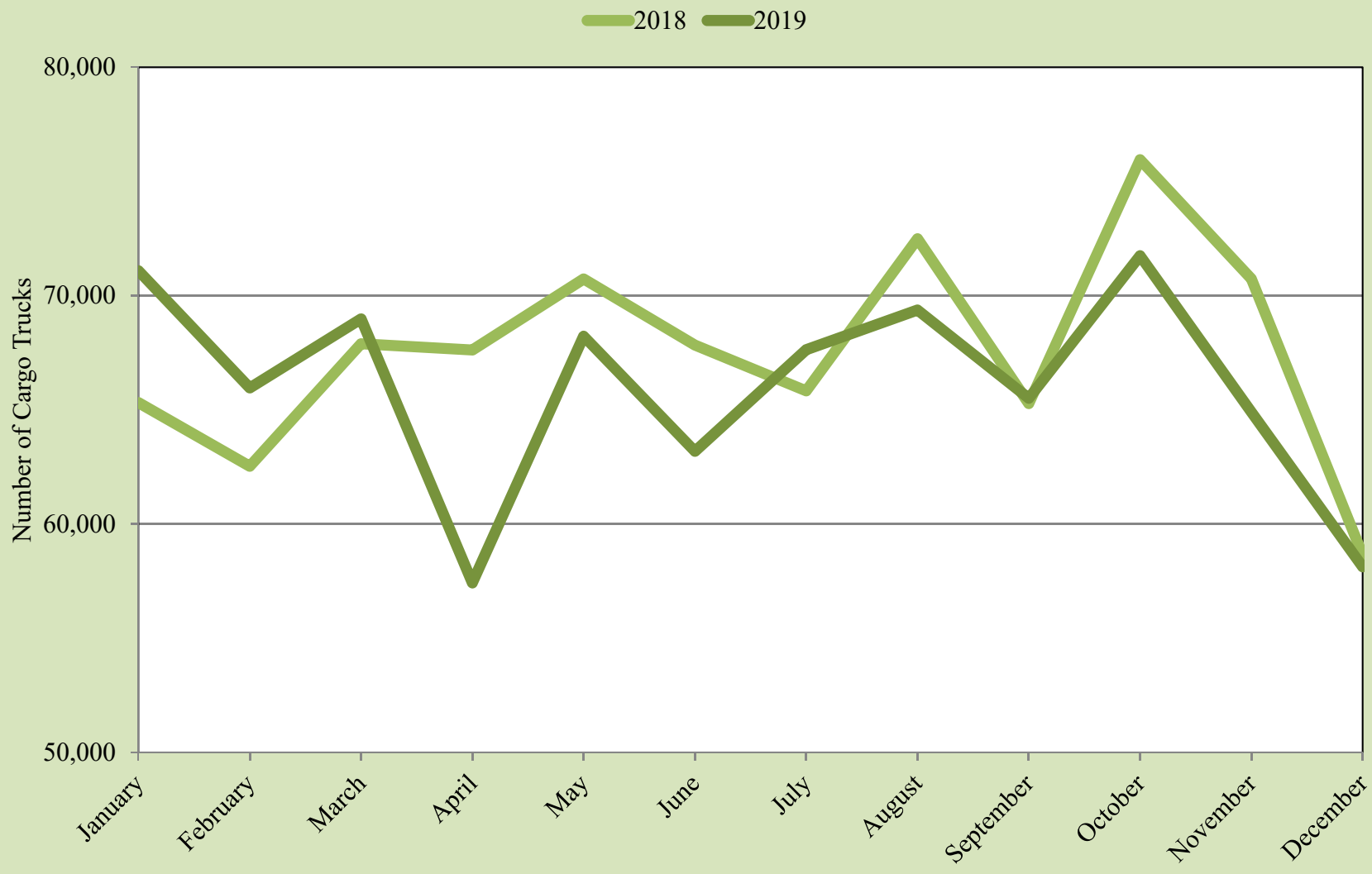Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Pedestrian International Bridge Crossings to El Paso

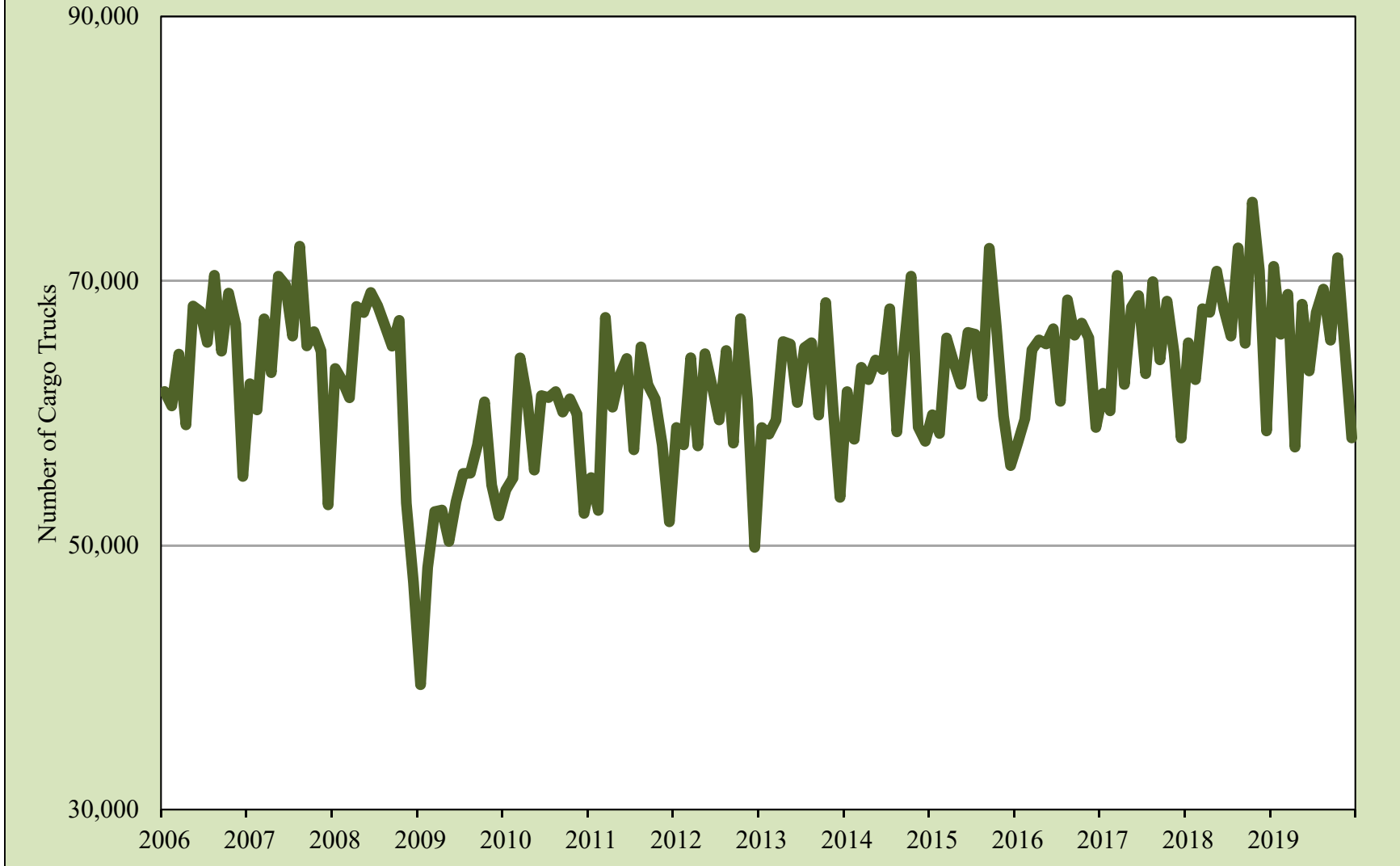Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
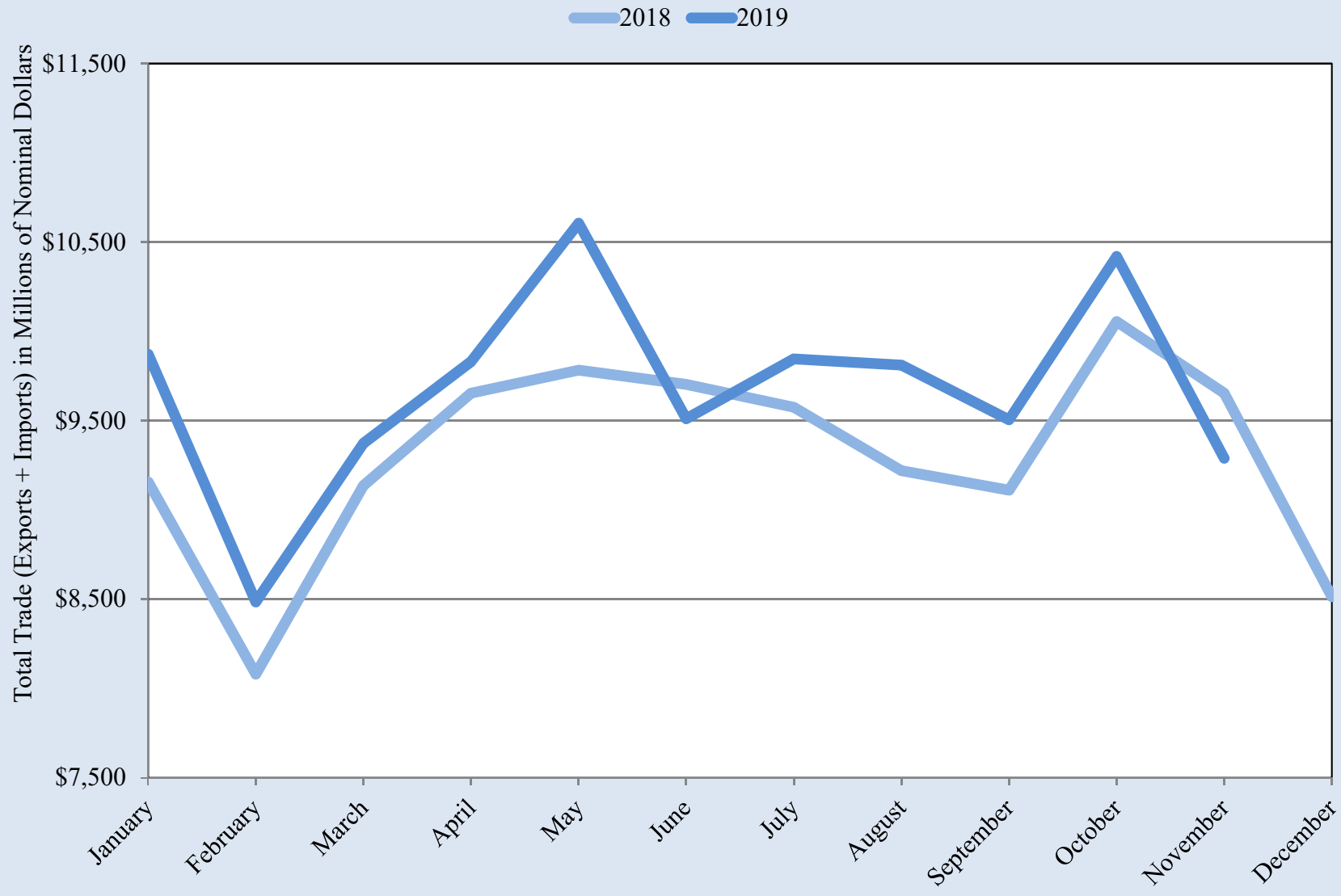
Cargo Truck International Bridge Crossings to El Paso

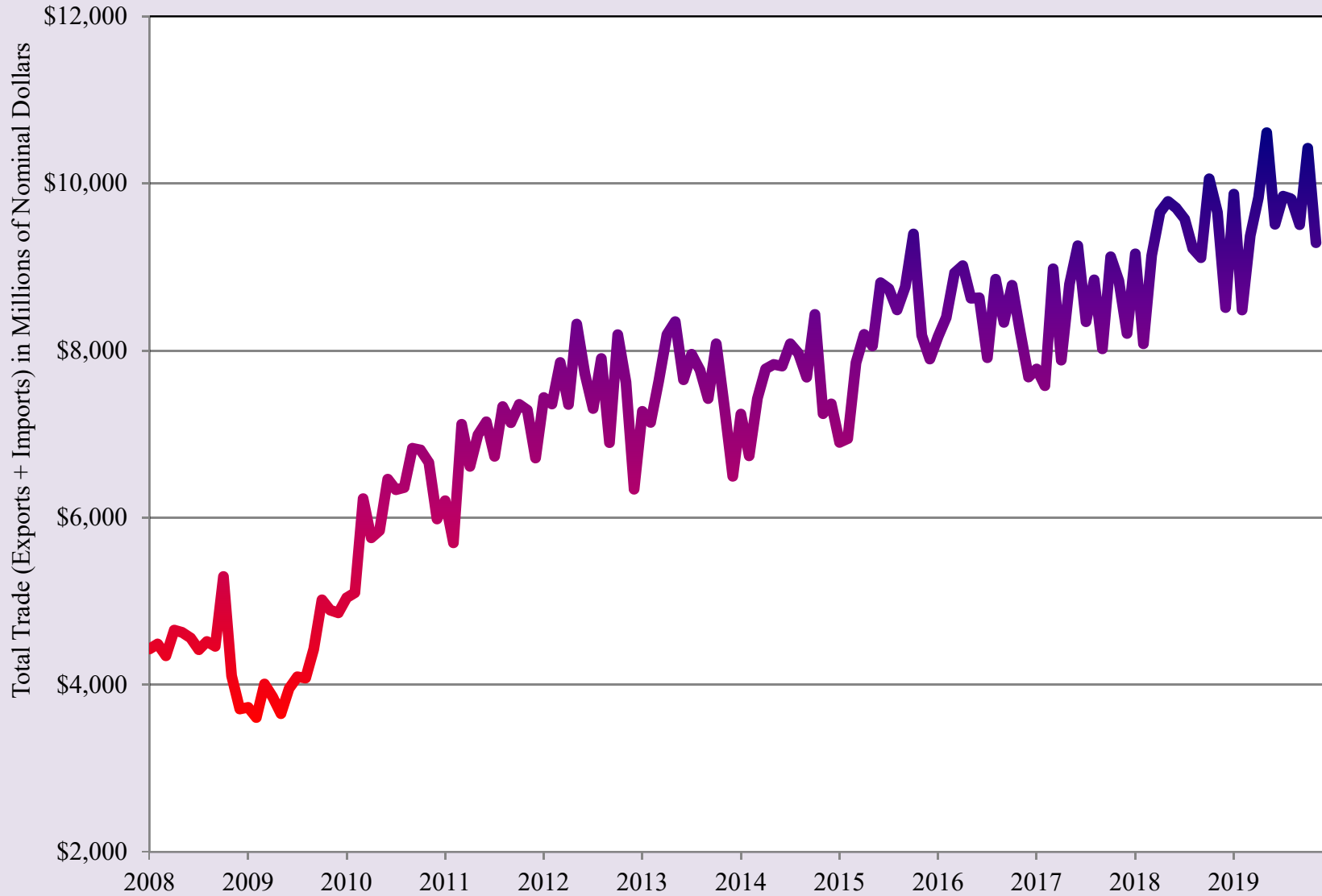Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission
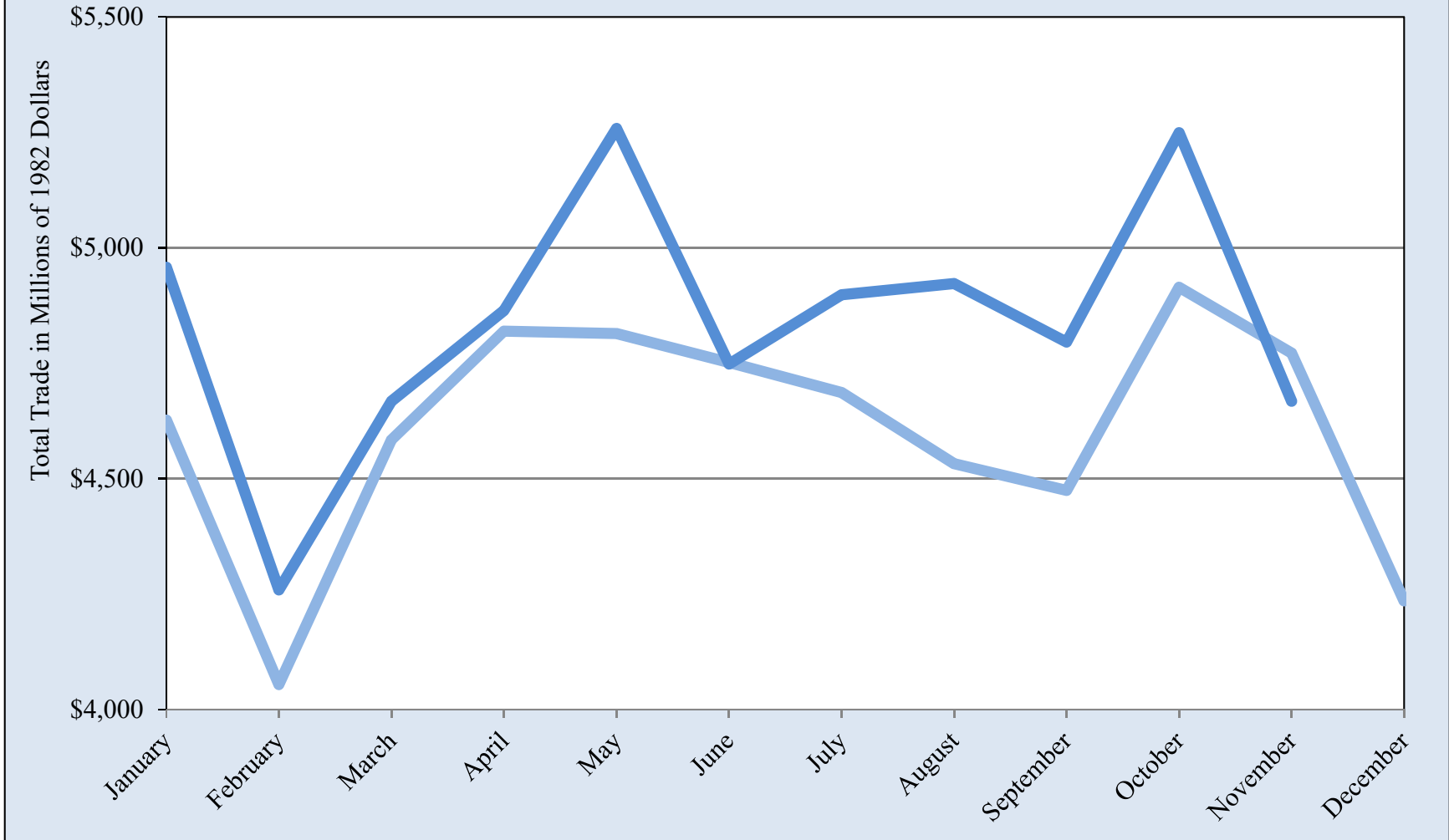
Total Trade through the El Paso Customs District

Source: U.S. International Trade Commission

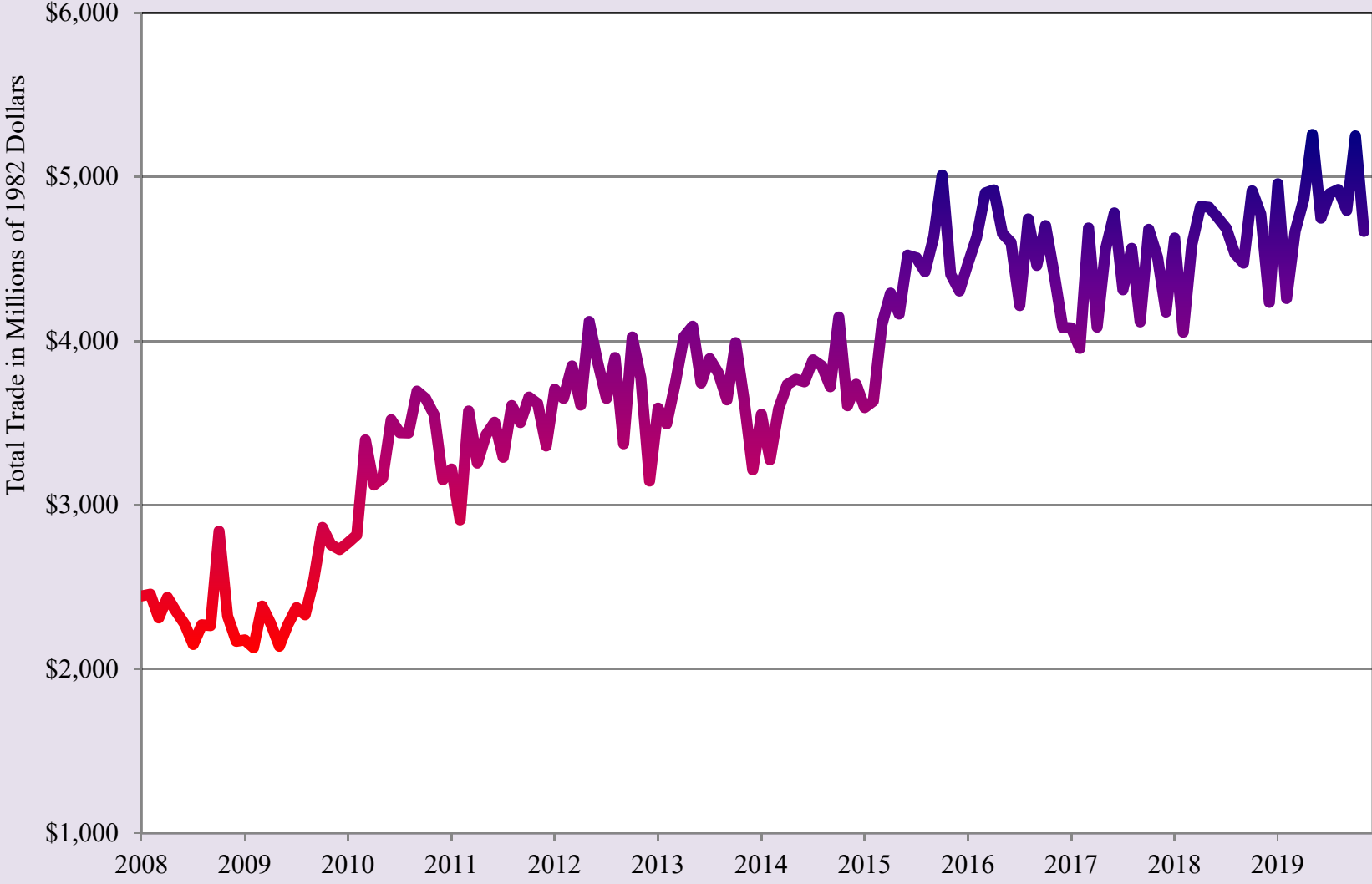# Real Total Trade through the El Paso Customs District

2018　2019

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

**Real Total Trade through
the El Paso Customs District**
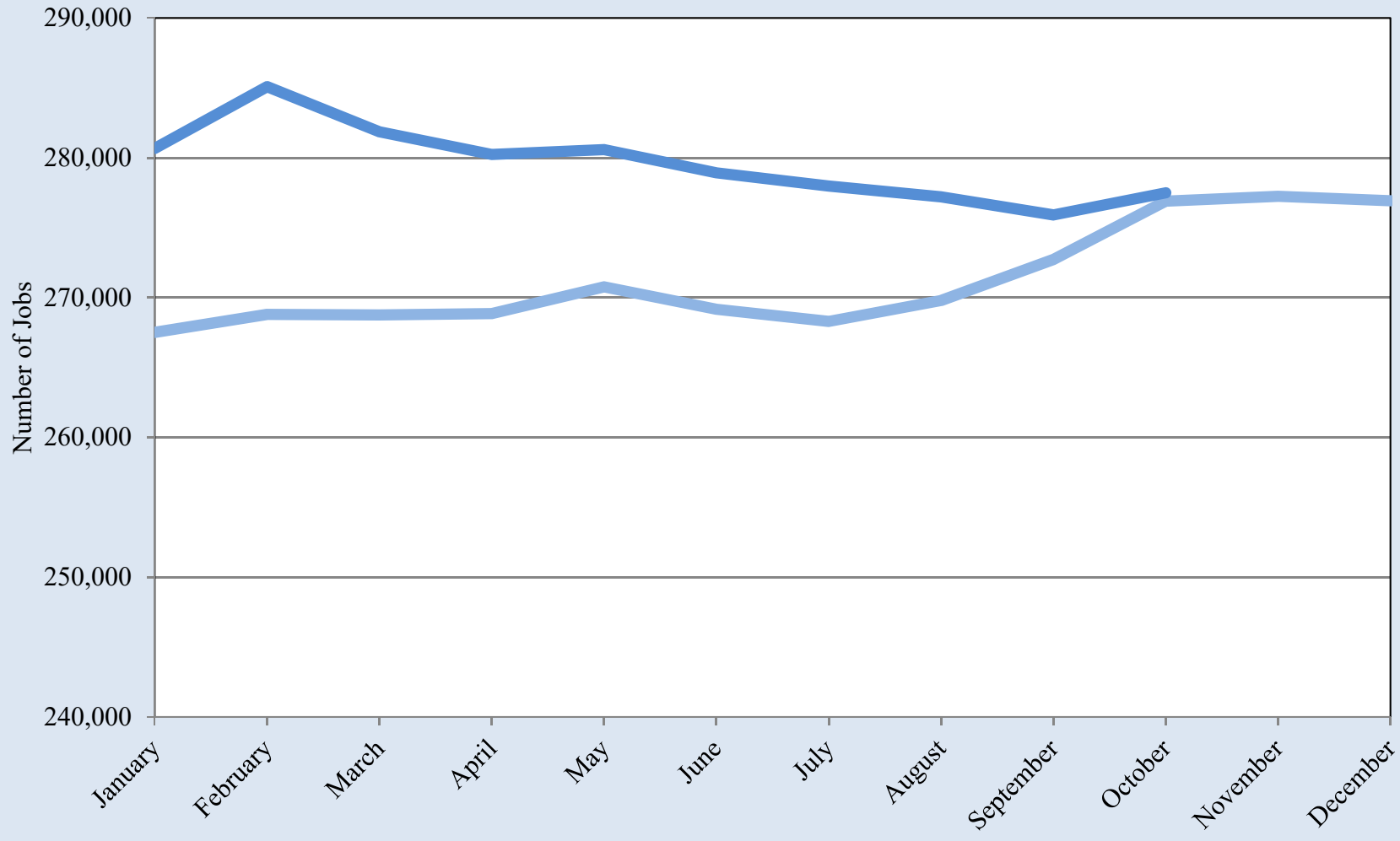
Source: U.S. International Trade Commission and Bureau of Labor Statistics

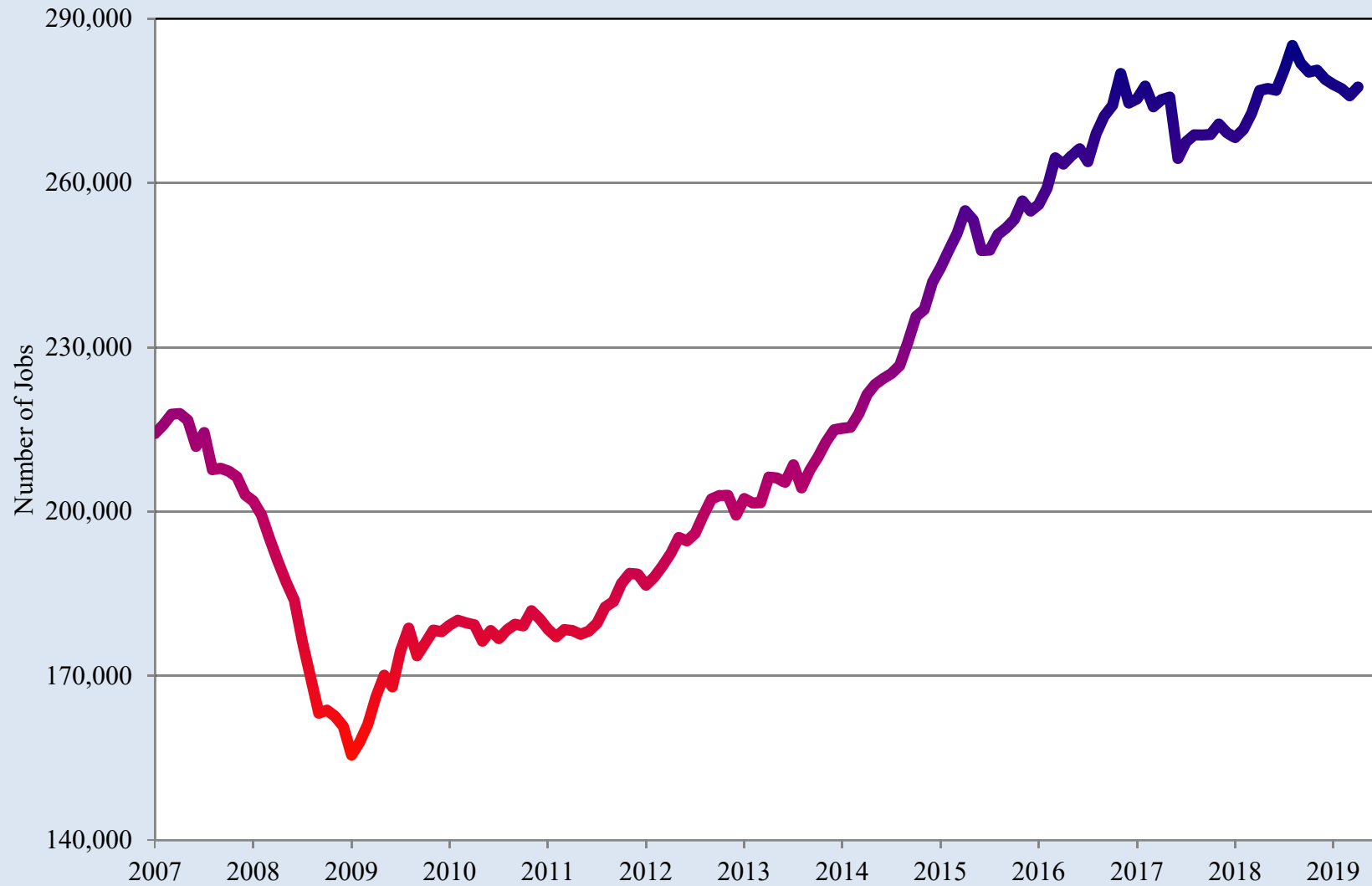**Export-Oriented Manufacturing Employment in Ciudad Juárez**

Source: INEGI

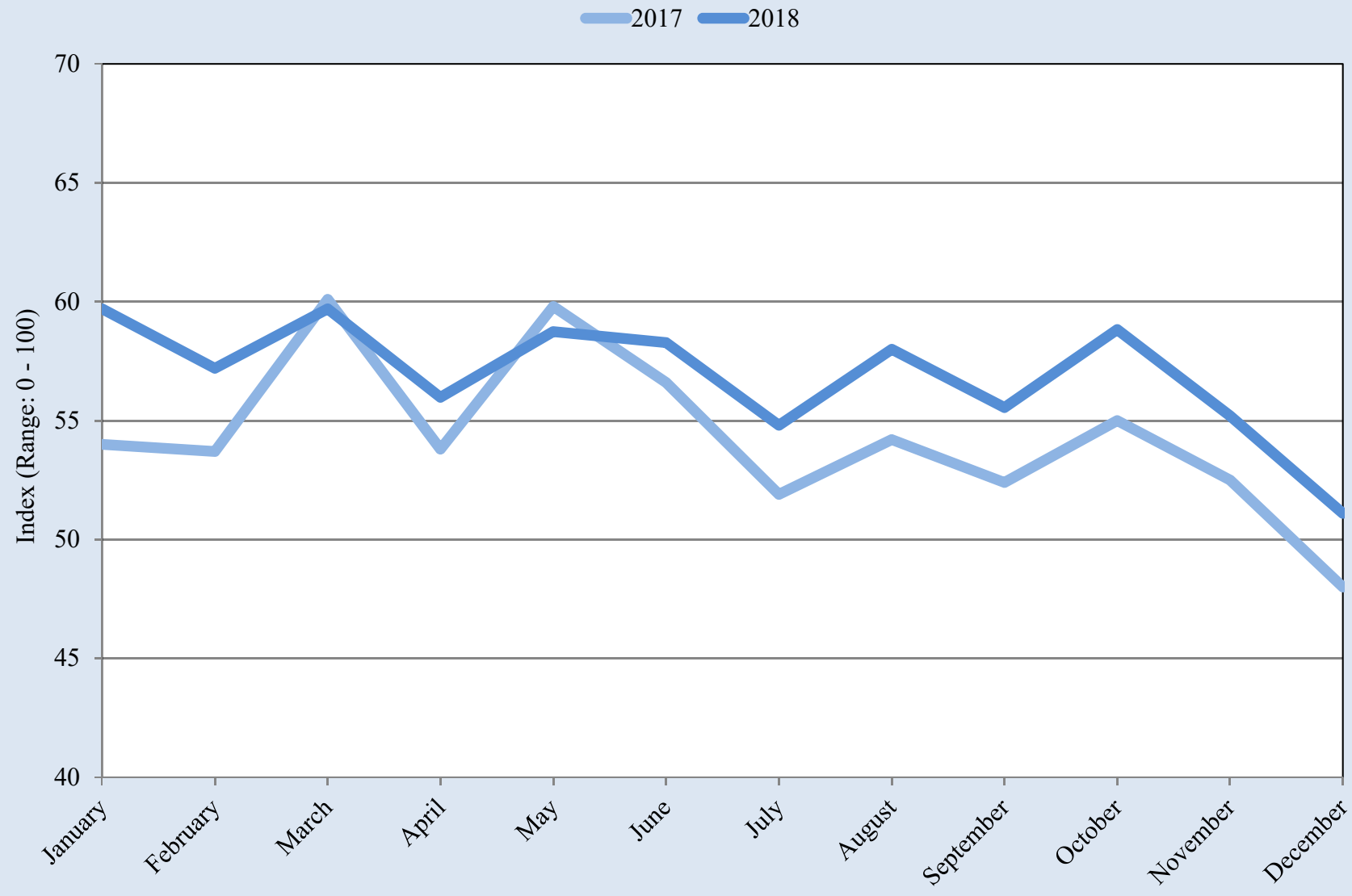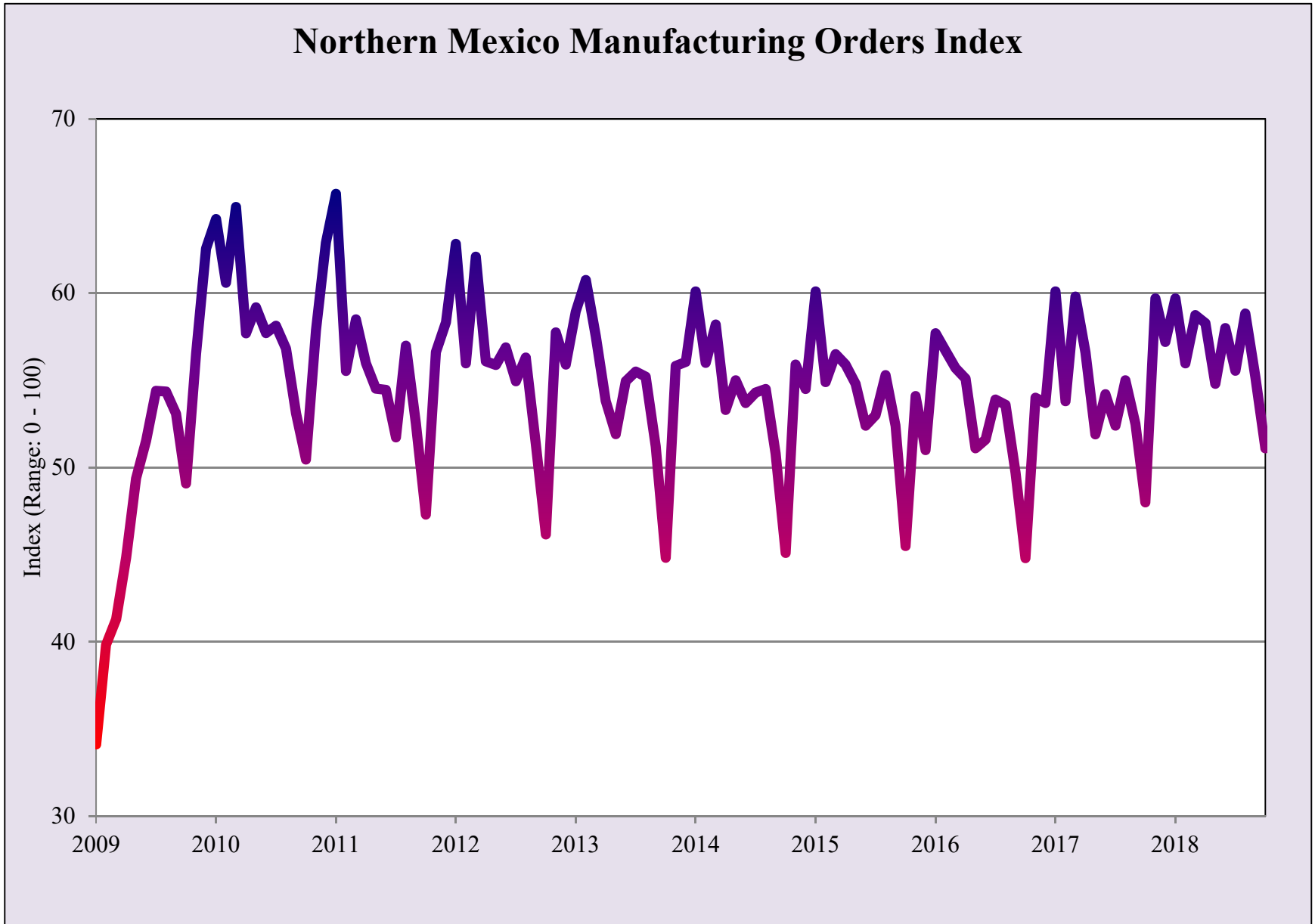**Export-Oriented Manufacturing
Employment in Ciudad Juárez**

Number of Jobs (y-axis): 140,000 – 290,000

x-axis: 2007–2019

Source: INEGI

Northern Mexico Manufacturing Orders Index

Source: Banco de México

Northern Mexico Manufacturing Orders Index

Source: Banco de México

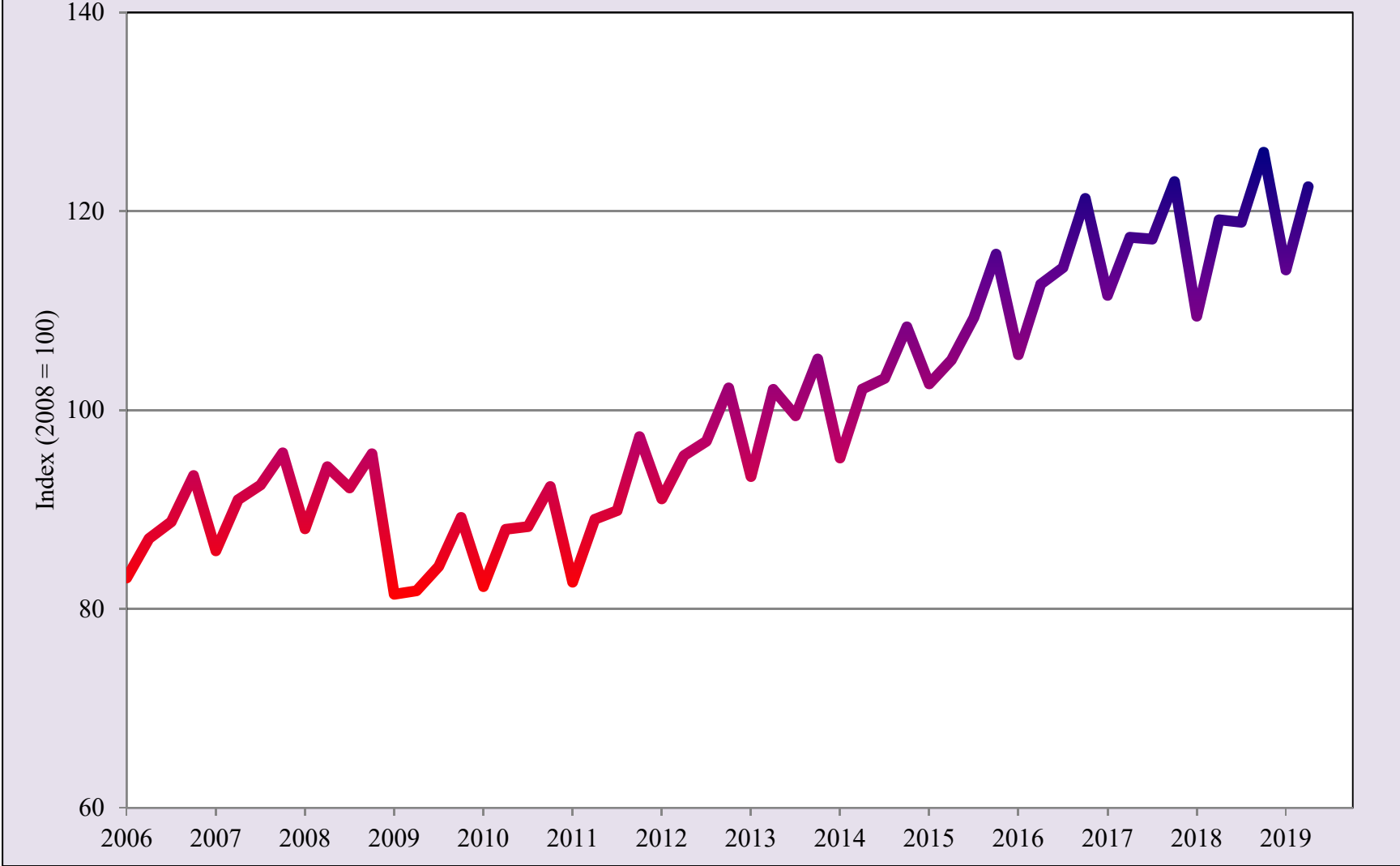**Quarterly Indicator of Economic Activity for the State of Chihuahua**

2018 ——— 2019 ———

Index (2008=100)

Quarter 1 — Quarter 2 — Quarter 3 — Quarter 4
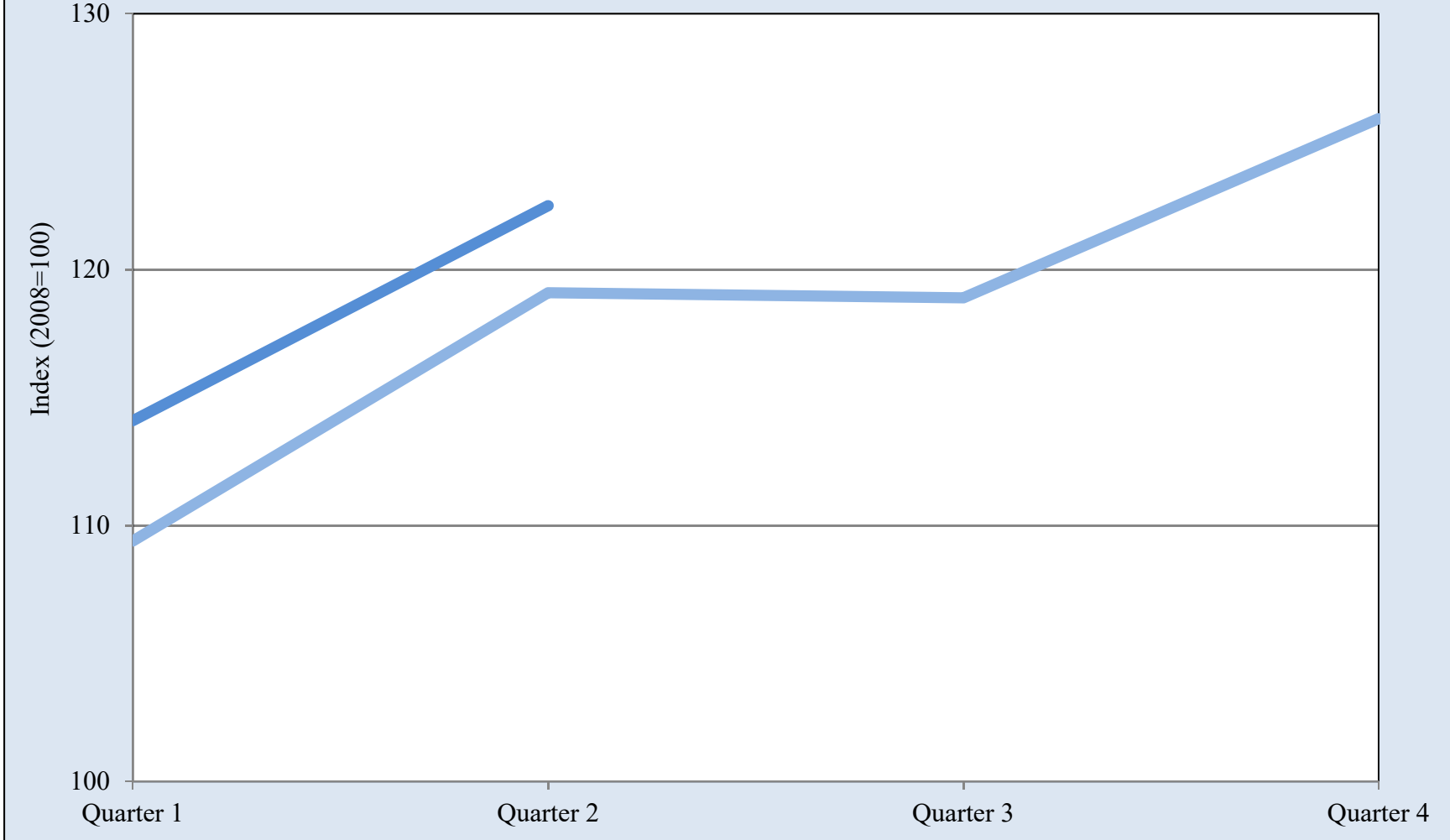
Source: INEGI

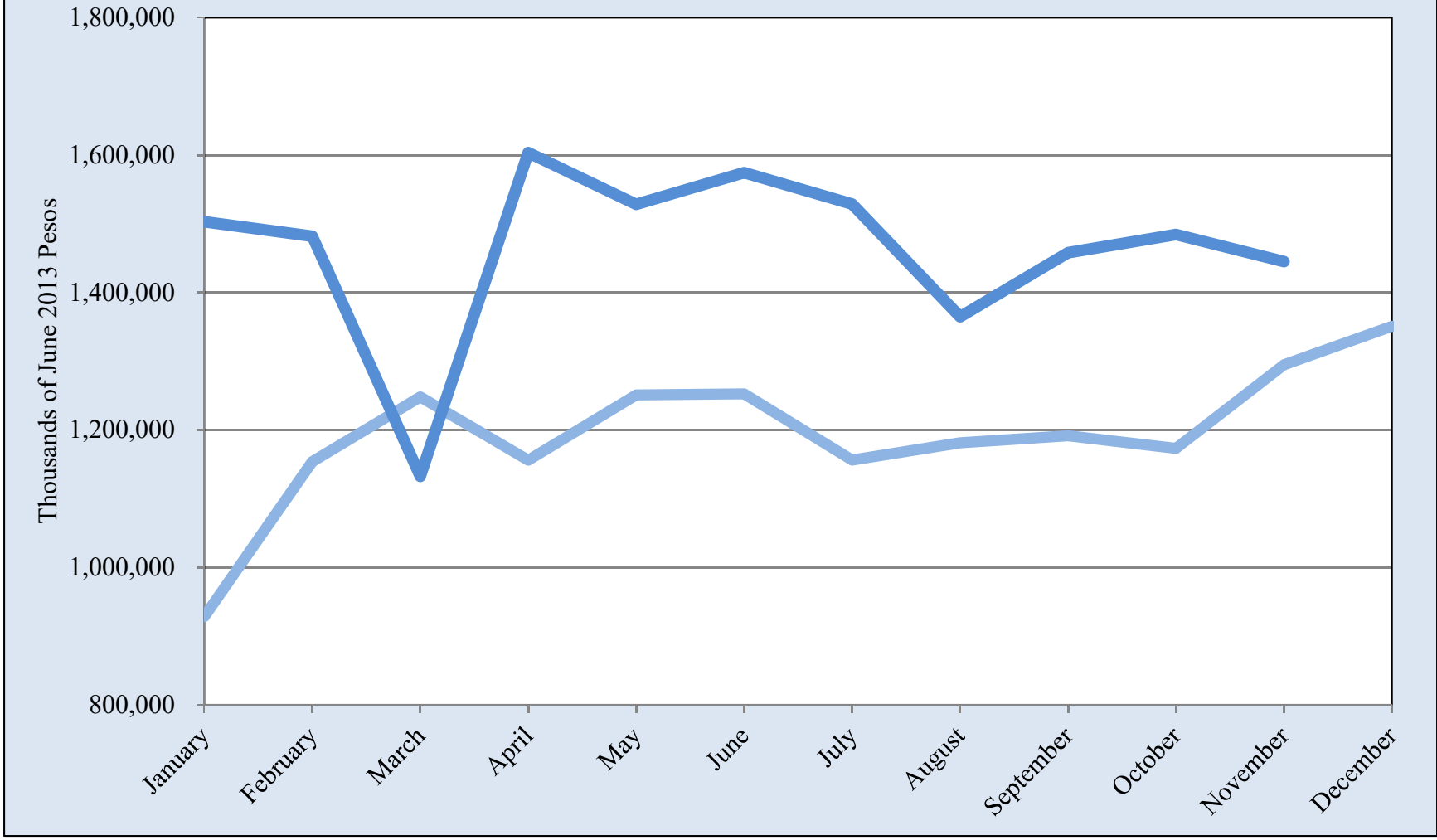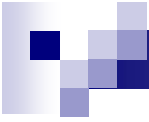**Quarterly Indicator of Economic Activity for the State of Chihuahua**

Index (2008 = 100)

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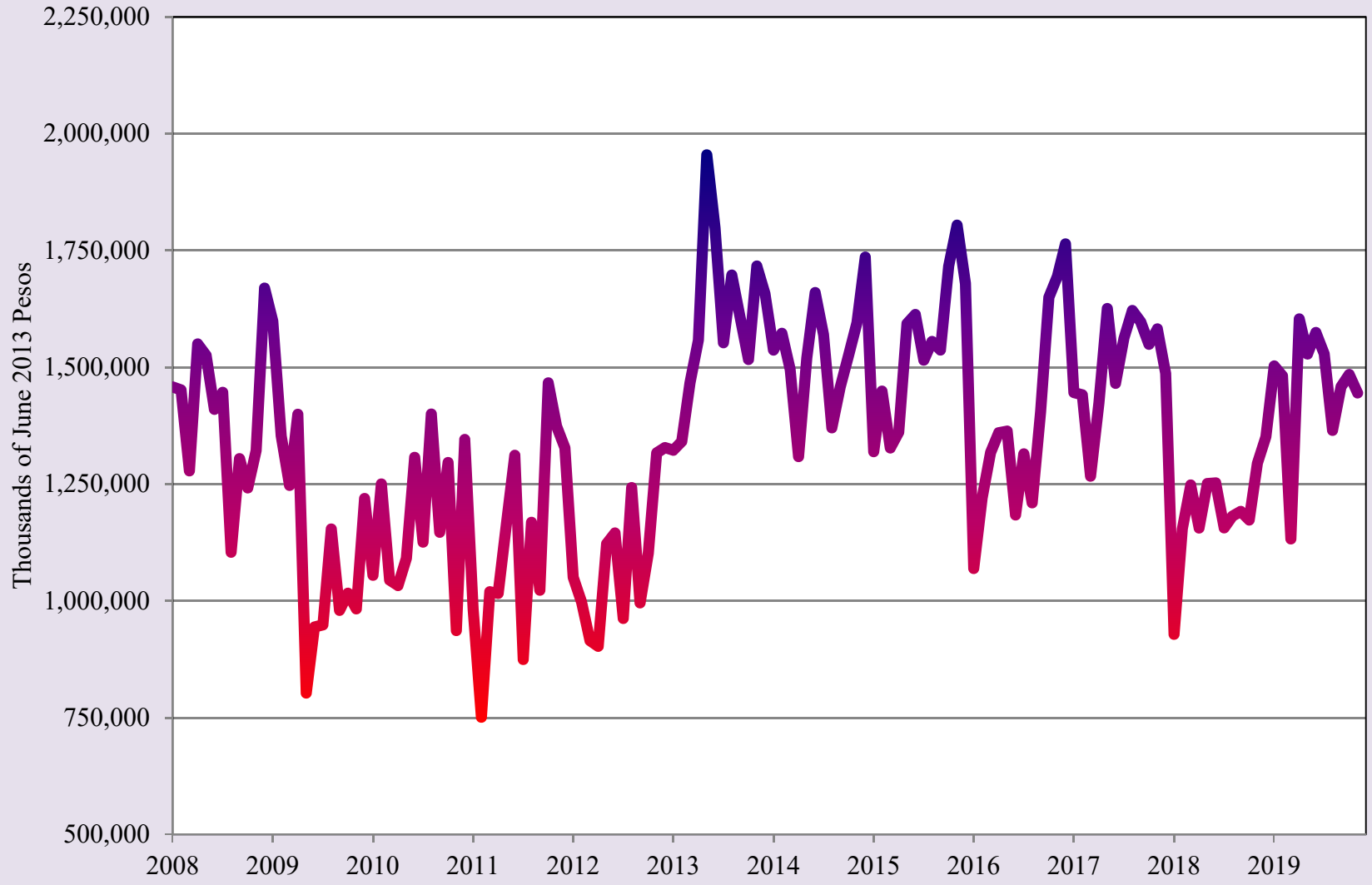
Source: INEGI

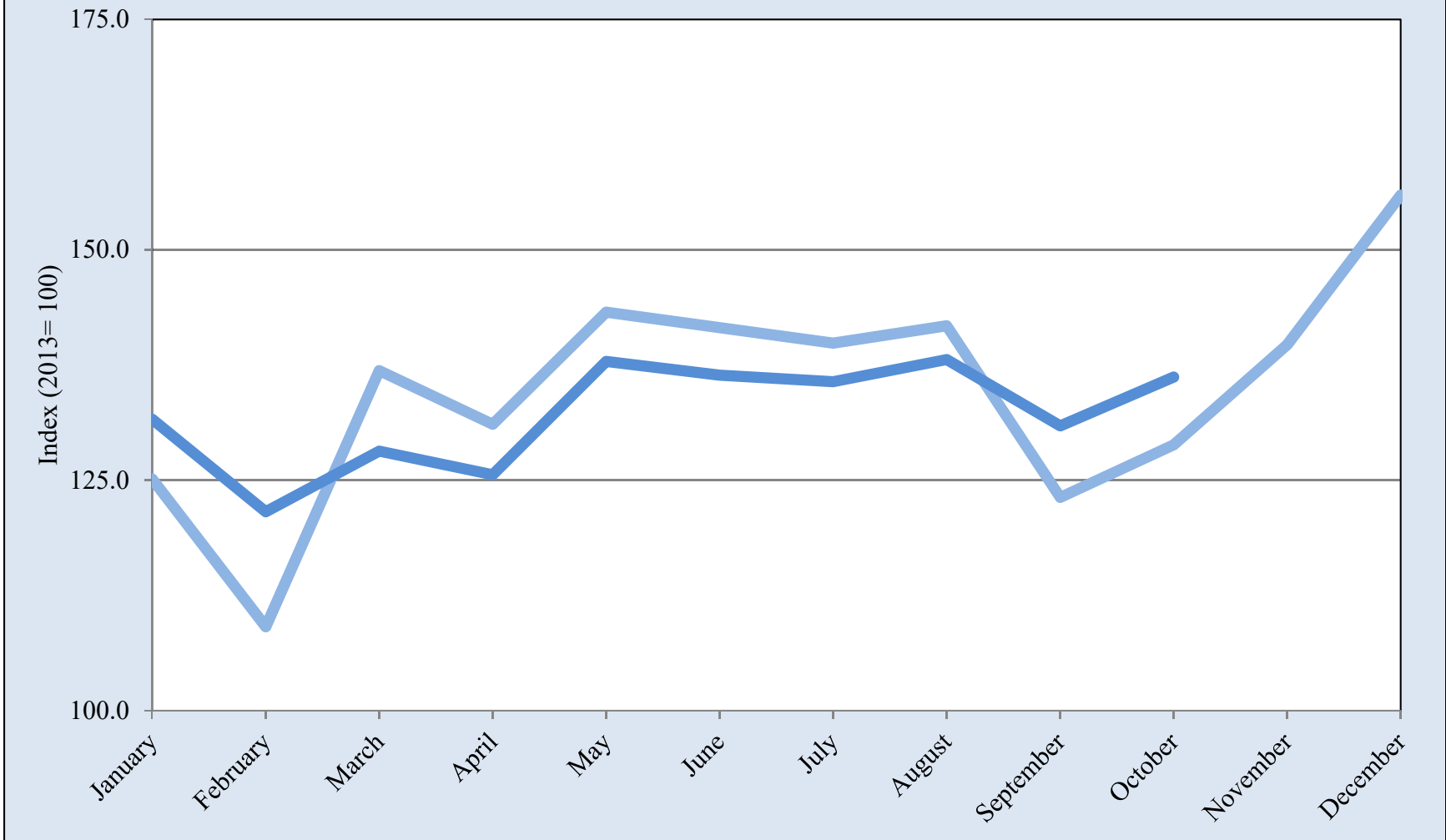**Total Value of Construction in the State of Chihuahua**

Source: INEGI

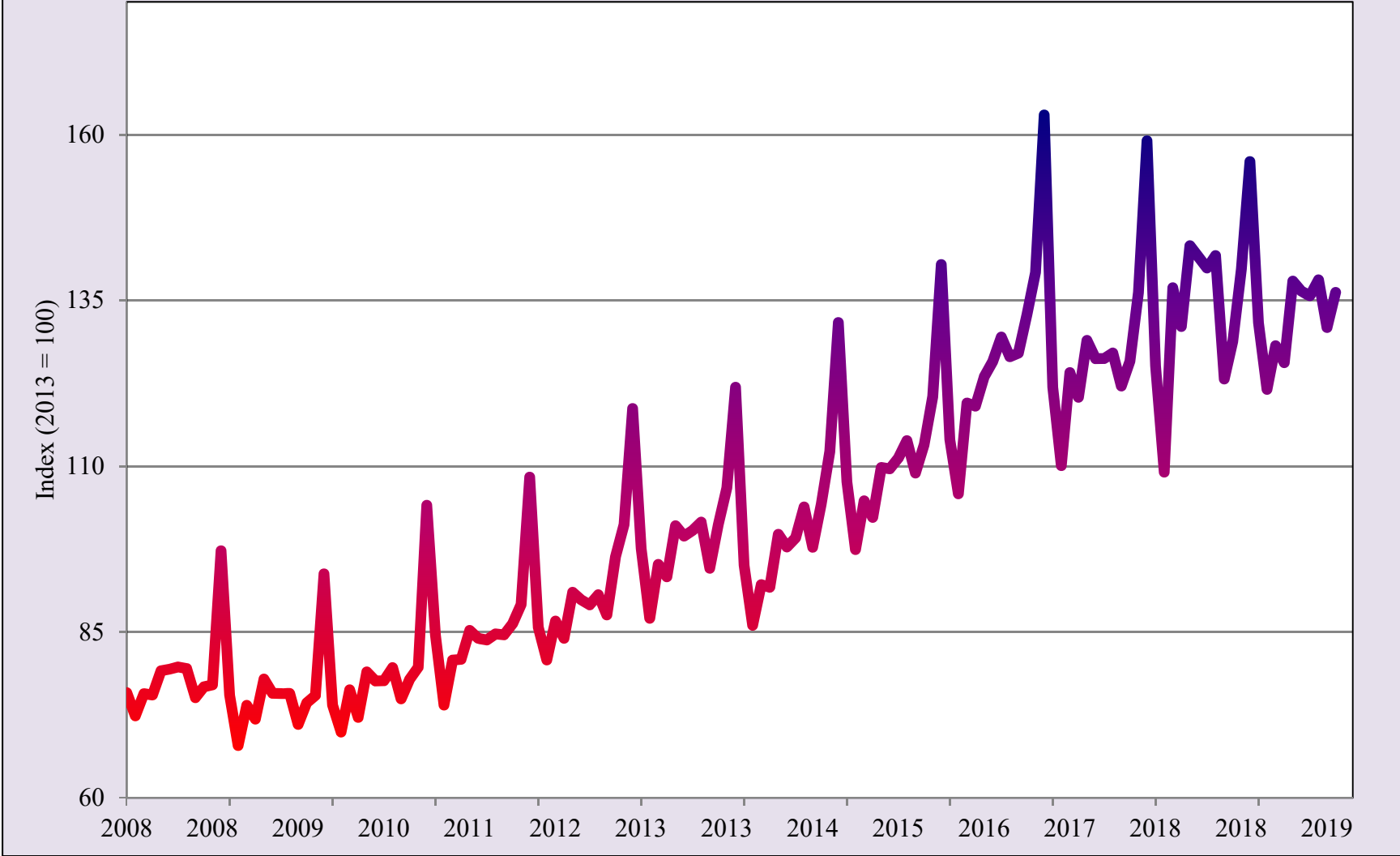# Real Retail Activity Index for the State of Chihuahua

2018 ● **2019**

Source: INEGI

Real Retail Activity Index for
the State of Chihuahua

Source: INEGI

Short-Term
Outlook to 2021

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.