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Borderplex Business Barometer, Volume 4, Number 7

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T.M. Fullerton, Jr., S.L. Fullerton, A.P. Gutierrez-Zubiarte, and I. Santana-Ramirez, 2020, "Recurrent Lockdown Complications" *Borderplex Business Barometer* 4(7), 1-52.



BORDERPLEX BUSINESS BAROMETER

July 2020

Border Region Modeling Project

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Modeling Project (click here)**

Border Commerce & Economics

Borderplex Business Barometer, Volume 4, Number 7

Recurrent Lockdown Complications

The coronavirus pandemic continues to affect the national and regional economies. Locally, the Federal Reserve Bank of Dallas El Paso Metropolitan Cycle Index rose by more than 17 points in June. While that is good news, the BRMP household economic stress index rose to 6.9, its worst reading since December 2014. Nationally, the prevailing state of economic weakness is confirmed by Treasury yields that remain substantially lower than year-ago levels at all maturities.

The El Paso County unemployment rate for June is 9.9 percent. The temporary Texas state mandate to re-close bars and re-cap restaurant capacities in late June may lead to a double-digit rate of joblessness again in July. El Paso County Supplemental Nutrition Program (SNAP or Food Stamp) enrollments rose by more than 6,900 recipients in June. Federal assistance programs are working, however, as SNAP counts are still substantially below June 2018 figures.

In spite of prevailing economic weakness, the median price for existing single-family housing units reached \$175 thousand in June. In nominal terms, that is a new record for El Paso County. With only 1,399 units on the market, the months of housing inventory for El Paso fell to only 1.9 months, a level not approximated since October 2006 during the national housing boom. Also helping to drive local real estate prices skyward were 30-year and 15-year fixed mortgage rates that averaged 3.16 percent and 2.60 percent, respectively.

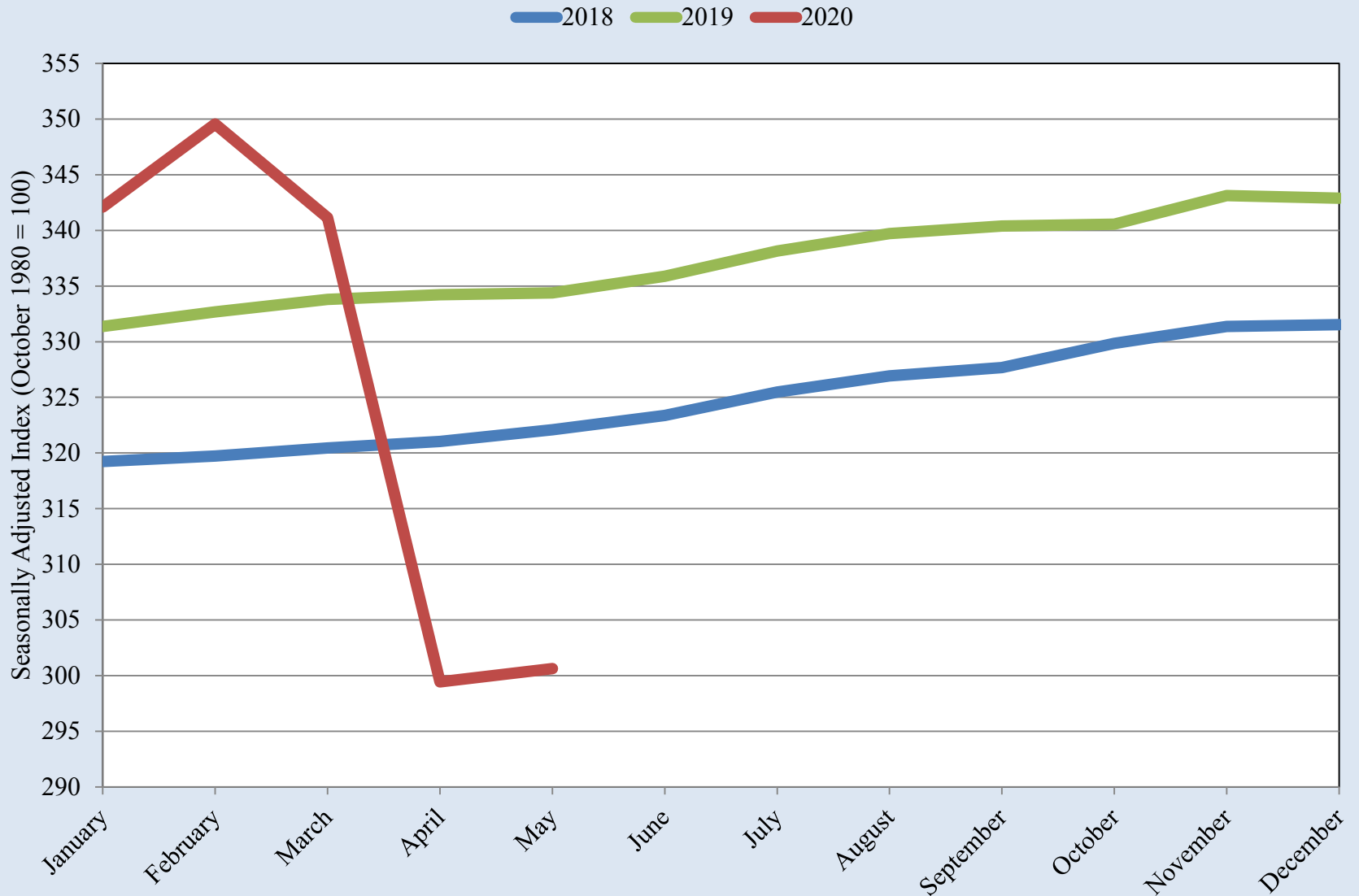
West Texas Intermediate Crude oil averaged \$38.31 for a 42-gallon barrel in June, more than \$16 per barrel below its year-ago level. Regular unleaded gasoline in El Paso sold for \$1.92, on average, in June. That is 61 cents per gallon below the corresponding figure from 2019.

For June, the unemployment rate in Doña Ana County was 8.8 percent, 240 basis points above the June 2019 jobless rate. Renewed state government orders for 'non-essential' business closures in mid-July probably mean that Las Cruces joblessness will return to double digits. As elsewhere across the nation, leisure

and hospitality continues to be the hardest hit sector. SNAP enrollments in May increased to 29,655, more than 2,600 recipients above the year-ago level.

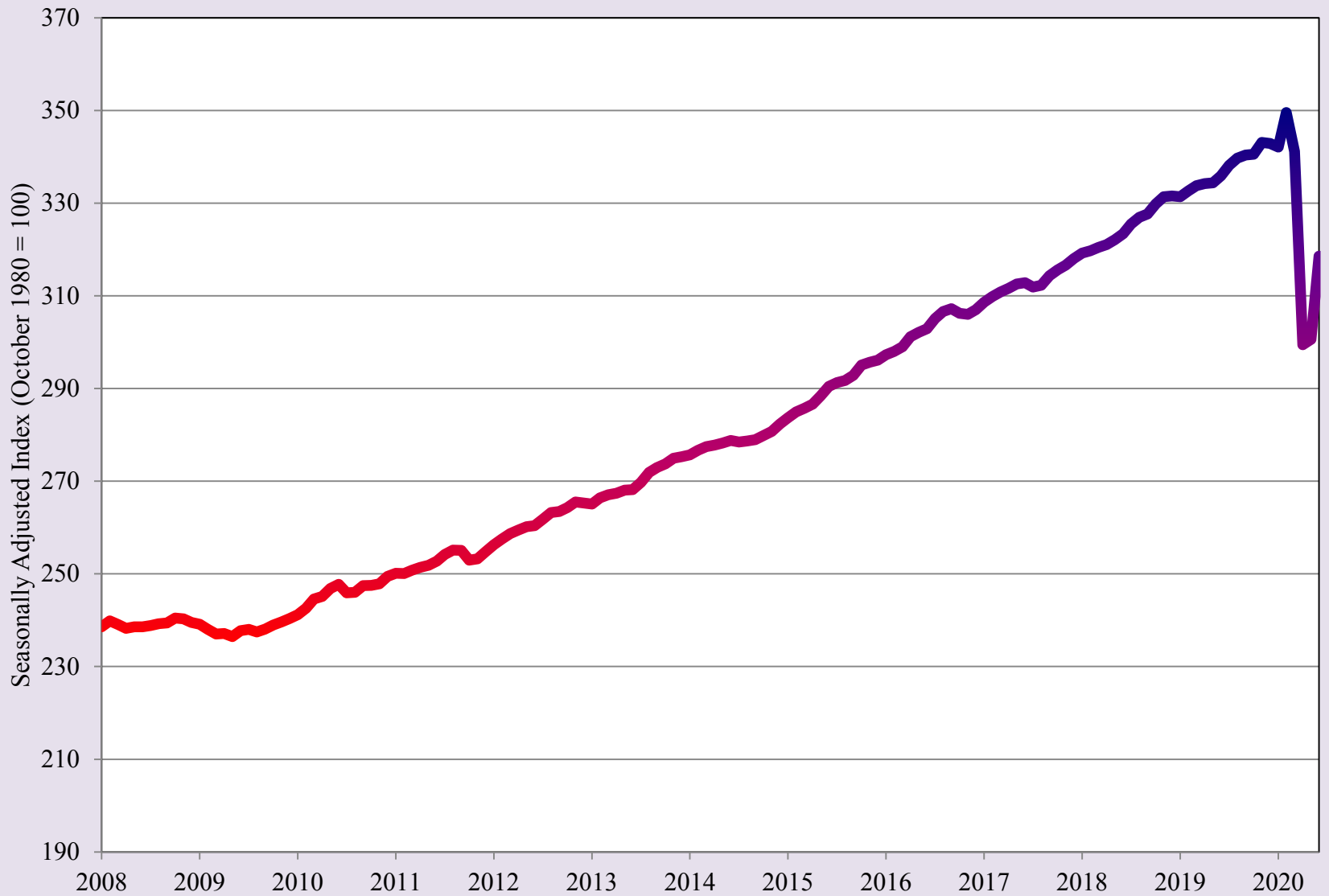
Currency market jitters subsided somewhat in June with the real peso-per-dollar exchange rate index dropping to 132.33. In spite of that, a 60 percent gap separated the nominal exchange rate and the UTEP BRMP restaurant price ratio. The internet pharmaceutical price ratio held steady at just below 57 percent for a 15th consecutive month in June. Border wait times remained below 35 minutes at all three major bridges, while personal vehicle crossings remained below 800 thousand for a fourth consecutive month. Those developments are in contrast to northbound cargo traffic, which surged to nearly 62 thousand trucks in June. Trade through the El Paso Customs District will undoubtedly follow suit once the June and July estimates are published later this year. In concert with that prediction, the Northern Mexico Manufacturing Orders Index rebounded in June to 59.0, its most robust performance since March 2019.

El Paso Metropolitan Business Cycle Index



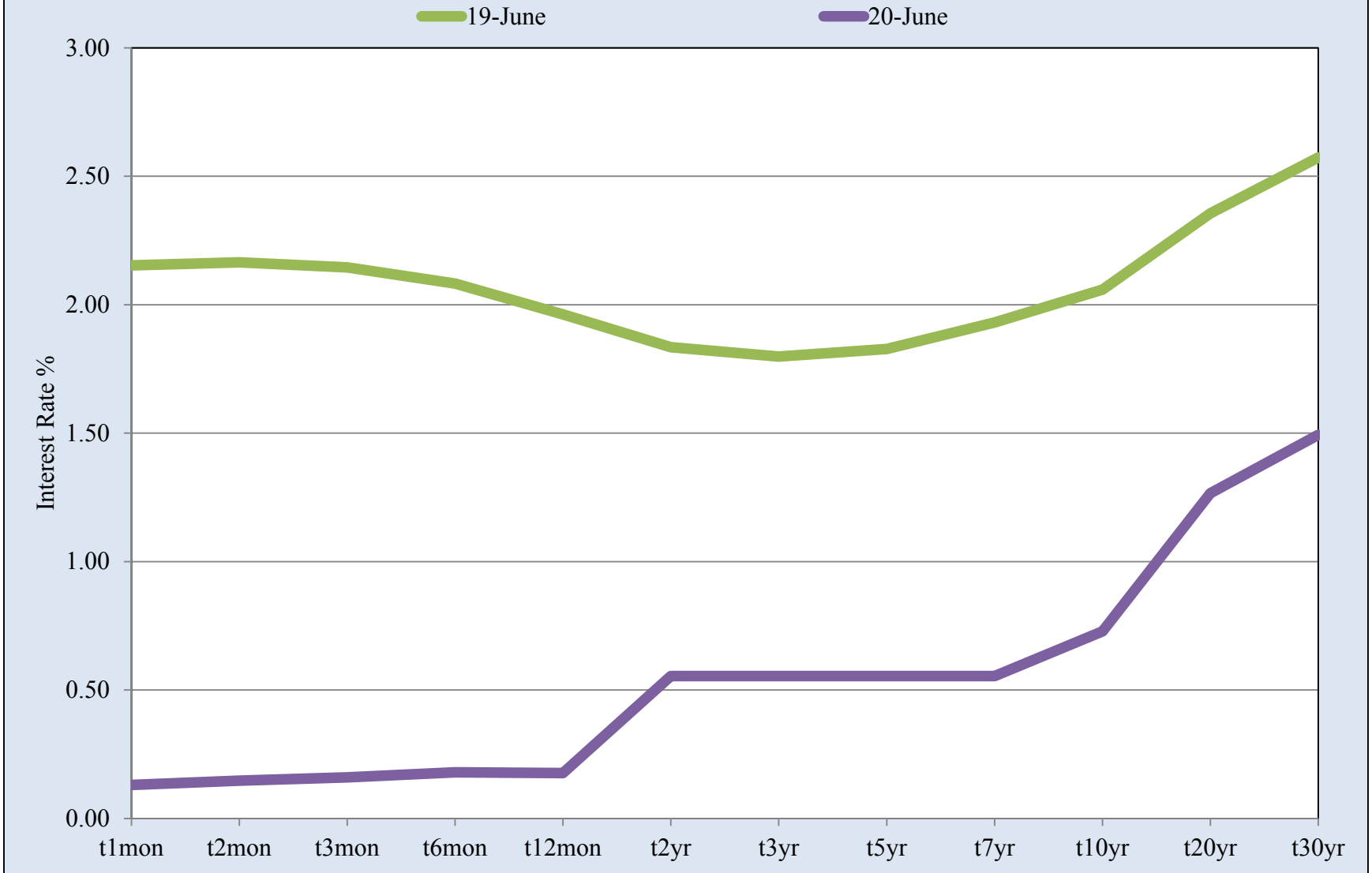
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

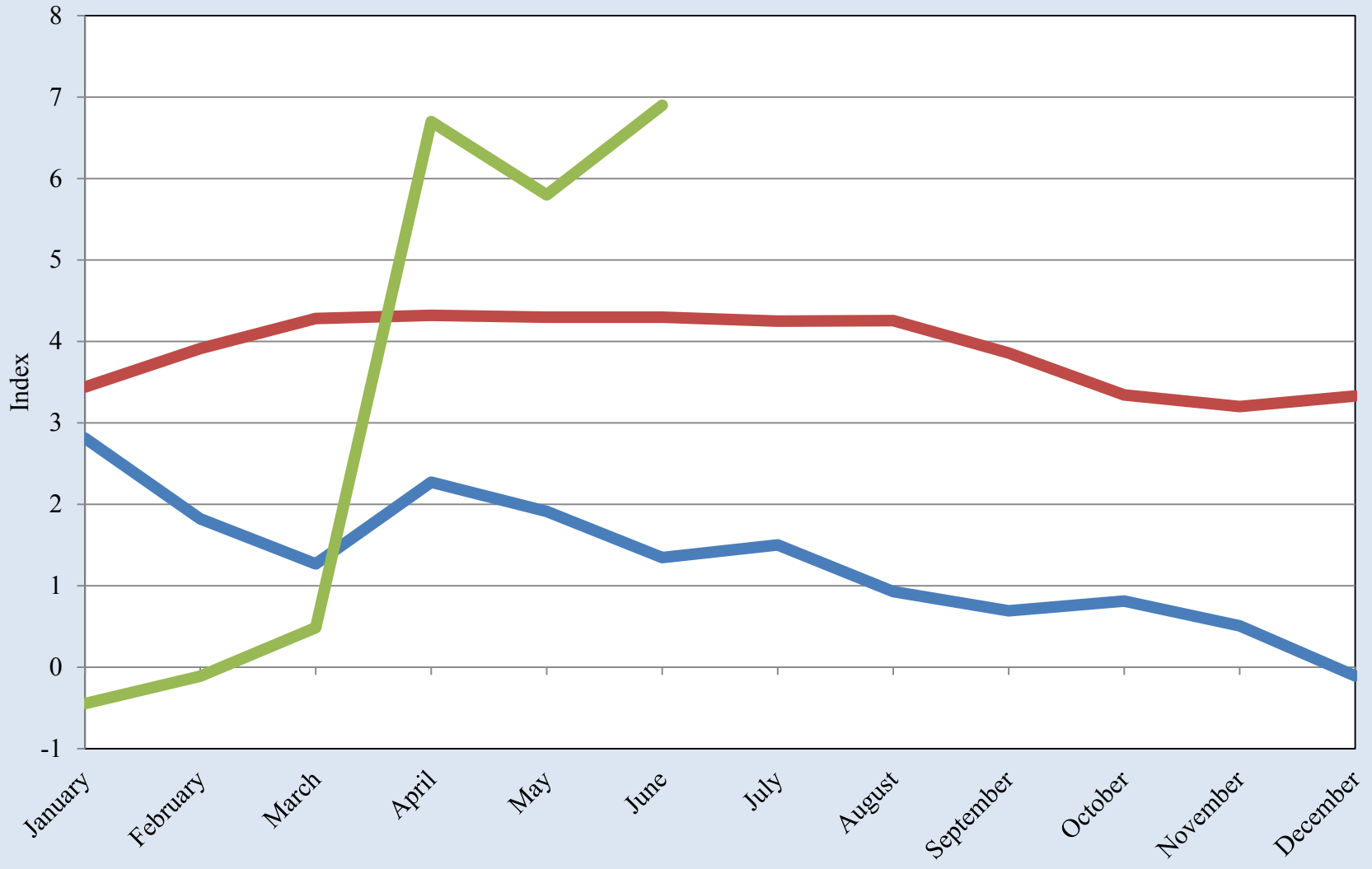
Average Treasury Yield Curve Rates



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

El Paso Household Economic Stress Index

2018 2019 2020



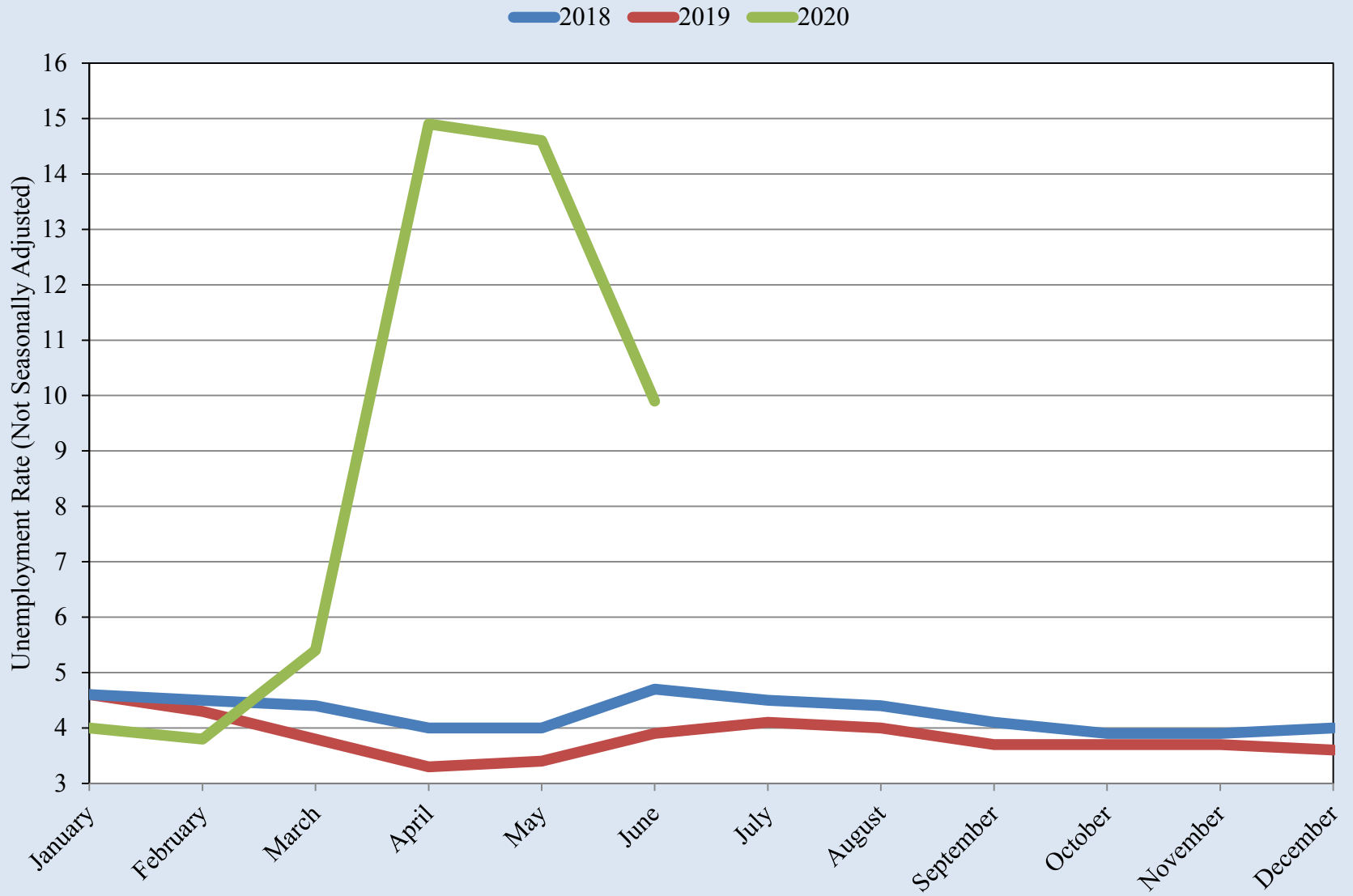
Source: UTEP Border Region Modeling Project

El Paso Household Economic Stress Index



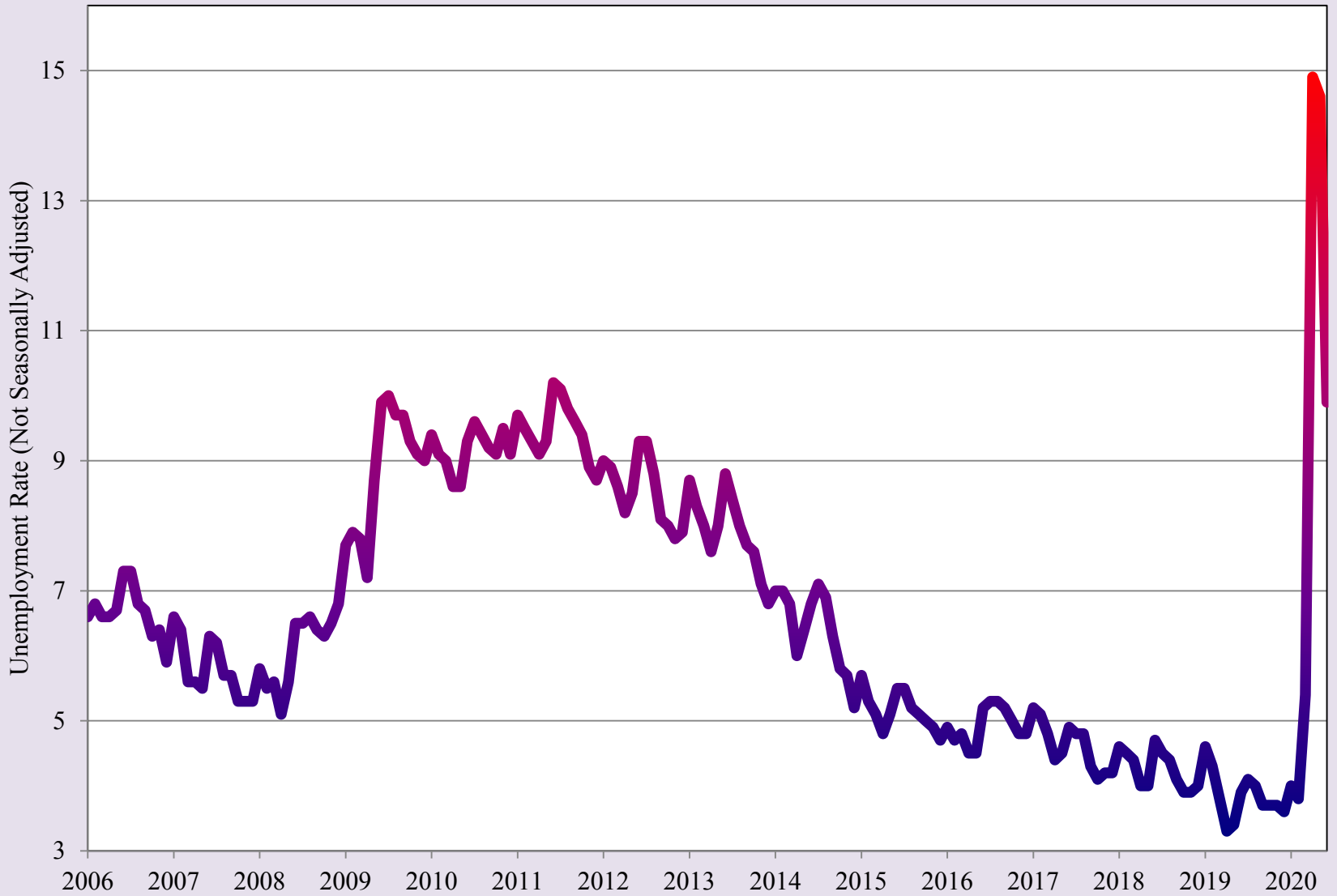
Source: UTEP Border Region Modeling Project

El Paso County Unemployment Rate



Source: Bureau of Labor Statistics

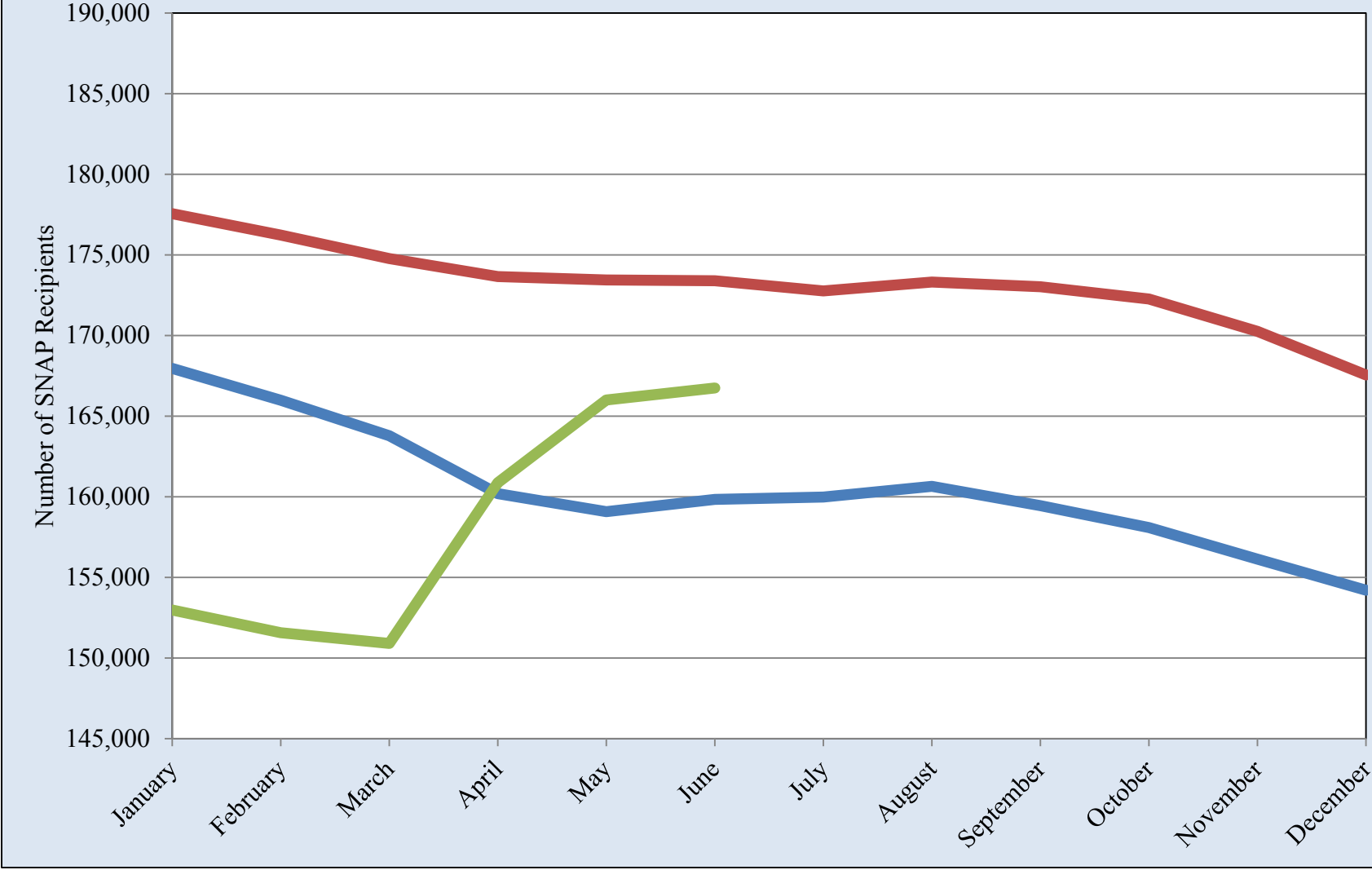
El Paso County Unemployment Rate



Source: Bureau of Labor Statistics

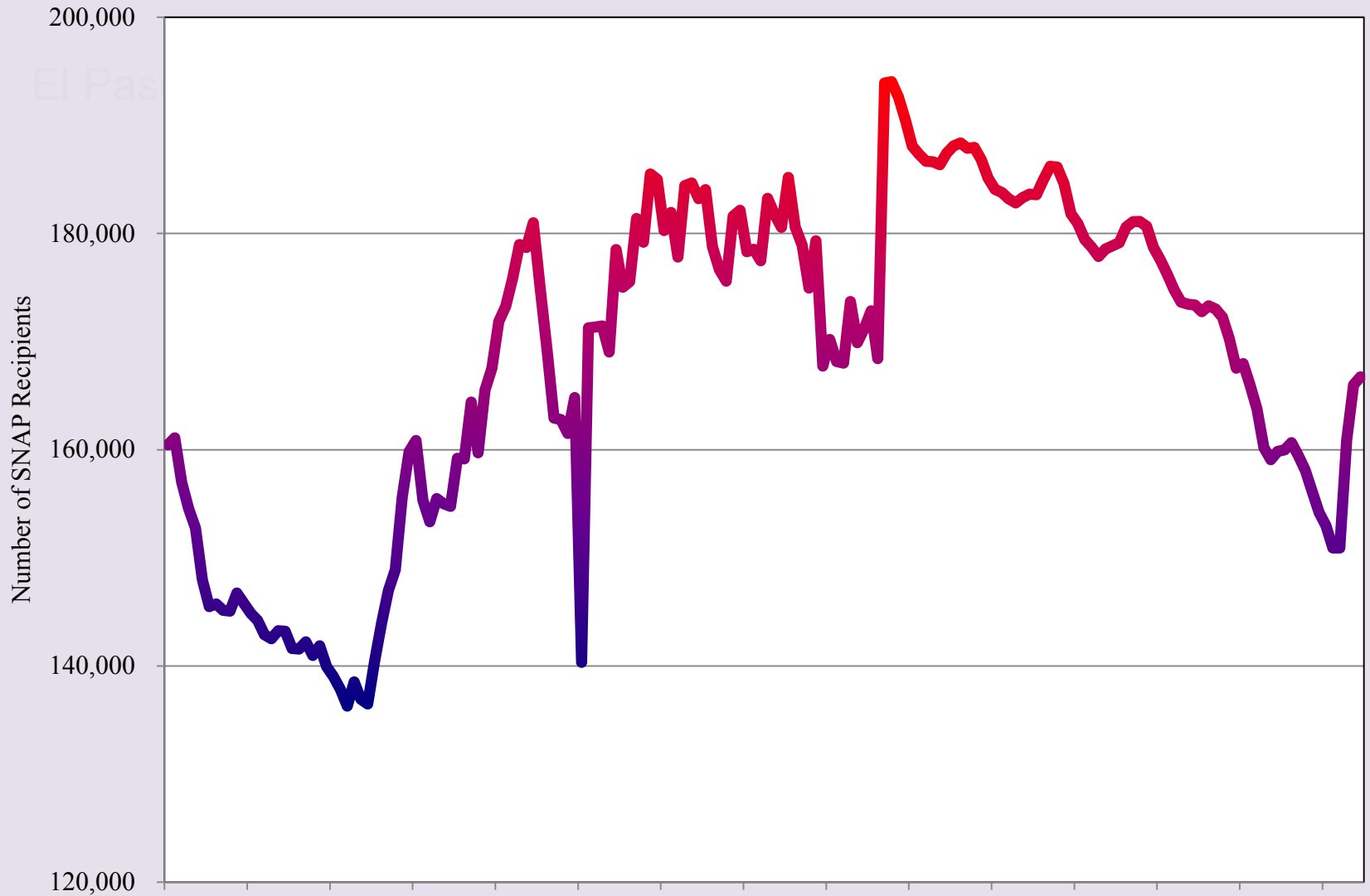
El Paso County SNAP (Food Stamp) Enrollment

2018 2019 2020



Source: Texas Health and Human Services Commission

El Paso County SNAP (Food Stamp) Enrollment

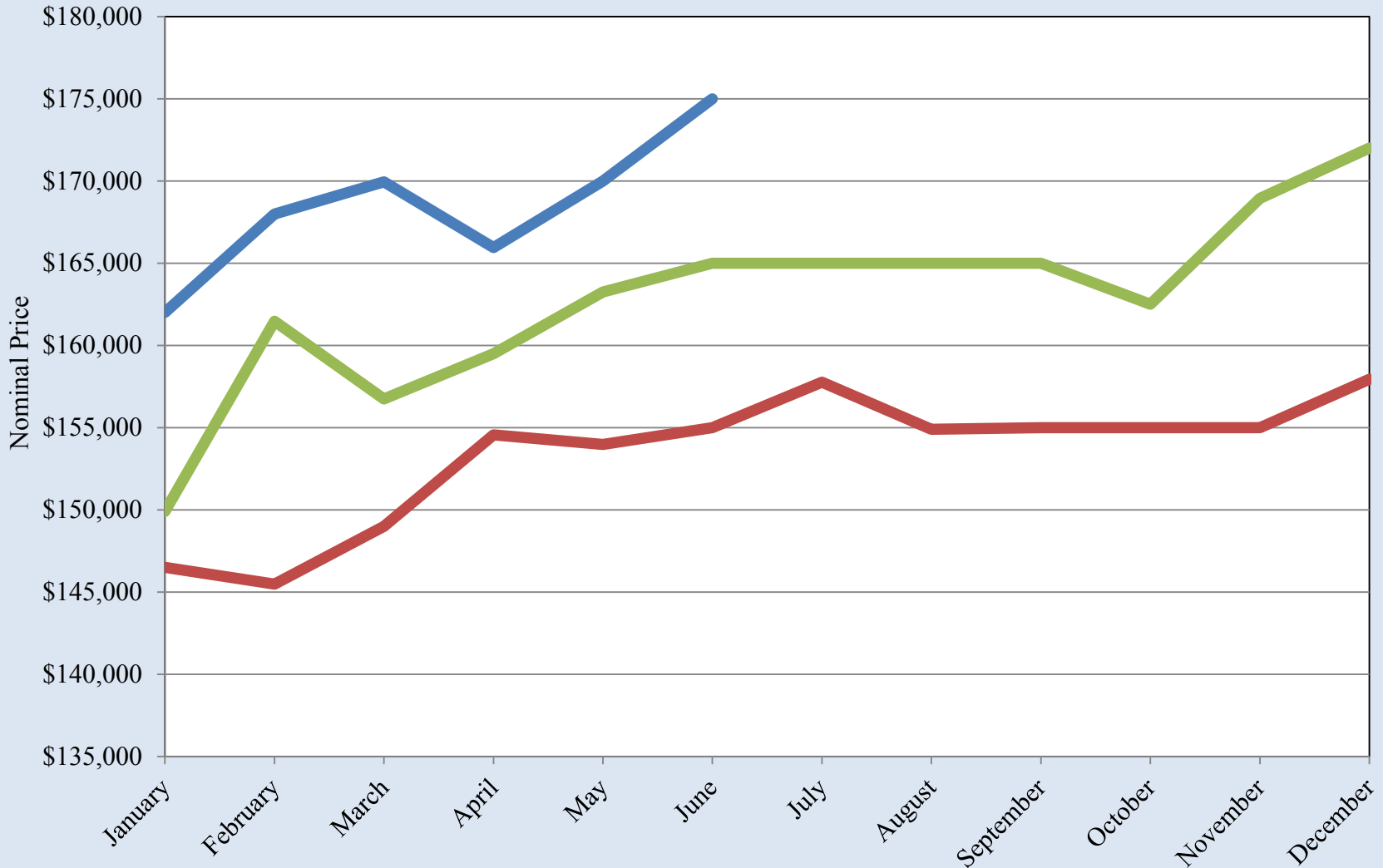


Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission

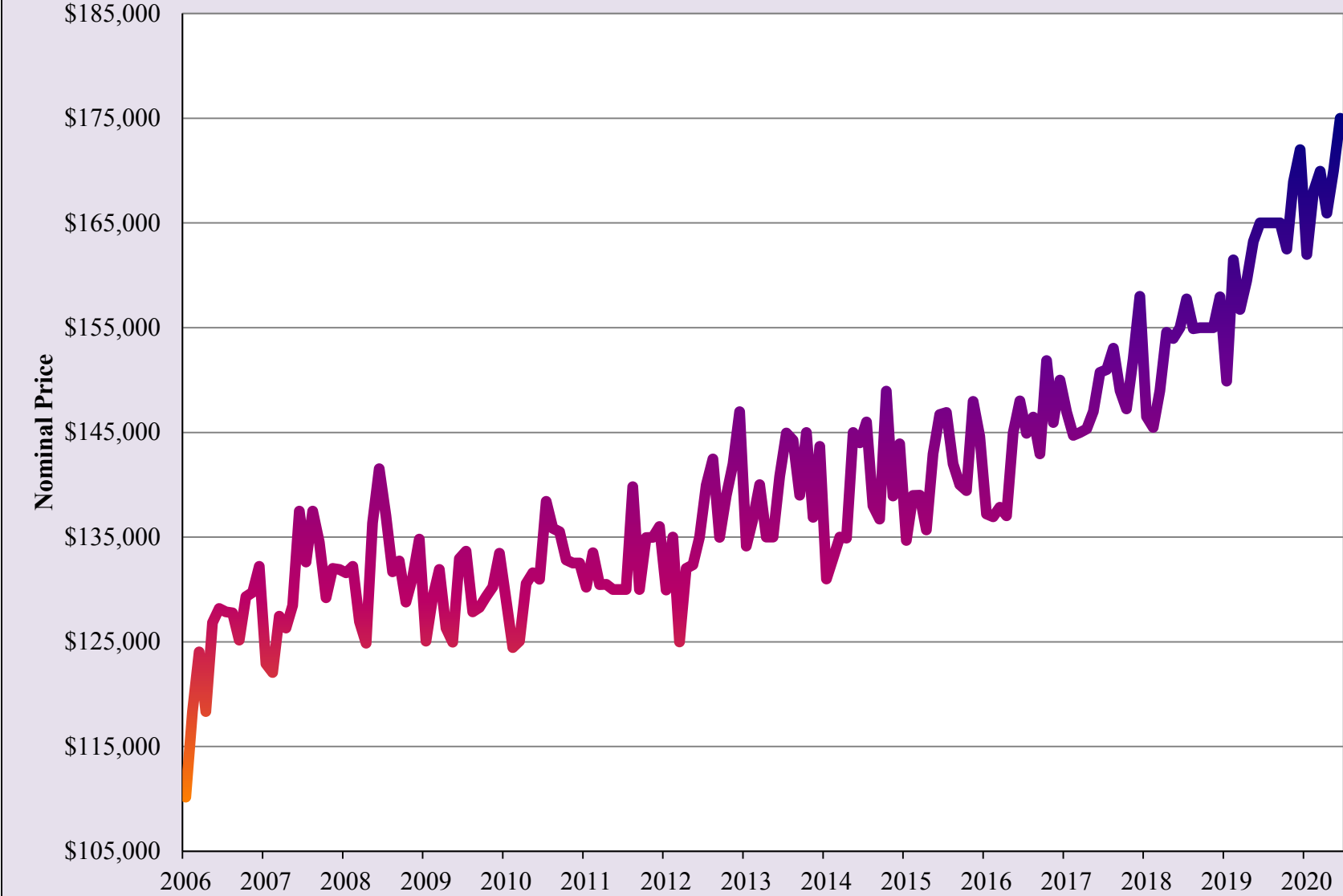
El Paso Median Housing Prices

2018 2019 2020



Source: Texas A&M Real Estate Center

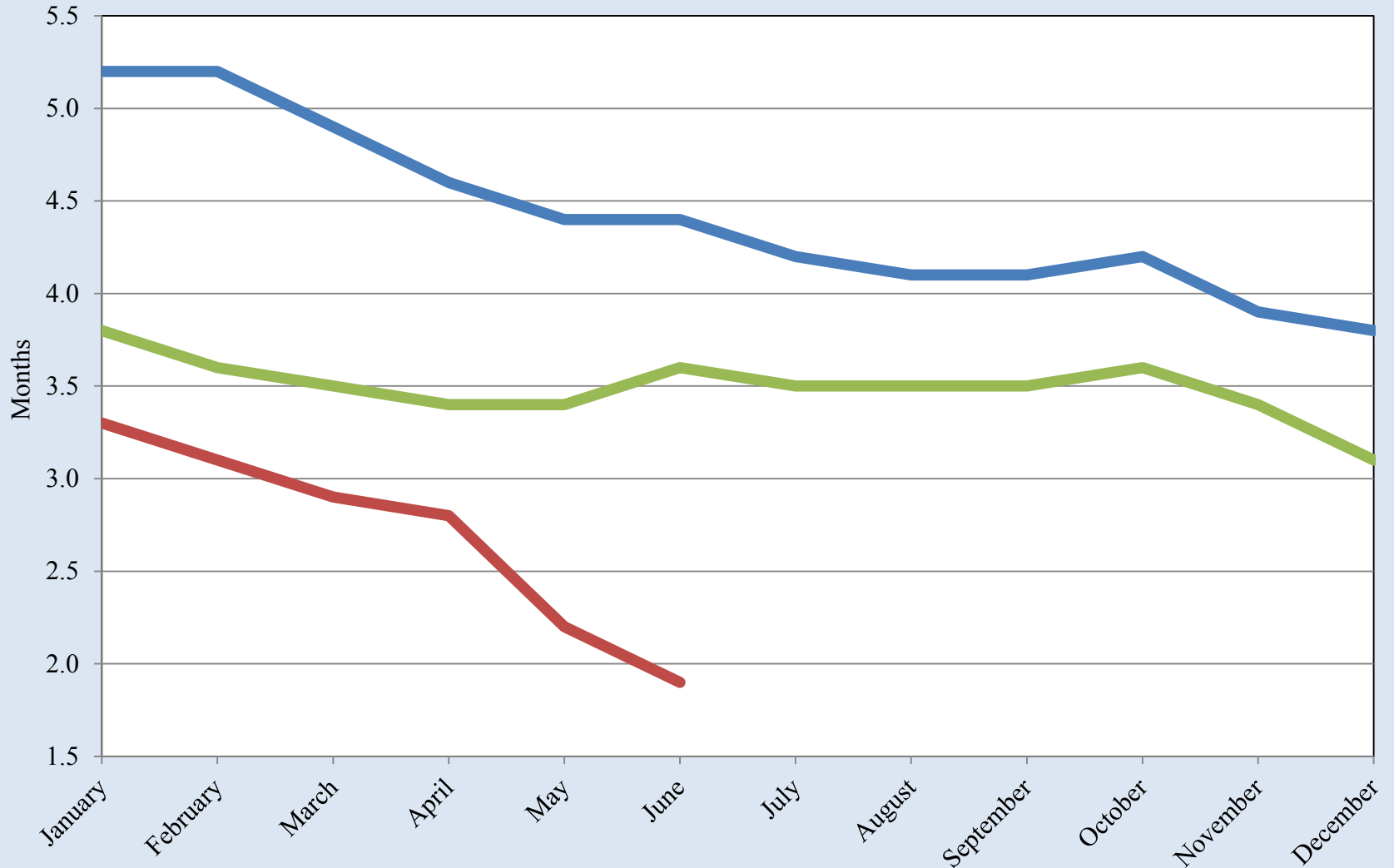
El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

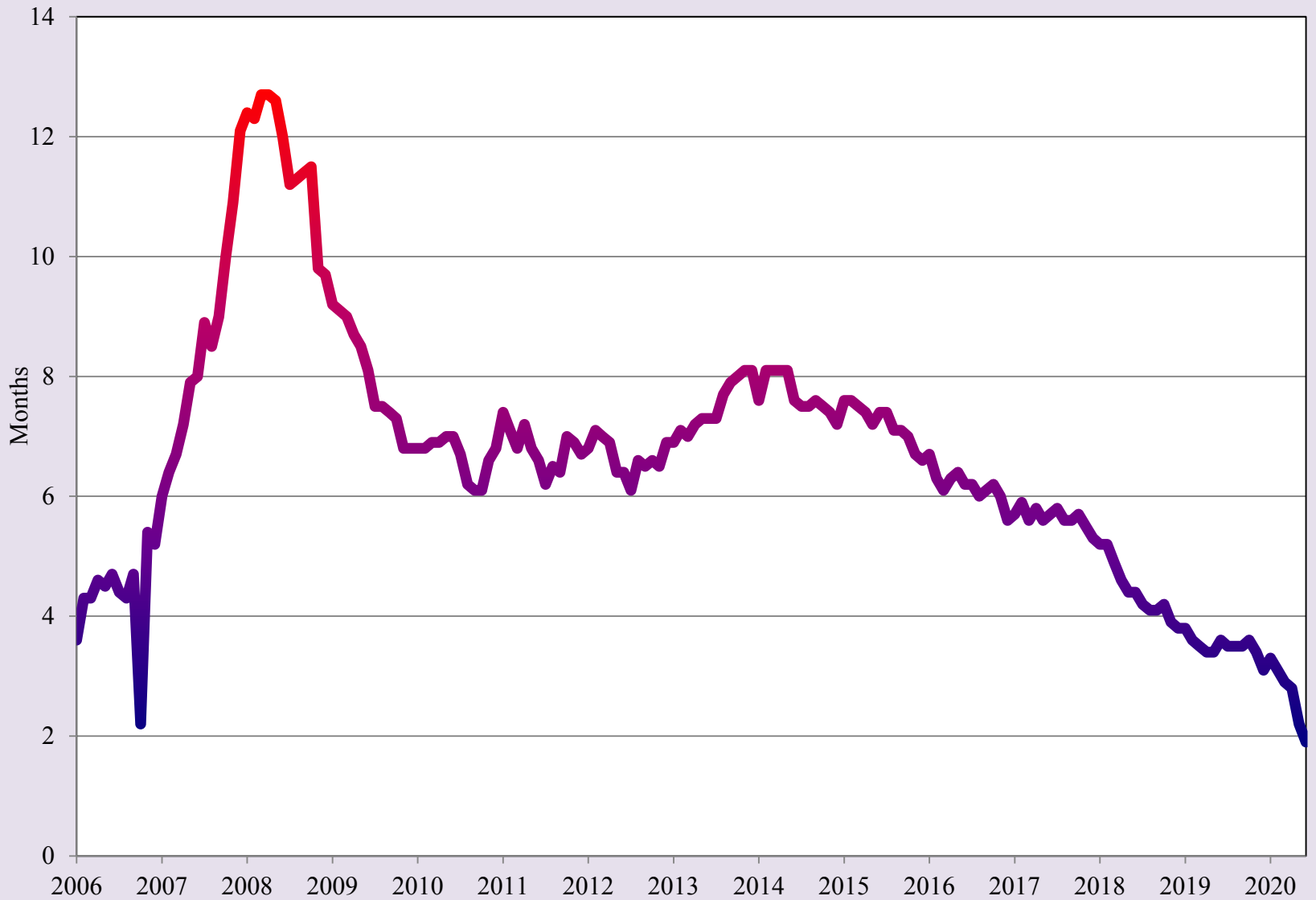
Months of Housing Inventory for El Paso

2018 2019 2020



Source: Texas A&M Real Estate Center

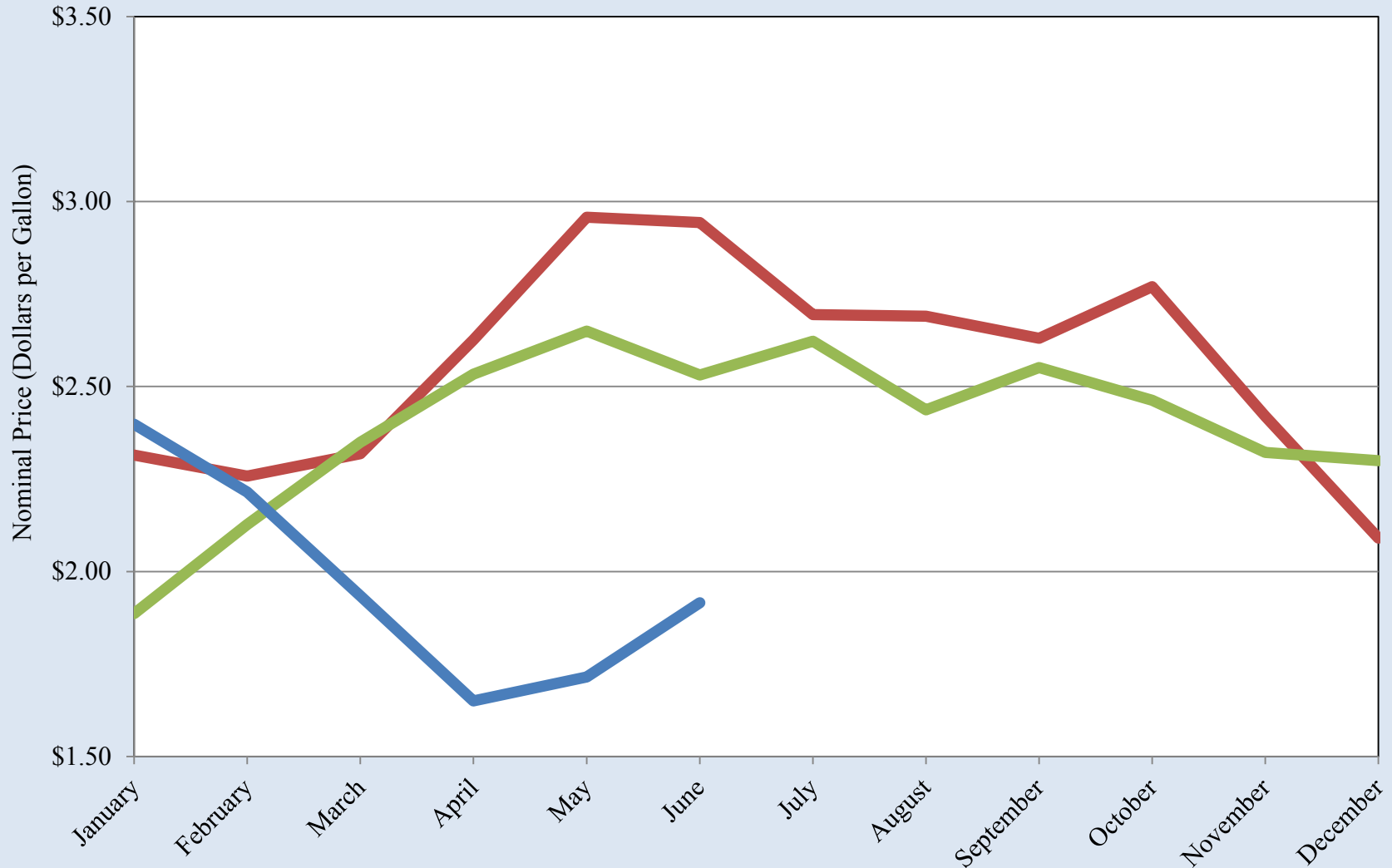
Months of Housing Inventory for El Paso



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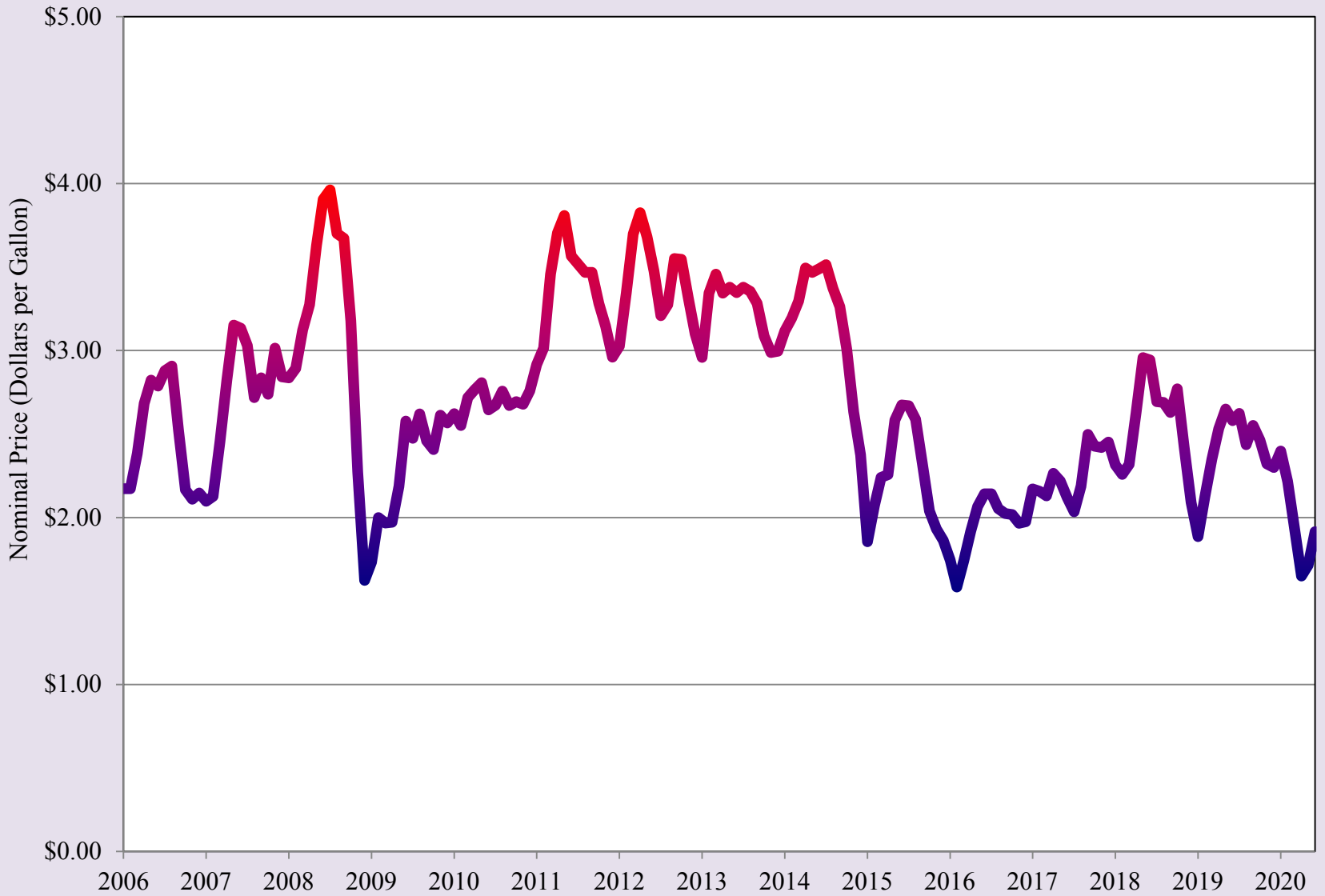
El Paso Gasoline Prices

— 2018 — 2019 — 2020



Source: GasBuddy.com

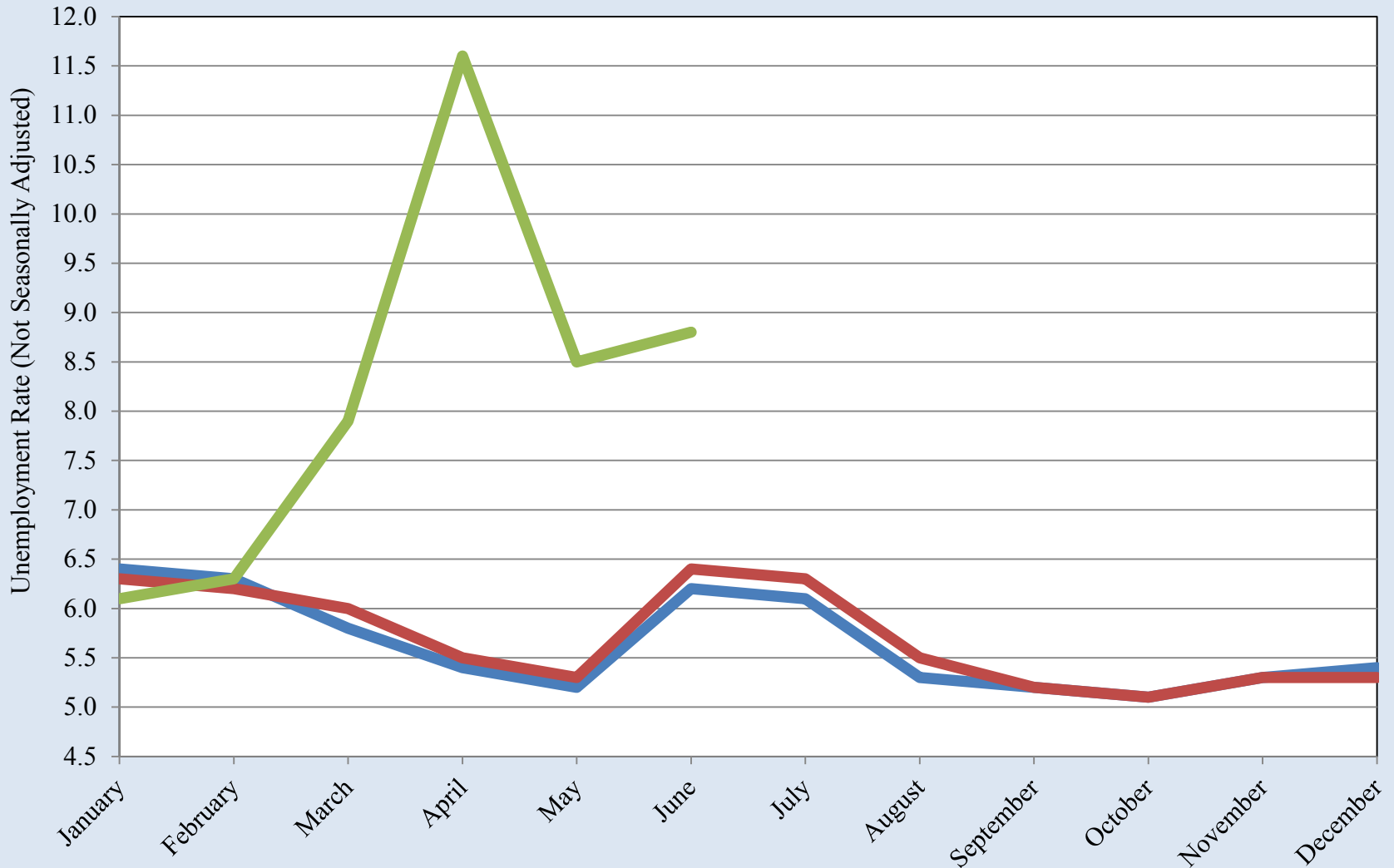
El Paso Gasoline Prices



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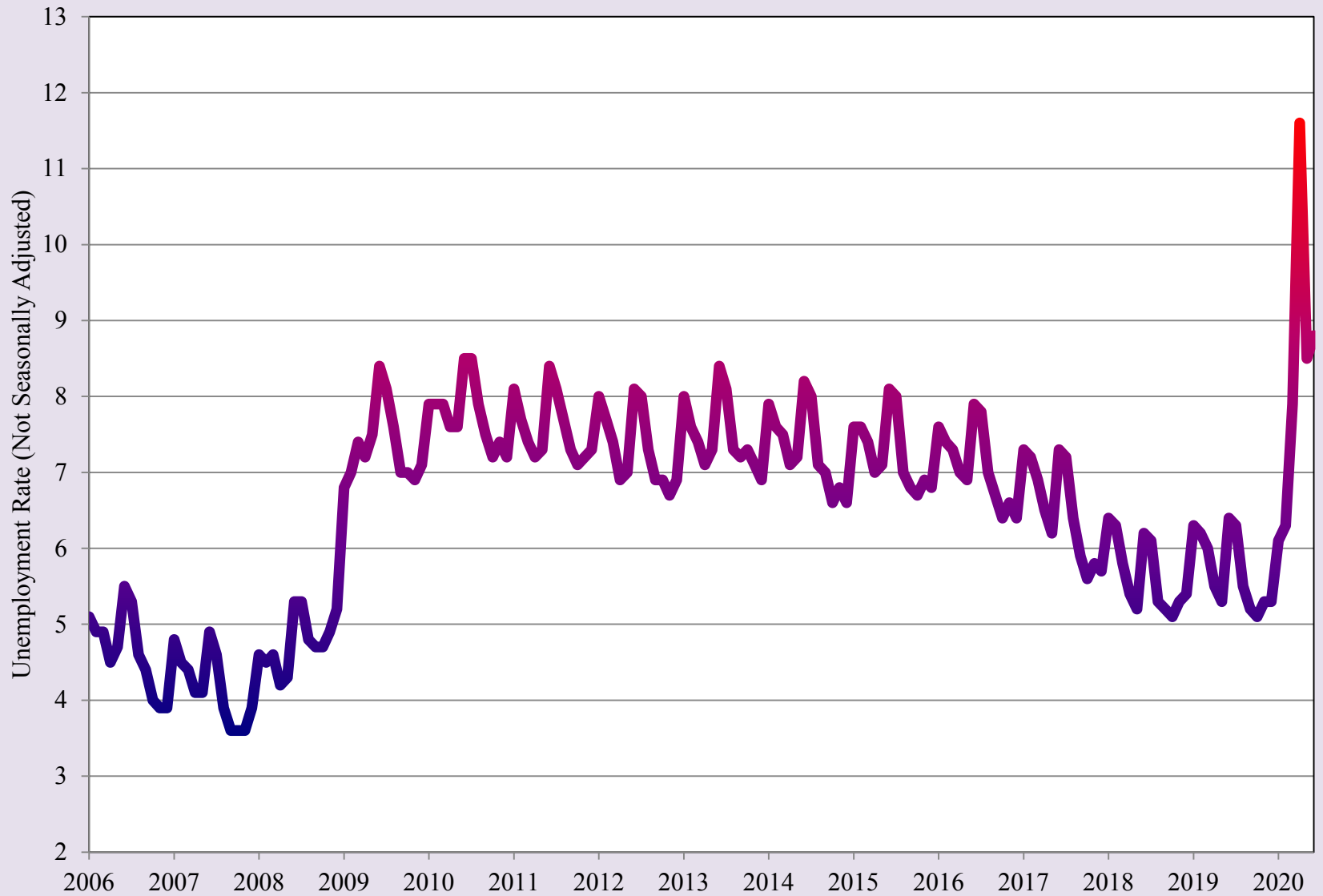
Doña Ana County Unemployment Rate

2018 2019 2020



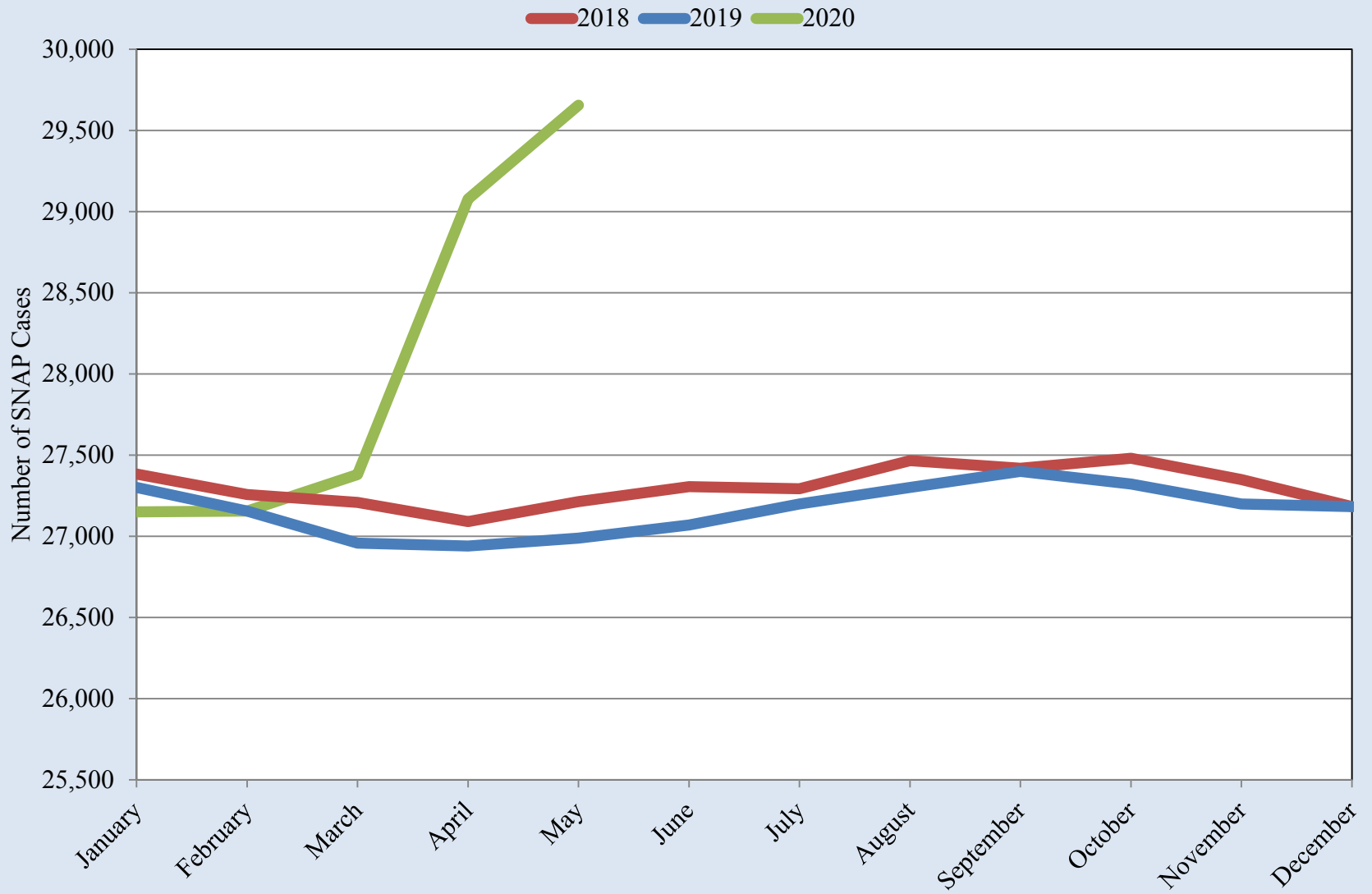
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



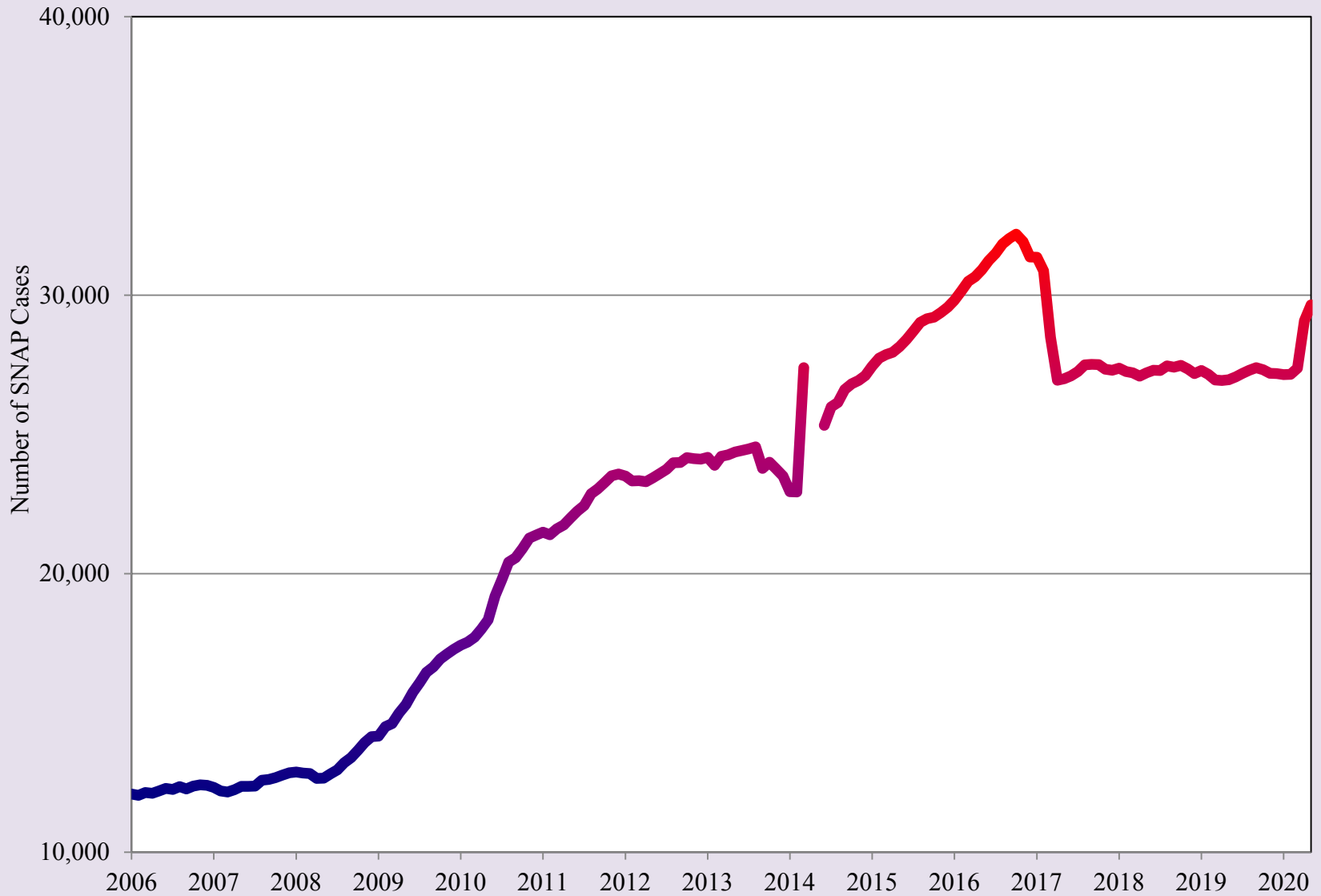
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



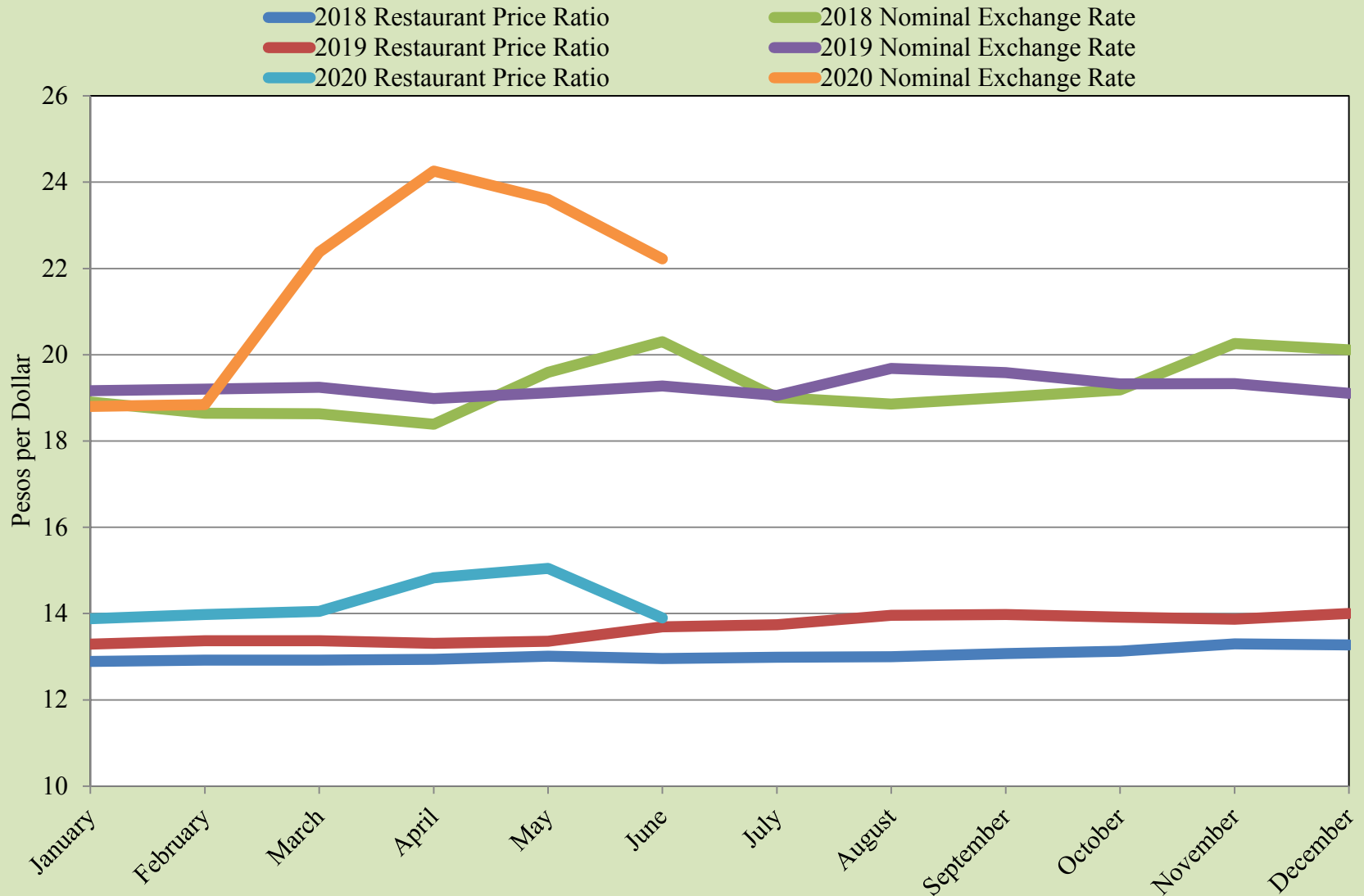
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

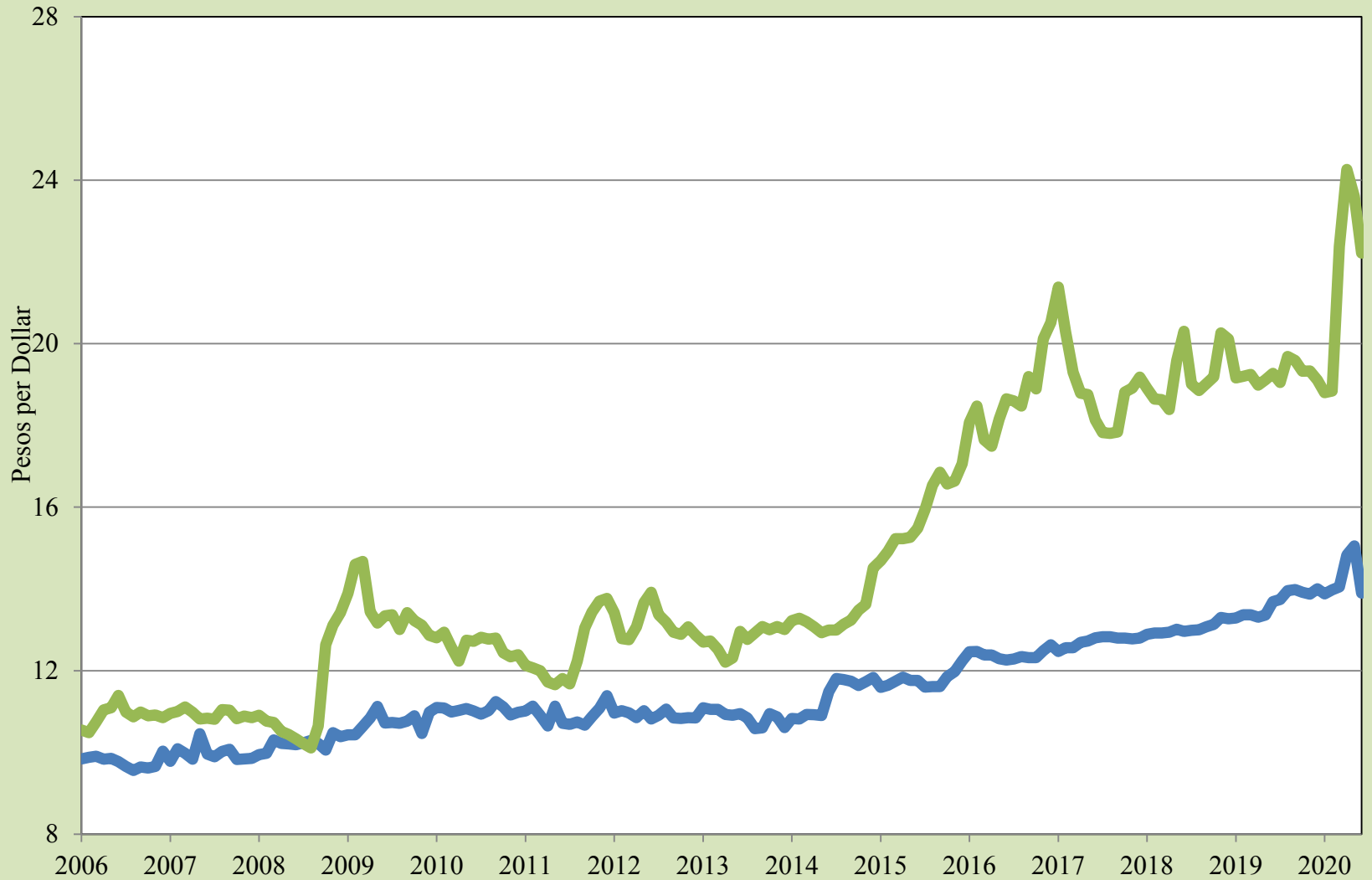
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

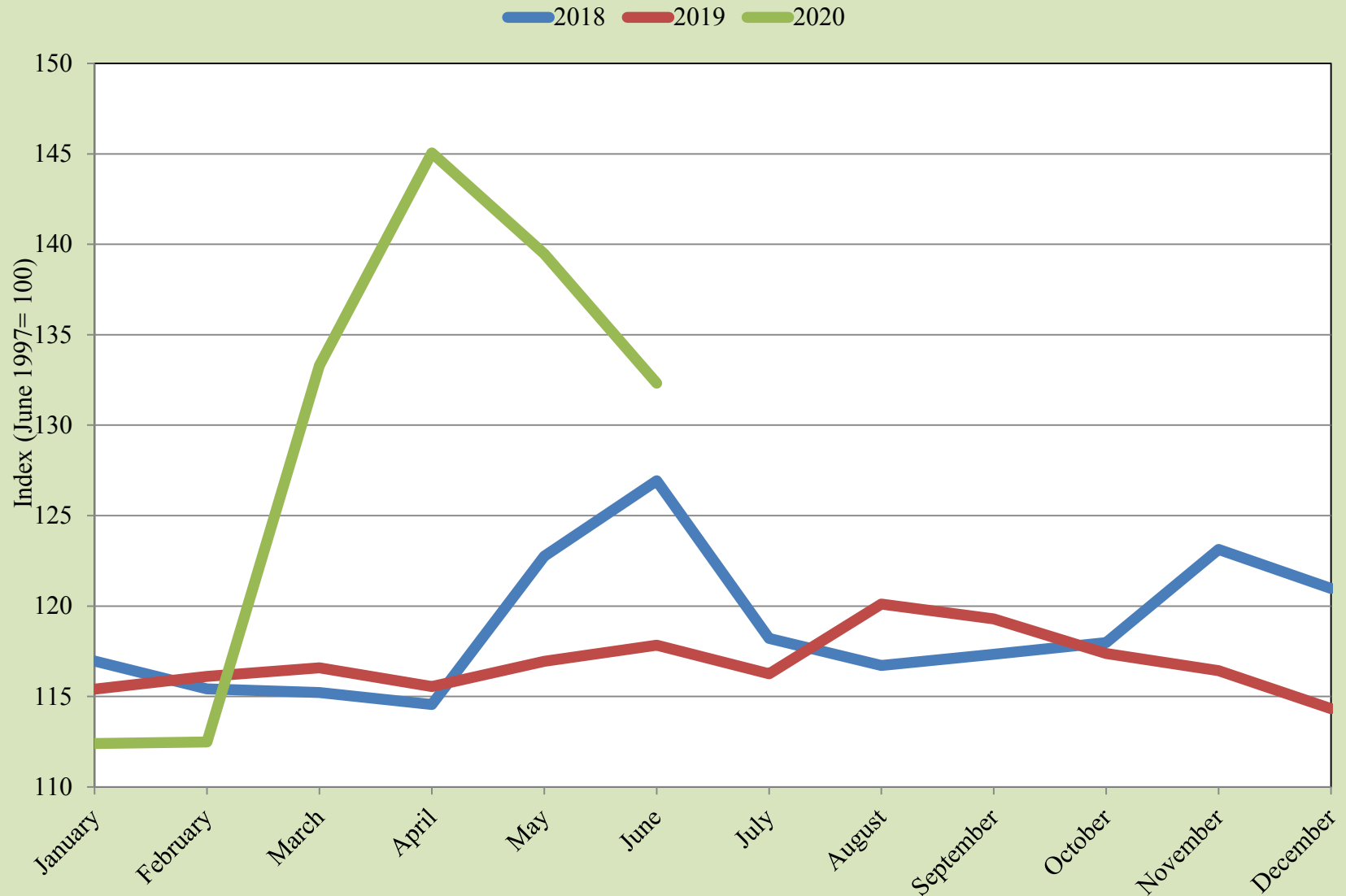
Restaurant Price Ratio and Exchange Rate

— Price Ratio — Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index



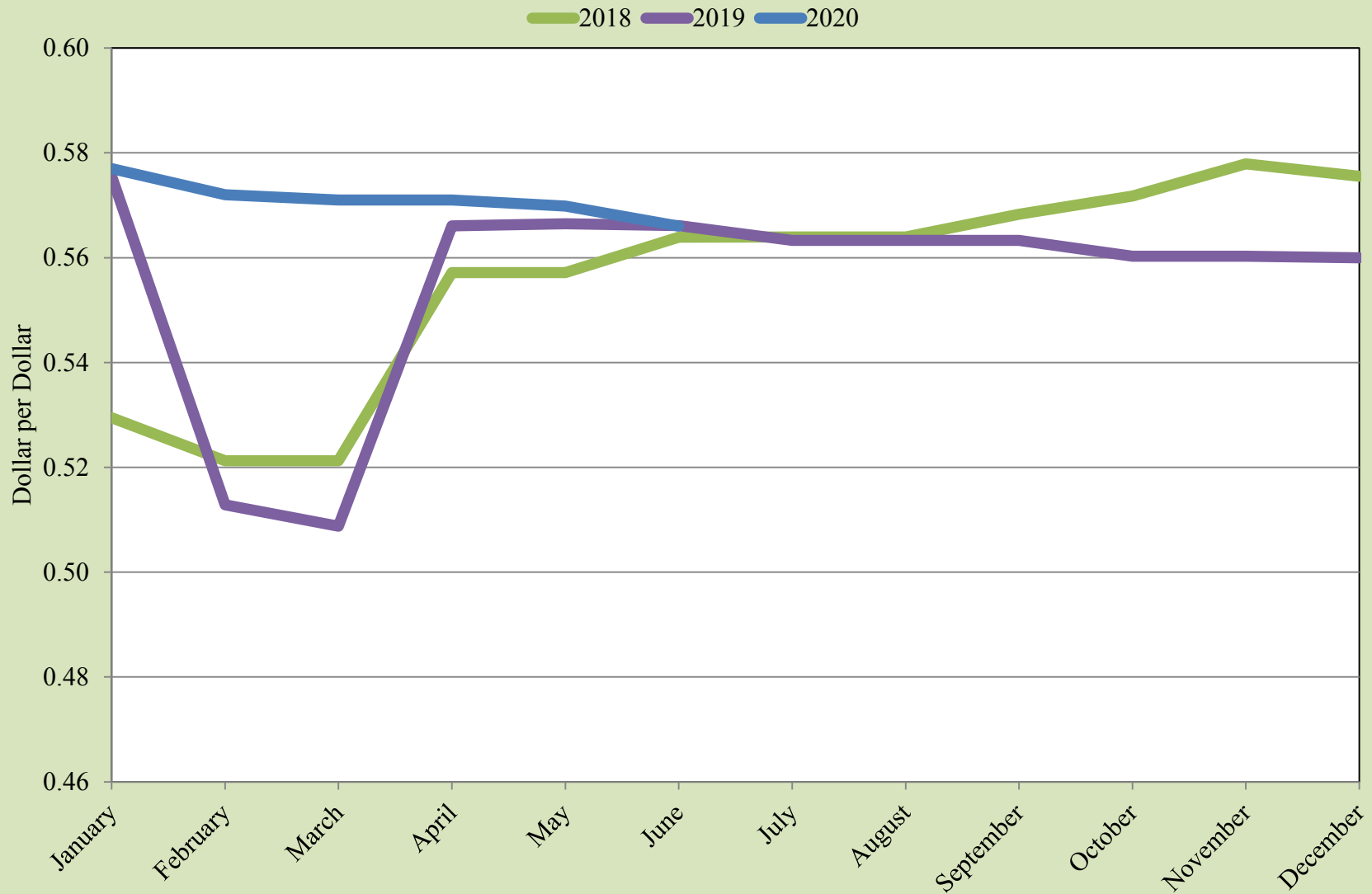
Source: UTEP Border Region Modeling Project

Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

Pharmaceutical Nominal Price Ratio in the USA and Mexico



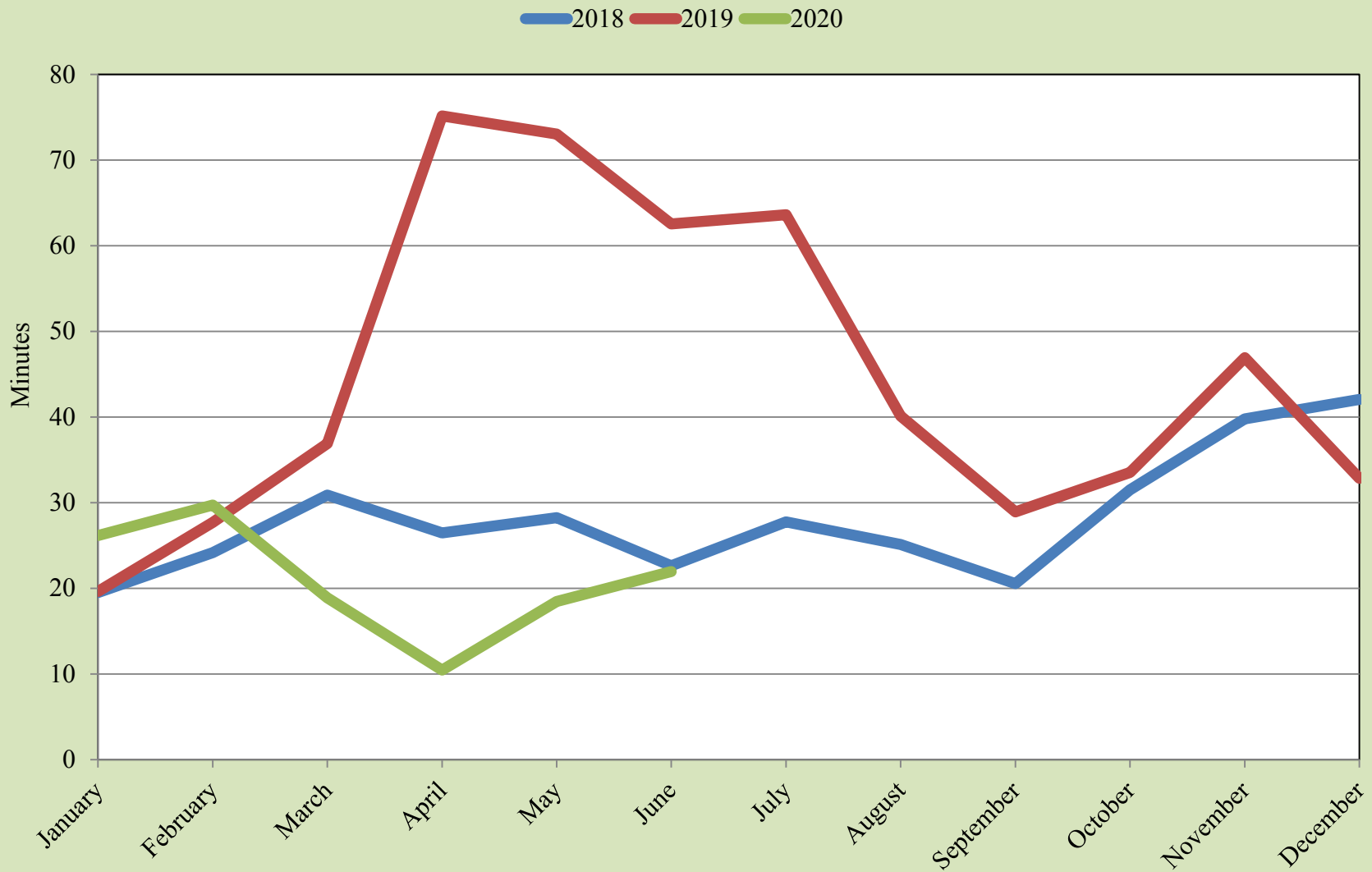
Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com

Pharmaceutical Nominal Price Ratio in the USA and Mexico



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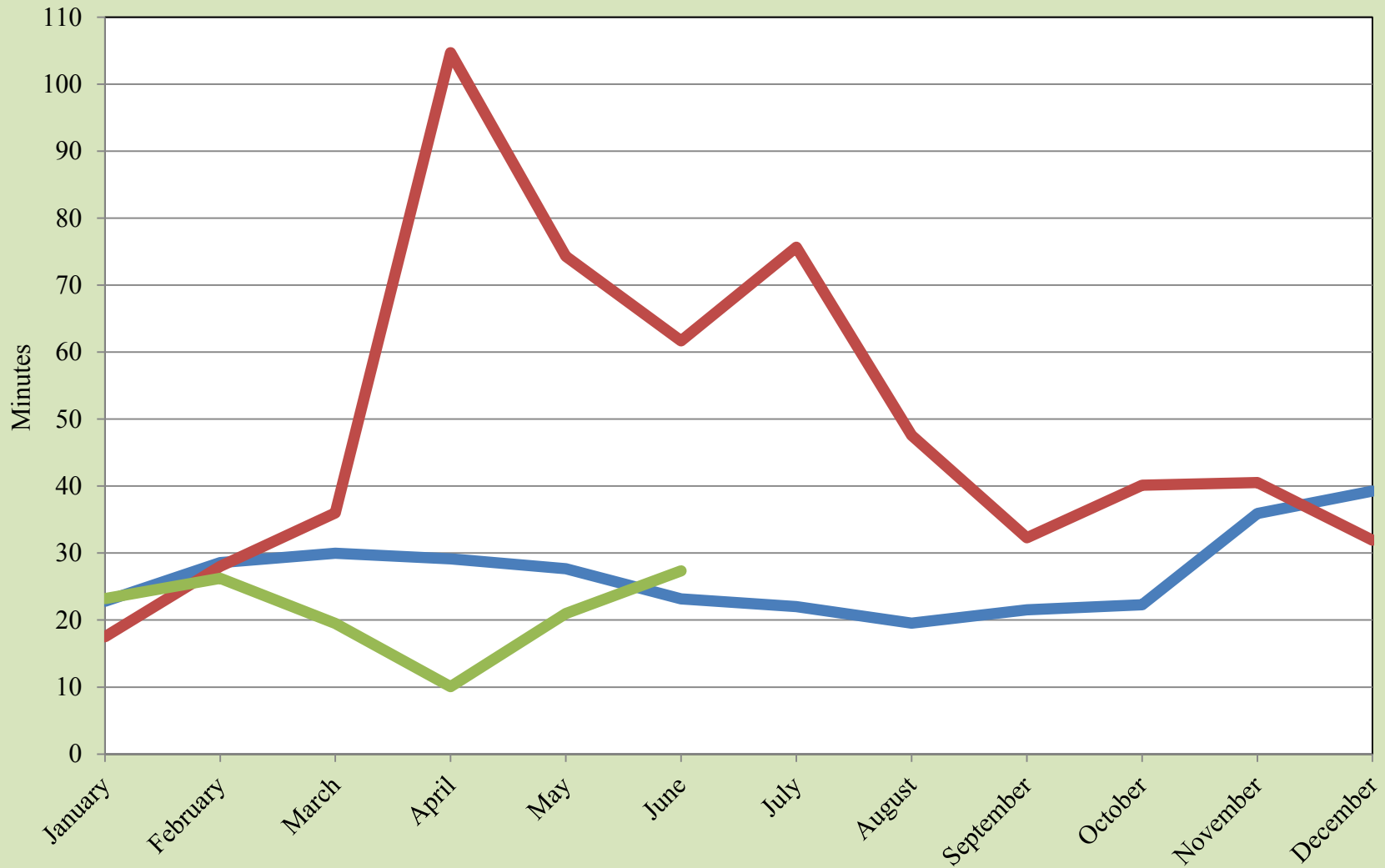
Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

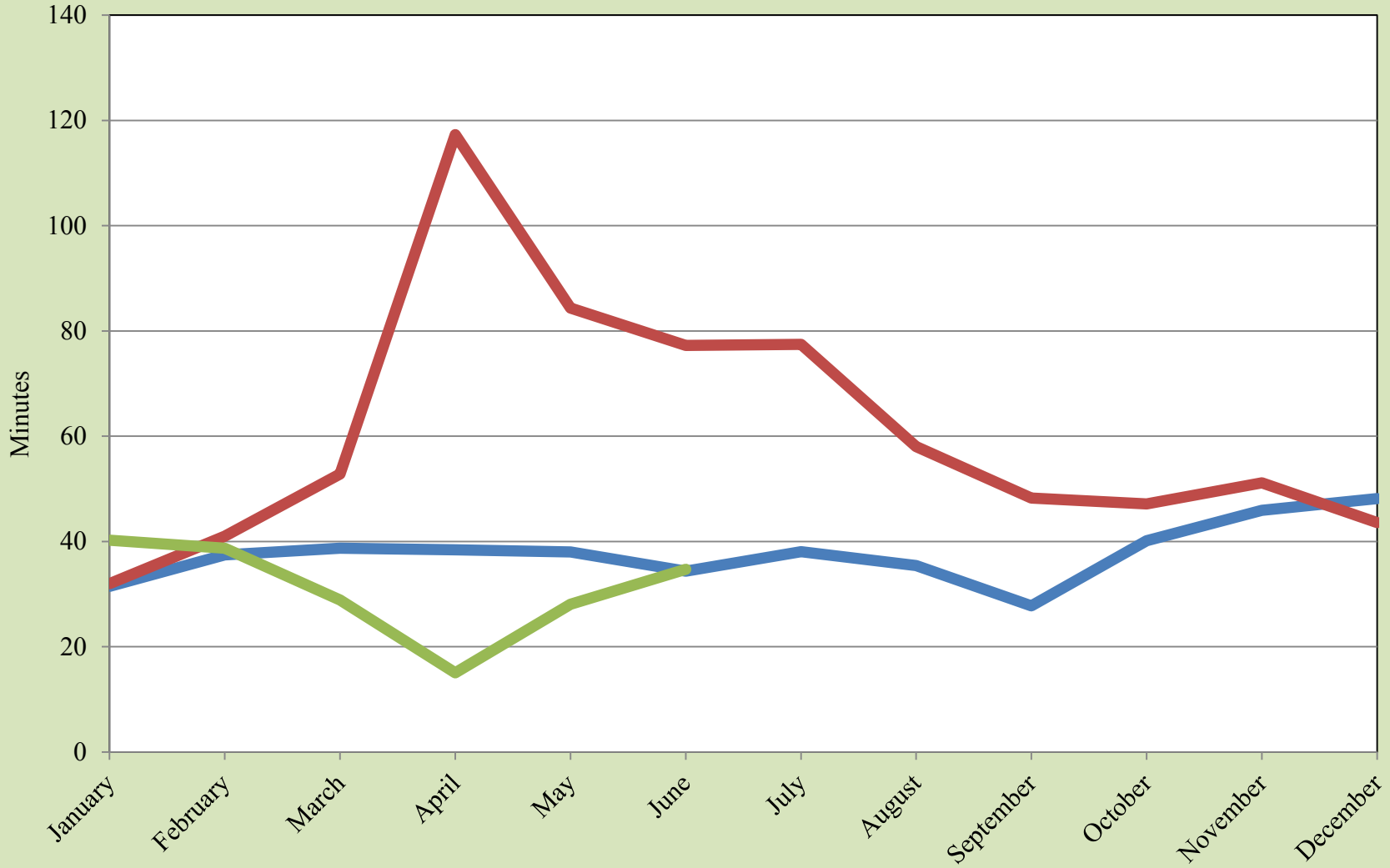
2018 2019 2020



Source: UTEP Border Region Modeling Project

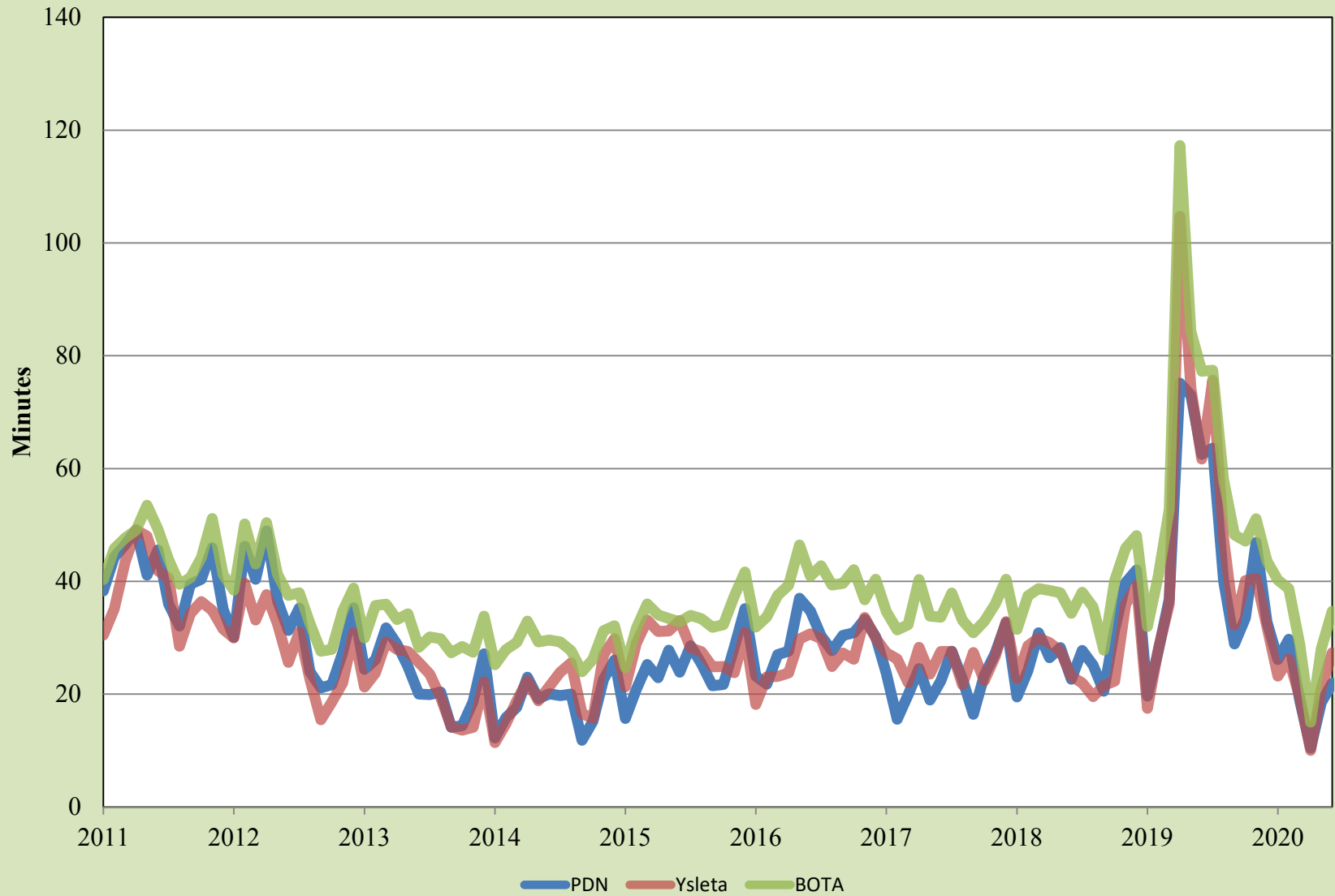
Bridge of the Americas Monthly Wait Times

2018 2019 2020



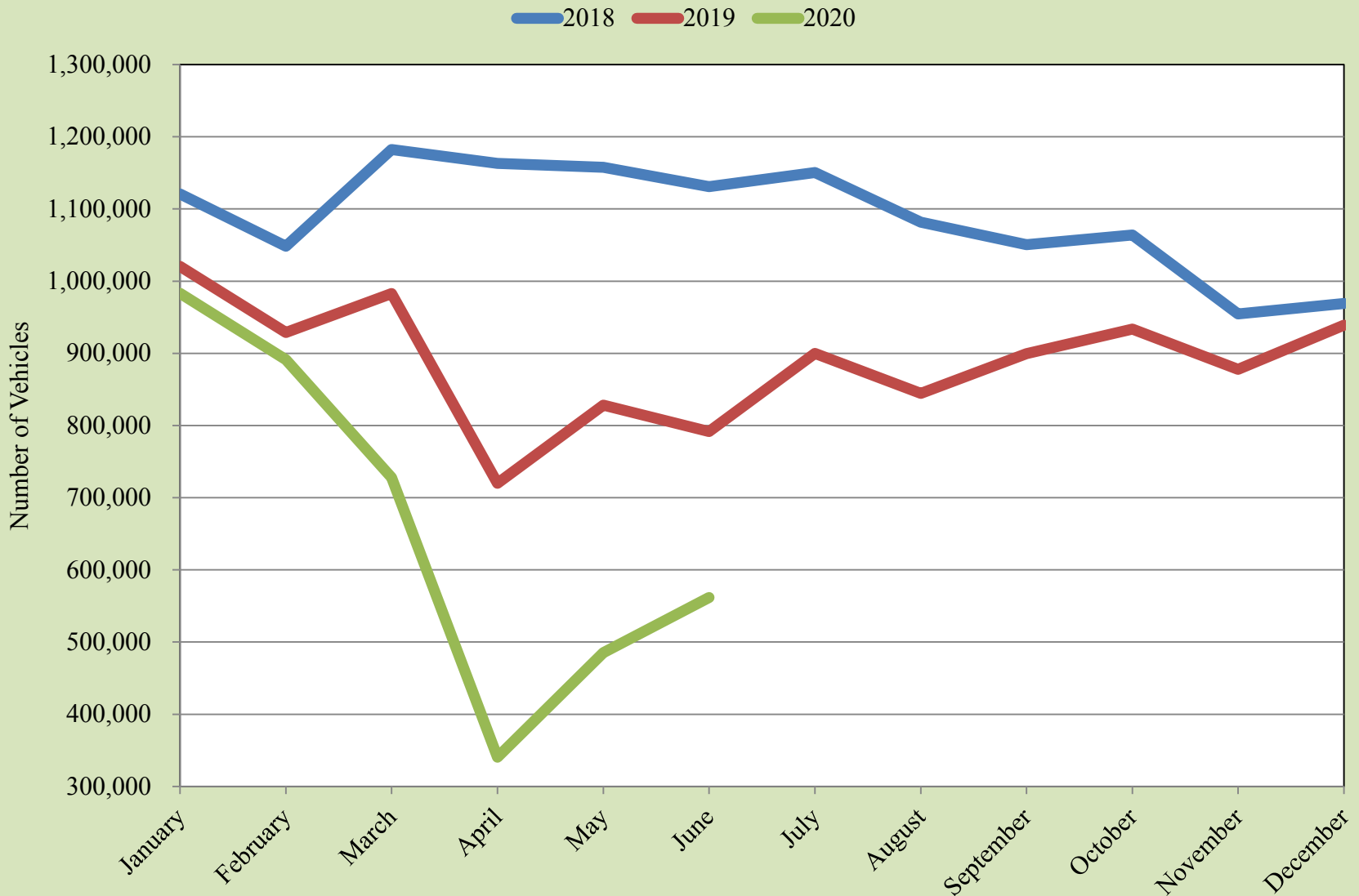
Source: UTEP Border Region Modeling Project

Monthly Border Wait Times



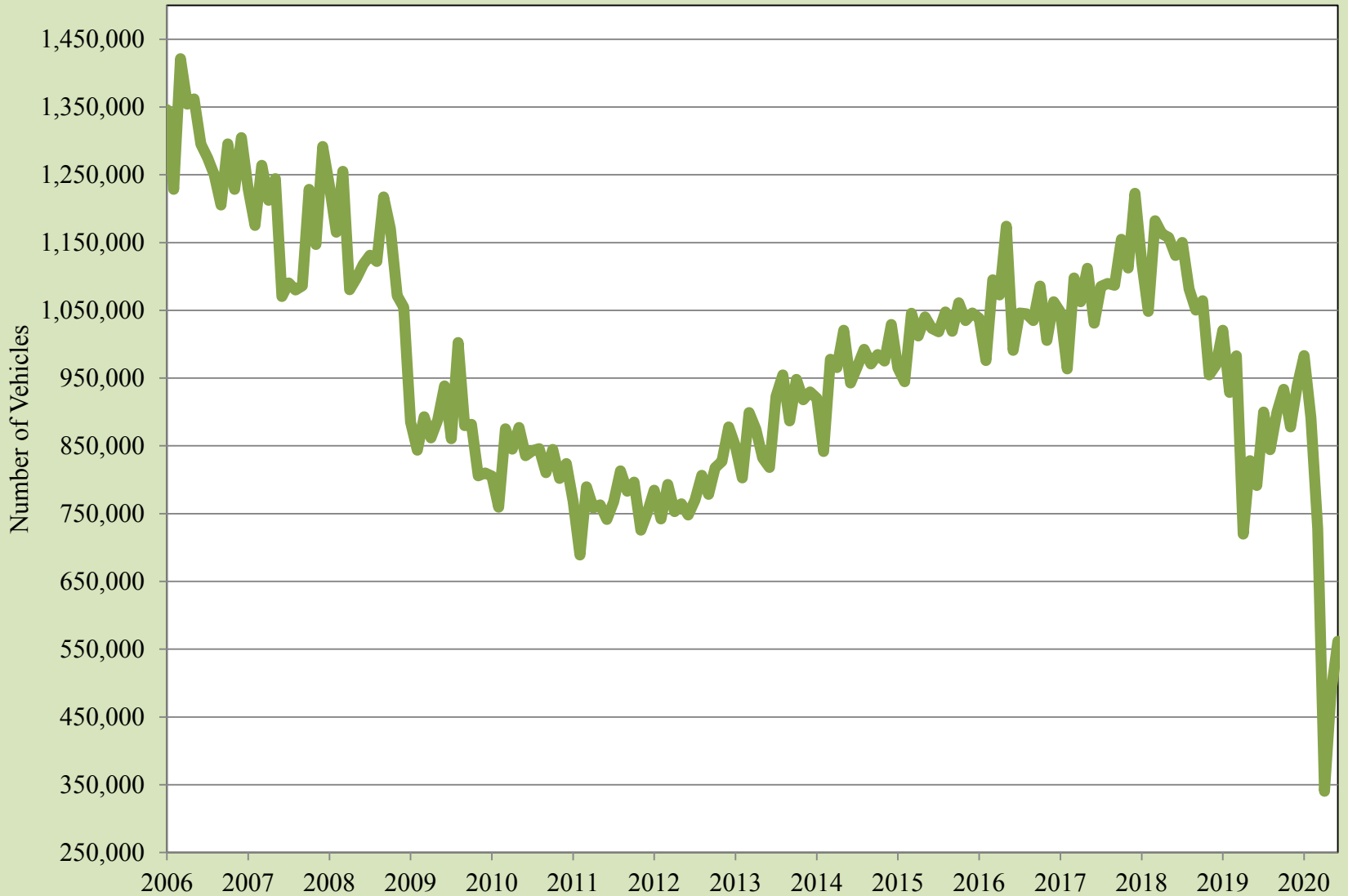
Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso



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

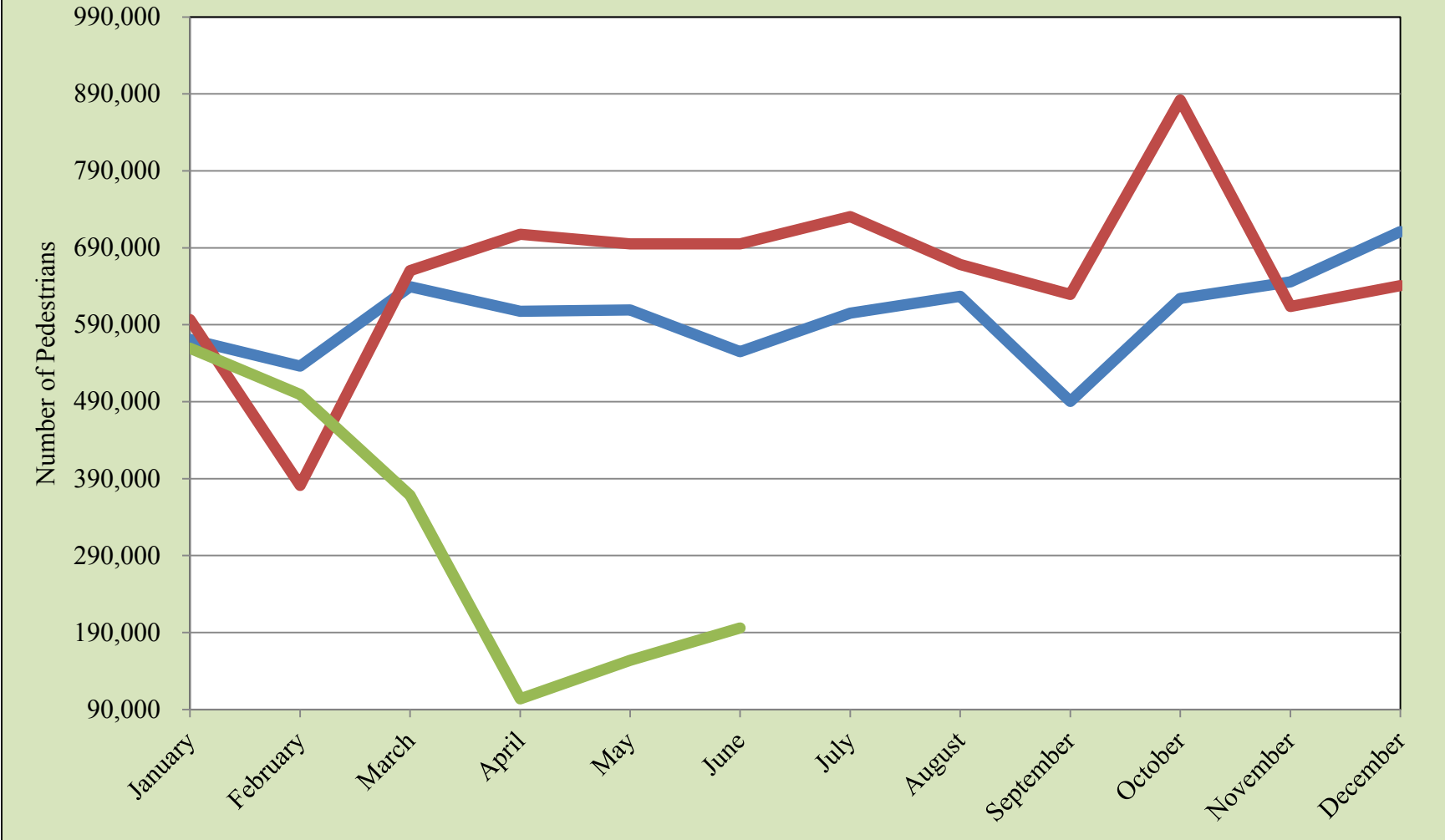
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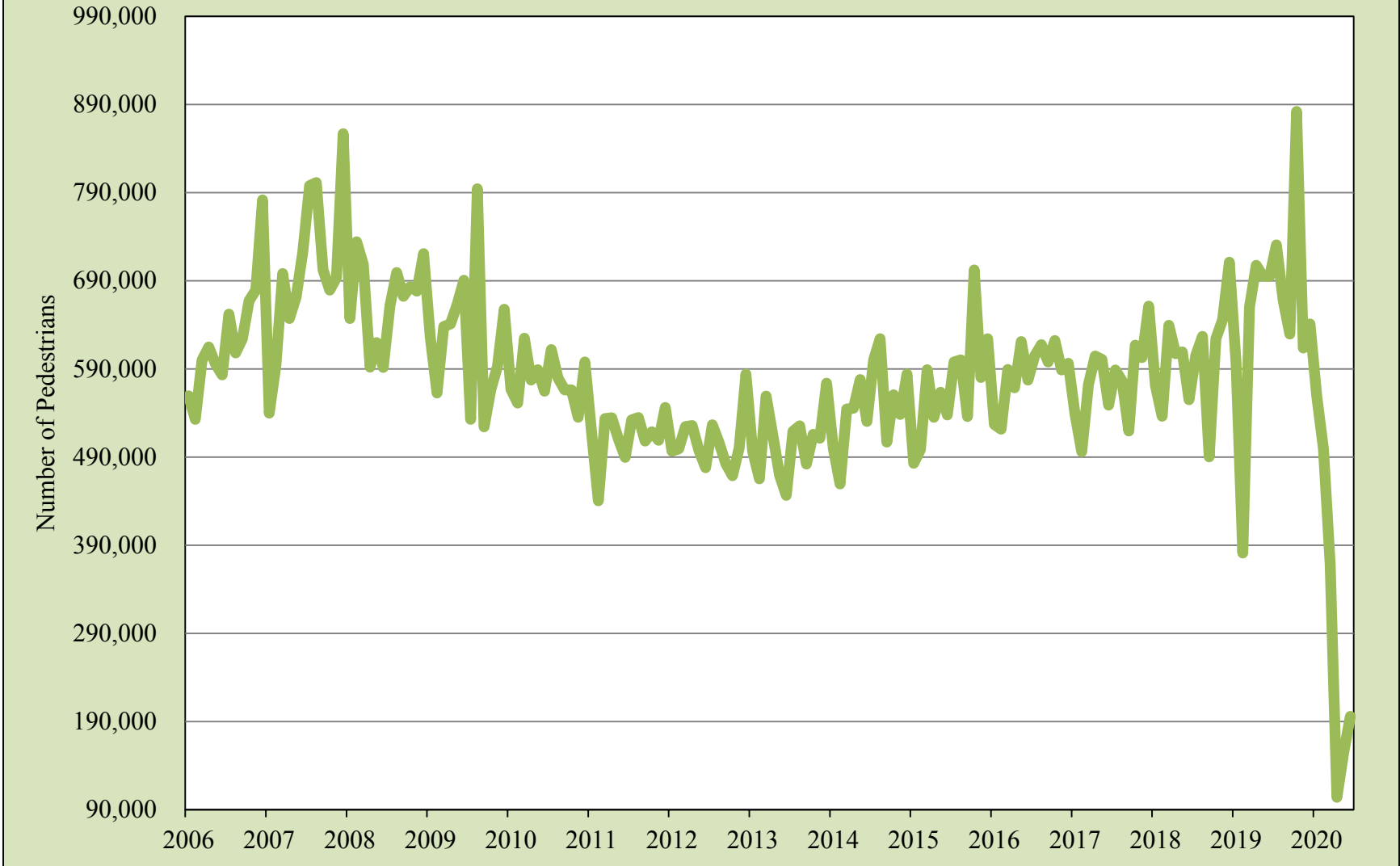
Pedestrian International Bridge Crossings to El Paso

2018 2019 2020



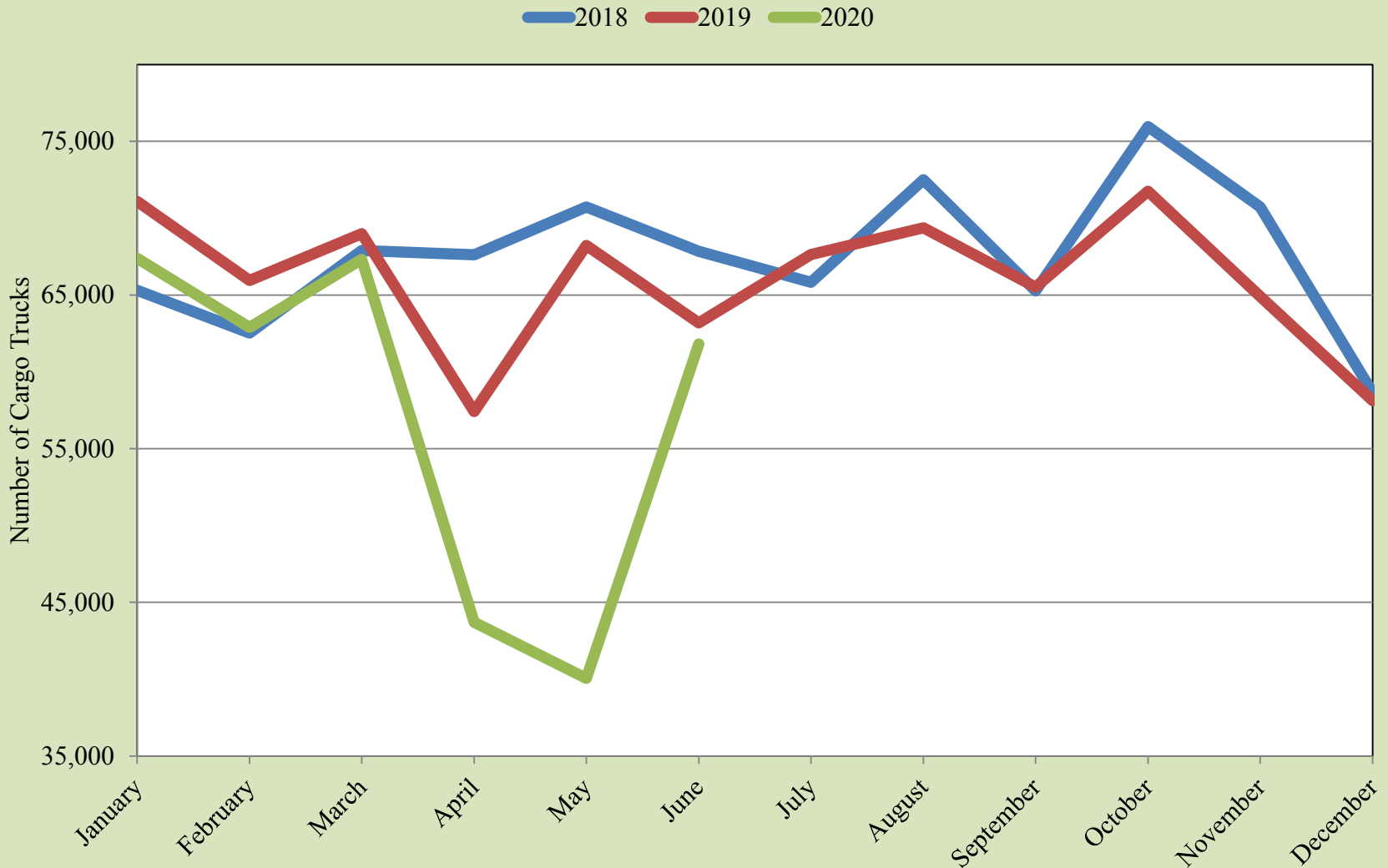
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Pedestrian International Bridge Crossings to El Paso



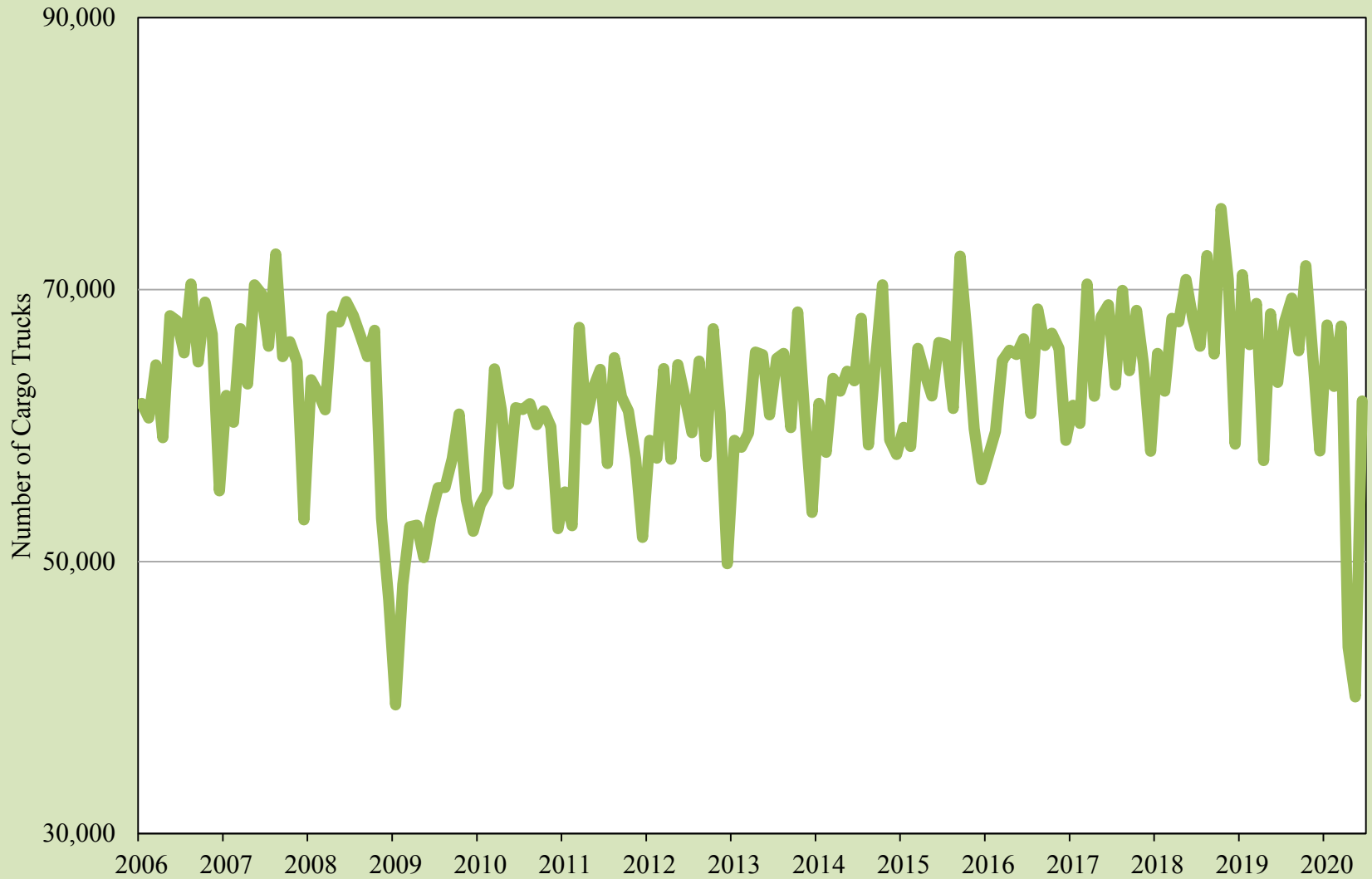
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



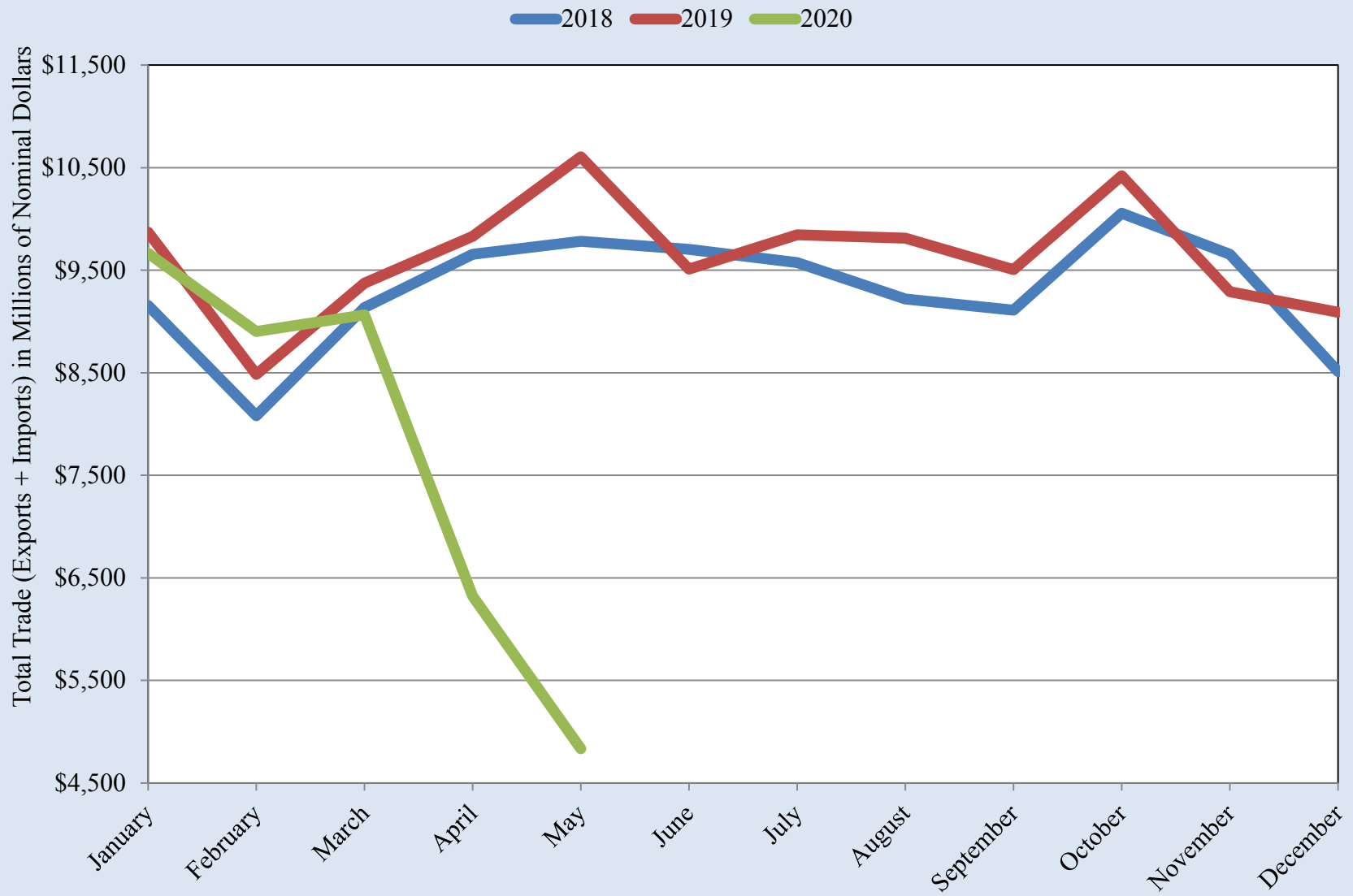
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



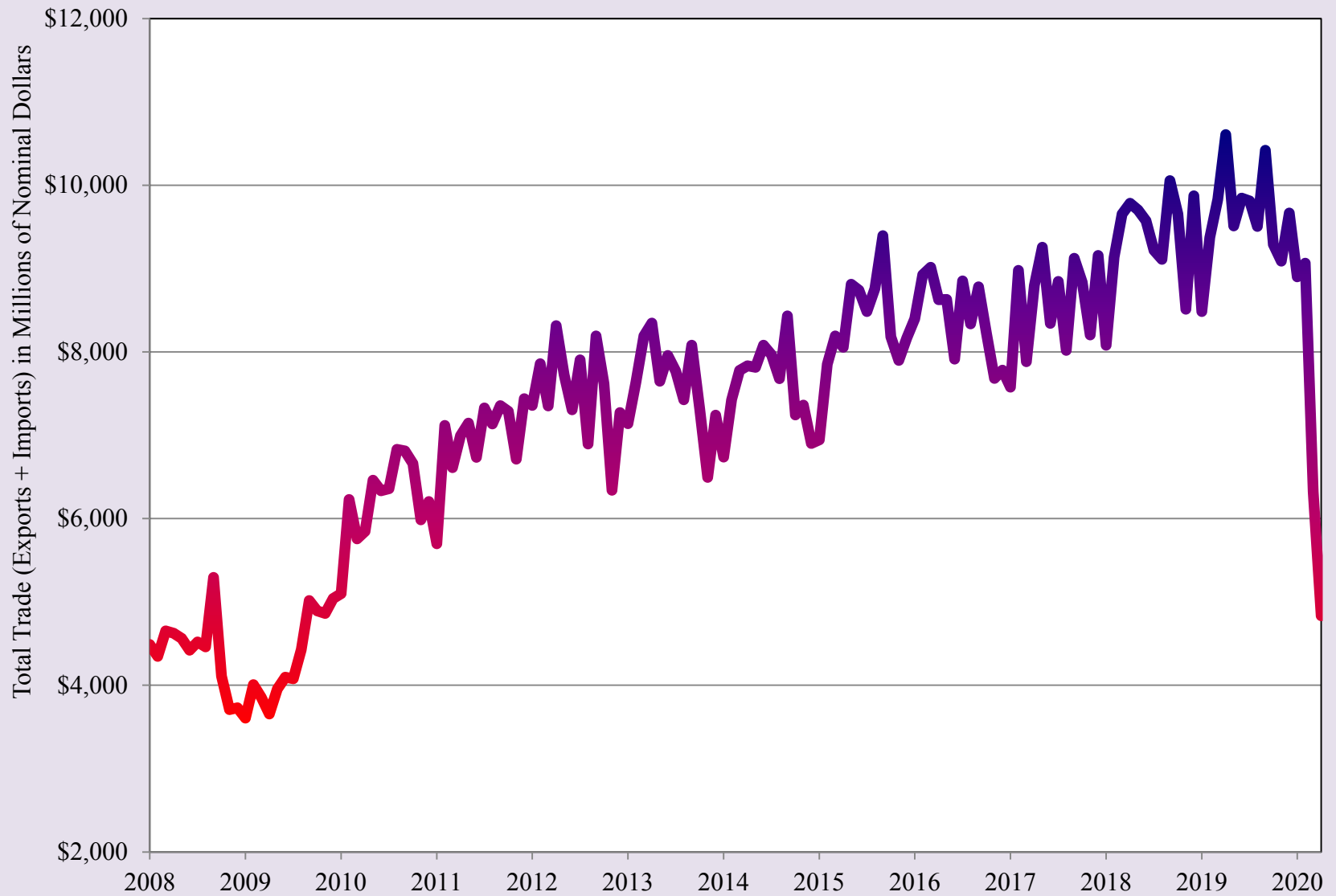
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District



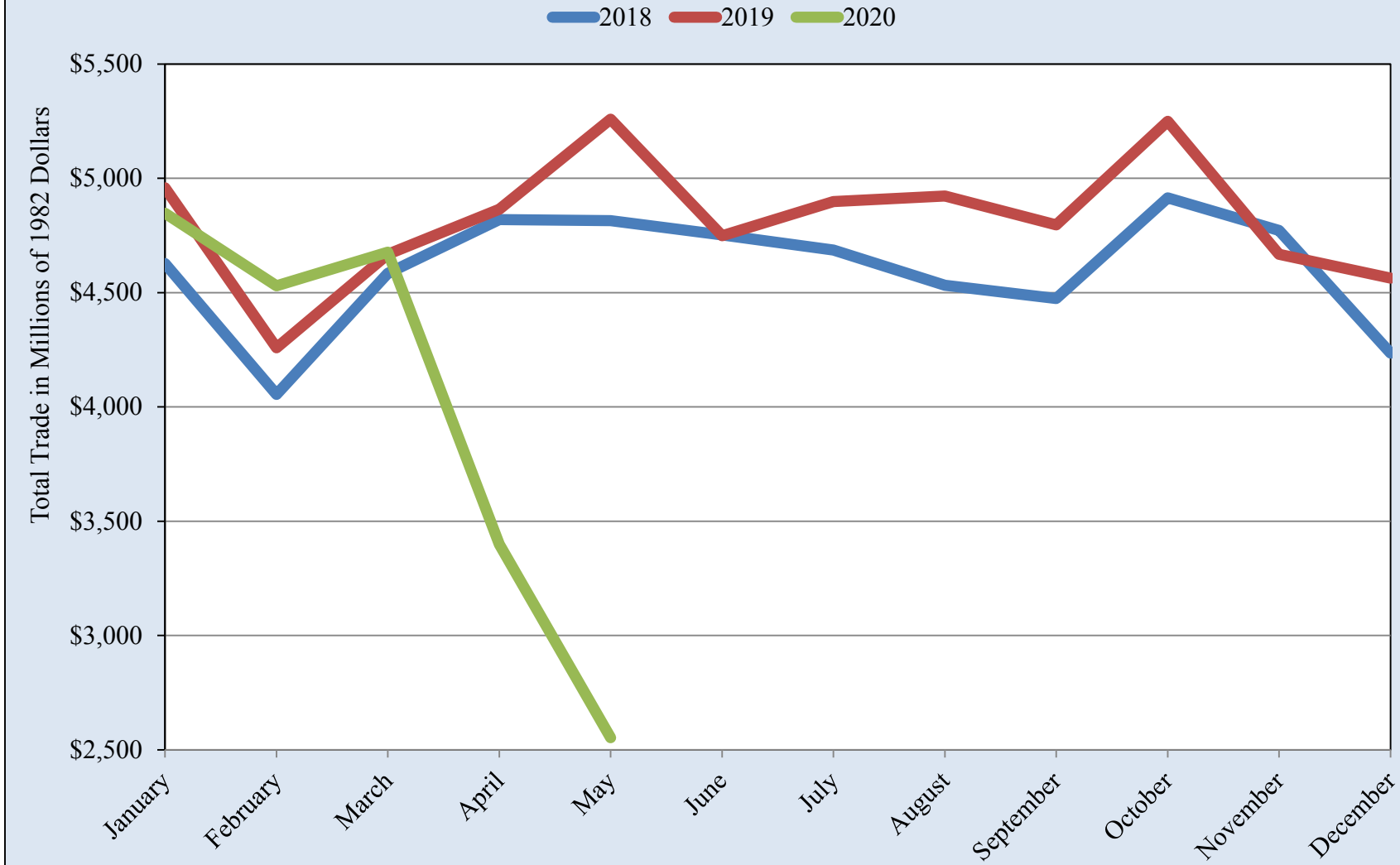
Source: U.S. International Trade Commission

Total Trade through the El Paso Customs District



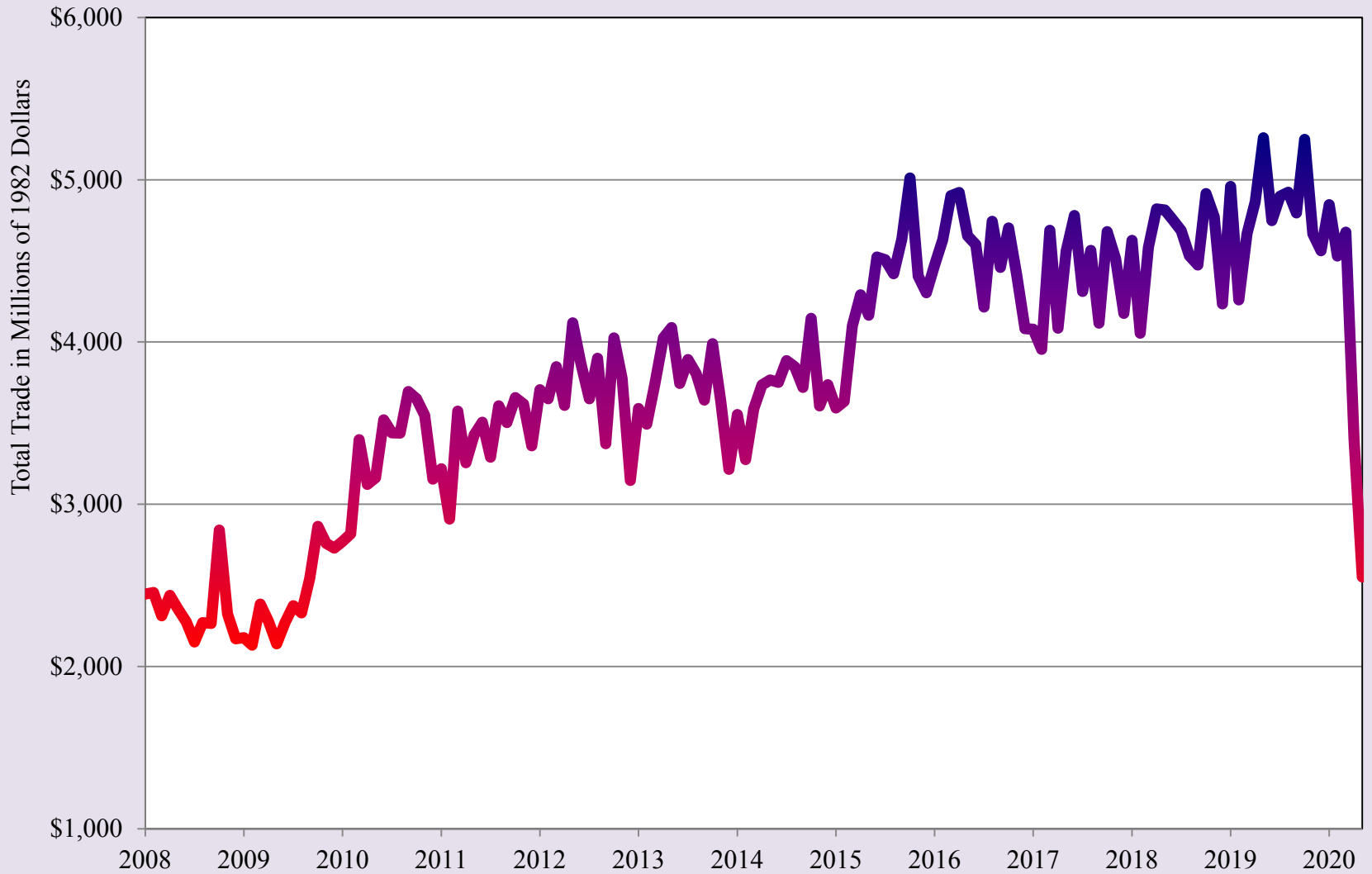
Source: U.S. International Trade Commission

Real Total Trade through the El Paso Customs District



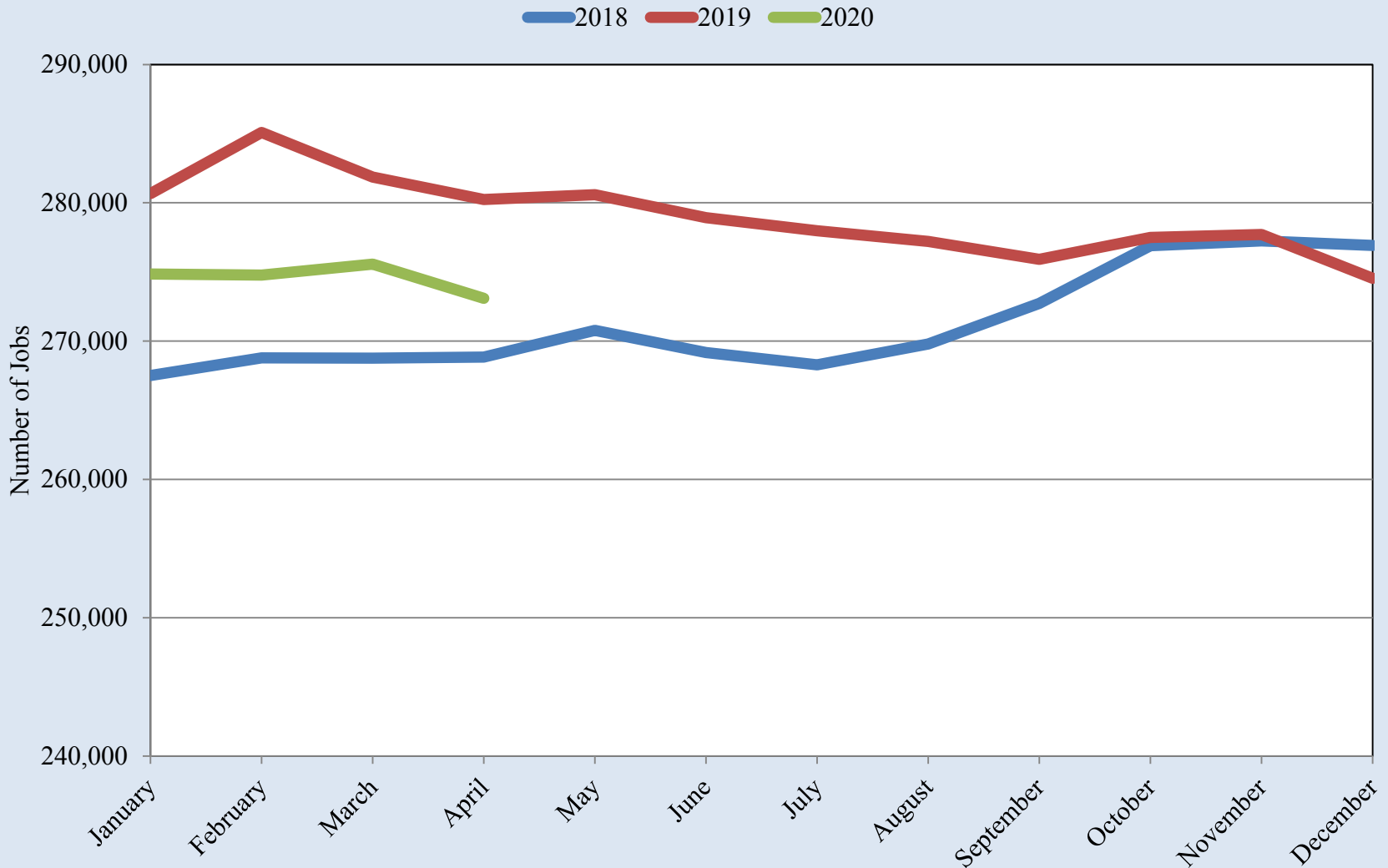
Source: U.S. International Trade Commission and Bureau of Labor Statistics

Real Total Trade through the El Paso Customs District



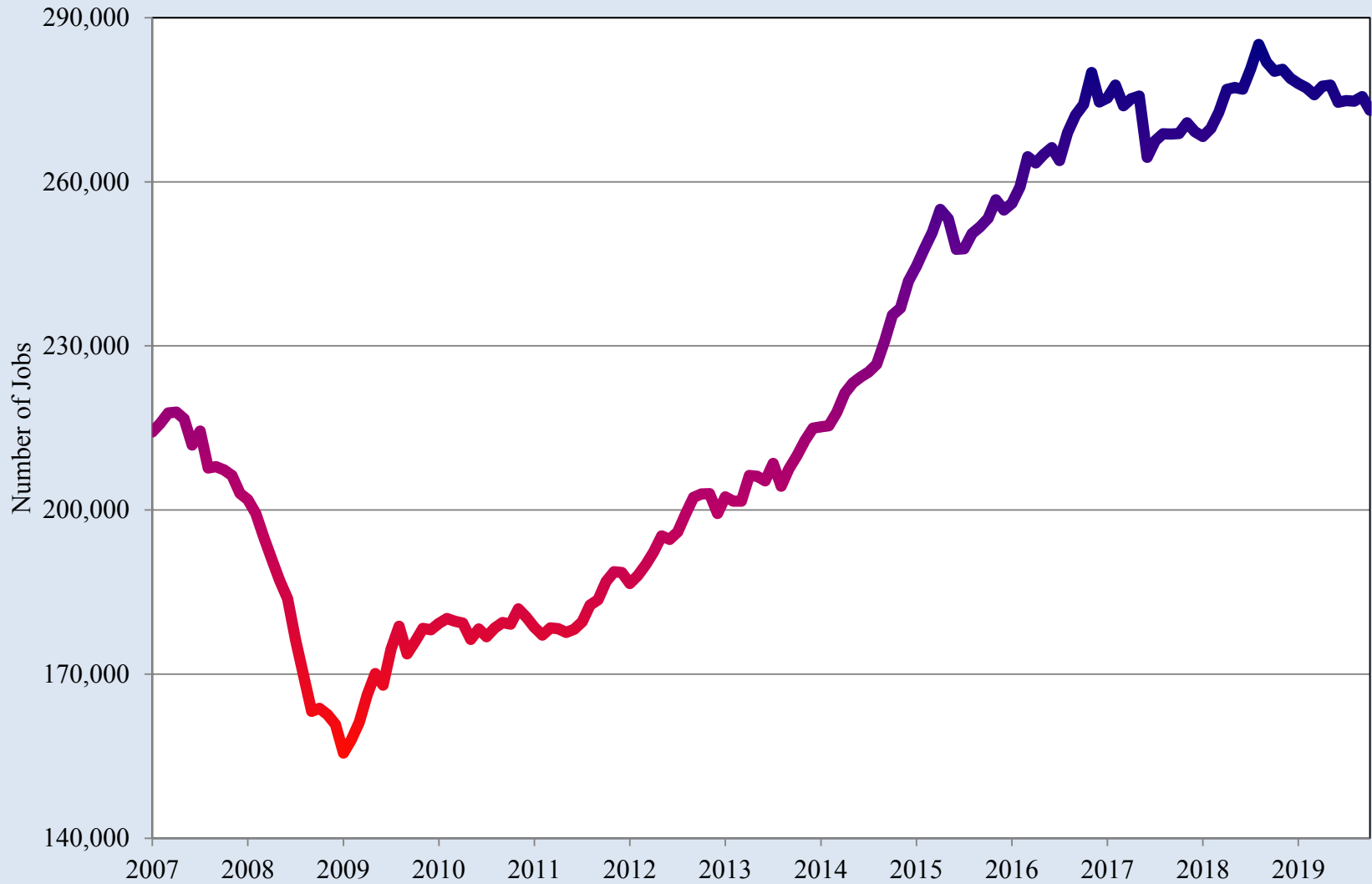
Source: U.S. International Trade Commission and Bureau of Labor Statistics

Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

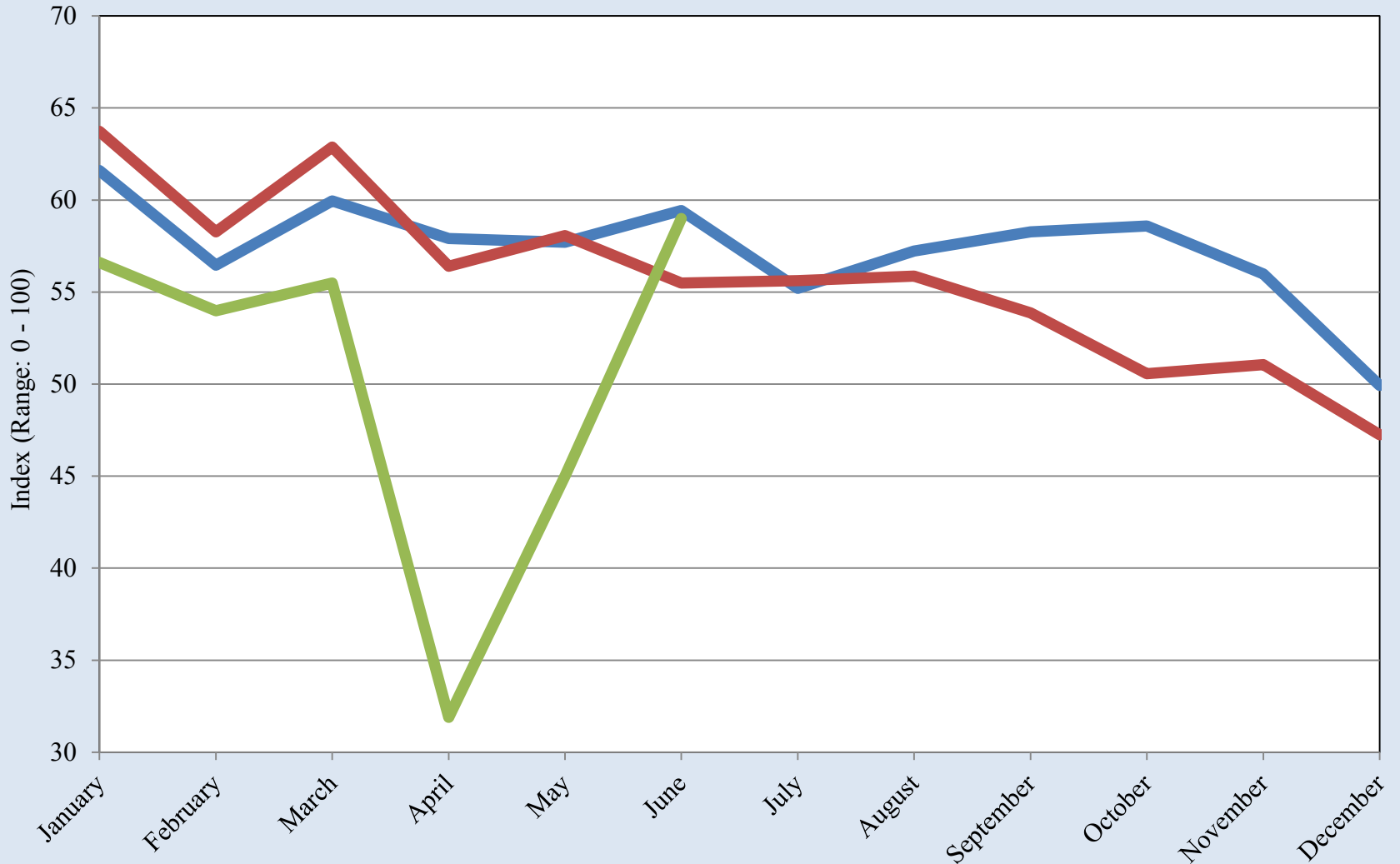
Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

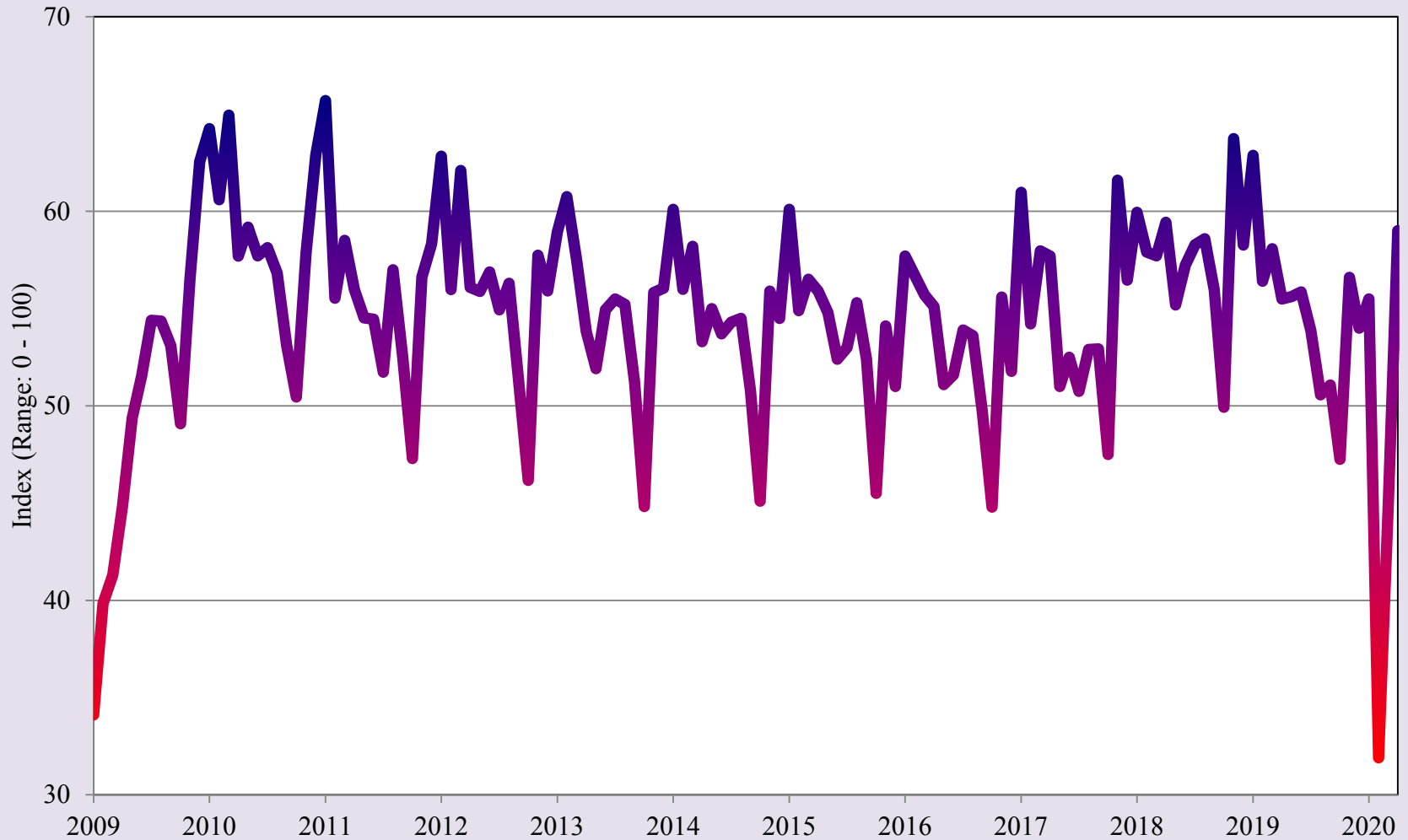
Northern Mexico Manufacturing Orders Index

— 2018 — 2019 — 2020



Source: Banco de México

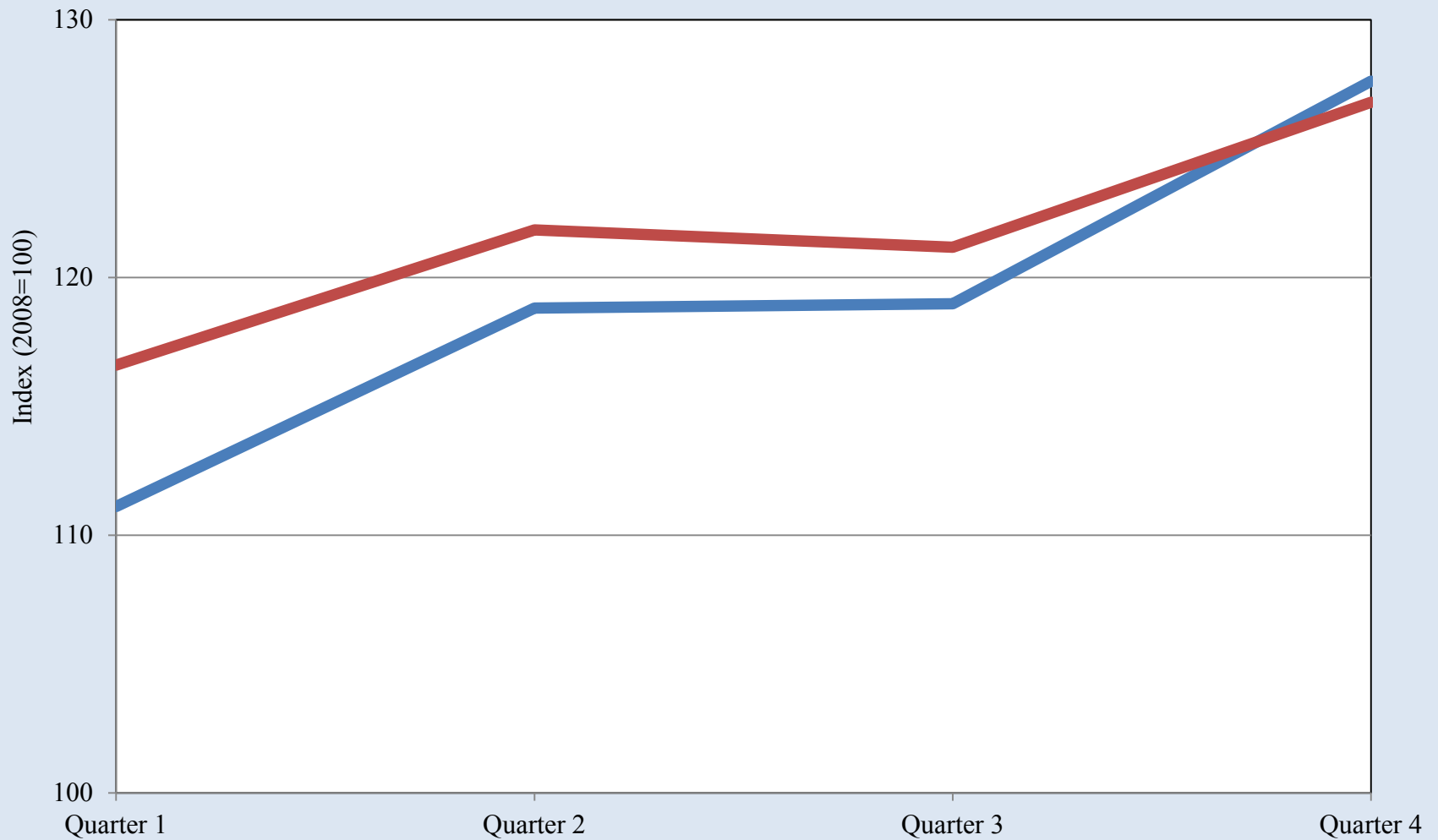
Northern Mexico Manufacturing Orders Index



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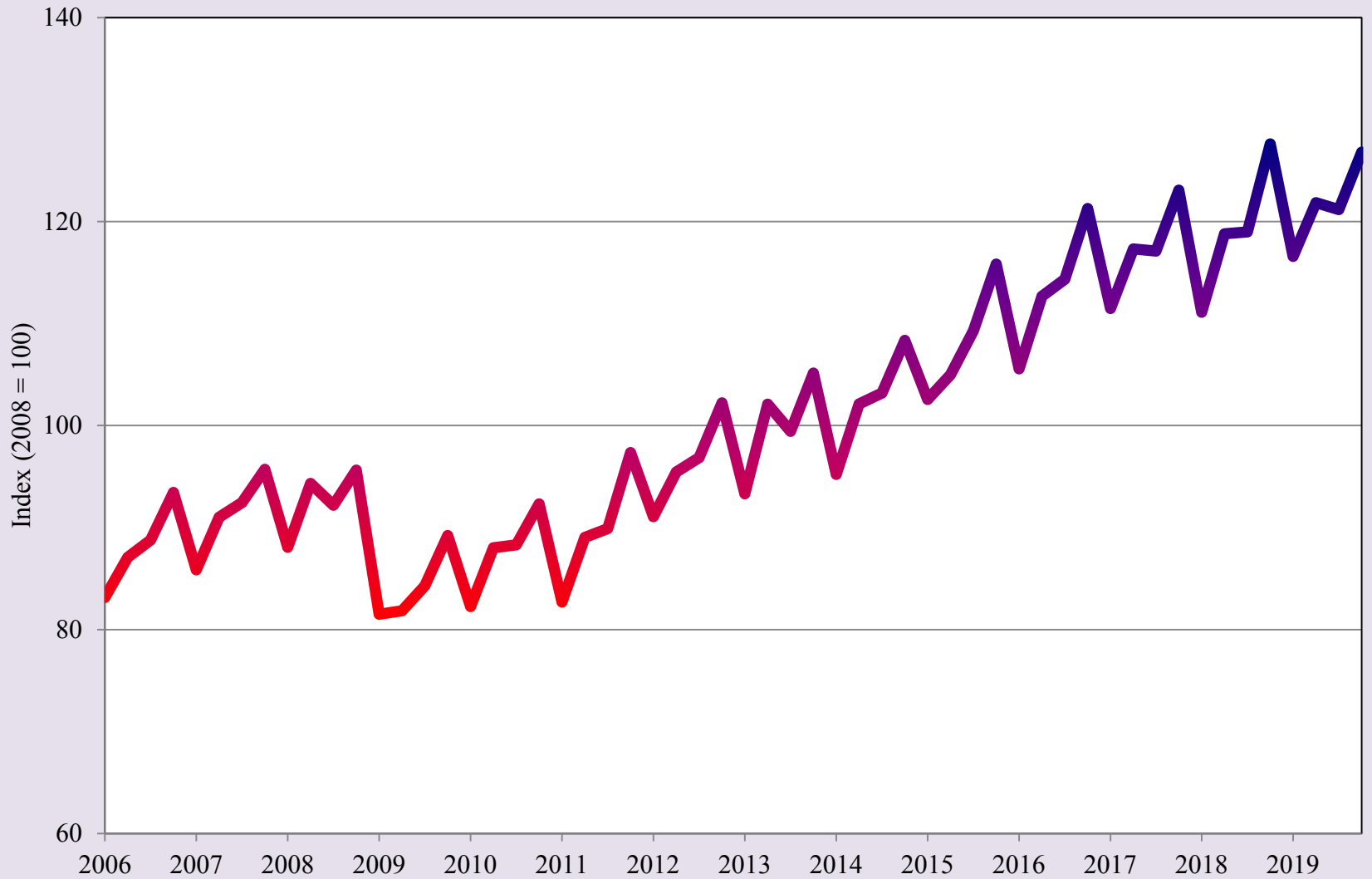
Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2018 — 2019



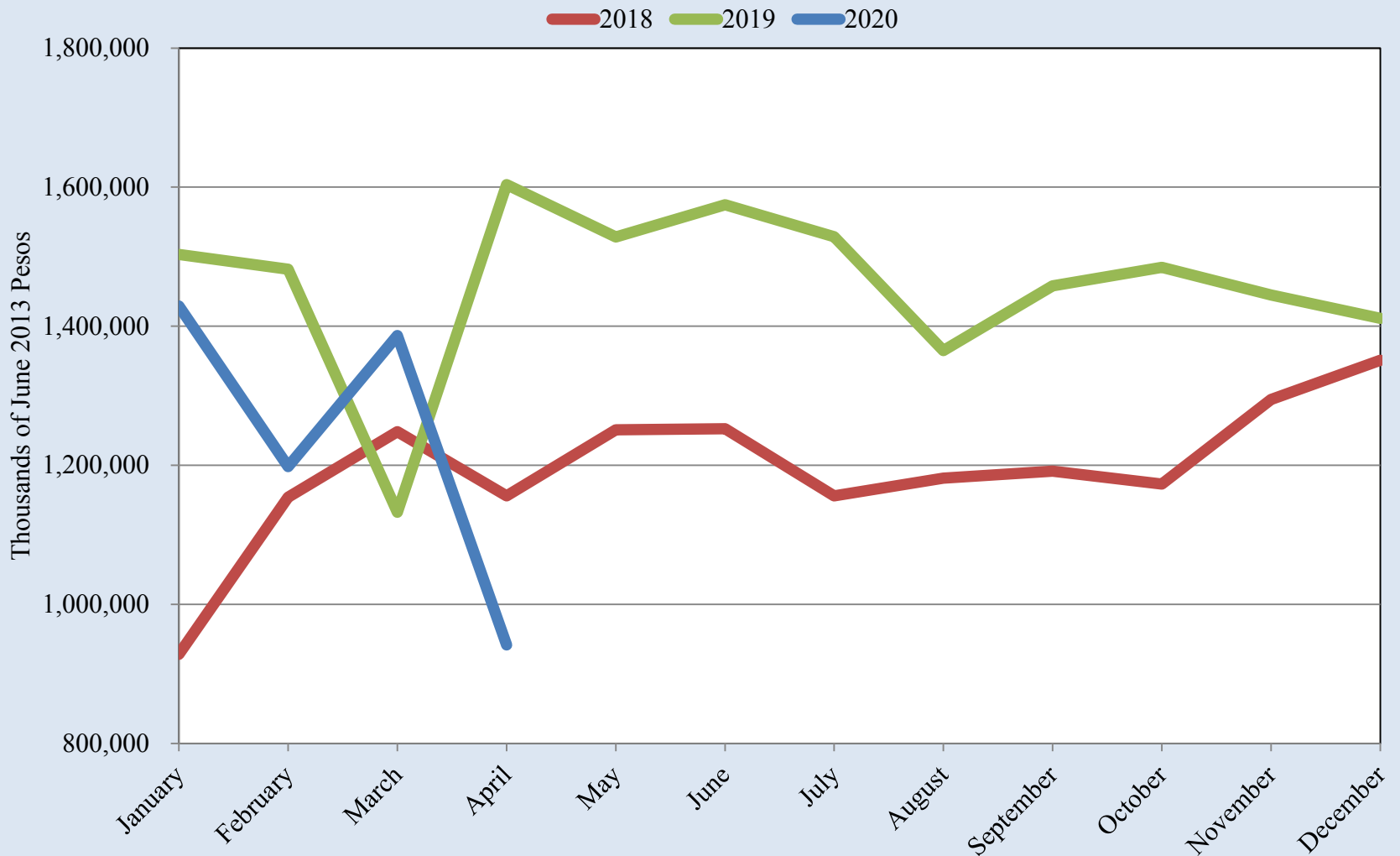
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



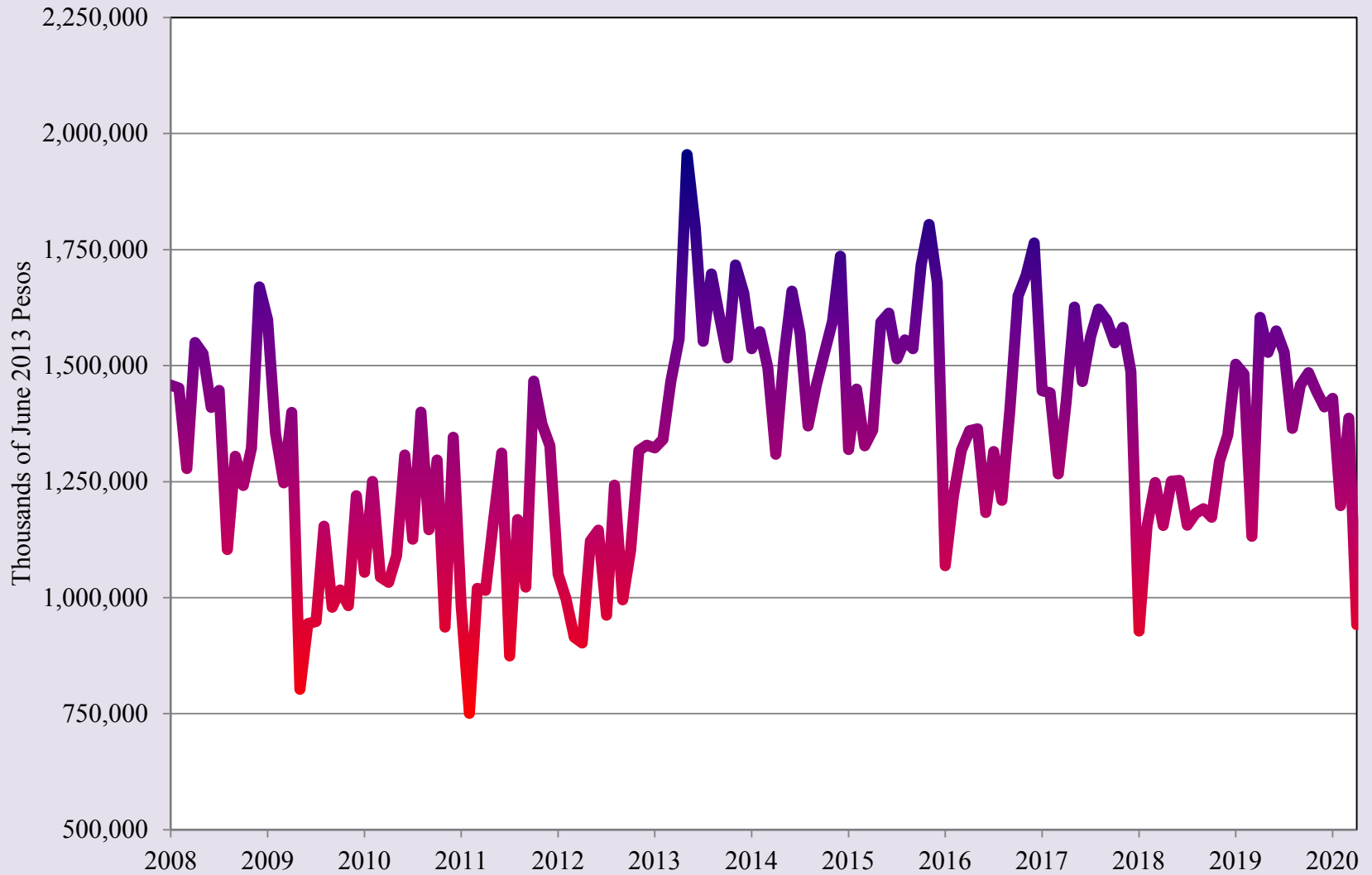
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

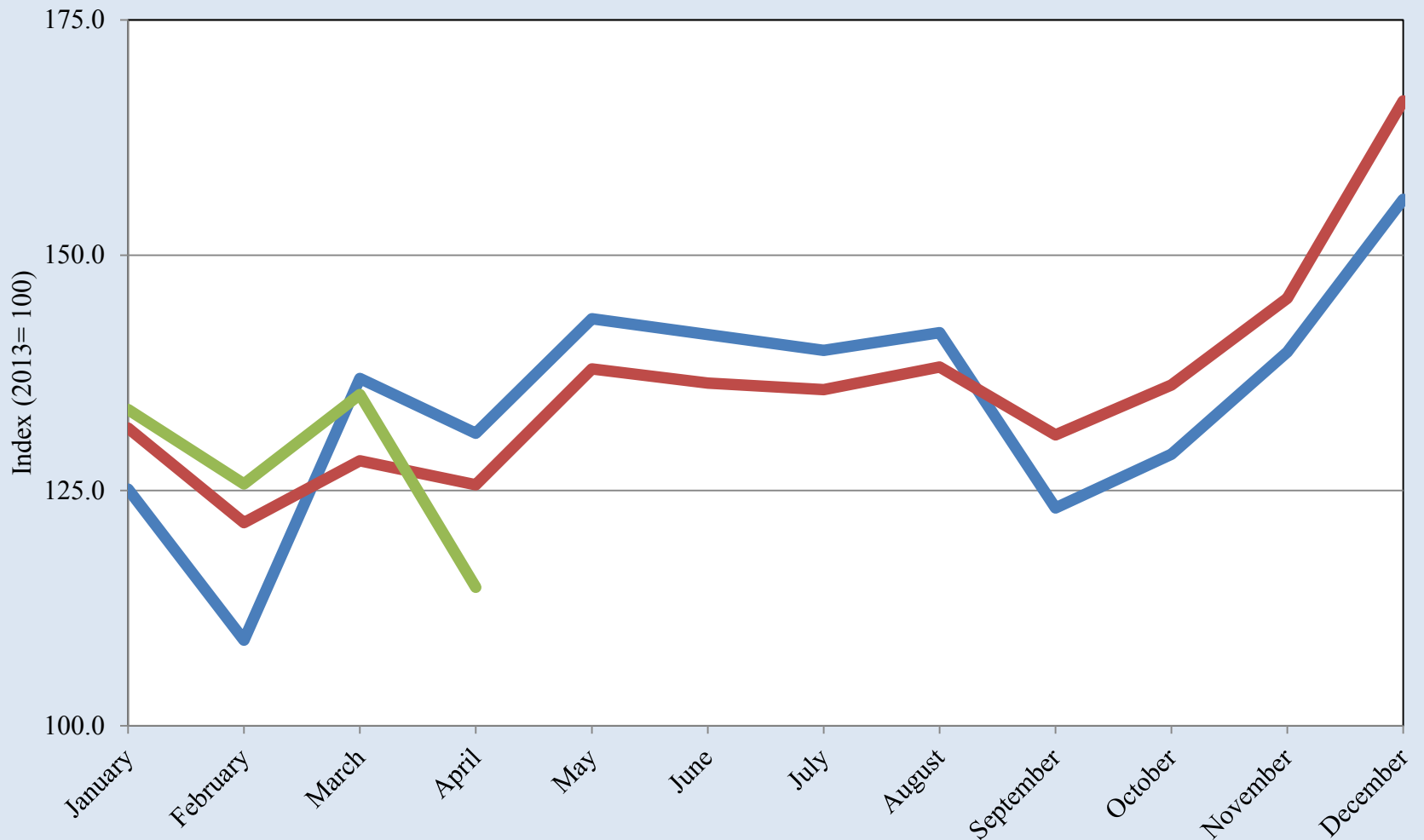
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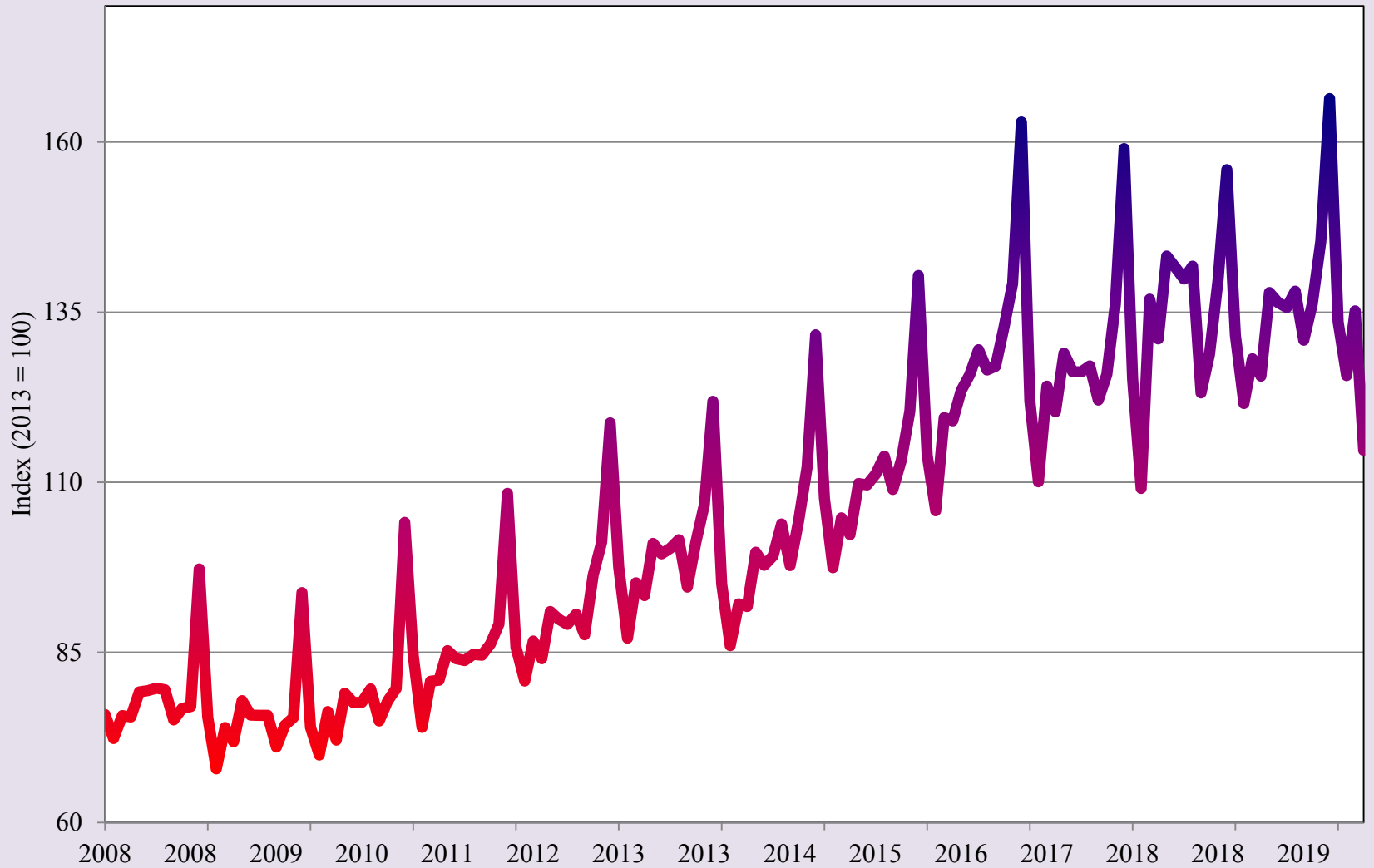
Real Retail Activity Index for the State of Chihuahua

— 2018 — 2019 — 2020



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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