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Border Commerce & Economics

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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
Metro Business Cycles Index for El Paso

Seasonally Adjusted Index (October 1980 = 100)

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
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 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

Number of SNAP Recipients

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

Number of SNAP Cases

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

2018 Restaurant Price Ratio
2019 Restaurant Price Ratio
2018 Nominal Exchange Rate
2019 Nominal 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, healthcare.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
Aggregate Personal vehicle bridge crossing to El Paso

Number of Vehicles


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

Number of Pedestrians

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

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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 (Exports + Imports) in Millions of Nominal Dollars

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

Total Trade in Millions of 1982 Dollars

Real Total Trade through the El Paso Customs District

Export Oriented manufacturing employment in Ciudad Juárez

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

Source: INEGI
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

Index (2008 = 100)

Source: INEGI
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

Index (2013=100)

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.