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Borderplex Business Barometer, Volume 4, Number 3

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BORDERPLEX BUSINESS BAROMETER

March 2020

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 4, Number 3

Yes, COVID-19 is More Serious than SARS

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 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.

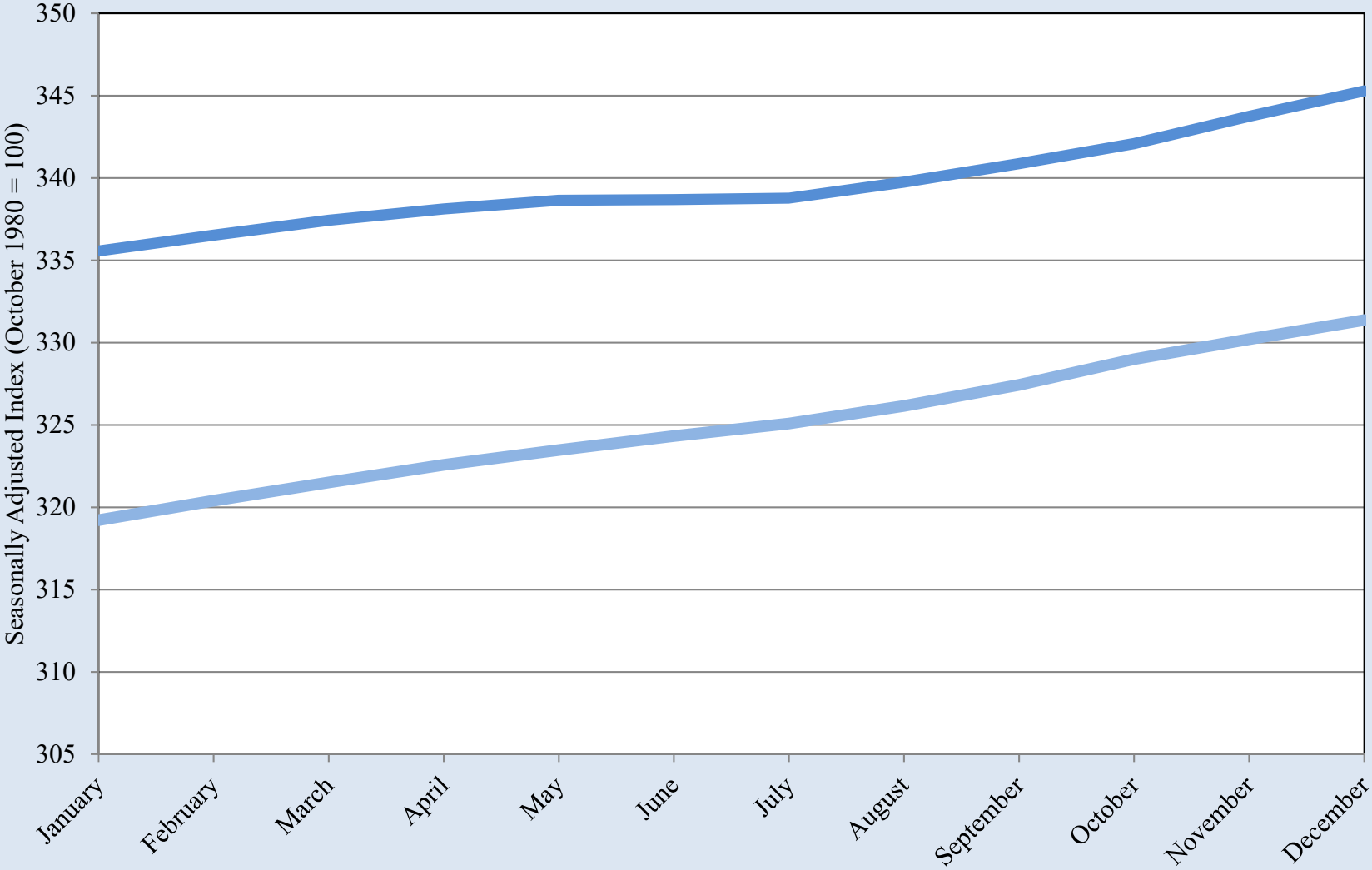
February narrowed the gap between the nominal peso per dollar exchange rate and the BRMP restaurant ratio to 25.5 percent. That narrowing will prove temporary as COVID-19 financial market jitters have caused the peso to weaken in recent weeks. In February 2020, brand name medicine prices in Mexico were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

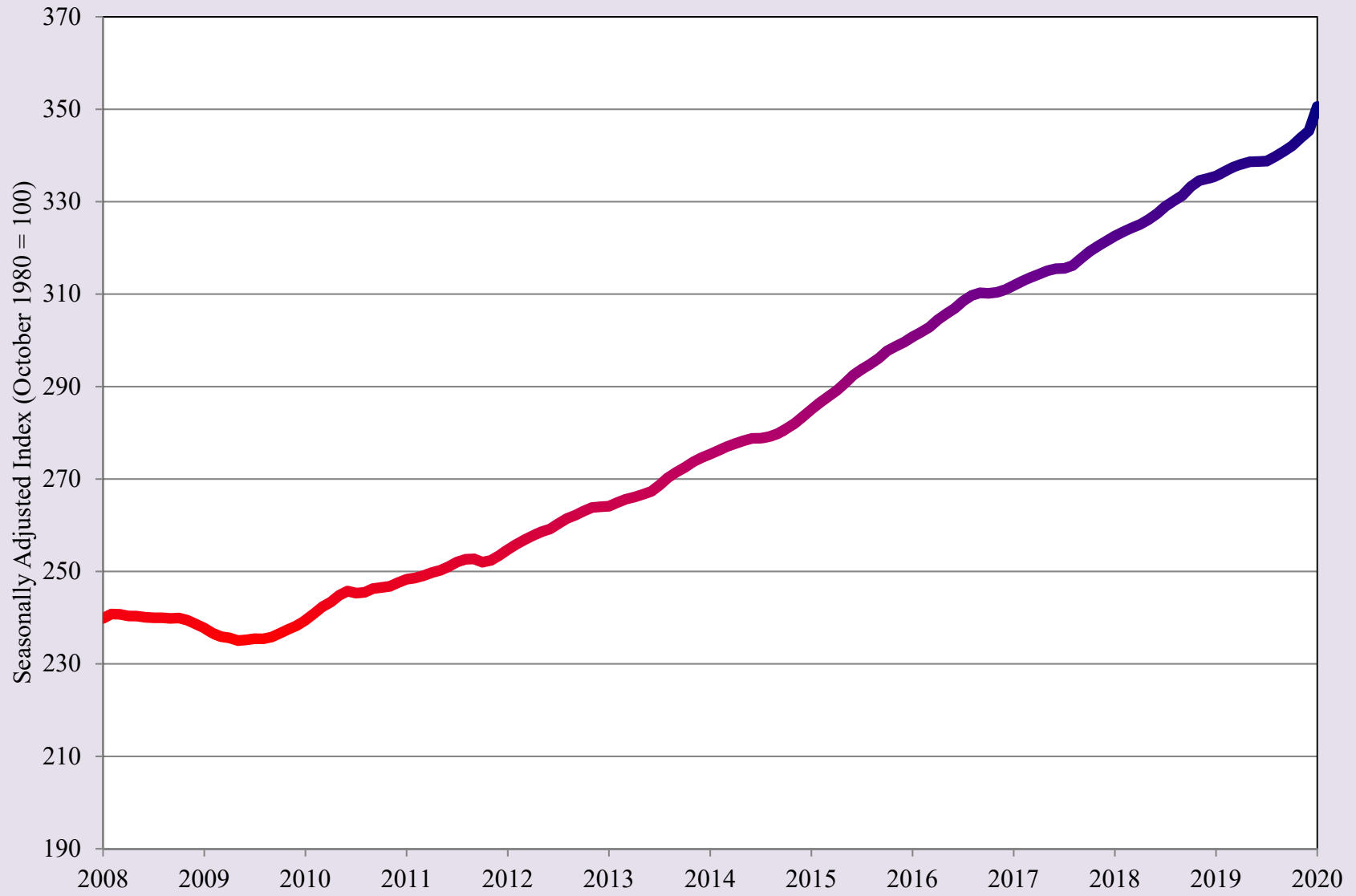
— 2018 — 2019



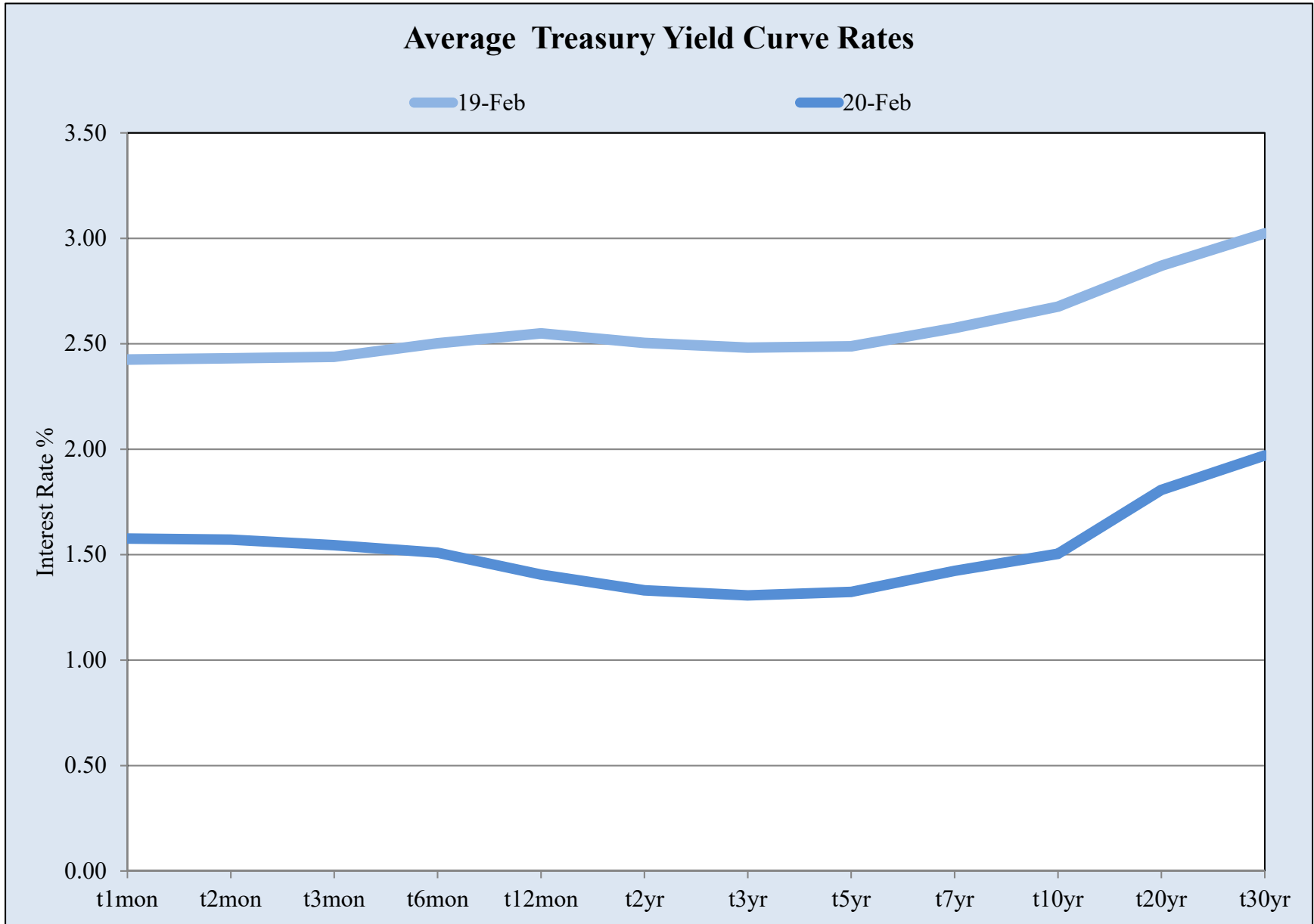
Source: Federal Reserve Bank of Dallas



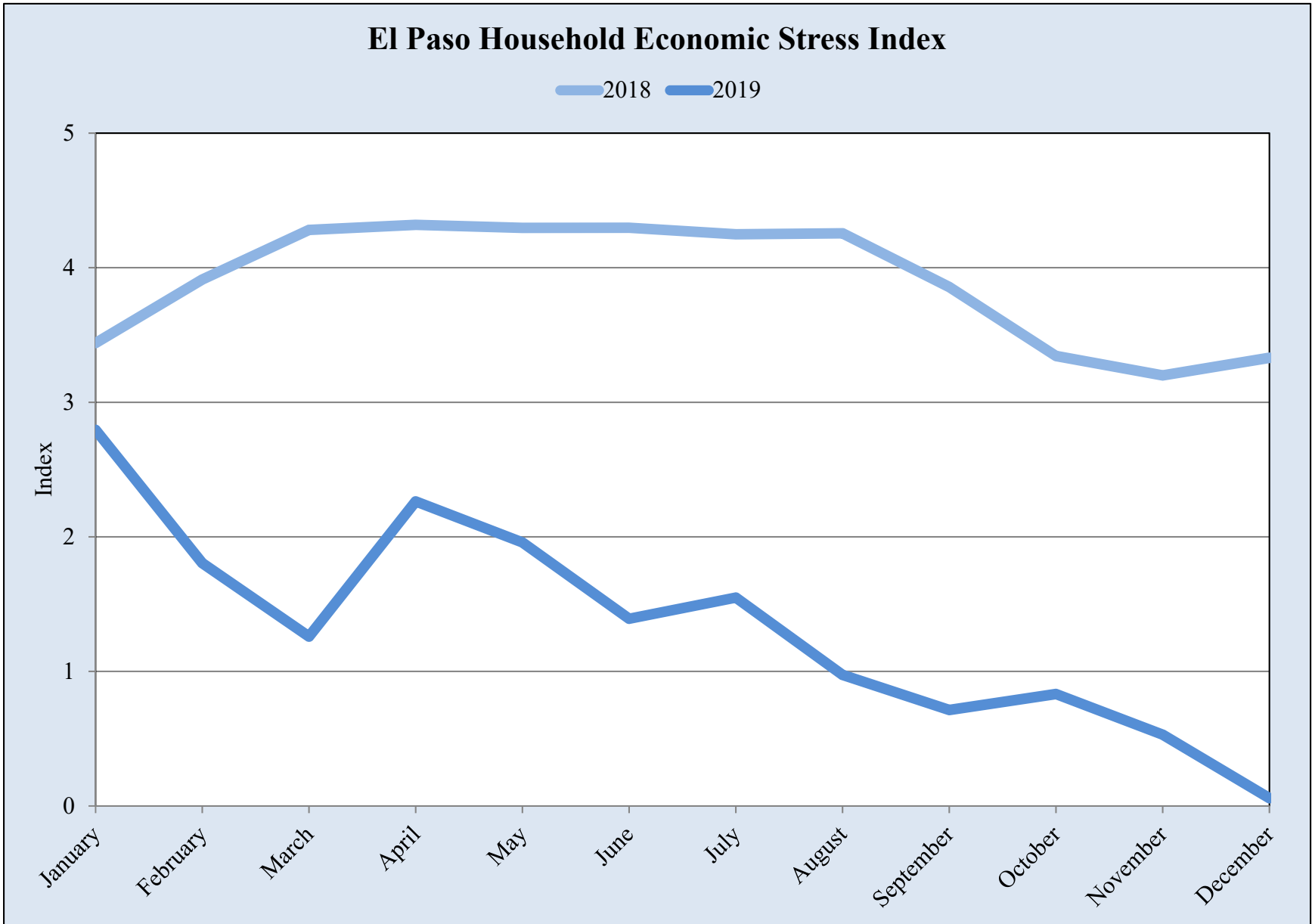
El Paso Metropolitan Business Cycle Index



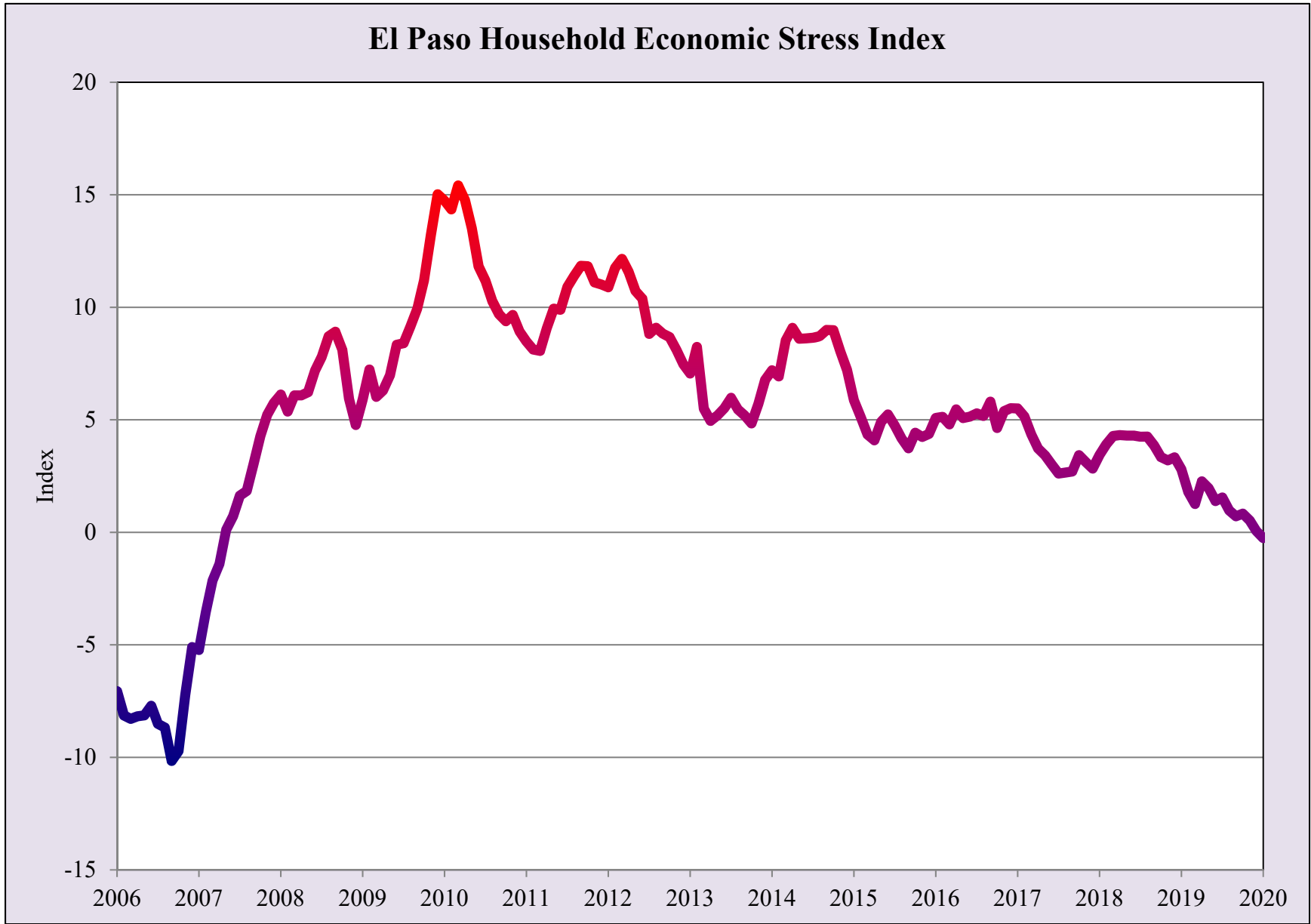
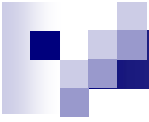
Source: Federal Reserve Bank of Dallas



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



Source: UTEP Border Region Modeling Project

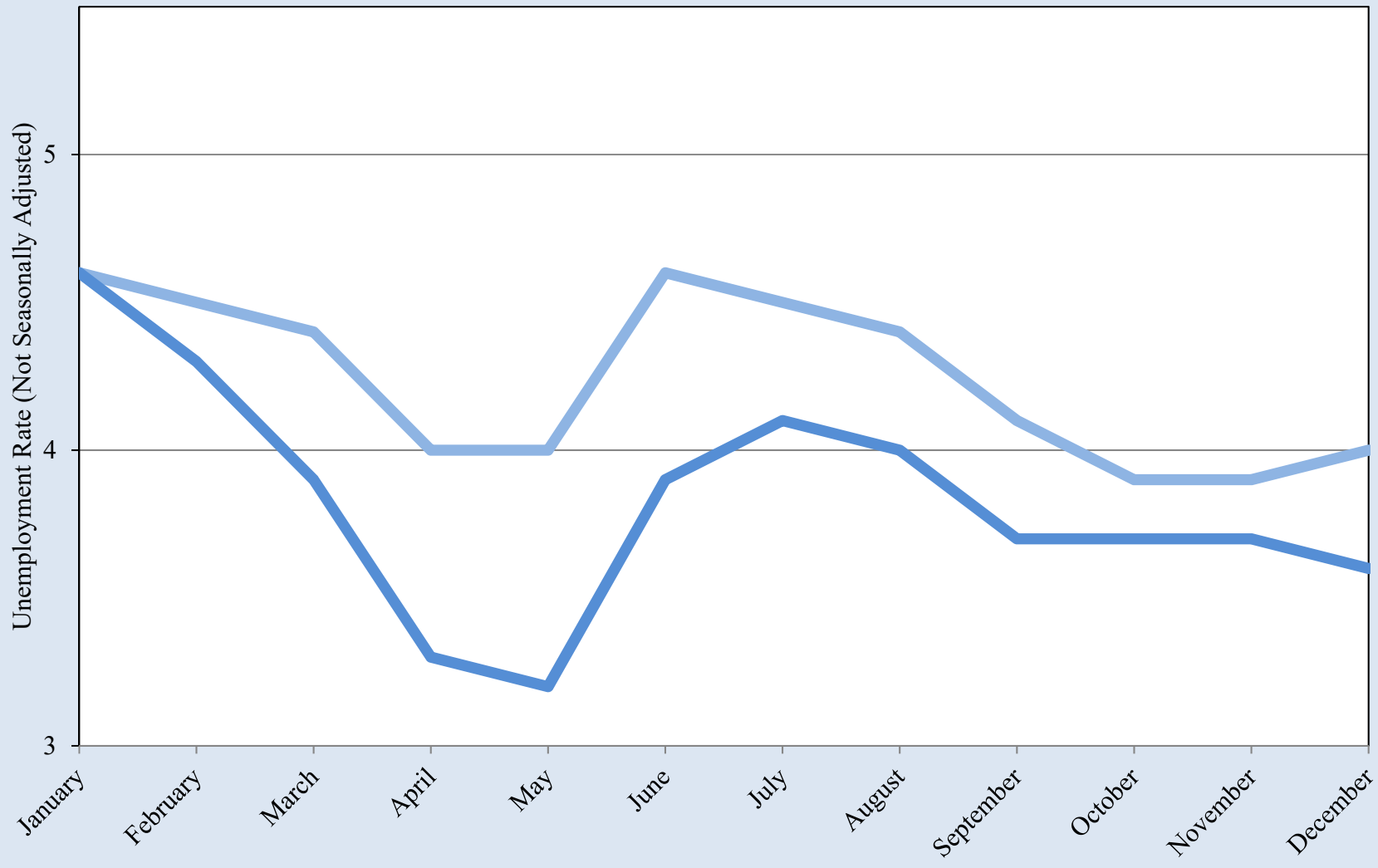


Source: UTEP Border Region Modeling Project

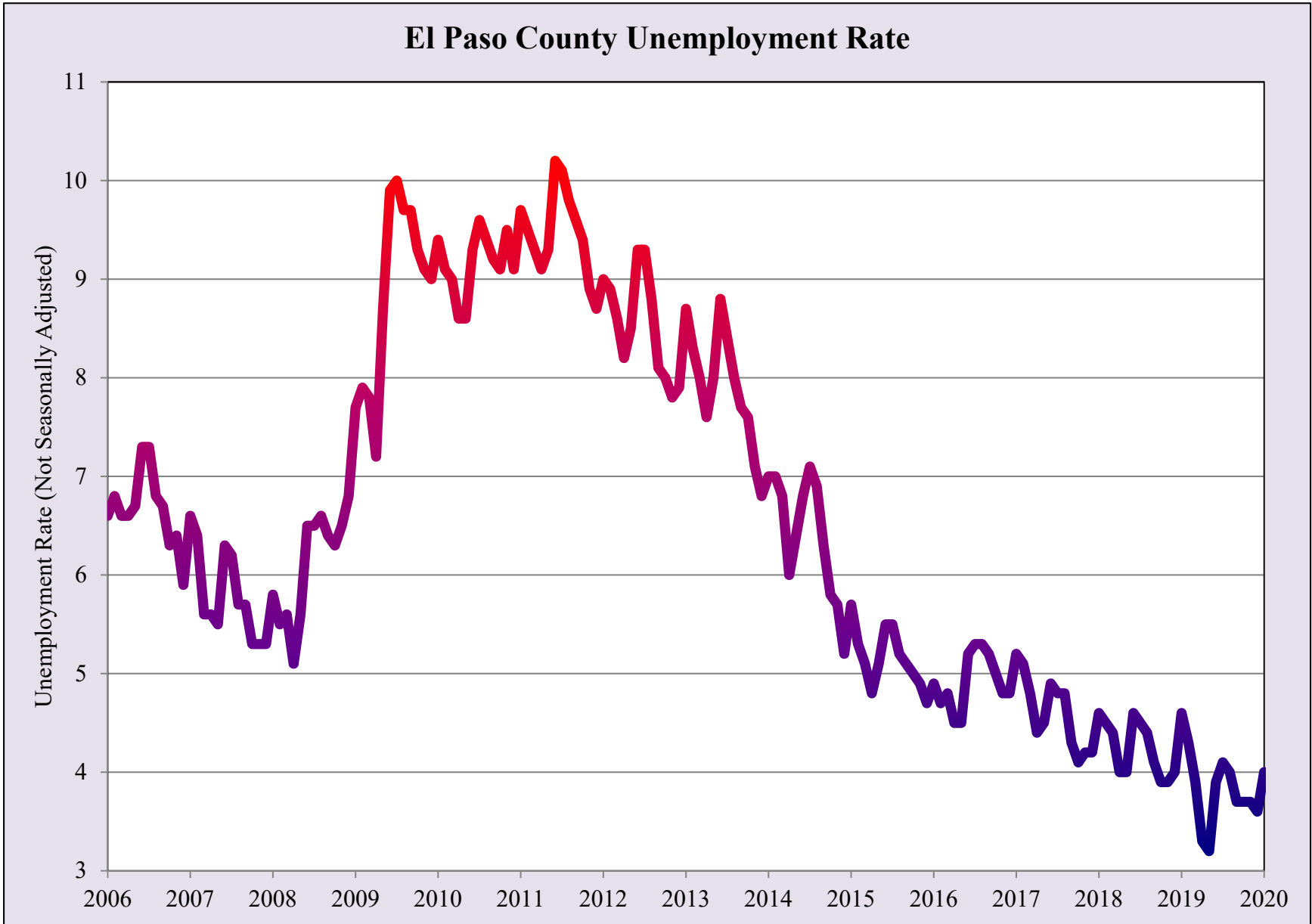


El Paso County Unemployment Rate

— 2018 — 2019



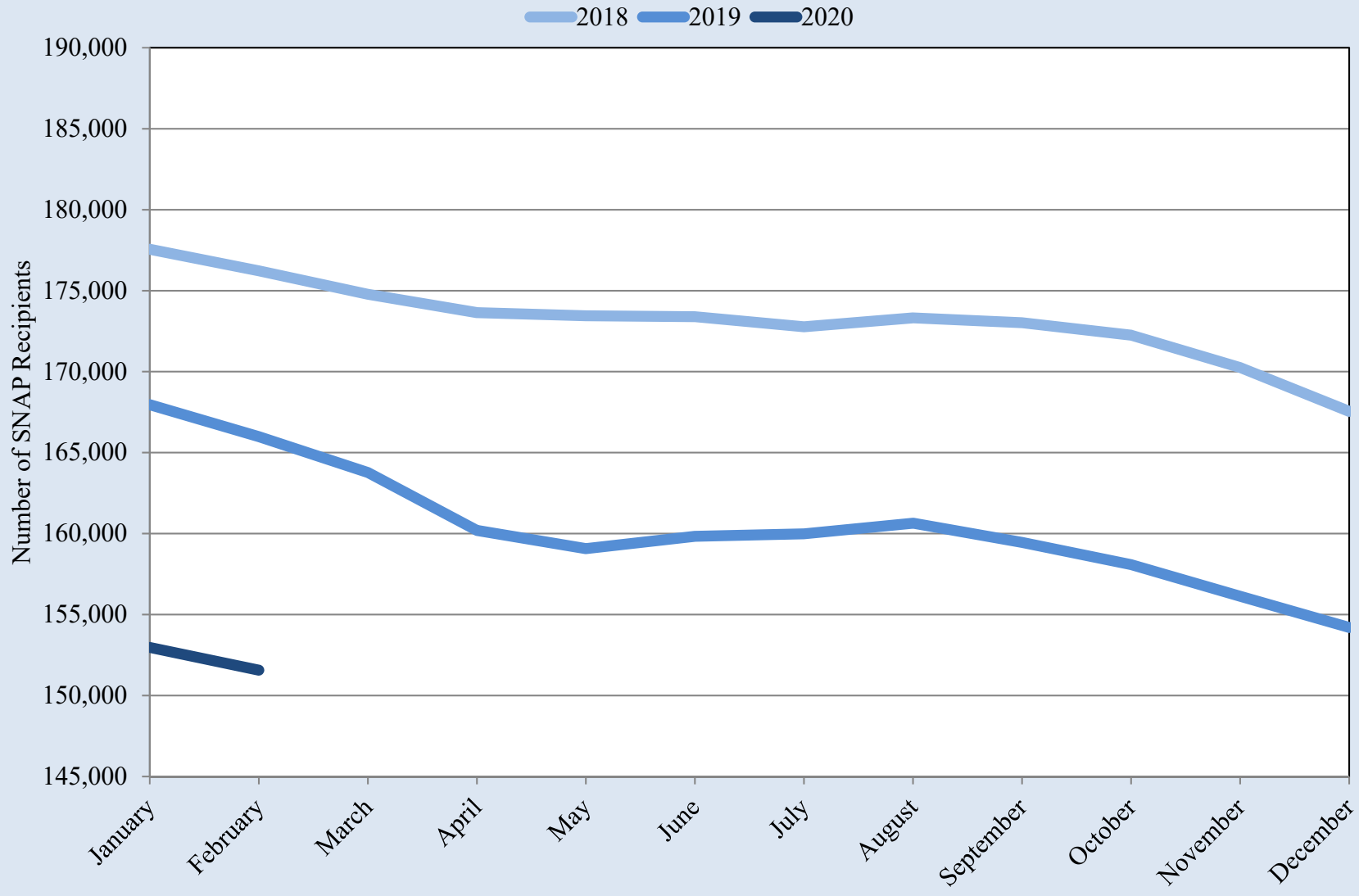
Source: Bureau of Labor Statistics



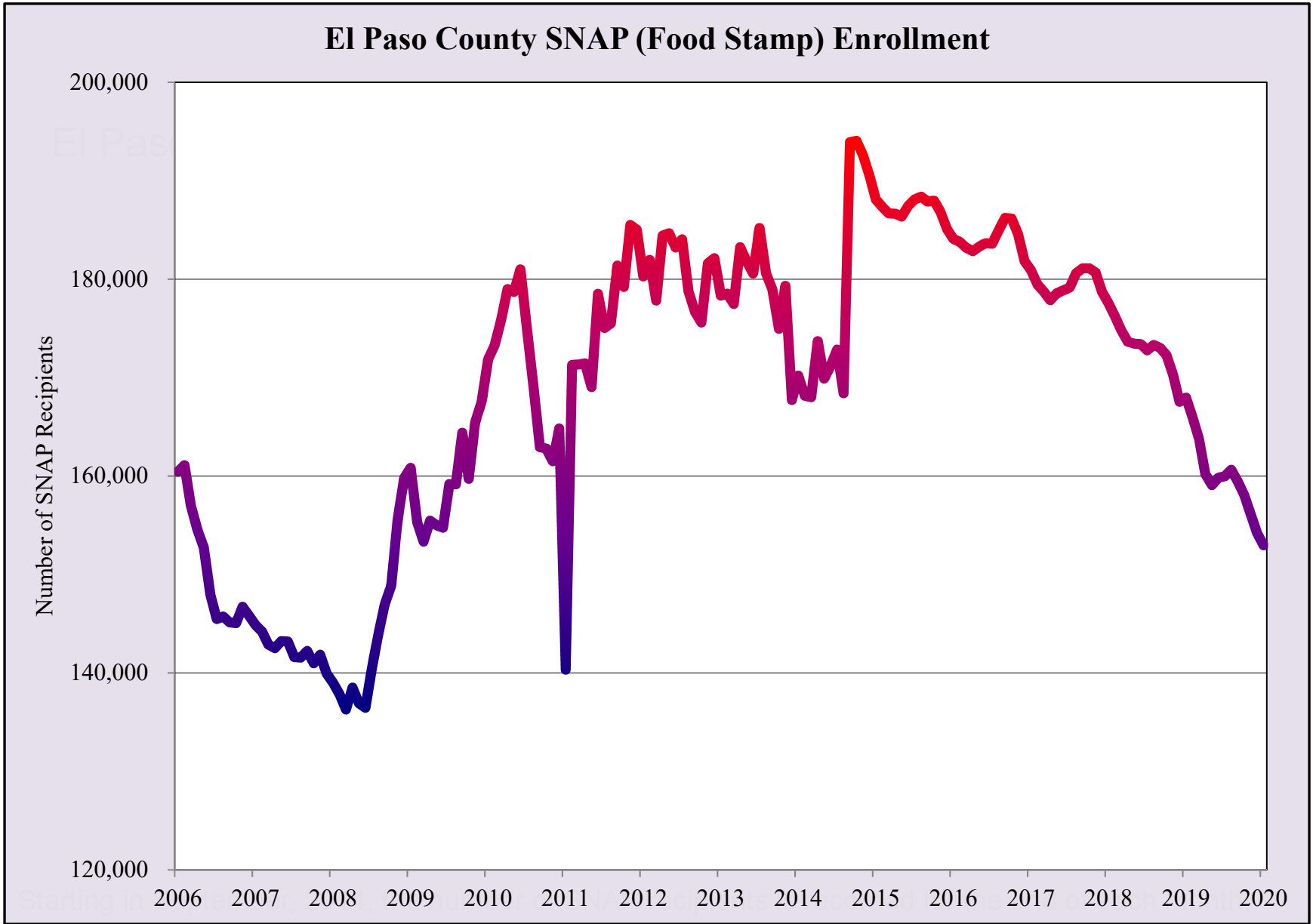
Source: Bureau of Labor Statistics



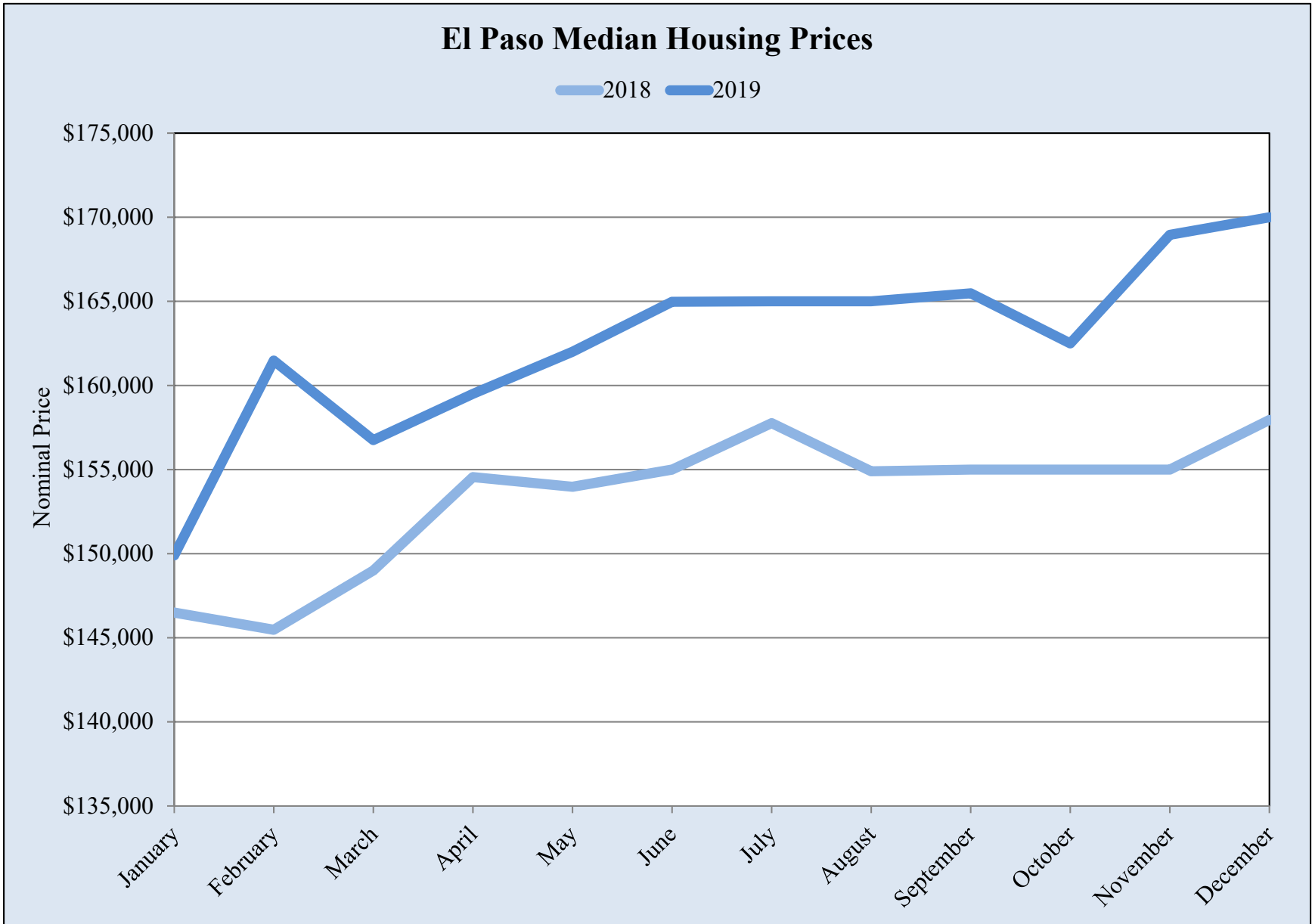
El Paso County SNAP (Food Stamp) Enrollment



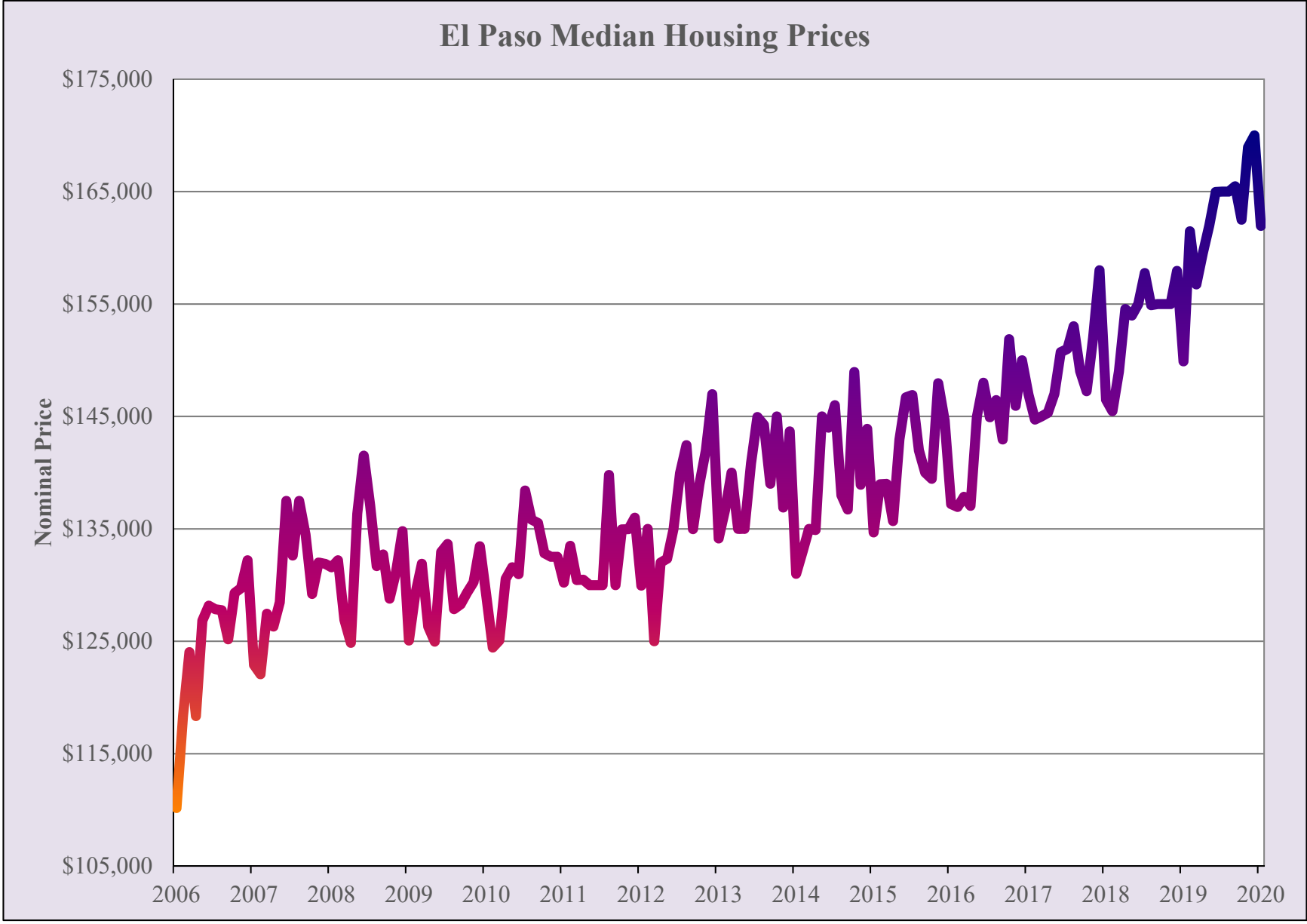
Source: Texas Health and Human Services Commission



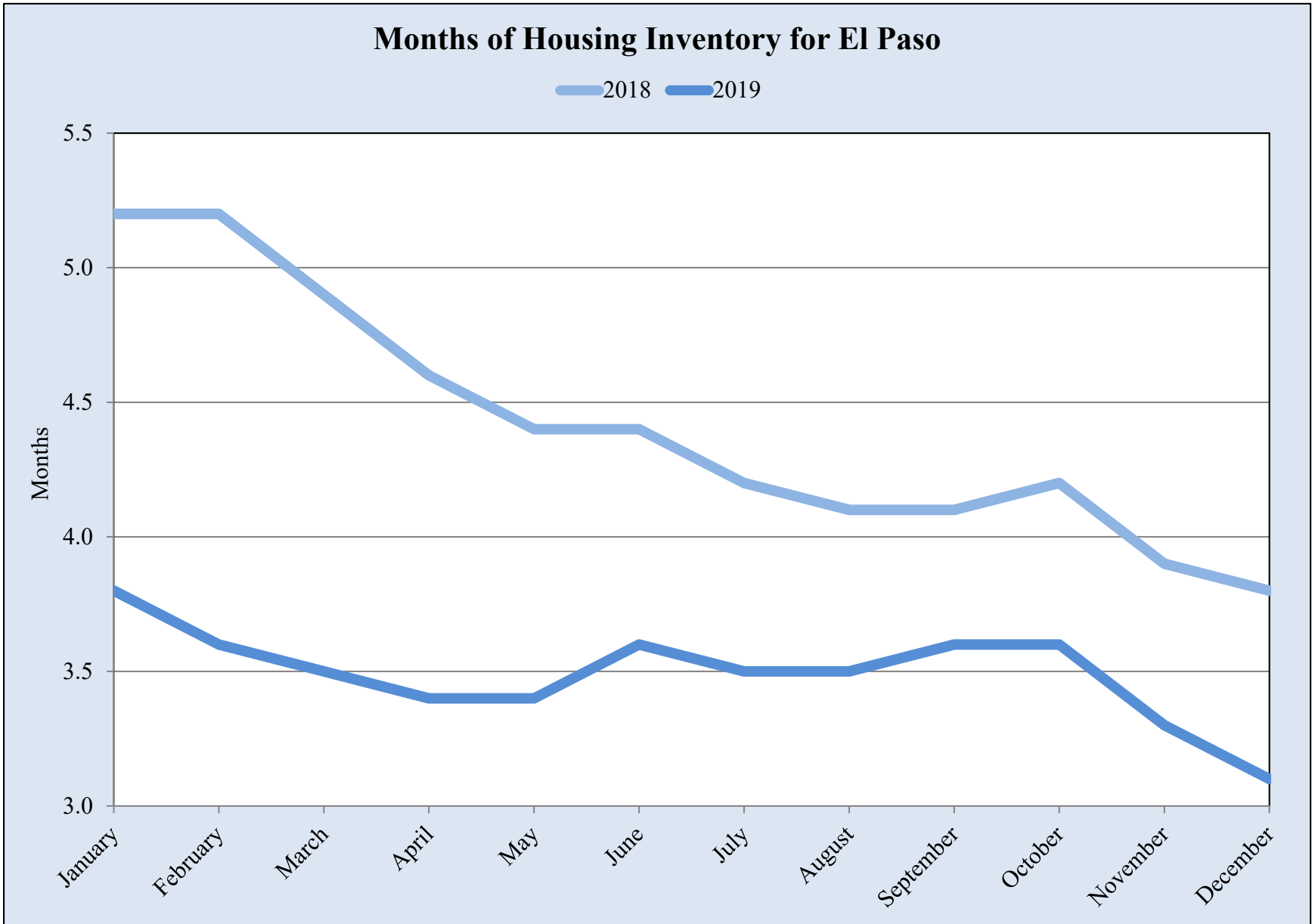
Source: Texas Health and Human Services Commission



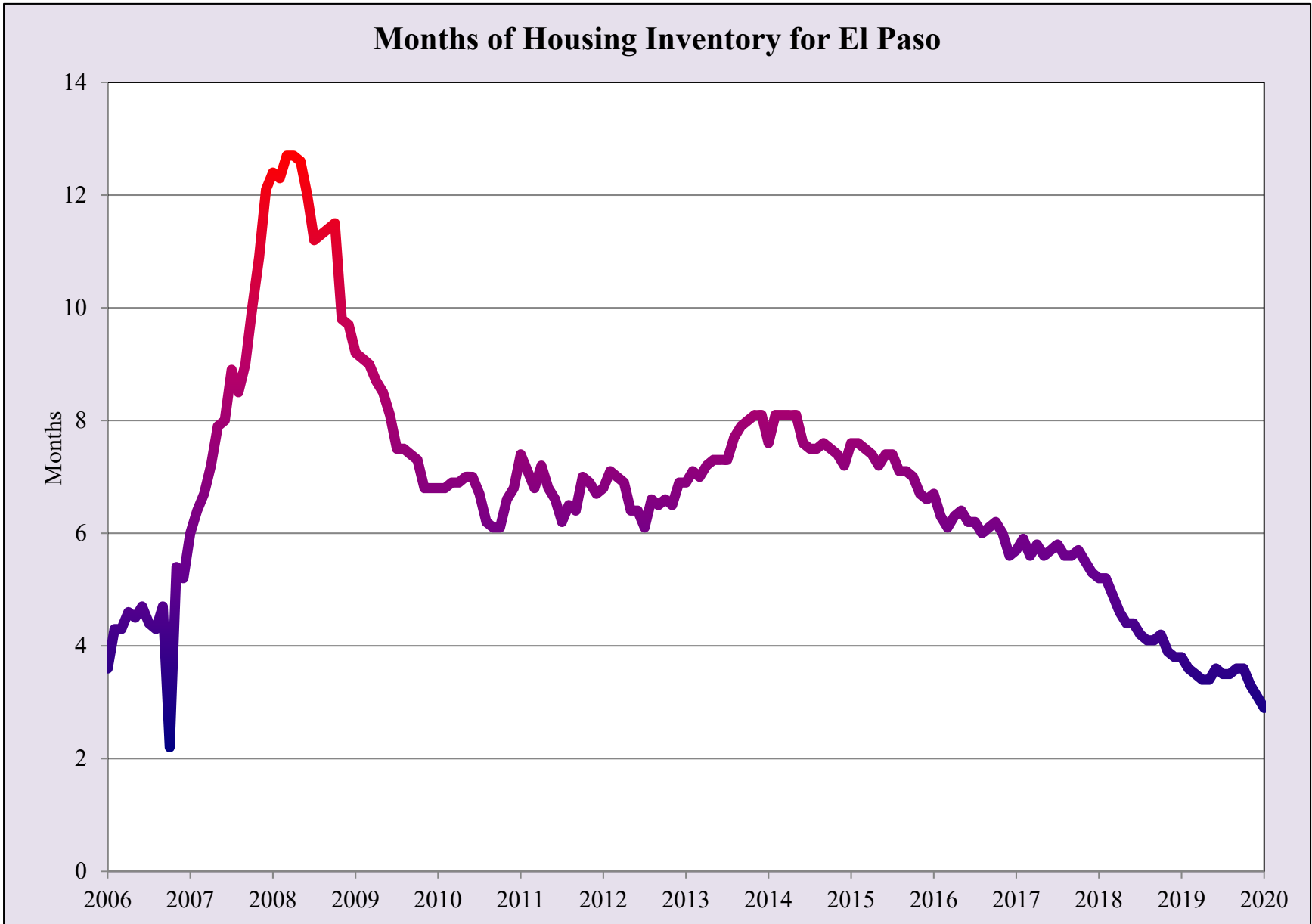
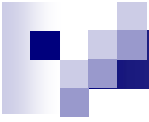
Source: Texas A&M Real Estate Center



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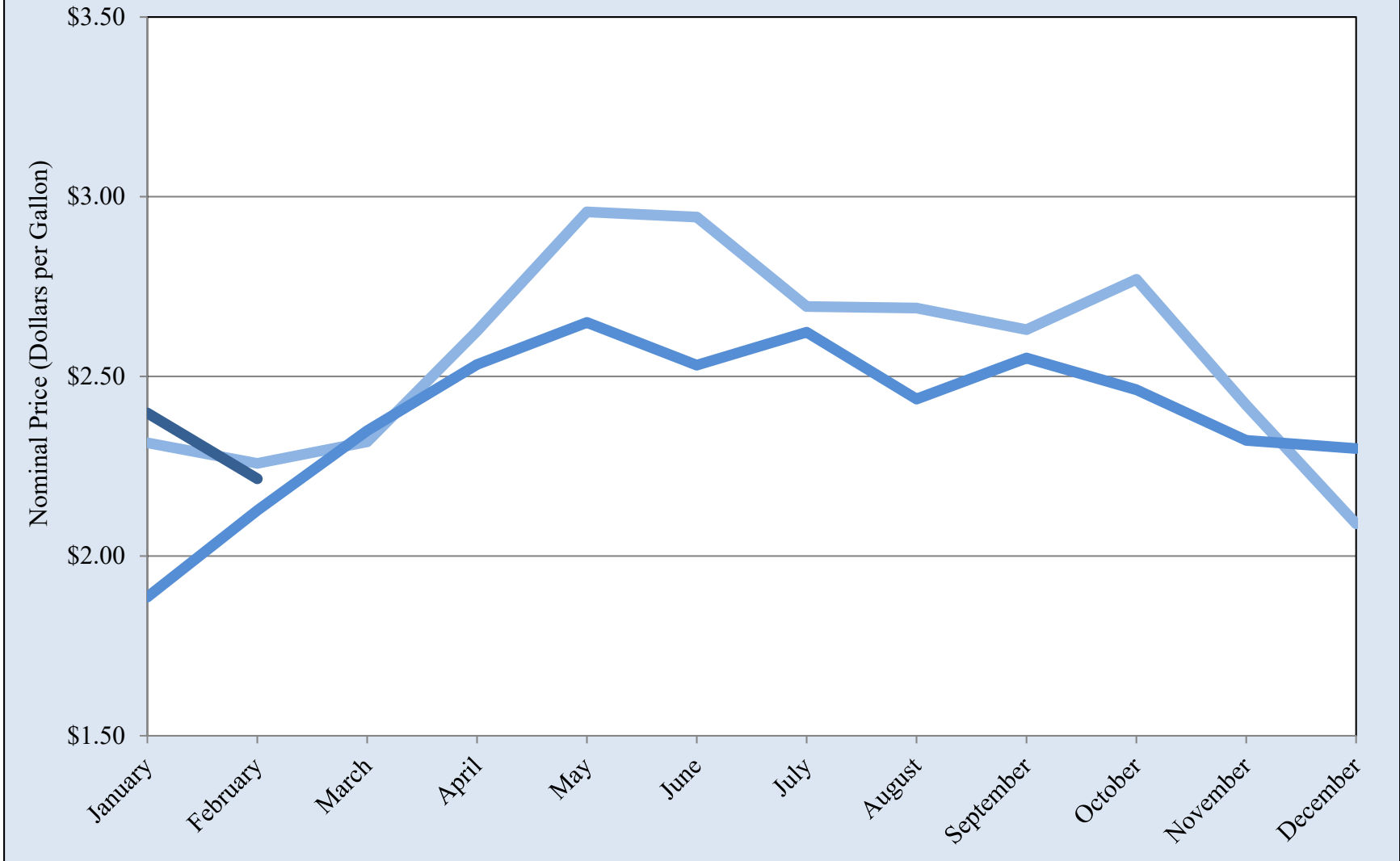
Source: Texas A&M Real Estate Center



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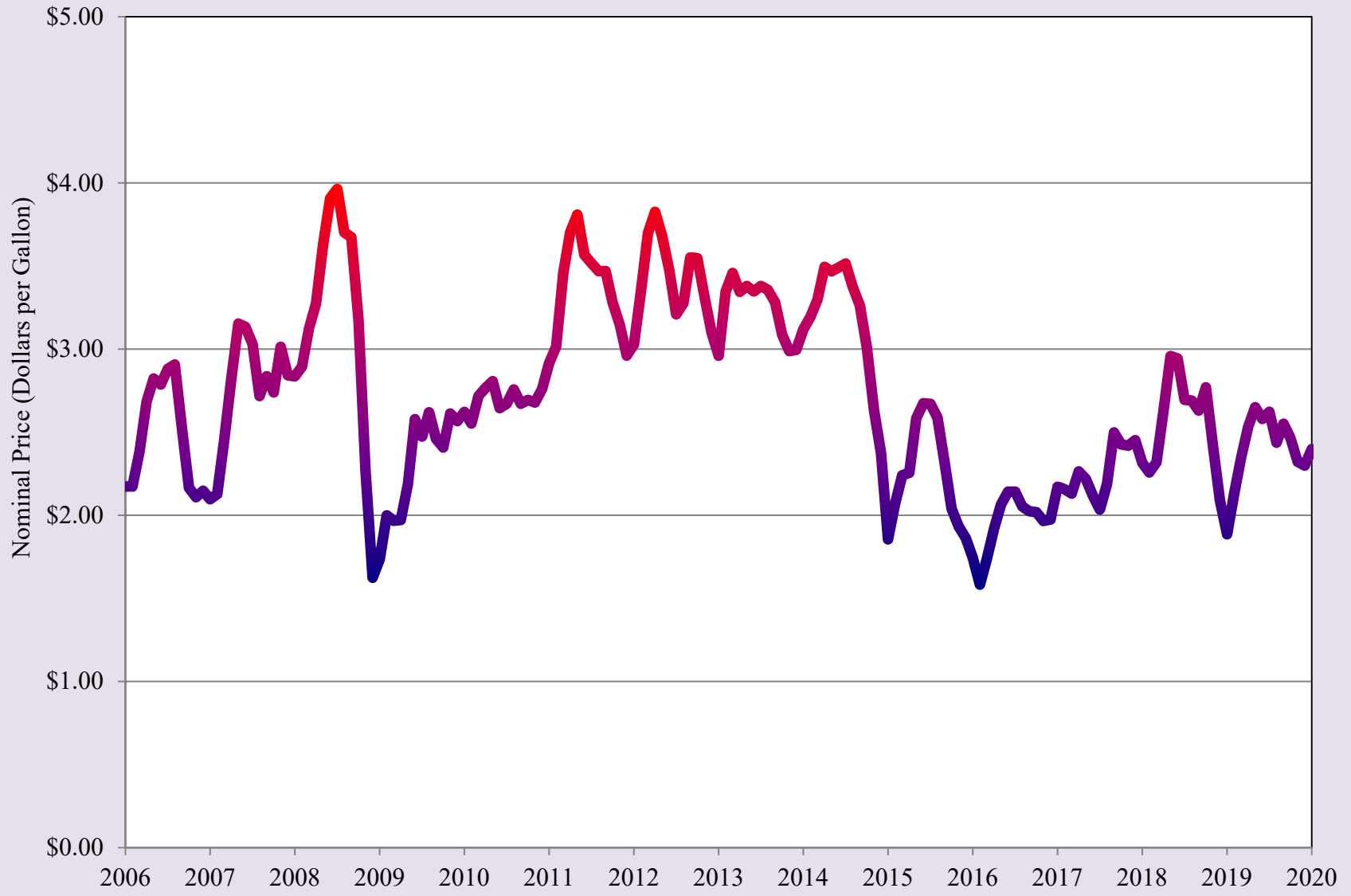
El Paso Gasoline Prices

— 2018 — 2019 — 2020



Source: GasBuddy.com

El Paso Gasoline Prices

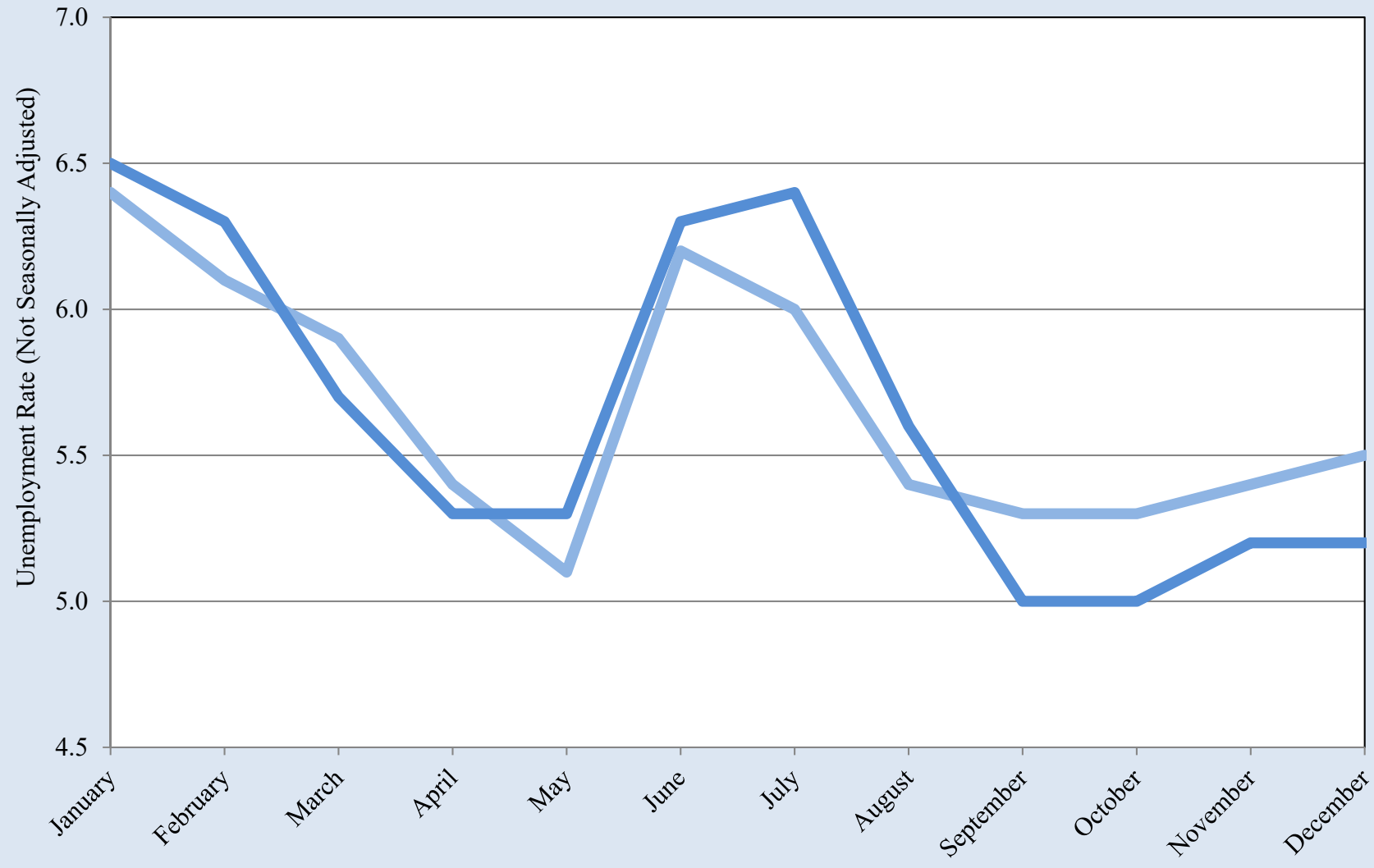


Source: GasBuddy.com

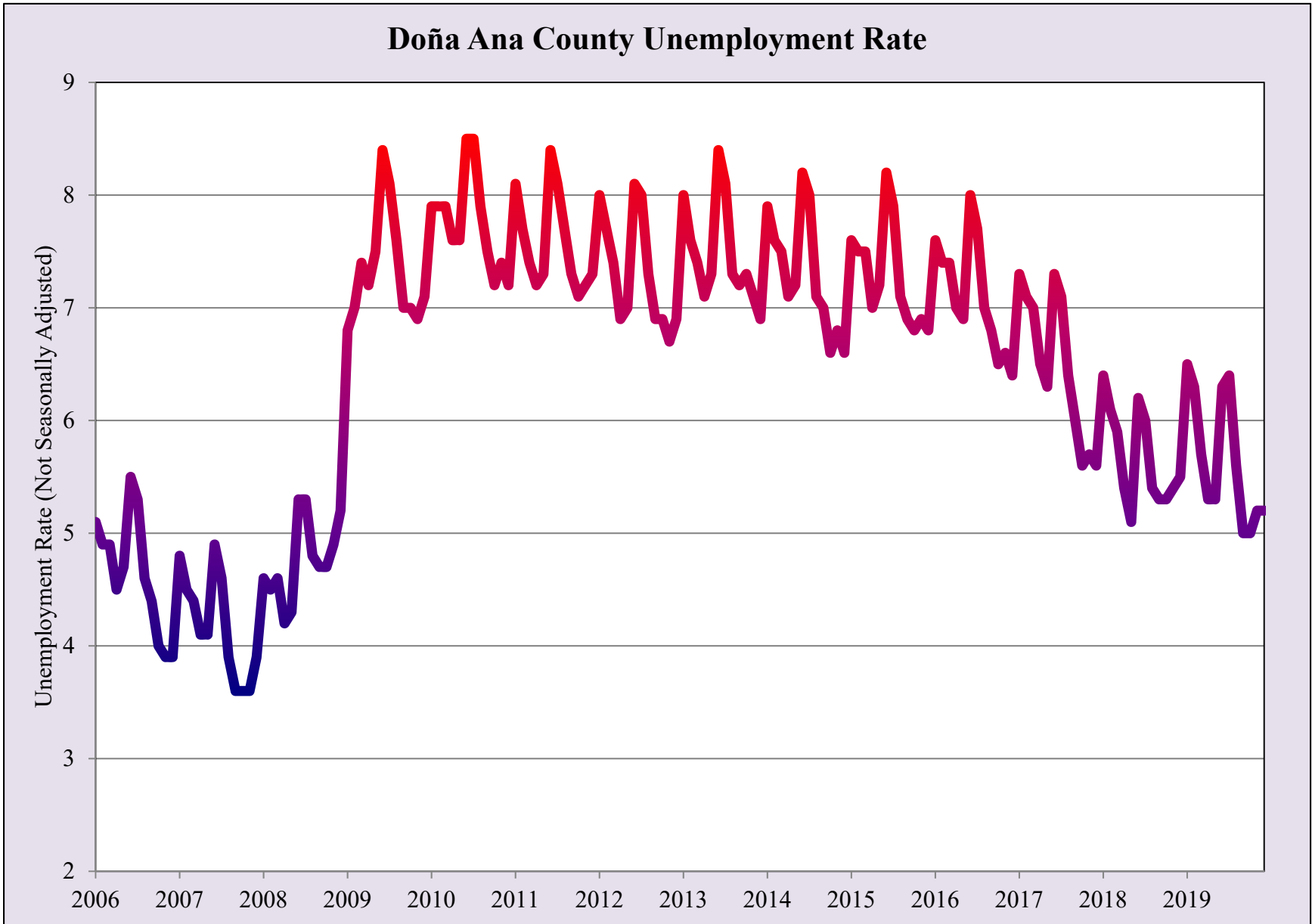


Doña Ana County Unemployment Rate

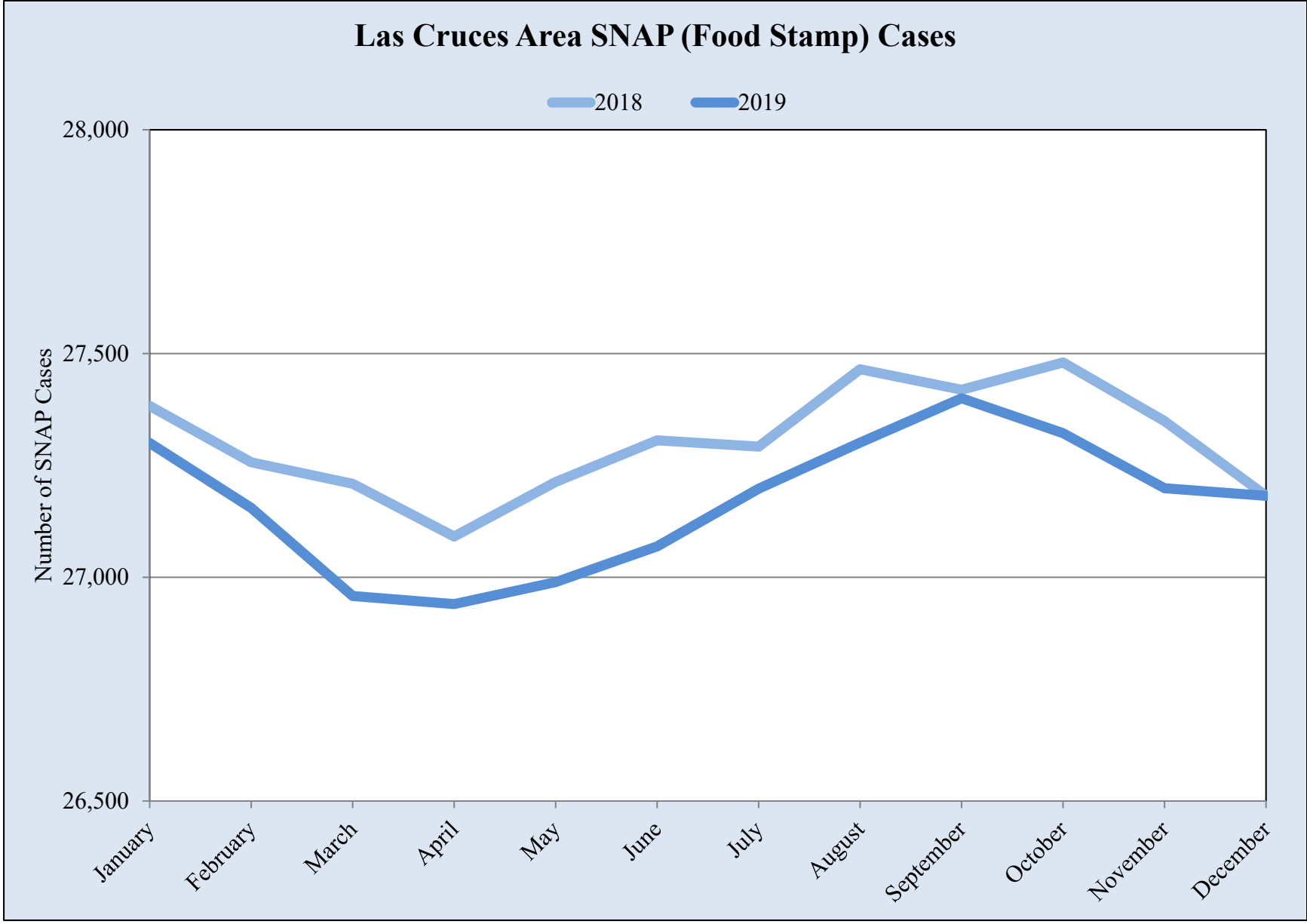
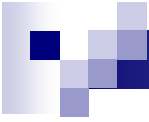
— 2018 — 2019



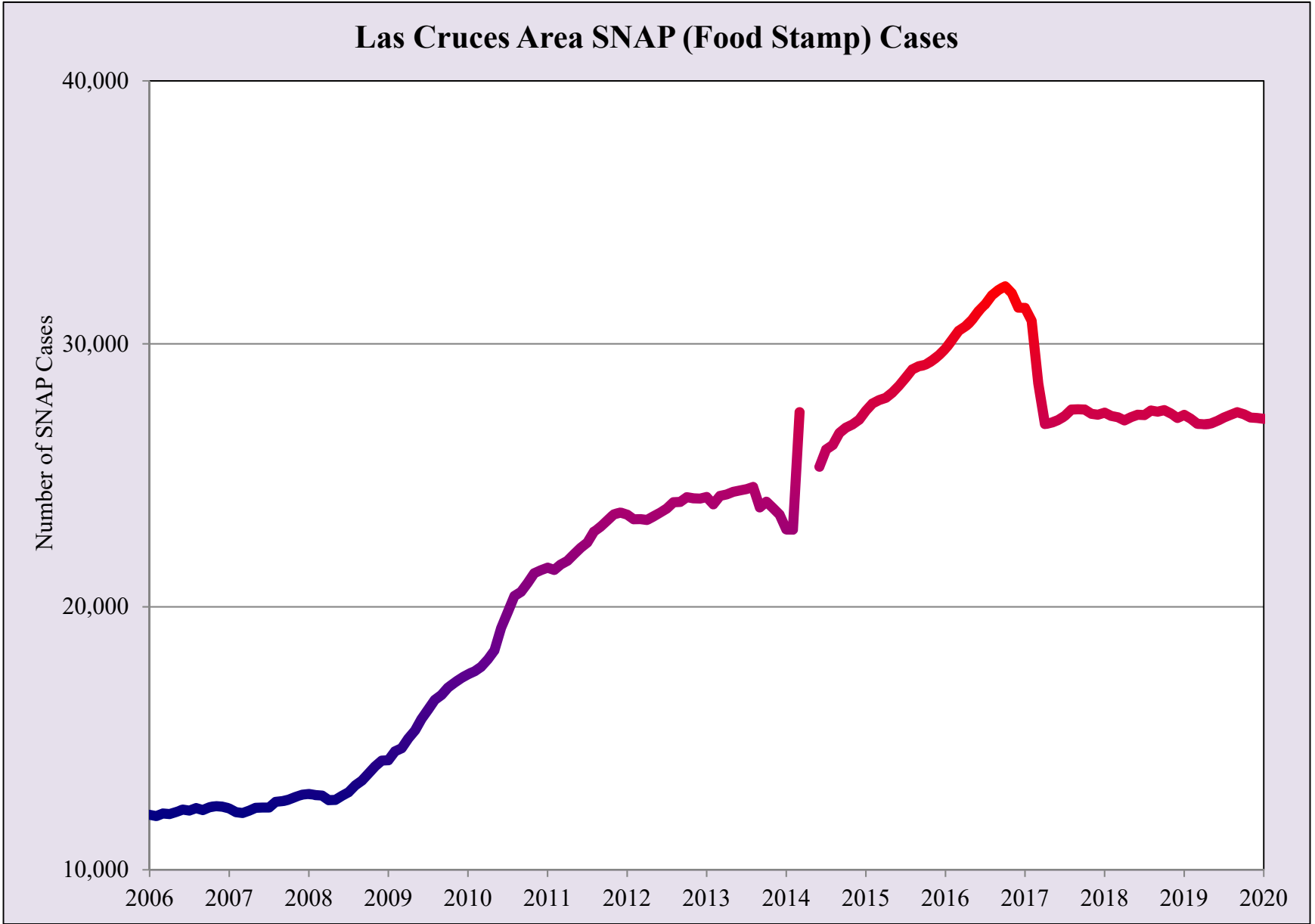
Source: Bureau of Labor Statistics



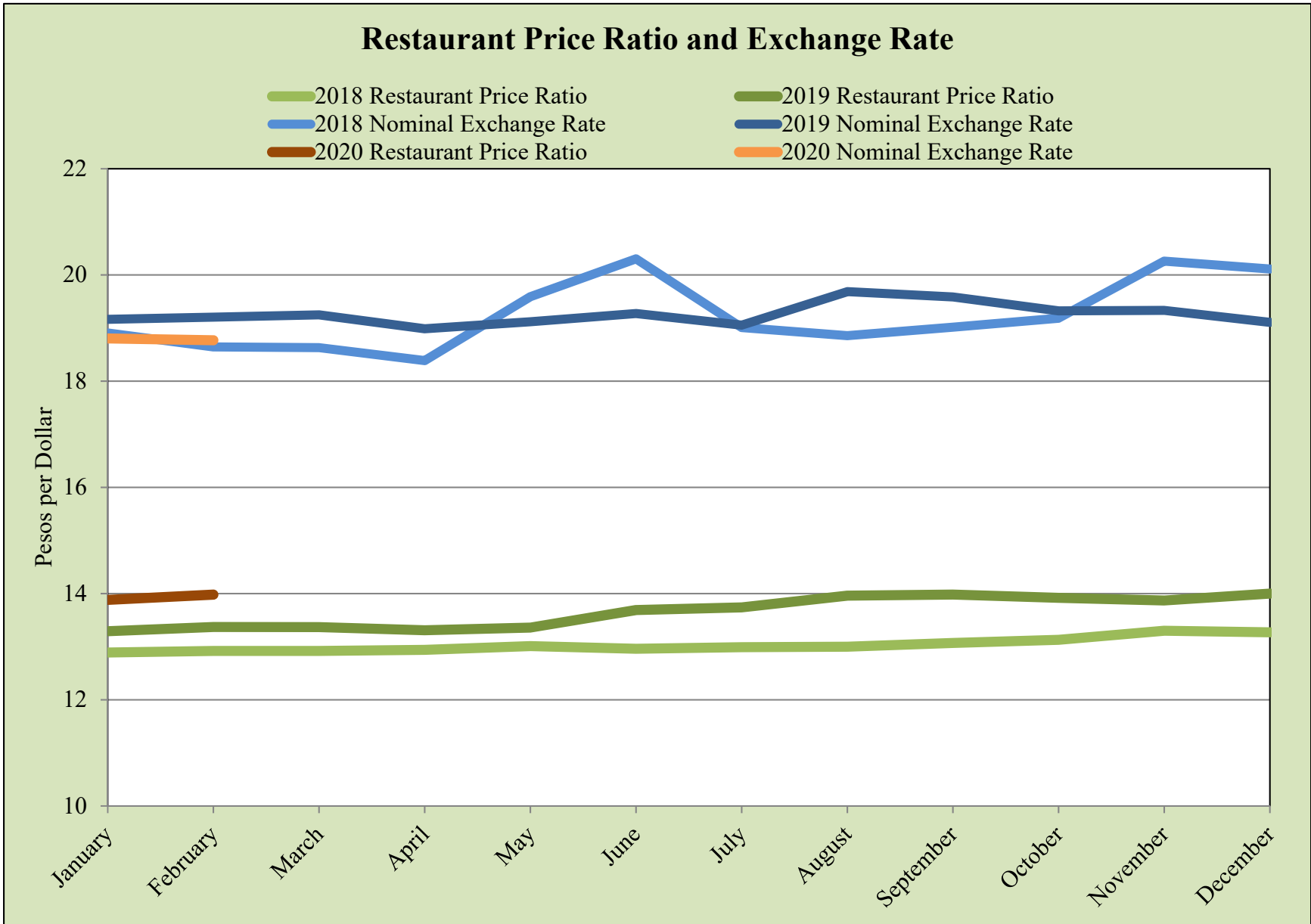
Source: Bureau of Labor Statistics



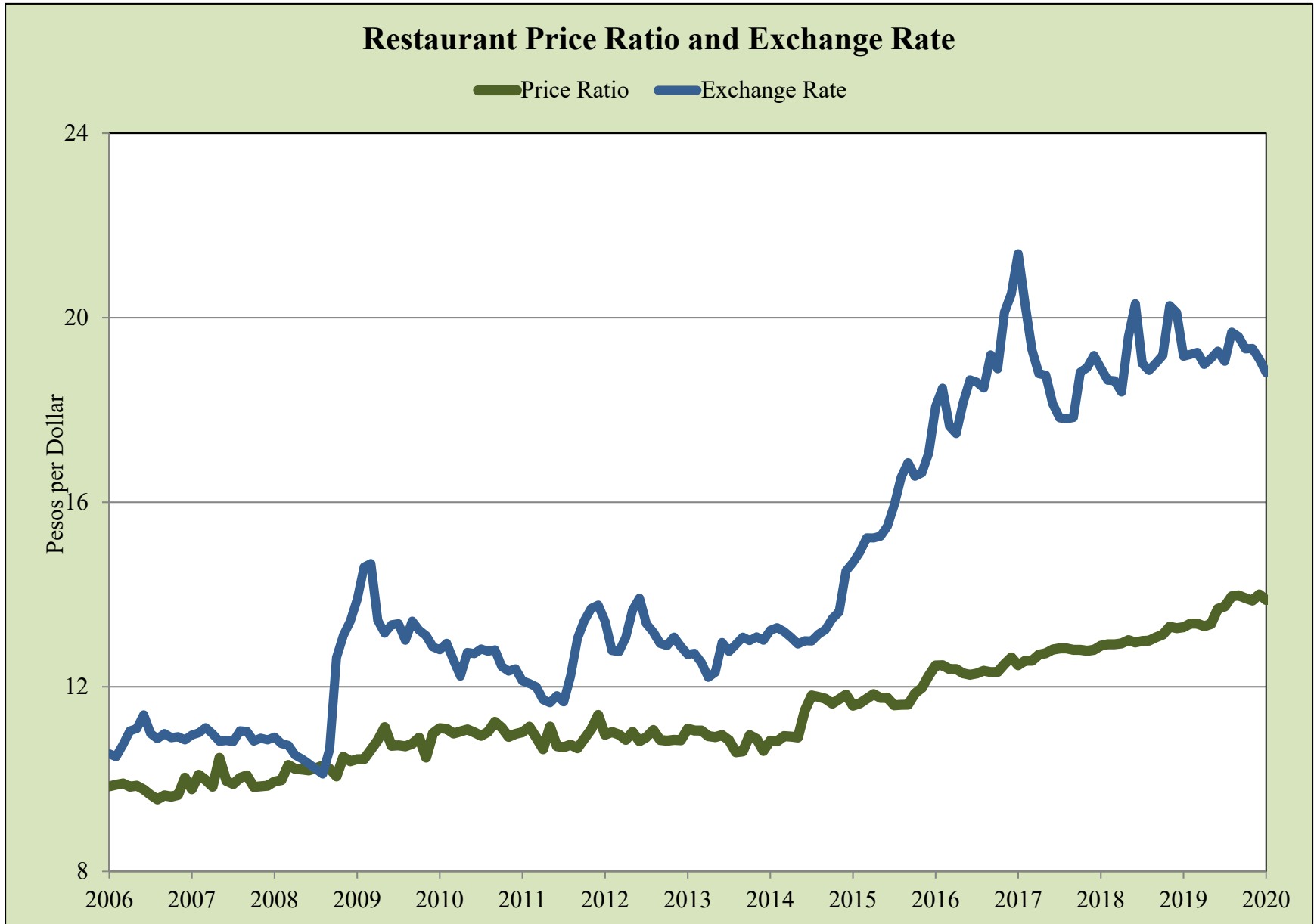
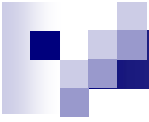
Source: New Mexico Human Services Department



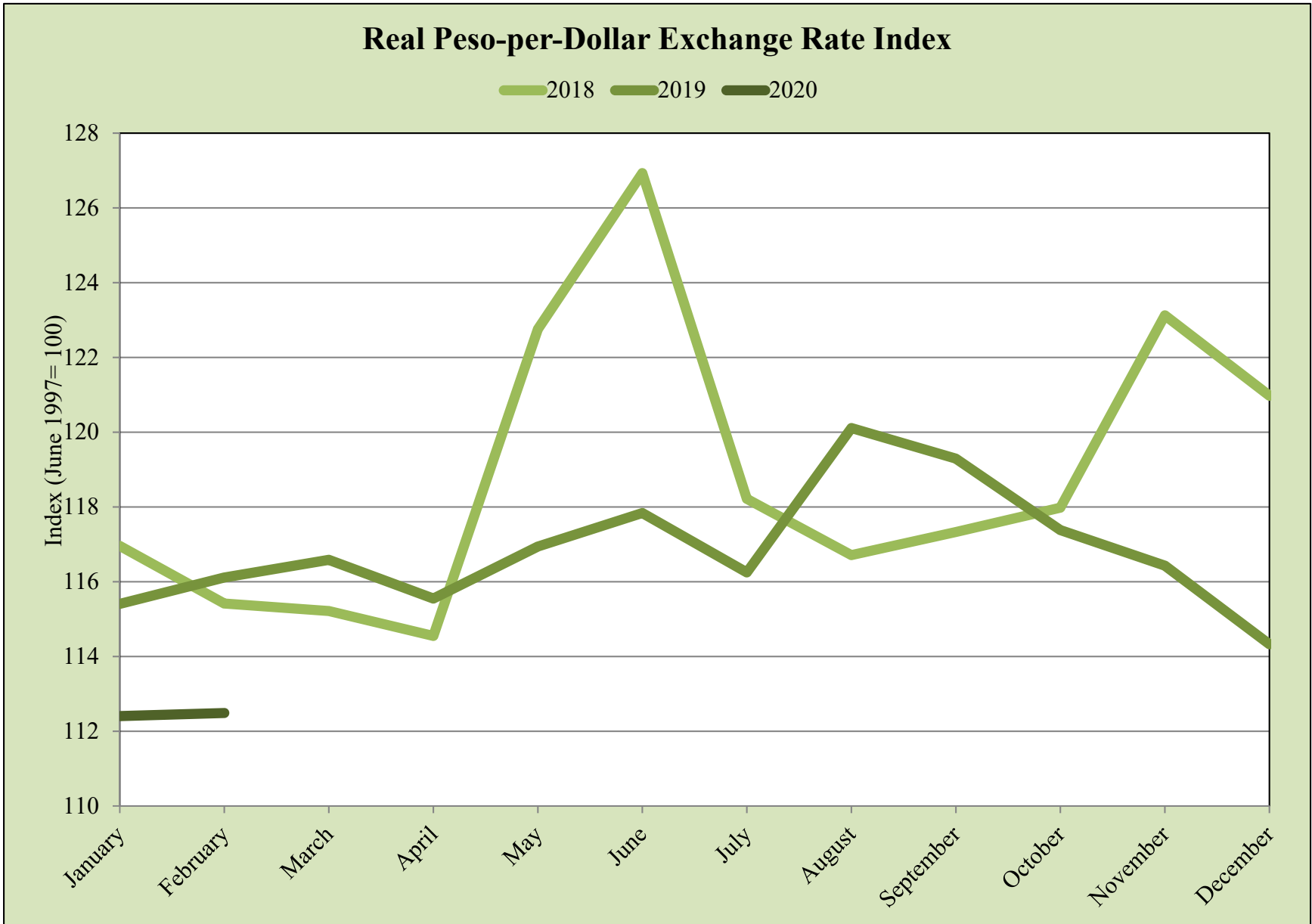
Source: New Mexico Human Services Department



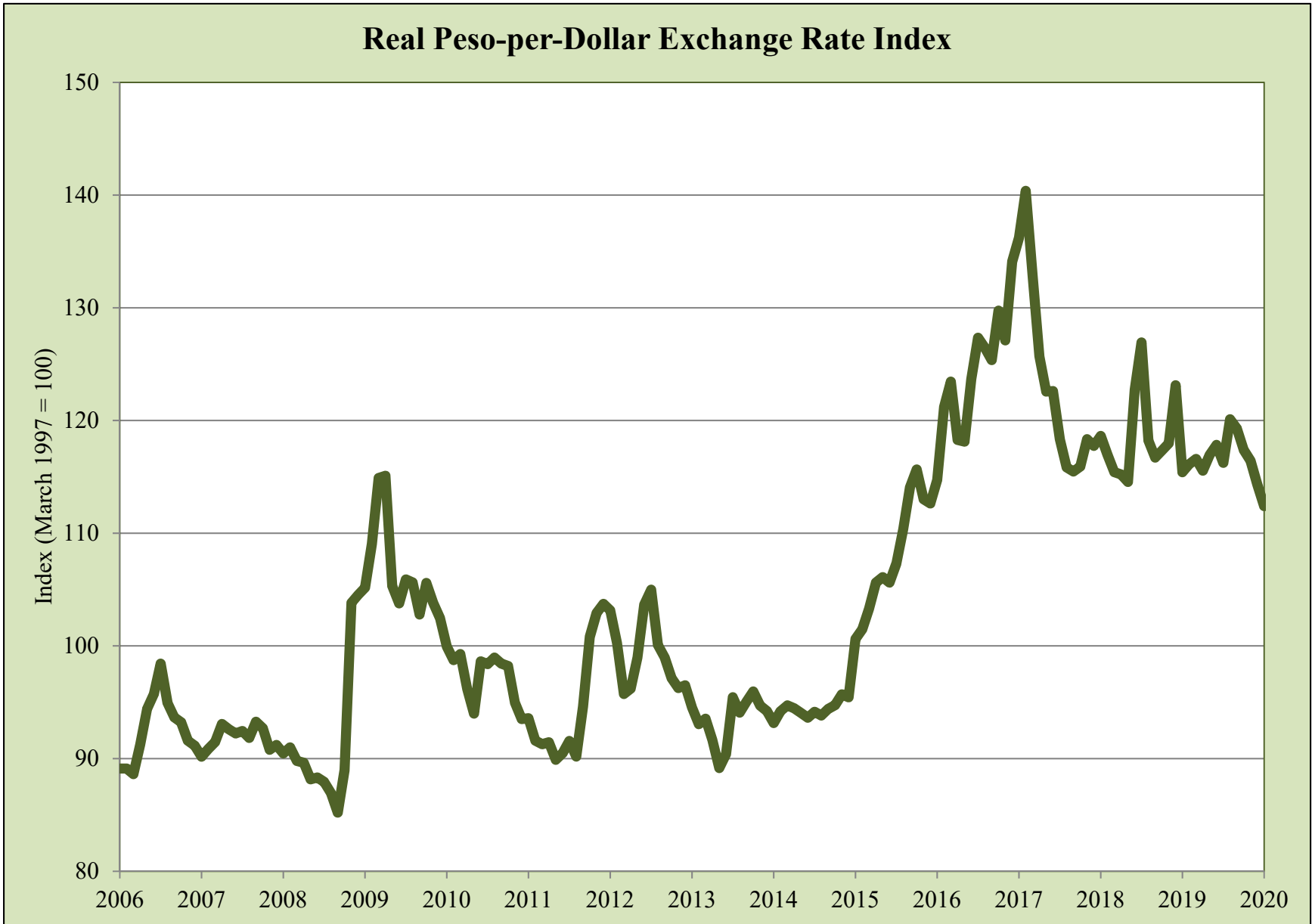
Source: UTEP Border Region Modeling Project and Banco de Mexico



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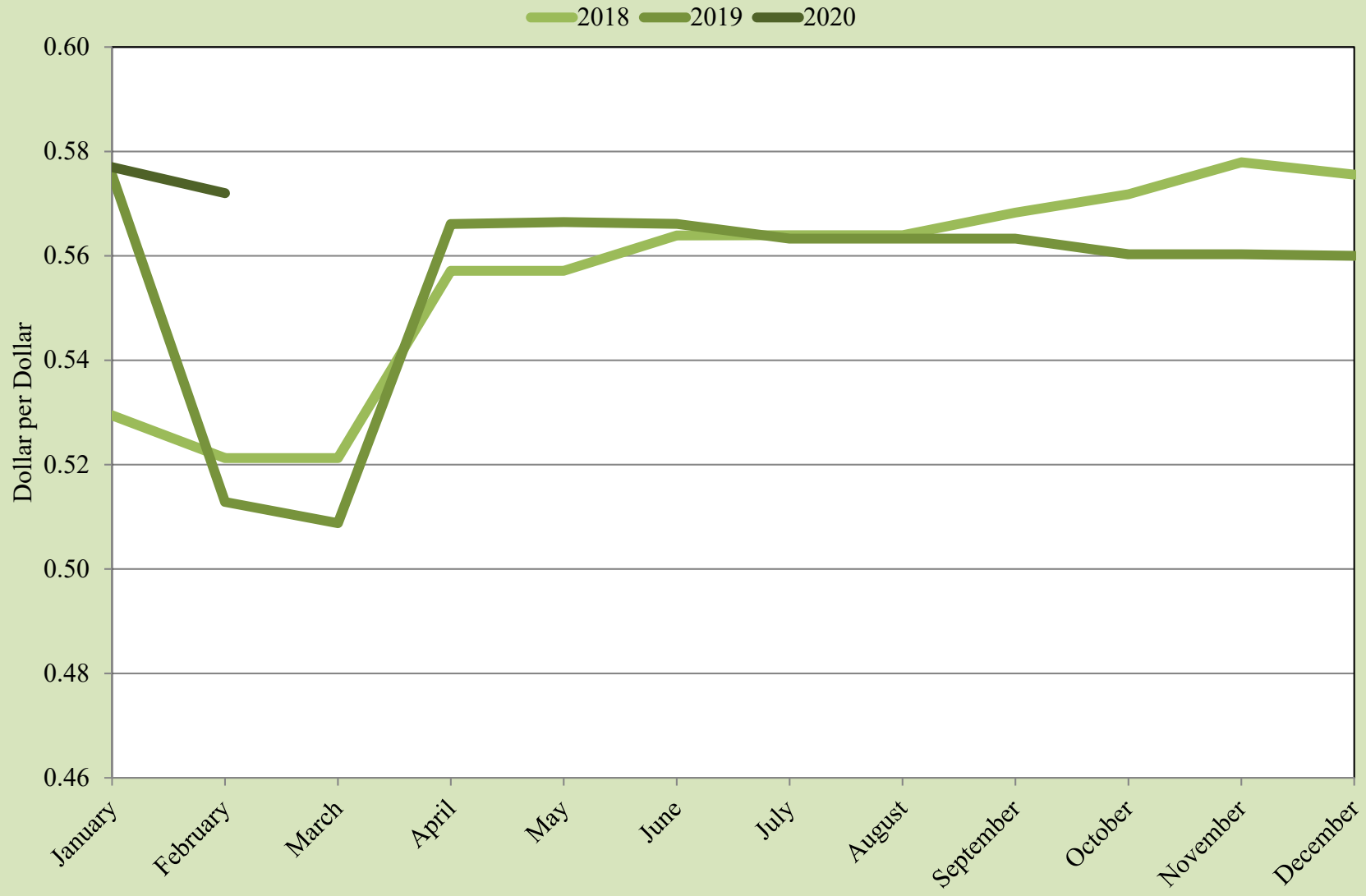
Source: UTEP Border Region Modeling Project



Source: UTEP Border Region Modeling Project



Pharmaceutical Nominal Price Ratio in the USA and Mexico



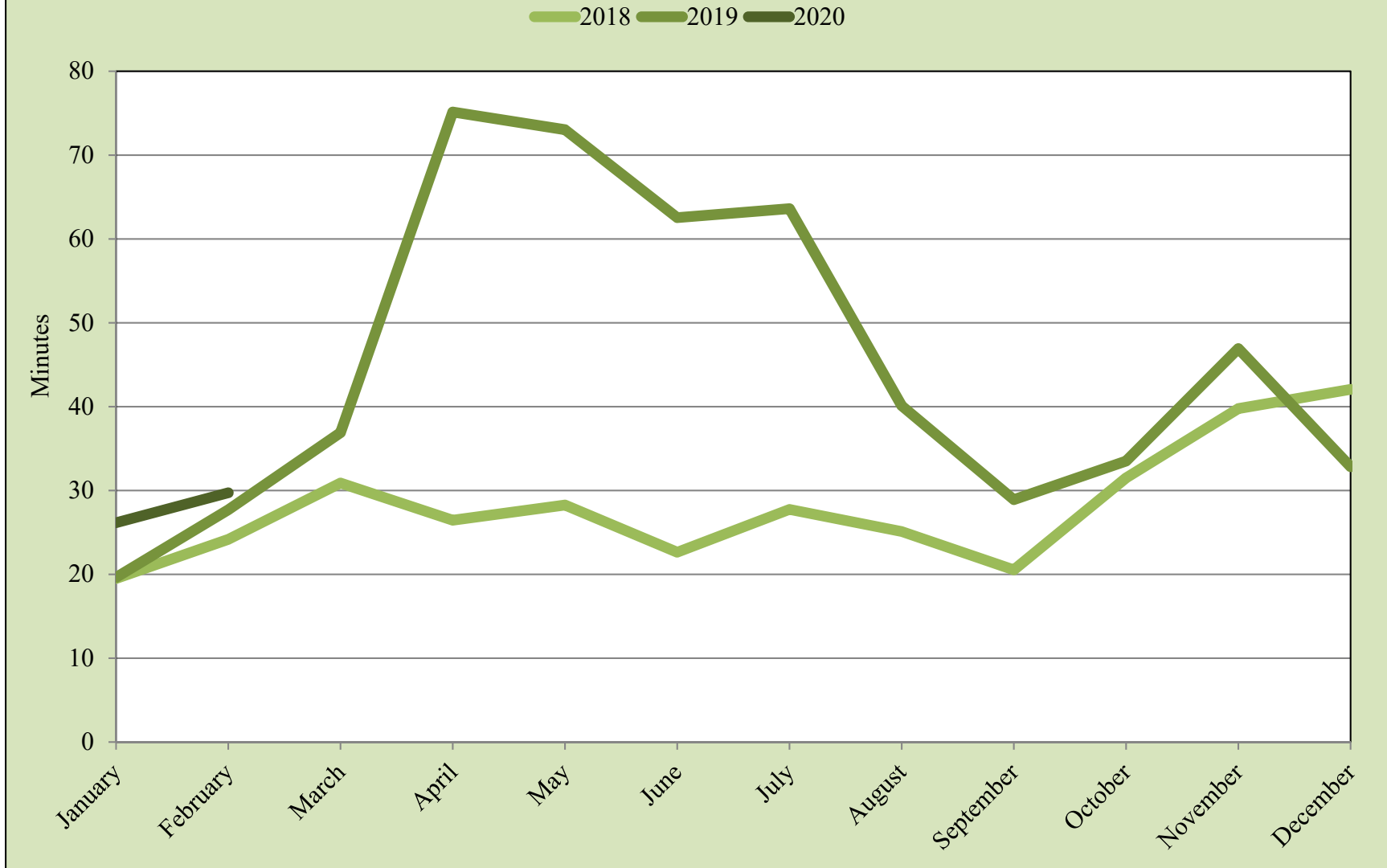
Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com



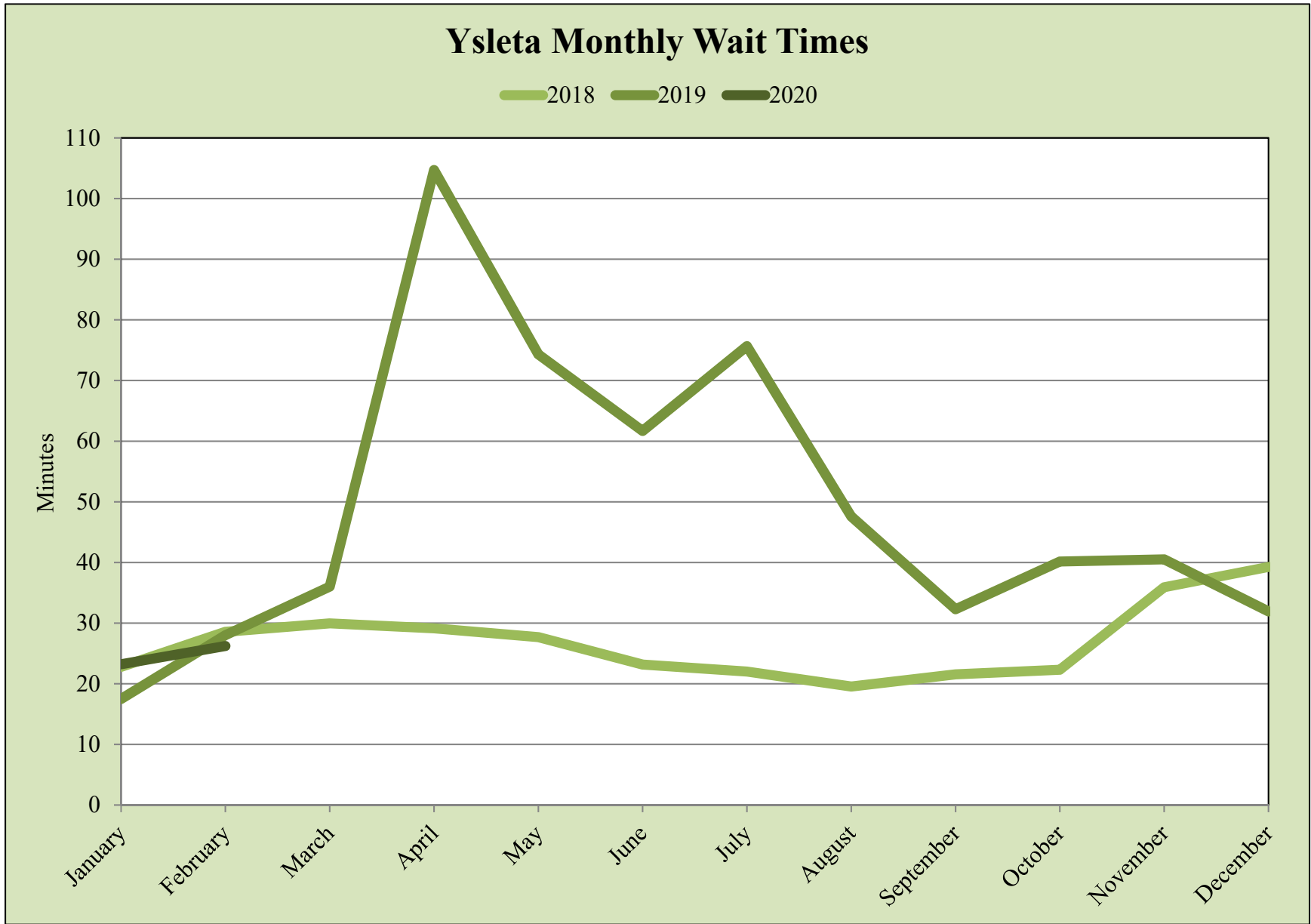
Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com



Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

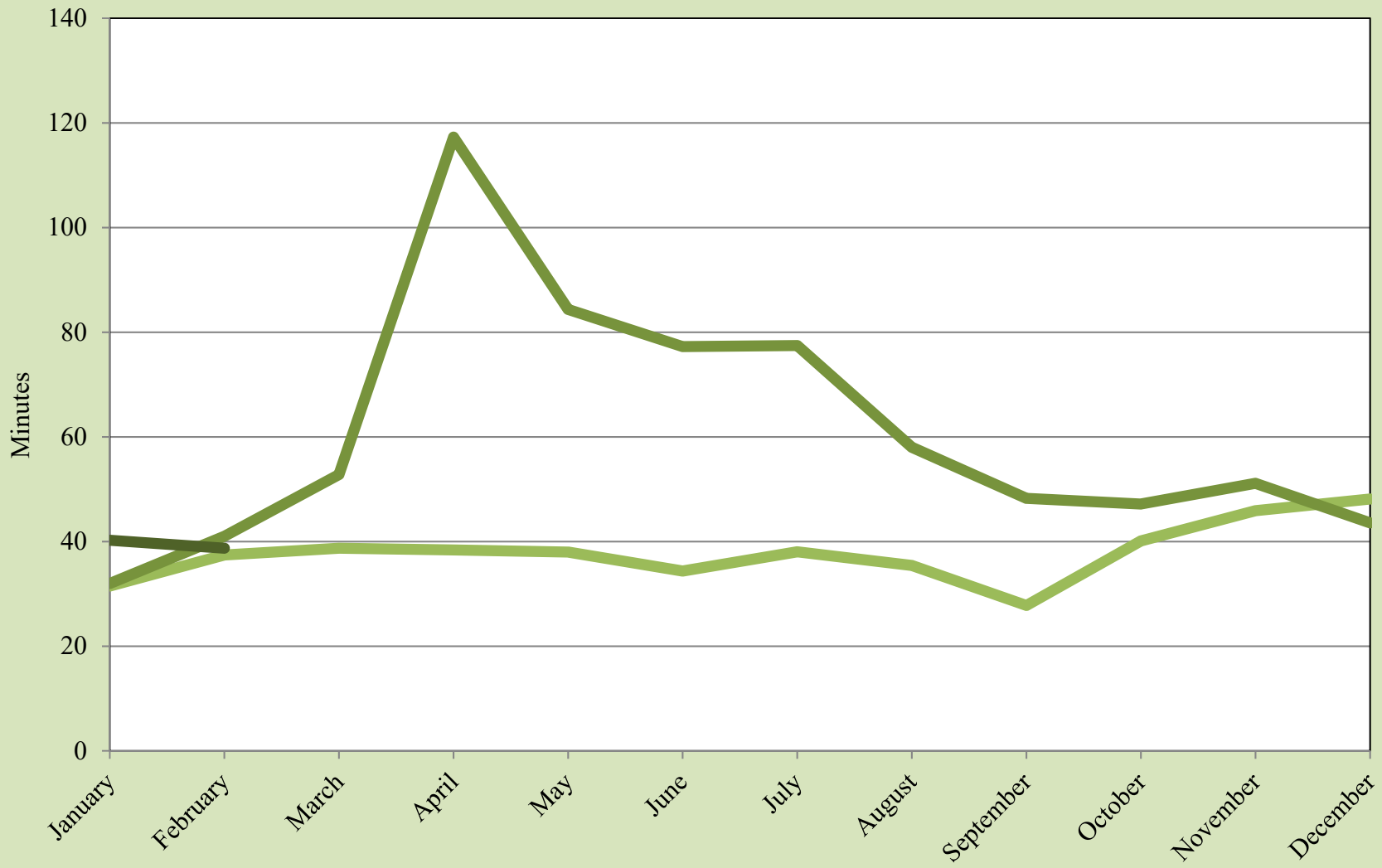


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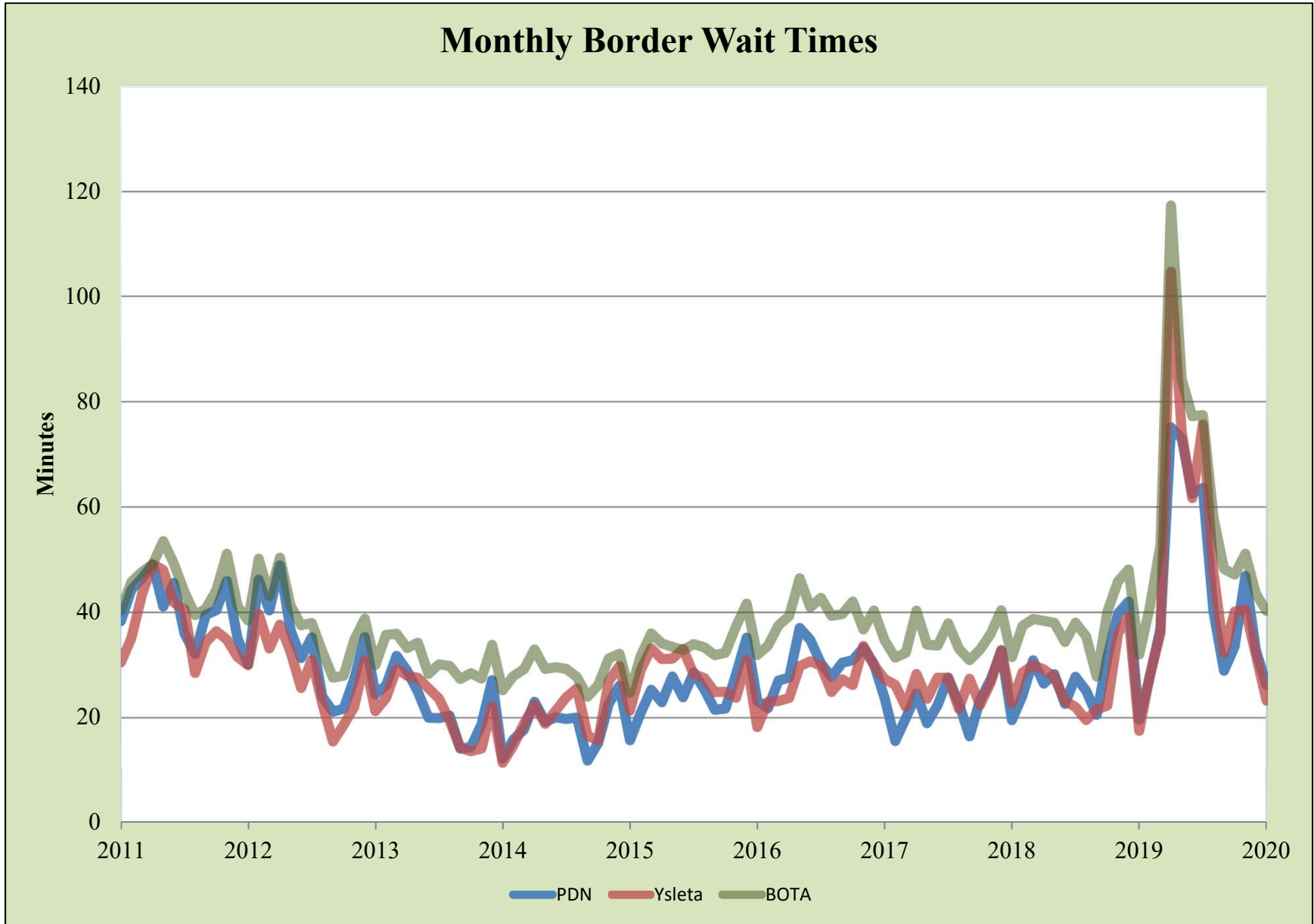


Bridge of the Americas Monthly Wait Times

— 2018 — 2019 — 2020



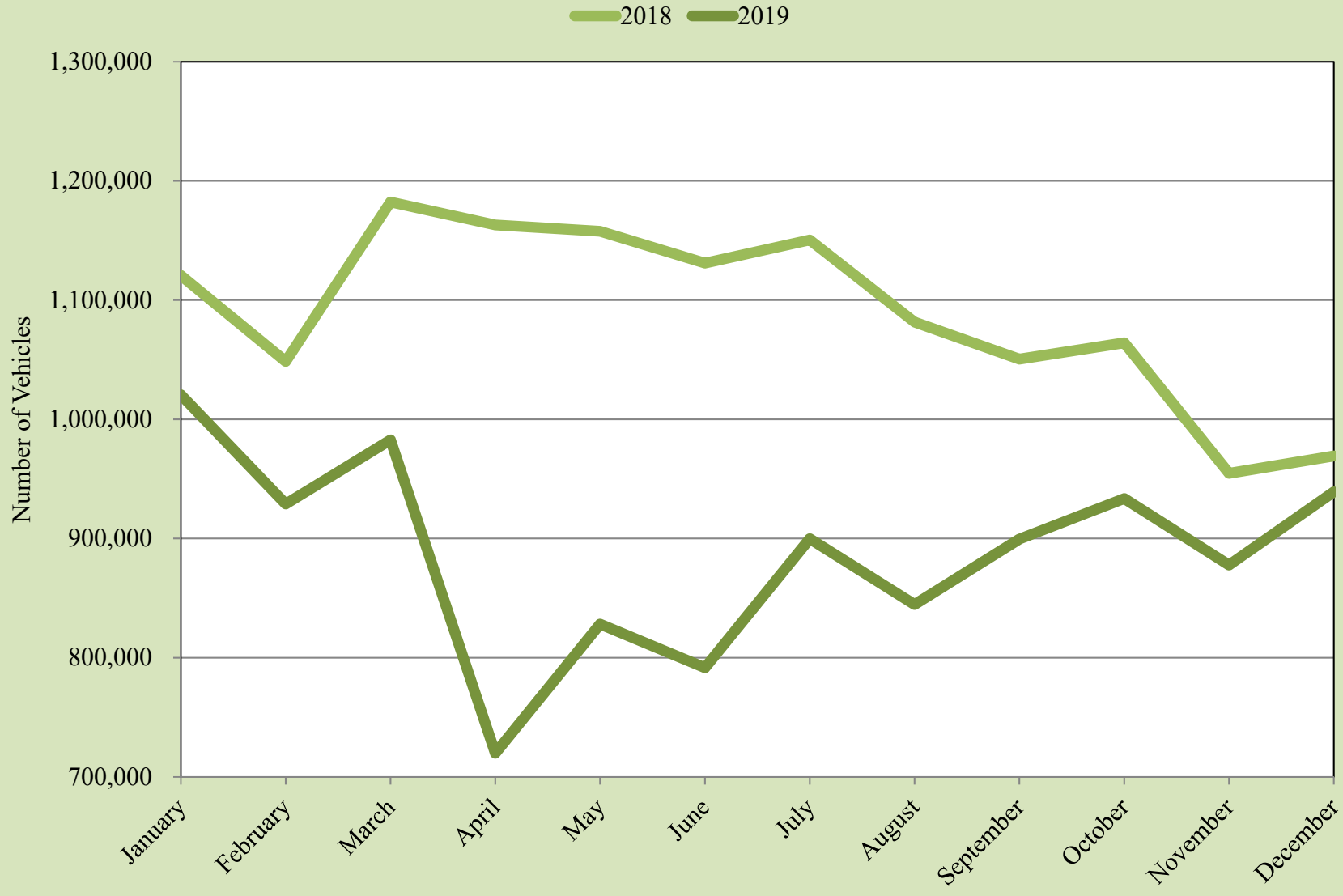
Source: UTEP Border Region Modeling Project



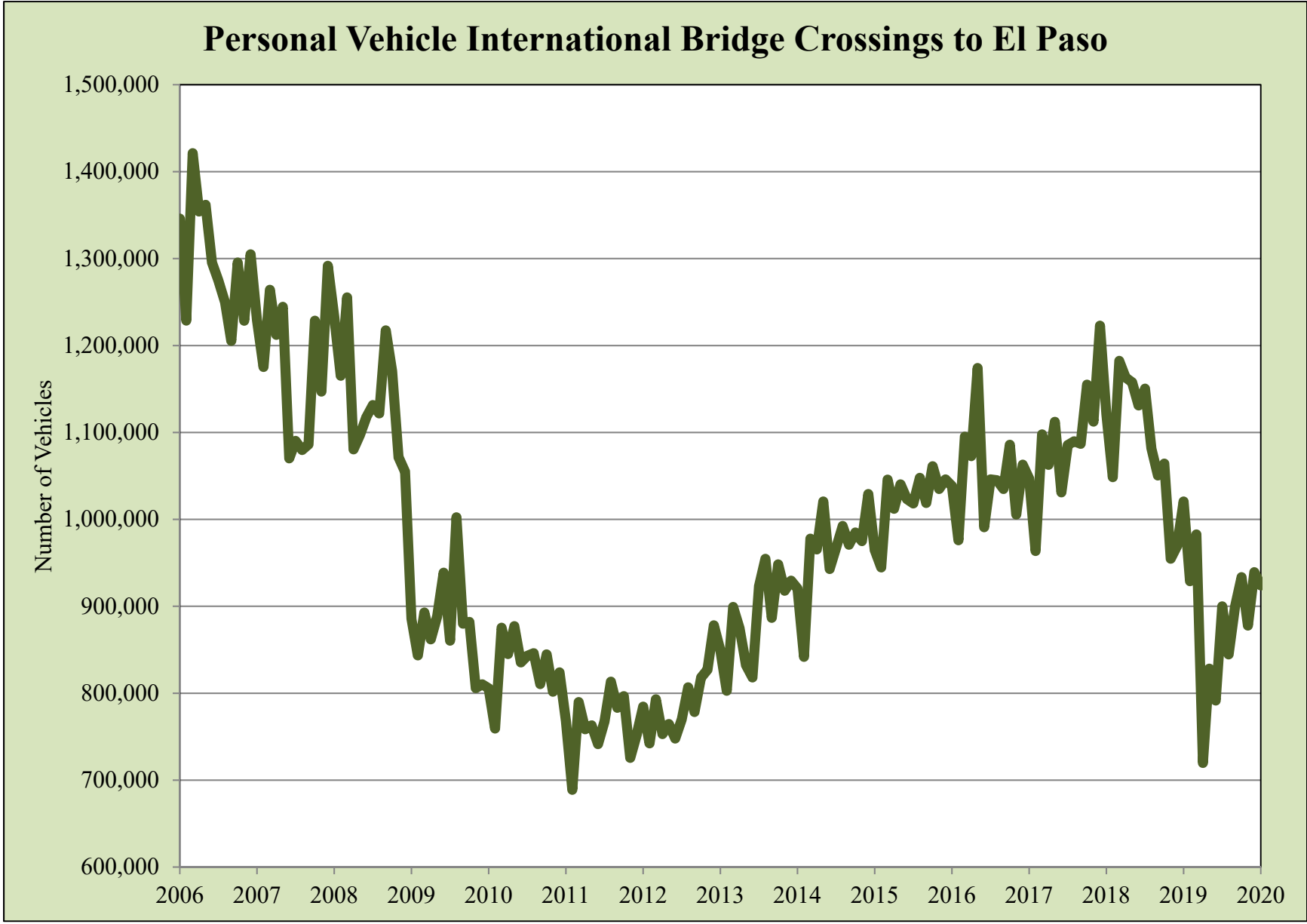
Source: UTEP Border Region Modeling Project



Personal Vehicle International Bridge Crossings to El Paso



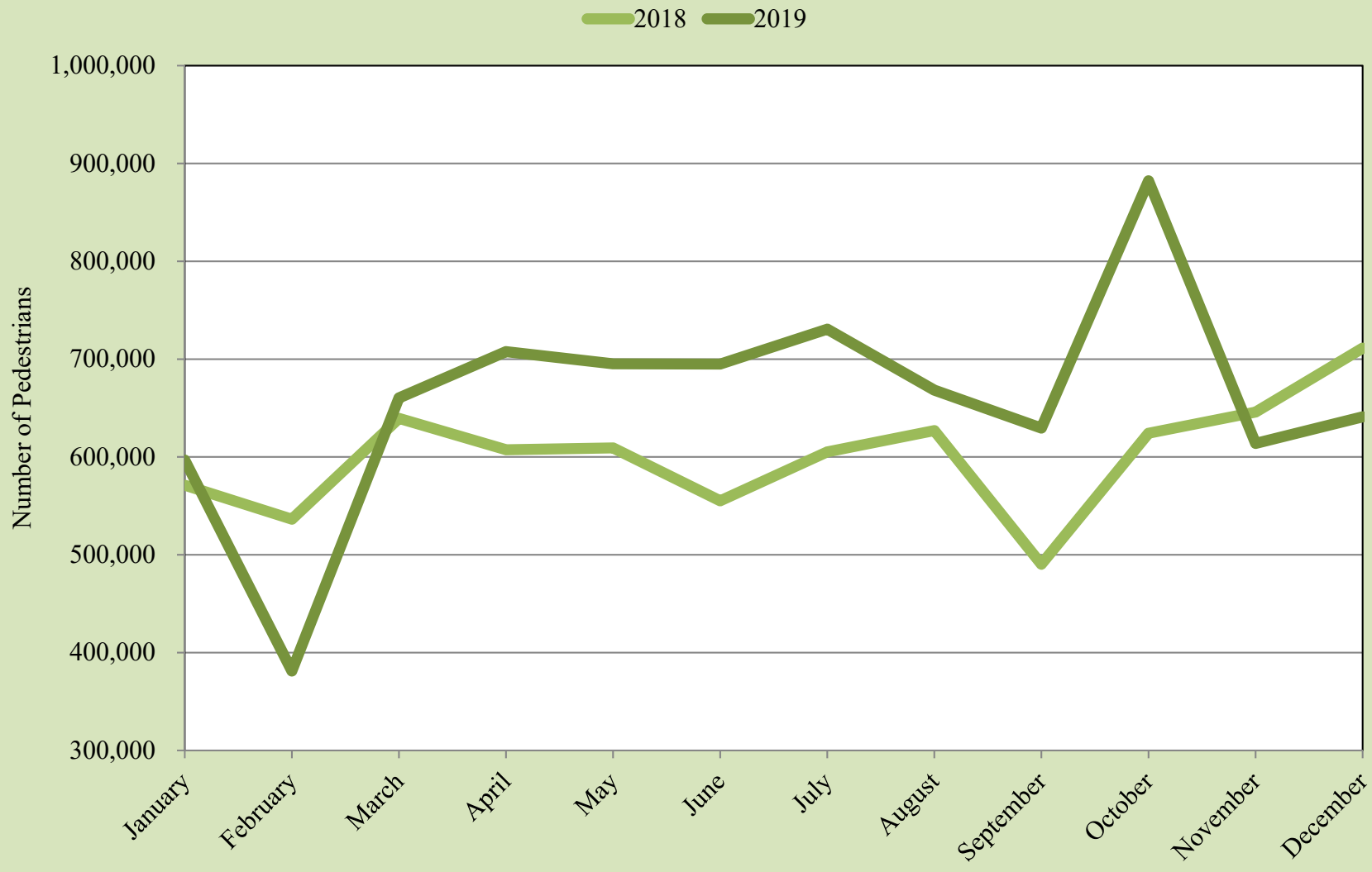
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



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



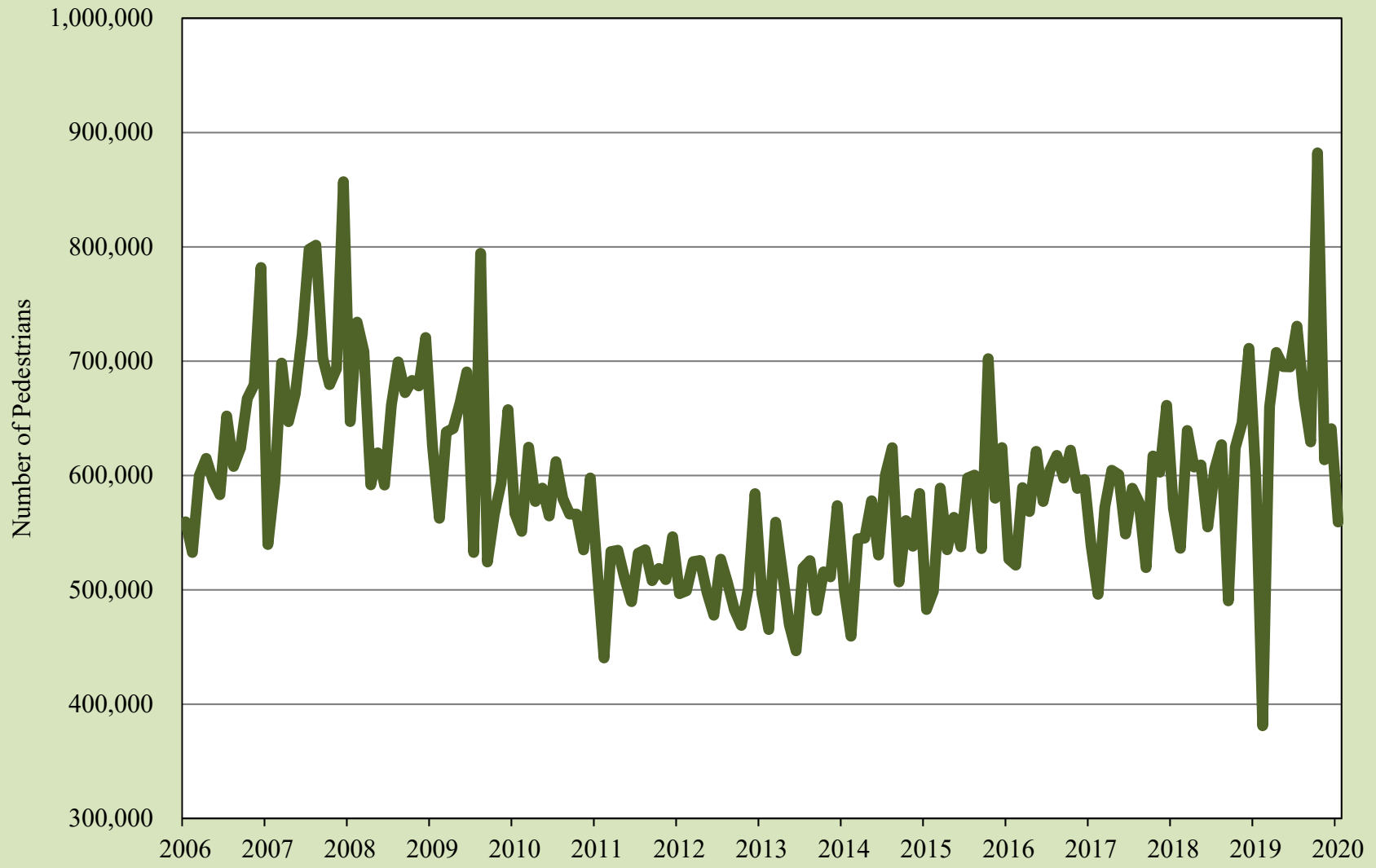
Pedestrian International Bridge Crossings to El Paso



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



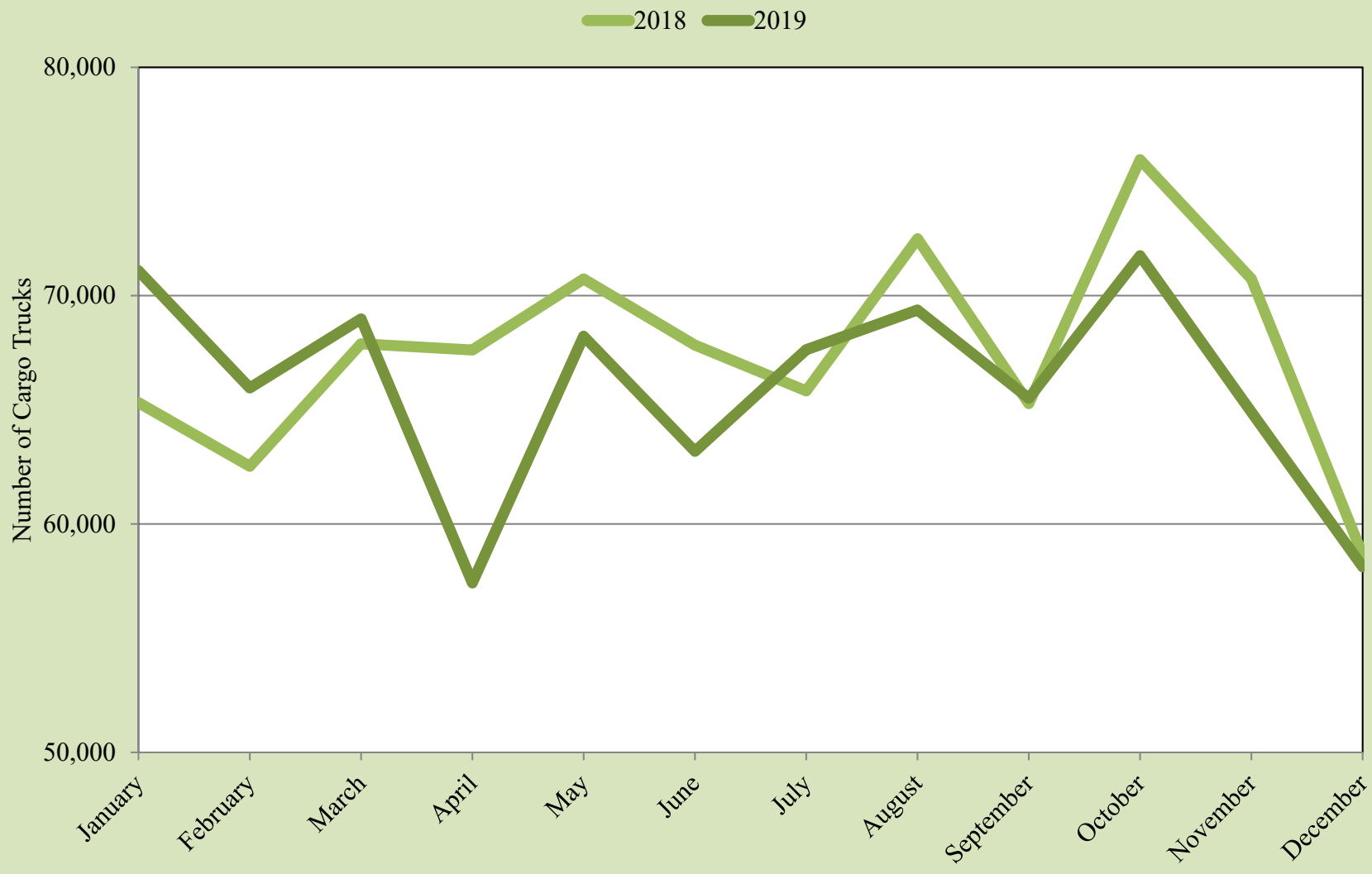
Pedestrian International Bridge Crossings to El Paso



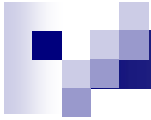
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection



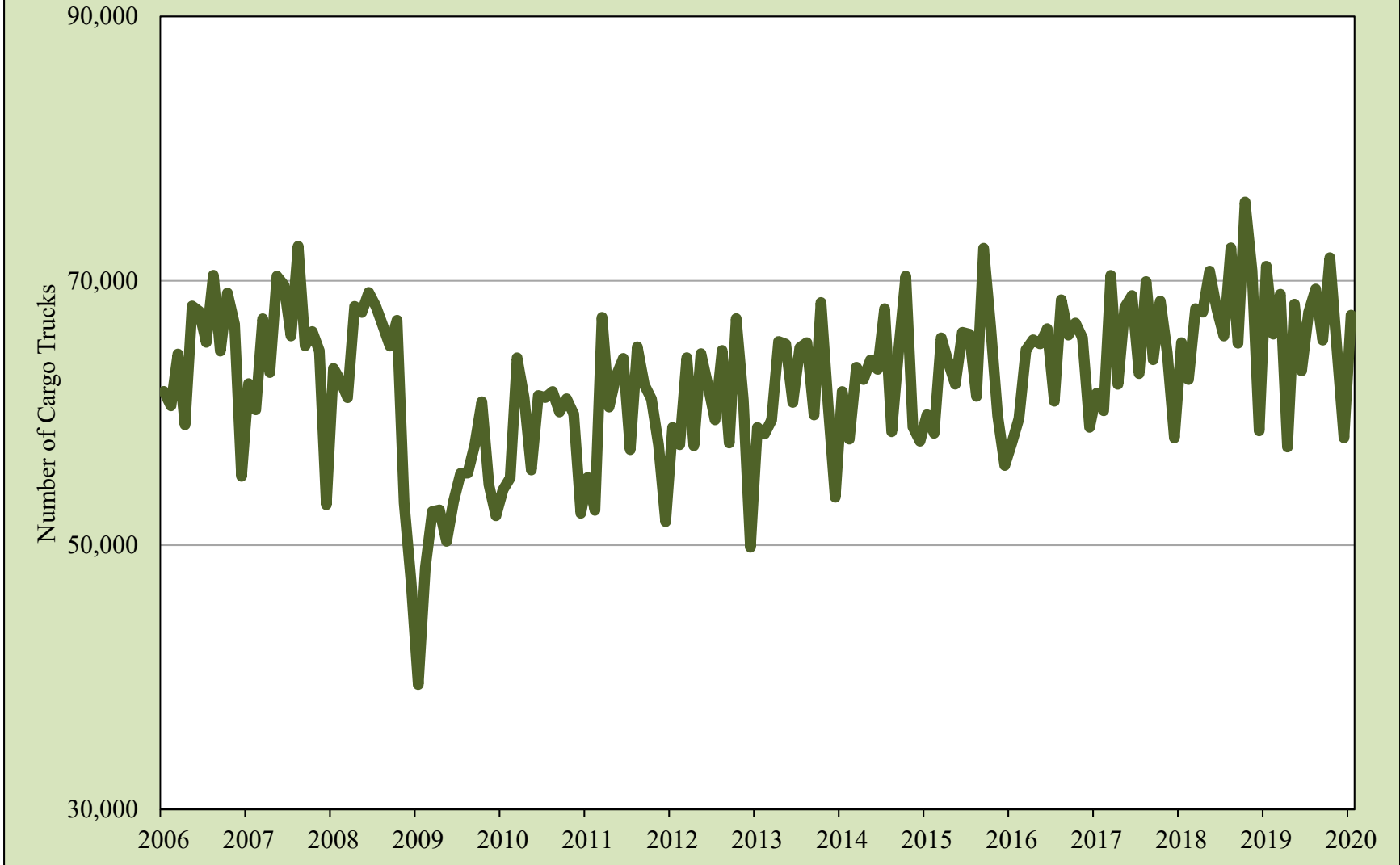
Cargo Truck International Bridge Crossings to El Paso



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



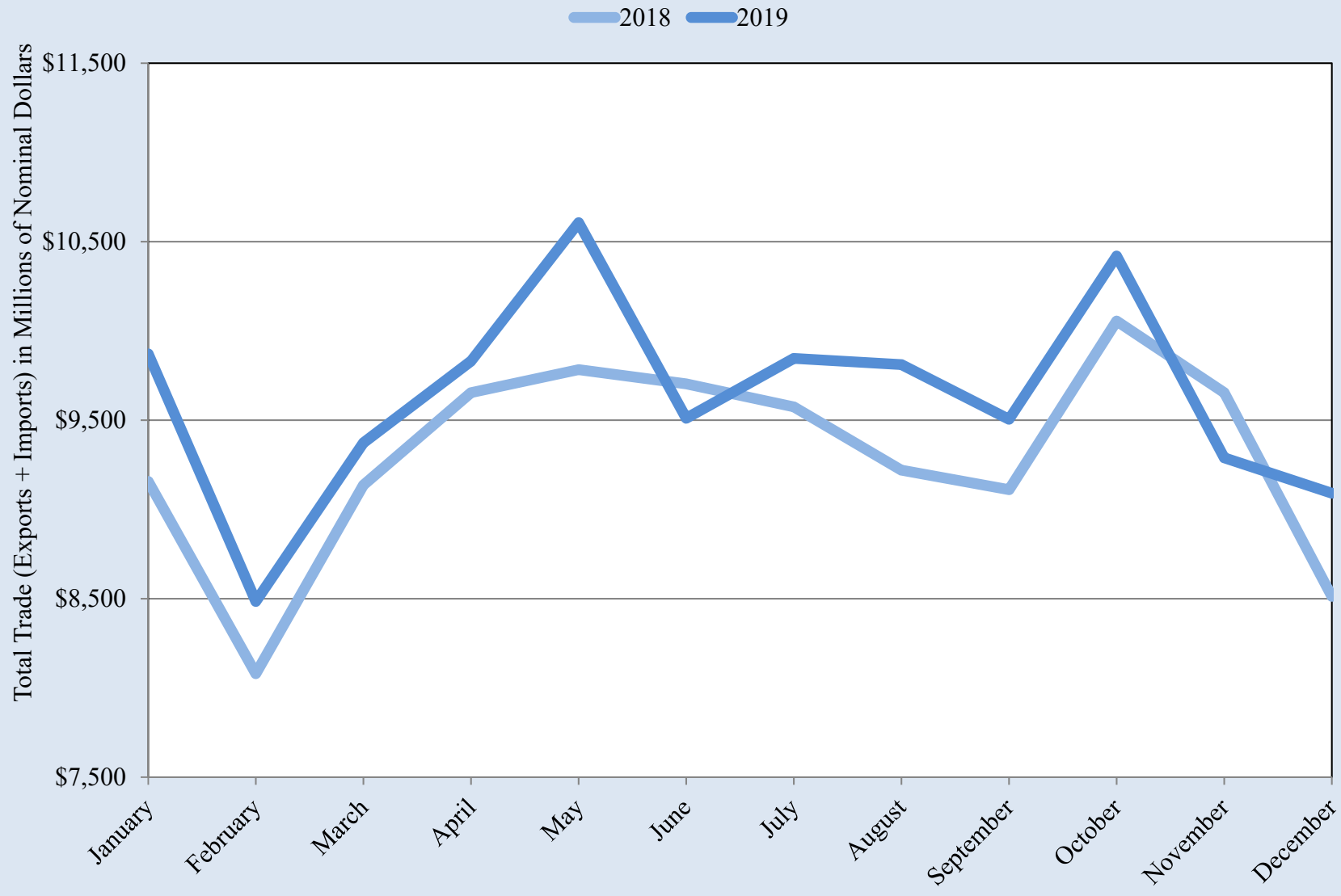
Cargo Truck International Bridge Crossings to El Paso



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



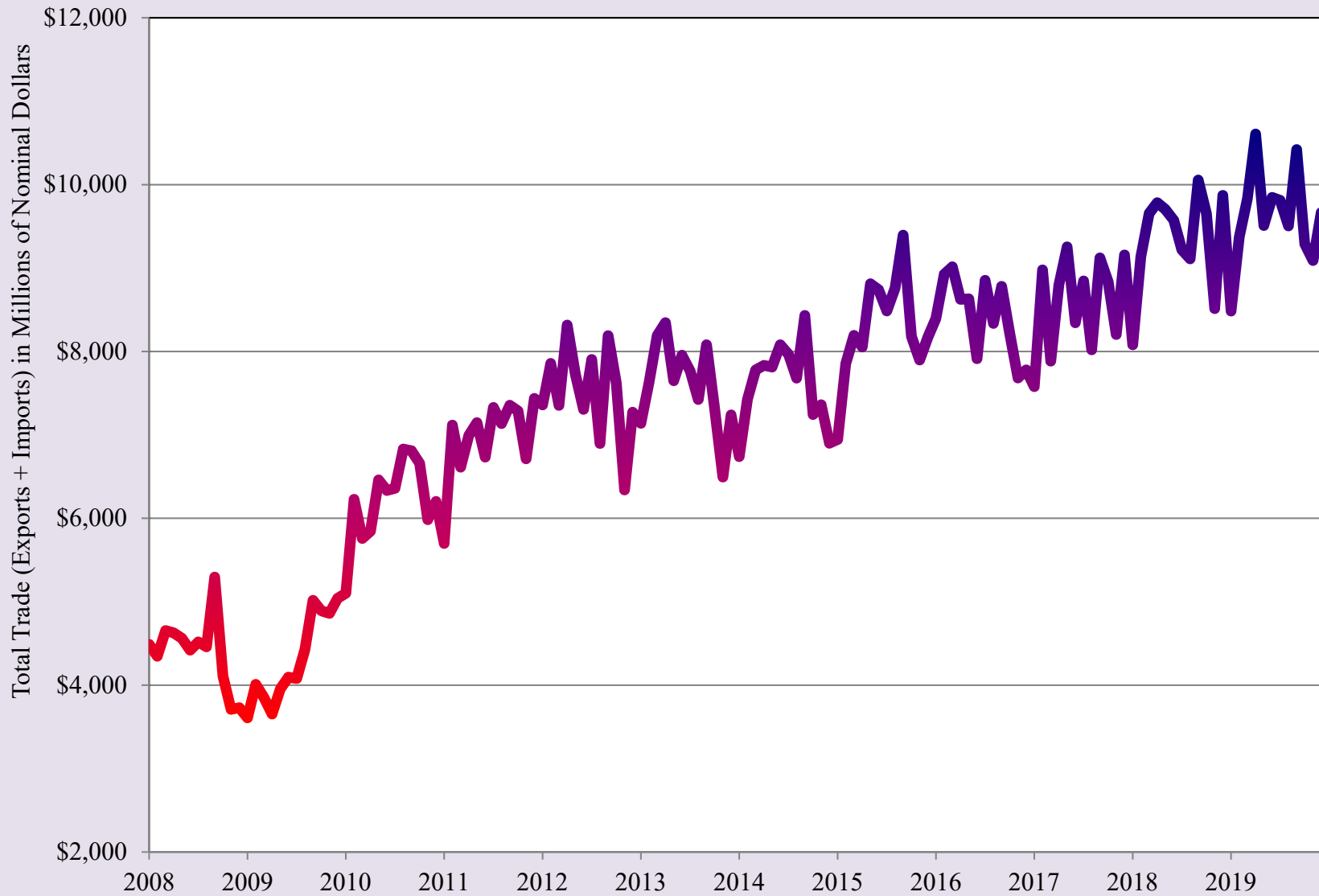
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission



Total Trade through the El Paso Customs District

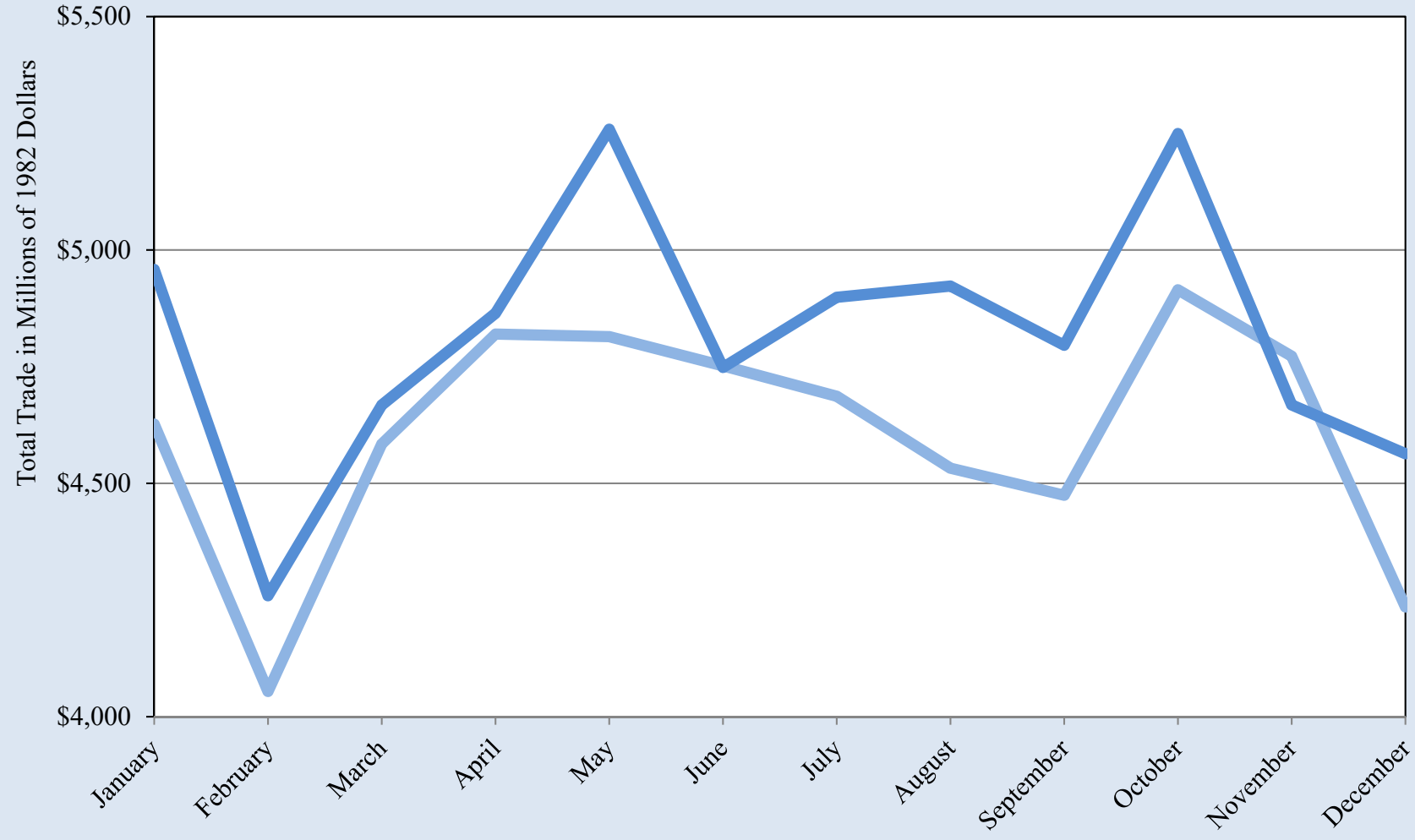


Source: U.S. International Trade Commission



Real Total Trade through the El Paso Customs District

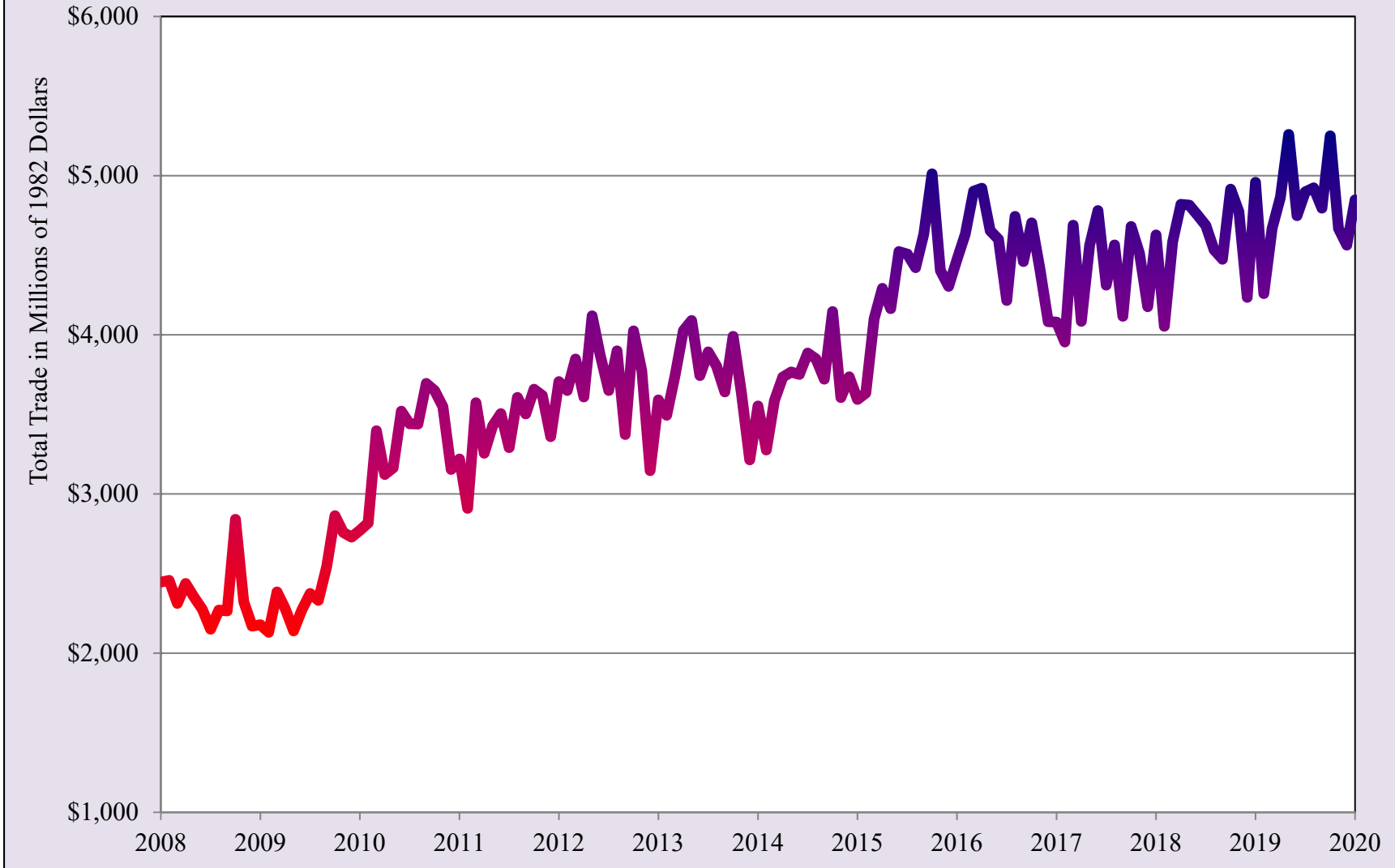
— 2018 — 2019



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



Real Total Trade through the El Paso Customs District

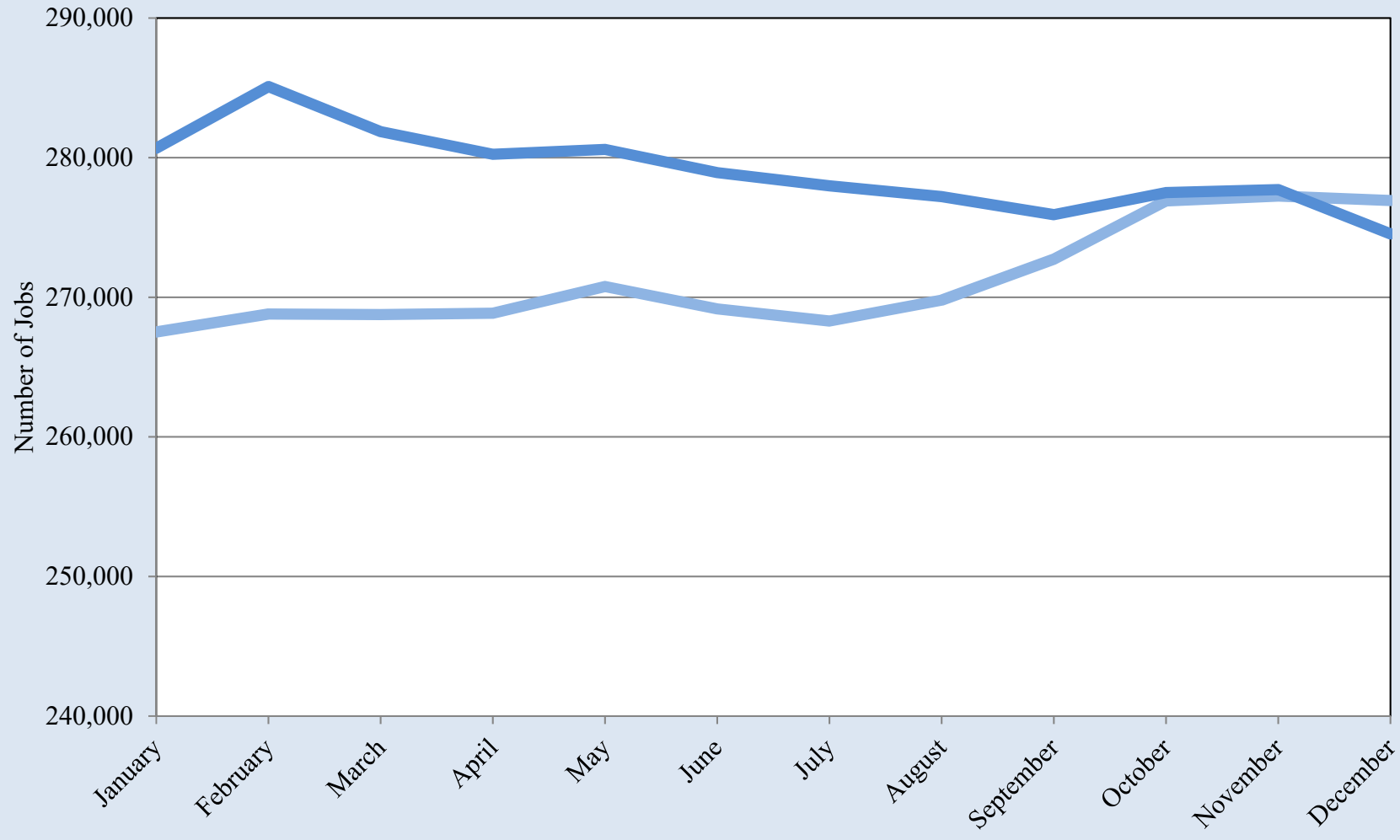


Source: U.S. International Trade Commission and Bureau of Labor Statistics



Export-Oriented Manufacturing Employment in Ciudad Juárez

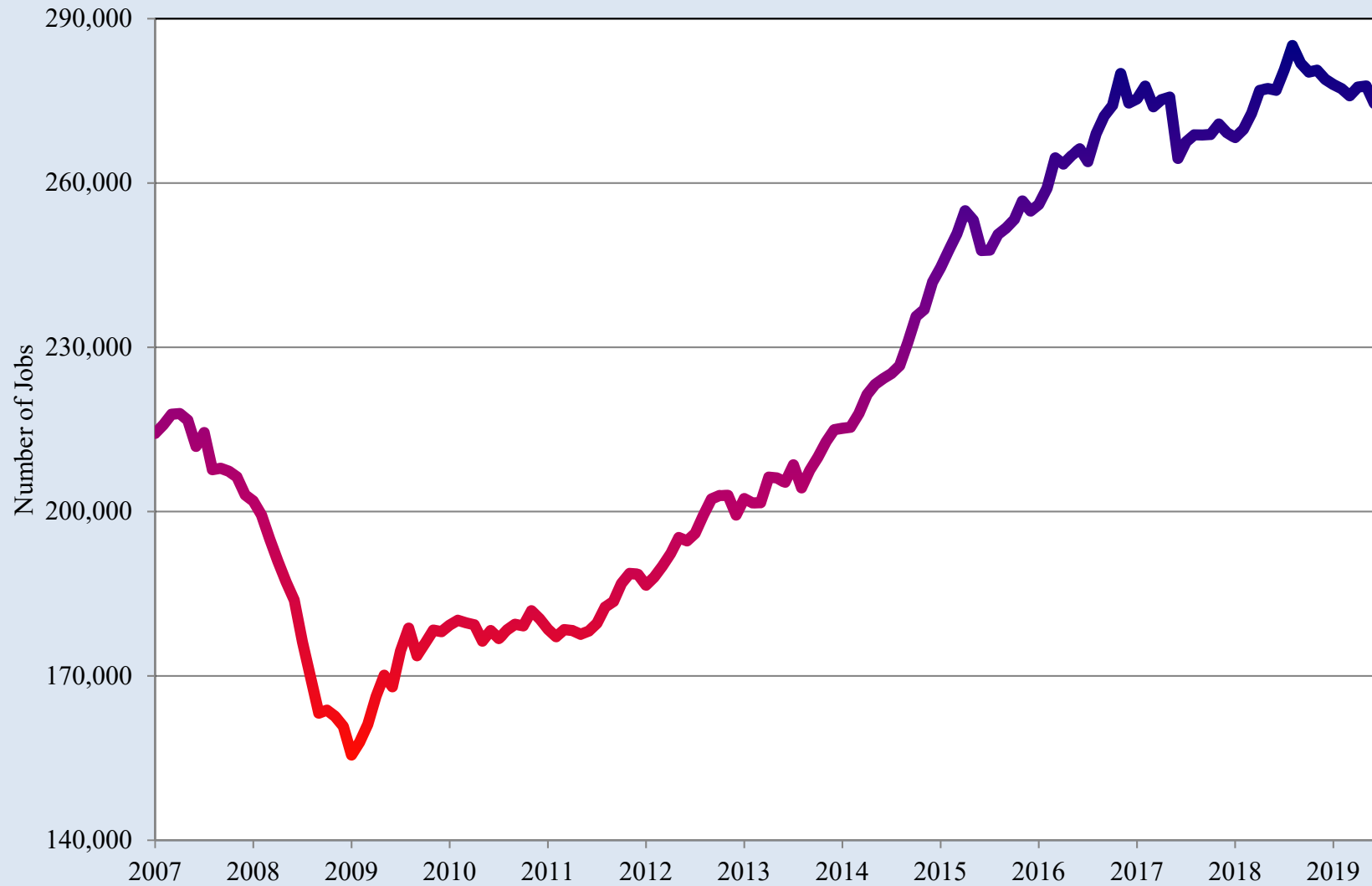
— 2018 — 2019



Source: INEGI



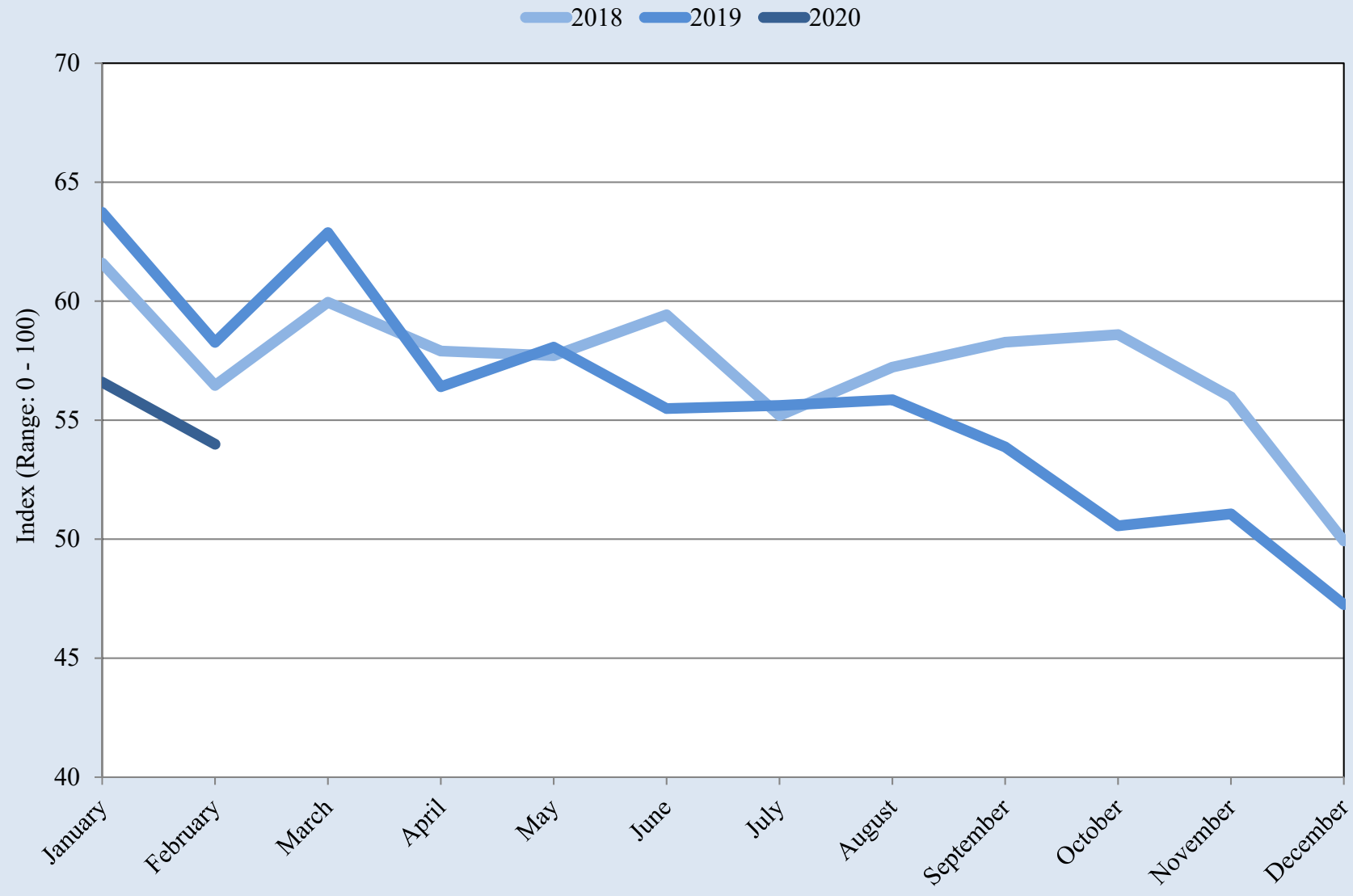
Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI



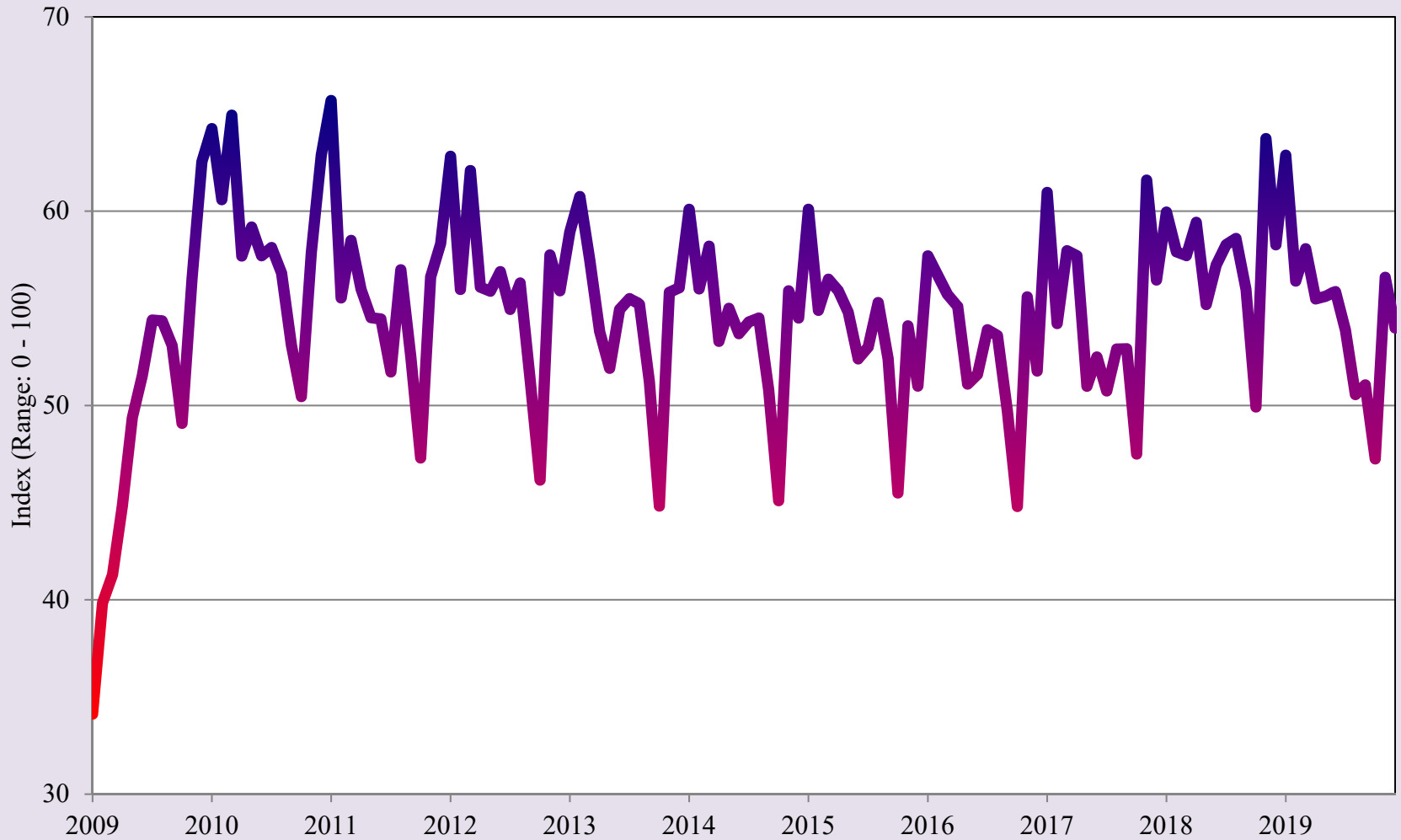
Northern Mexico Manufacturing Orders Index



Source: Banco de México



Northern Mexico Manufacturing Orders Index

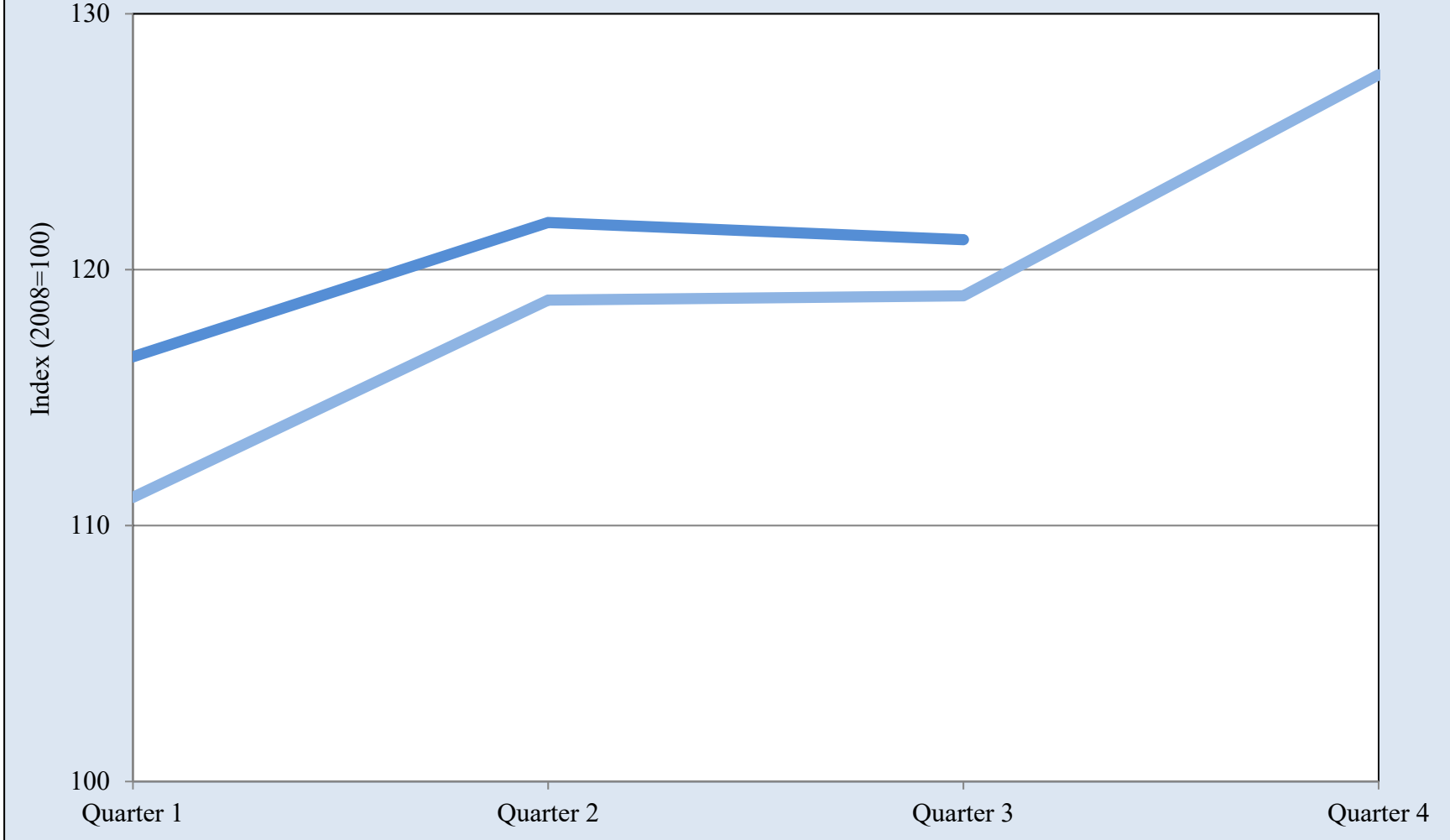


Source: Banco de México

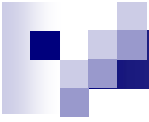


Quarterly Indicator of Economic Activity for the State of Chihuahua

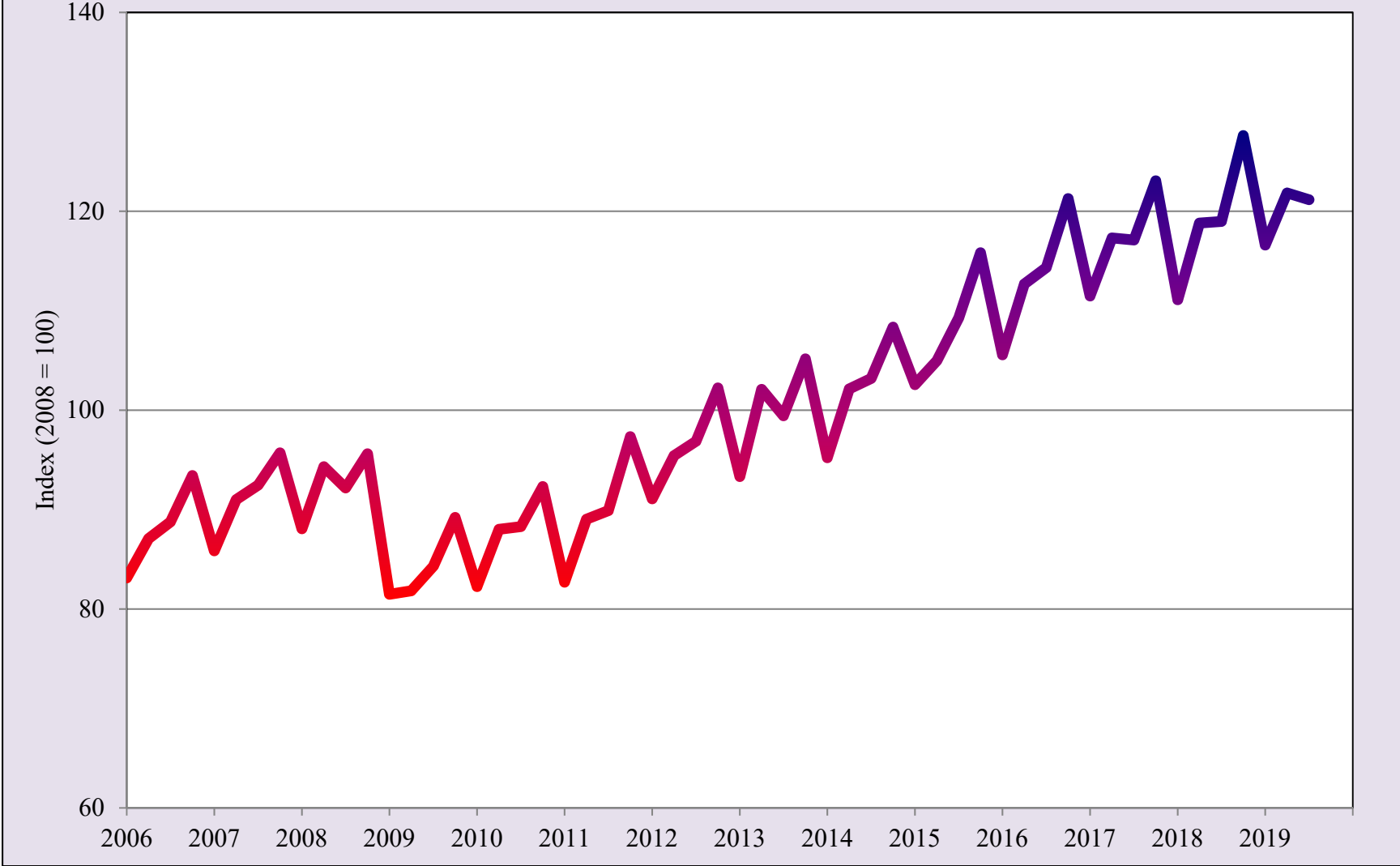
— 2018 — 2019



Source: INEGI



Quarterly Indicator of Economic Activity for the State of Chihuahua

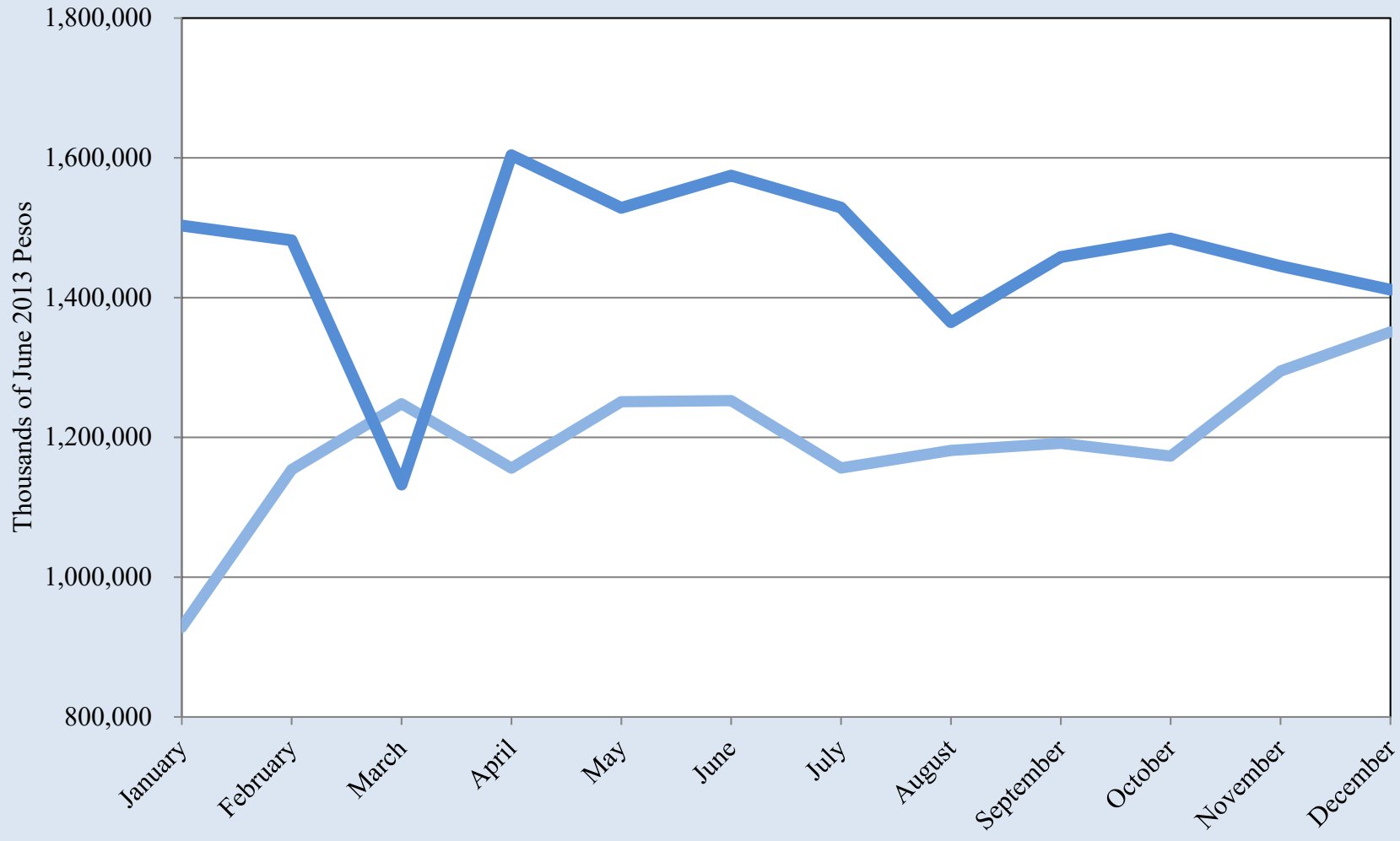


Source: INEGI



Total Value of Construction in the State of Chihuahua

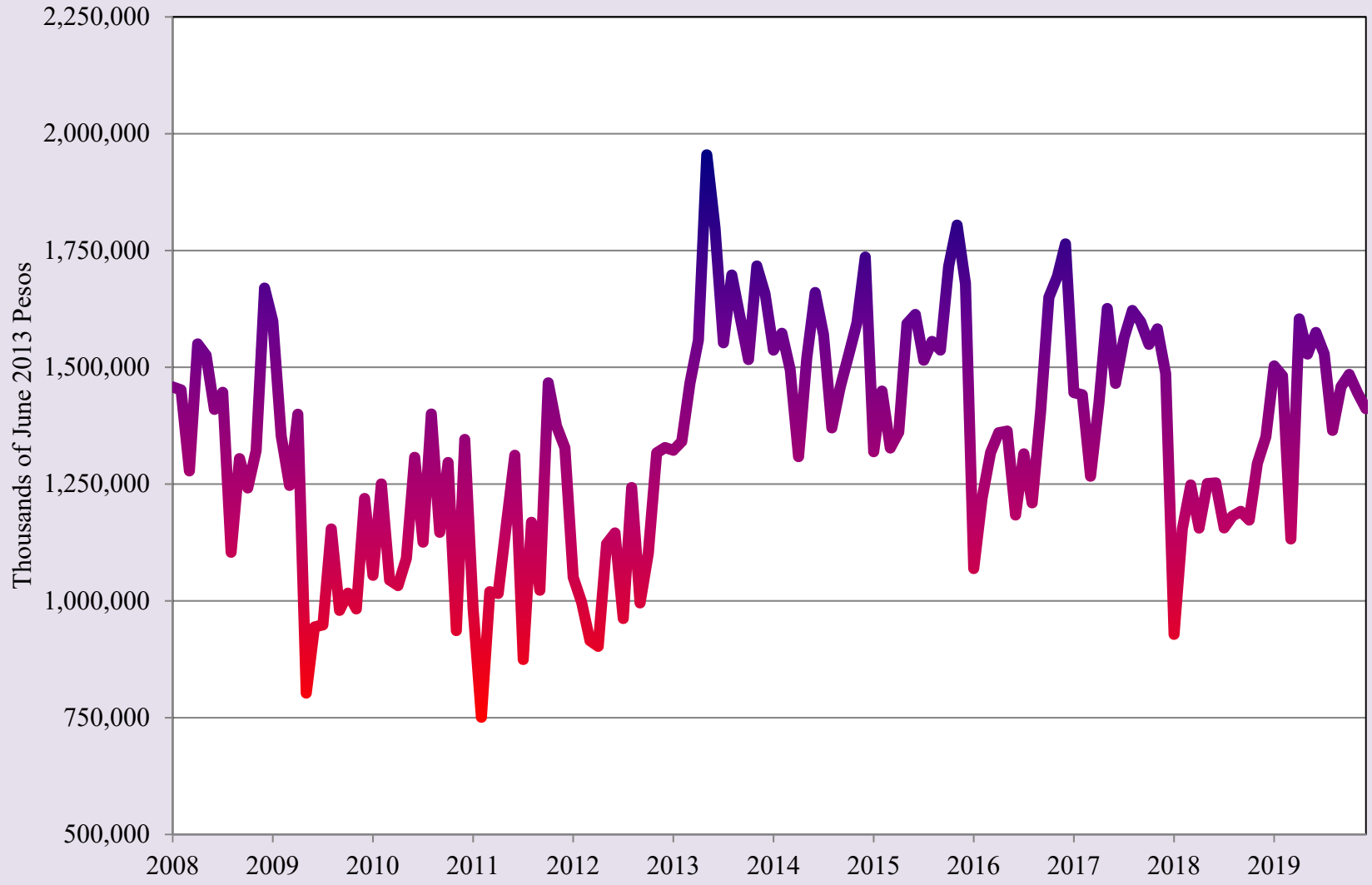
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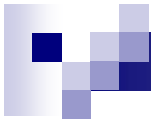
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Total Value of Construction in the State of Chihuahua

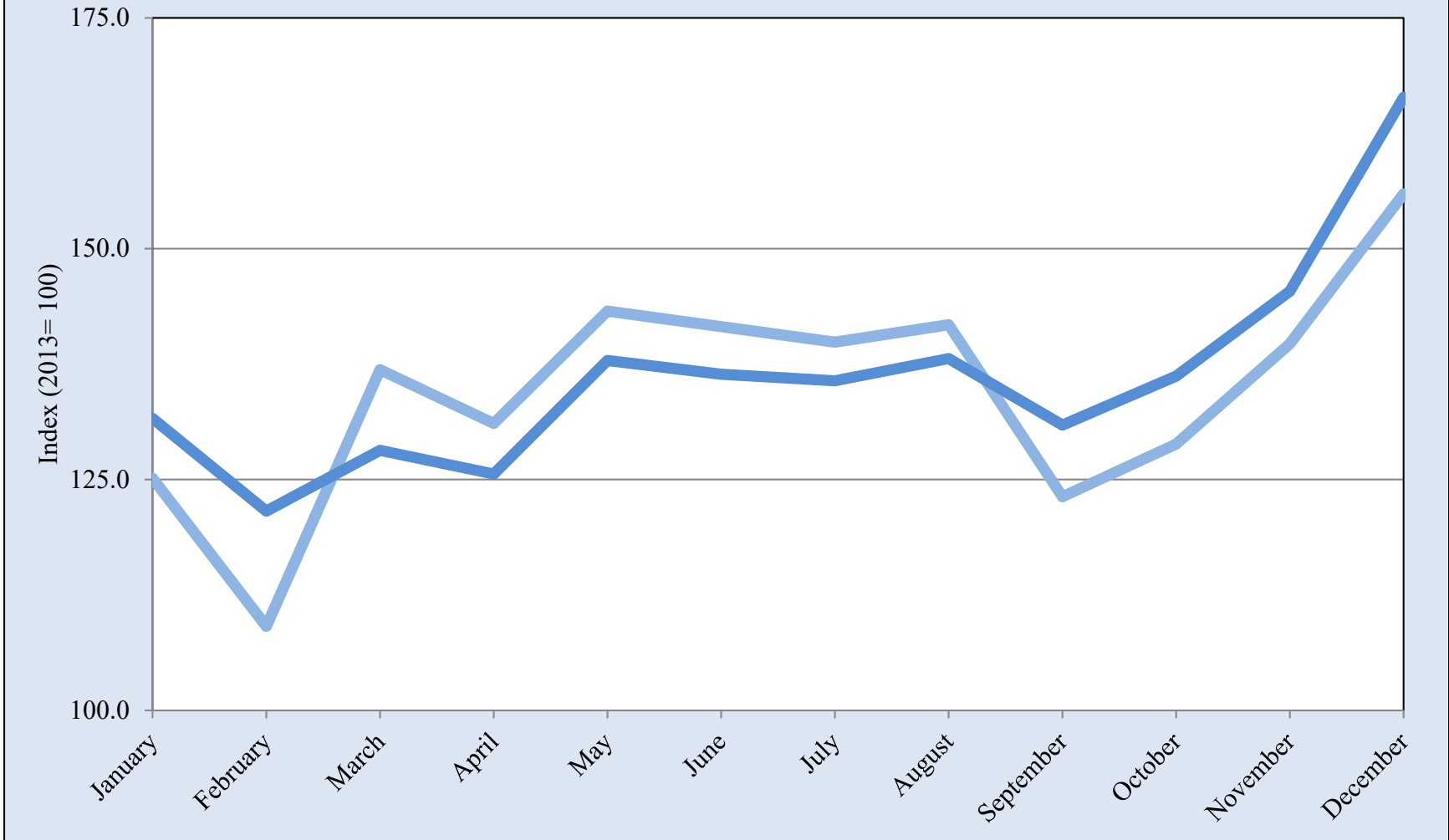


Source: INEGI



Real Retail Activity Index for the State of Chihuahua

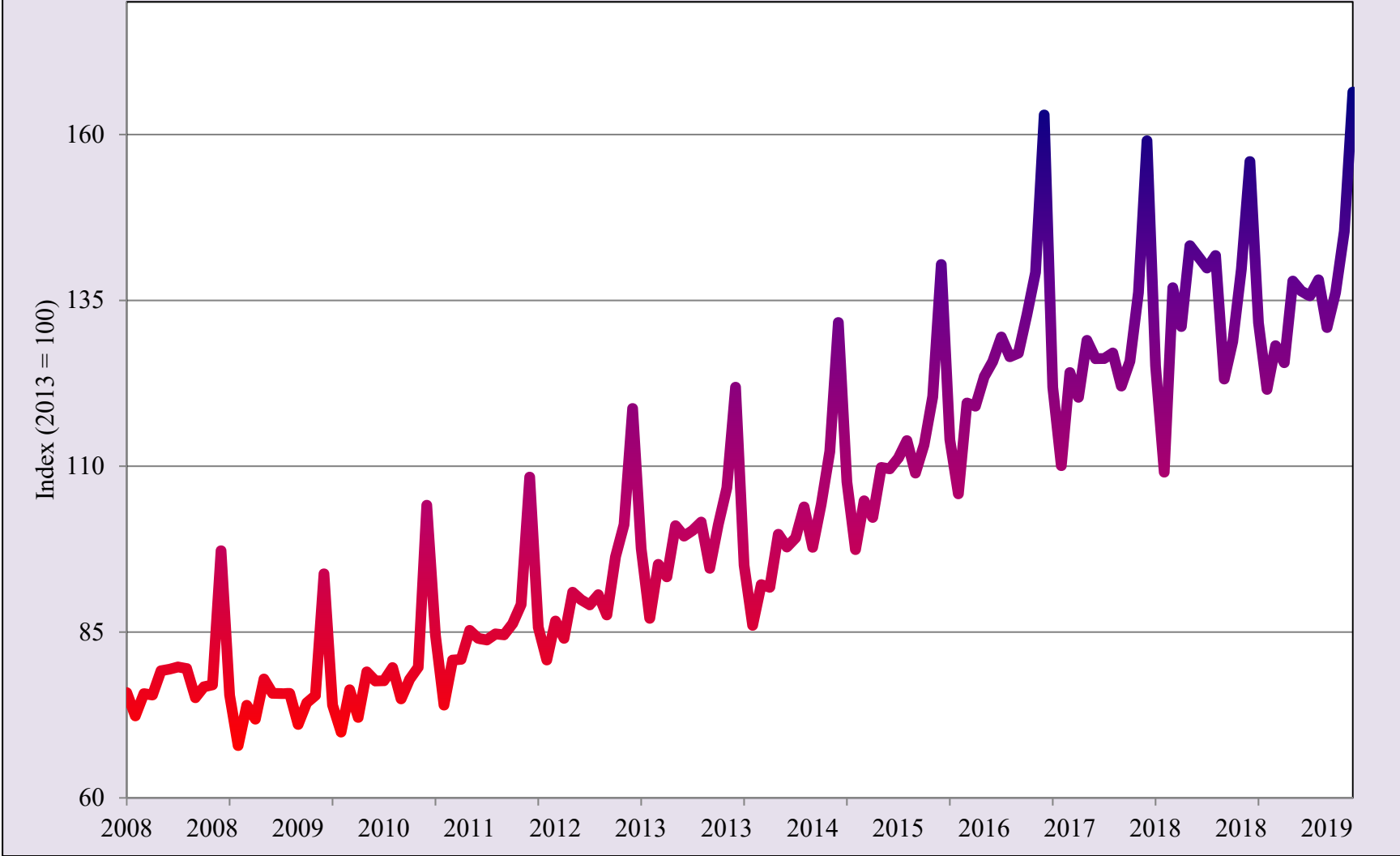
— 2018 — 2019



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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