Borderplex Business Barometer, Volume 4, Number 3

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**Recommended Citation**

Fullerton, Thomas M. Jr.; Fullerton, Steven L.; Zubiate, Ana Gutierrez; and Santana, Ignacio, "Borderplex Business Barometer, Volume 4, Number 3" (2020). *Border Region Modeling Project*. 95. https://scholarworks.utep.edu/border_region/95

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The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index reached an all-time high in January. All four index components (employment, unemployment, retail sales, and wages) were performing well in January. In a similar development, the UTEP BRMP El Paso Household Economic Stress Index dropped to its lowest level since April 2007. Reflective of those data, the El Paso County Supplemental Nutrition Assistance Program (SNAP or Food Stamp) enrollments in January and February declined to 152,971 and 151,569, respectively. Those marks are well below the participation levels observed during the same months in 2019.

Average treasury yield curve rates were well below year-ago levels in February. The 1-year, 2-year, 3-year, and 5-year Treasury note yields dipped below 1.50 percent, giving the yield curve a U-shape that differs substantially from the upward sloping curve that occurs under normal economic conditions. Federal Reserve Open Market Committee actions to lower short-term rates have caused the slope of the yield curve to become steeper in recent weeks. The shape March curve may, consequently, not acquire the inverted shape that would pre-sage the national recession starting to take hold.

Months of housing inventory for El Paso fell to 2.9 months in January, an exceedingly rare development that has never occurred for the nation as a whole. The tight housing supply helped push the median price for single-family housing units to nearly $162 thousand for January, a $12 thousand jump from its year-ago level. Also contributing to the latter development were additional declines in 15-year and 30-year conventional mortgage rates in recent months.

Gasoline prices in El Paso averaged $2.22 per gallon for February; an 8 cent per gallon increase from the year-ago levels. Lower gasoline prices have emerged in recent weeks as a result of the price war between Riyadh and Moscow. Those price declines are likely to hold through April and beyond due to global economic weakness.

The January unemployment rate for Doña Ana County is estimated at 6.1 percent, a 40 basis point improvement over the year-ago rate. Non-farm employment in greater Las Cruces grew by 1.1 percent in the year to January. Sectors that contributed the greatest payroll gains include retail trade, transportation, hotels, health care services, and manufacturing. Mesilla Valley SNAP (food stamp) enrollments declined slightly from year-ago levels to 27,151 in January.

February narrowed the gap between the nominal peso per dollar exchange rate and the BRMP restaurant ratio to 25.5 percent. That narrowing will prove temporary as COVID-19 financial market jitters have caused the peso to weaken in recent weeks. In February 2020, brand name medicine prices in Mexico were 43 cents below those charged in the United States.

Border wait times for February 2020 were consistent with year-ago levels at all three international Ports of Entry, but all three major crossing categories experienced small declines. Real trade through the El Paso Customs district declined by 2.2 percent on a year-over-year basis in January. Real retail activity for the State of Chihuahua finished 2019 at 166.4, an all-time high for the state. Unfortunately, that peak performance will be short-lived due to the COVID-19 pandemic. Supply chain issues are affecting the region, causing manufacturing and retail disruptions under a still unknown global time table.
El Paso Metropolitan Business Cycle Index

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, 5yr, 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 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
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
Source: Texas A&M Real Estate Center
El Paso Median Housing Prices

Nominal Price

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

Source: Texas A&M Real Estate Center
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
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
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
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

Real Total Trade through the El Paso Customs District

Export-Oriented Manufacturing Employment in Ciudad Juárez

Number of Jobs

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico Manufacturing Orders Index

Index (Range: 0 - 100)

Source: Banco de México
Northern Mexico Manufacturing Orders Index

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

Index (2008=100)

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.