

8-2020

Borderplex Business Barometer, Volume 4, Number 8

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Recommended Citation

Fullerton, Thomas M. Jr.; Fullerton, Steven L.; Zubiata, Ana Gutierrez; and Santana, Ignacio, "Borderplex Business Barometer, Volume 4, Number 8" (2020). *Border Region Modeling Project*. 103.
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BORDERPLEX BUSINESS BAROMETER

August 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 8

Double Dip Downturns?

The Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso rose, again, in July. That is good news, but it remains substantially below year-ago levels. Very low T-Bond and T-Bill yields confirm the economic vulnerability that continues to characterize the national economy in 2020. The U-shaped yield curve of 12 months ago has given way to a more traditional shape in recent months. Preliminary estimates for the El Paso Household Economic Stress Index moved sharply lower in July, another positive note for an ailing economy. A similar pattern was observed for the El Paso County unemployment rate in July when business re-openings caused payrolls to expand. Federal stimulus packet benefits helped El Paso County Supplemental Nutrition Assistance Program (SNAP) enrollments dip below the levels observed in January and February. Those gains may prove ephemeral if Congress does not approve a new stimulus package in September.

As home sales skyrocketed nationwide in July, locally, single-family housing sales also did the same. On a year-over-year basis, the median price in El Paso rose by more than \$14 thousand to \$179,950. In nominal terms, that is a new record for El Paso County. Although 998 homes sales occurred in July, inventories remain tight. The propellants behind the sales increase in June and July were the potent brew of historically low conventional fixed mortgage rates plus pent-up demand from the April-May pandemic lockdown.

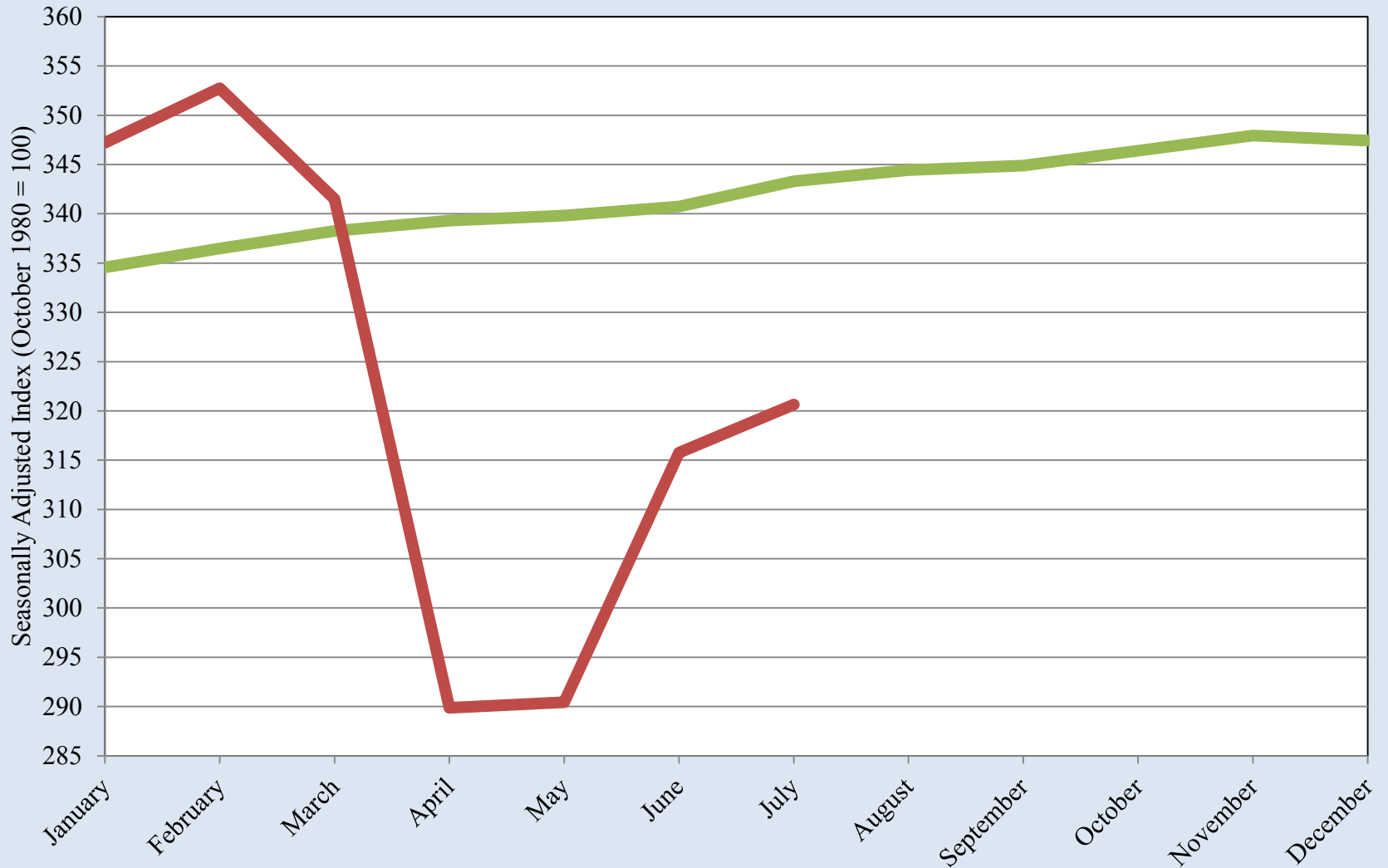
Regular unleaded gasoline averaged \$2.07 per gallon in El Paso during July. That is a 56 cents below the July 2019 average. Reduced energy demand resulting from the pandemic shutdown and recession was the culprit. West Texas Intermediate (WTI) oil averaged \$40.71 per 42-gallon barrel in July, more than \$16 per barrel below year-ago levels.

The Doña Ana County July jobless rate was 13.0 percent. Emblematic of the lockdown labor market woes, the Las Cruces civilian labor force contracted by nearly 6 percentage points relative to July 2019. June SNAP enrollments increased by more than 2,700 recipients on a year-to-year basis, but this figure is poised to increase by an even larger amount in August.

The peso weakened somewhat against the dollar in July with nominal exchange rate average rising to 22.48. A 65 percent gap separated the July 2020 exchange rate from the Borderplex restaurant price ratio as episodic novel Coronavirus outbreaks continued to roil the currency market. Partial recoveries in small vehicle and pedestrian traffic at the ports of entry were accompanied by higher average wait times in June and July. Total trade through the customs district returned to pre-pandemic volumes in June. That was accompanied by parallel increases in the number of cargo trucks crossing the Bridge of the Americas and the Ysleta-Zaragoza Bridge, along with a rebound in the Northern Mexico Manufacturing Orders Index.

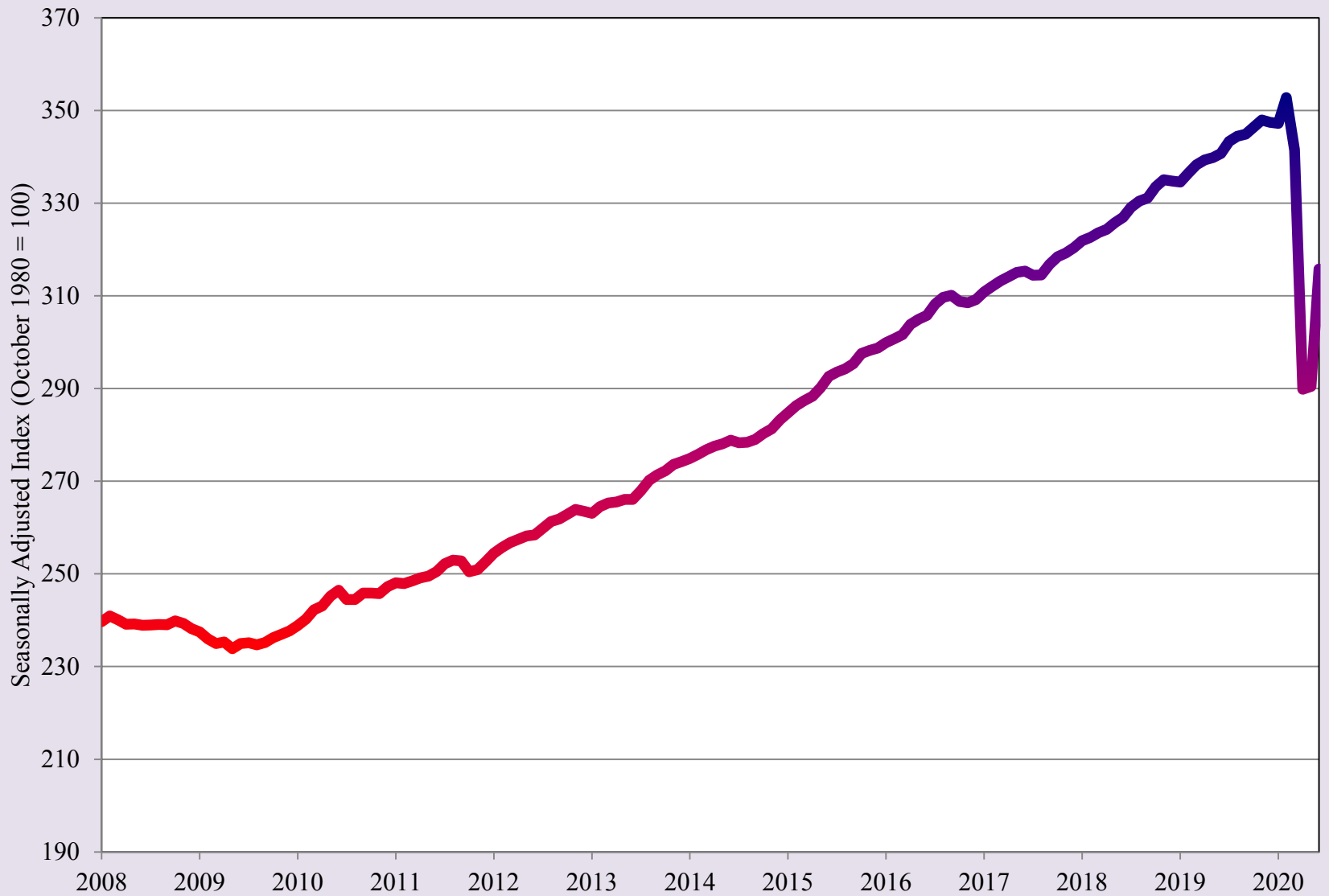
El Paso Metropolitan Business Cycle Index

2019 2020



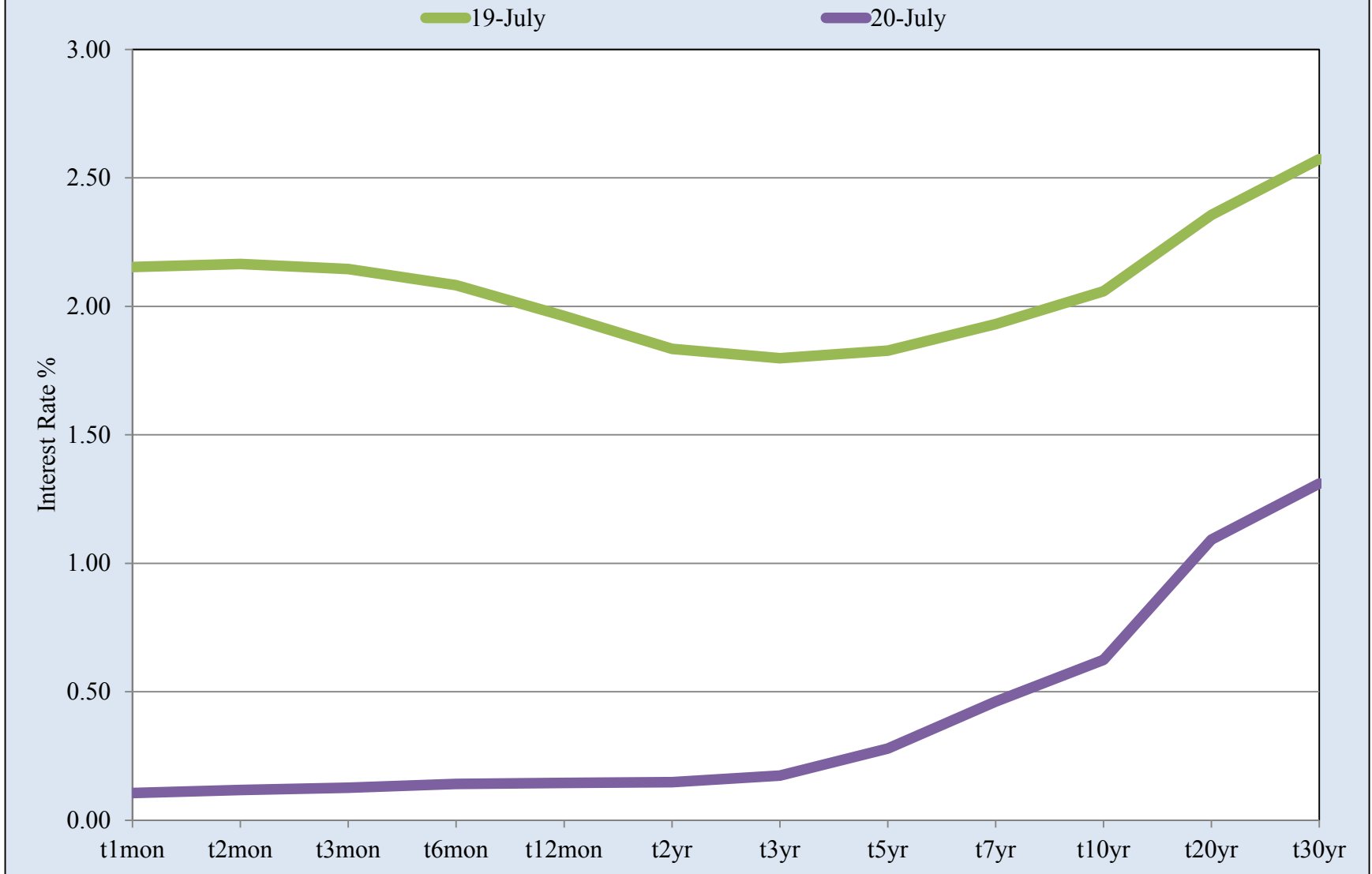
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

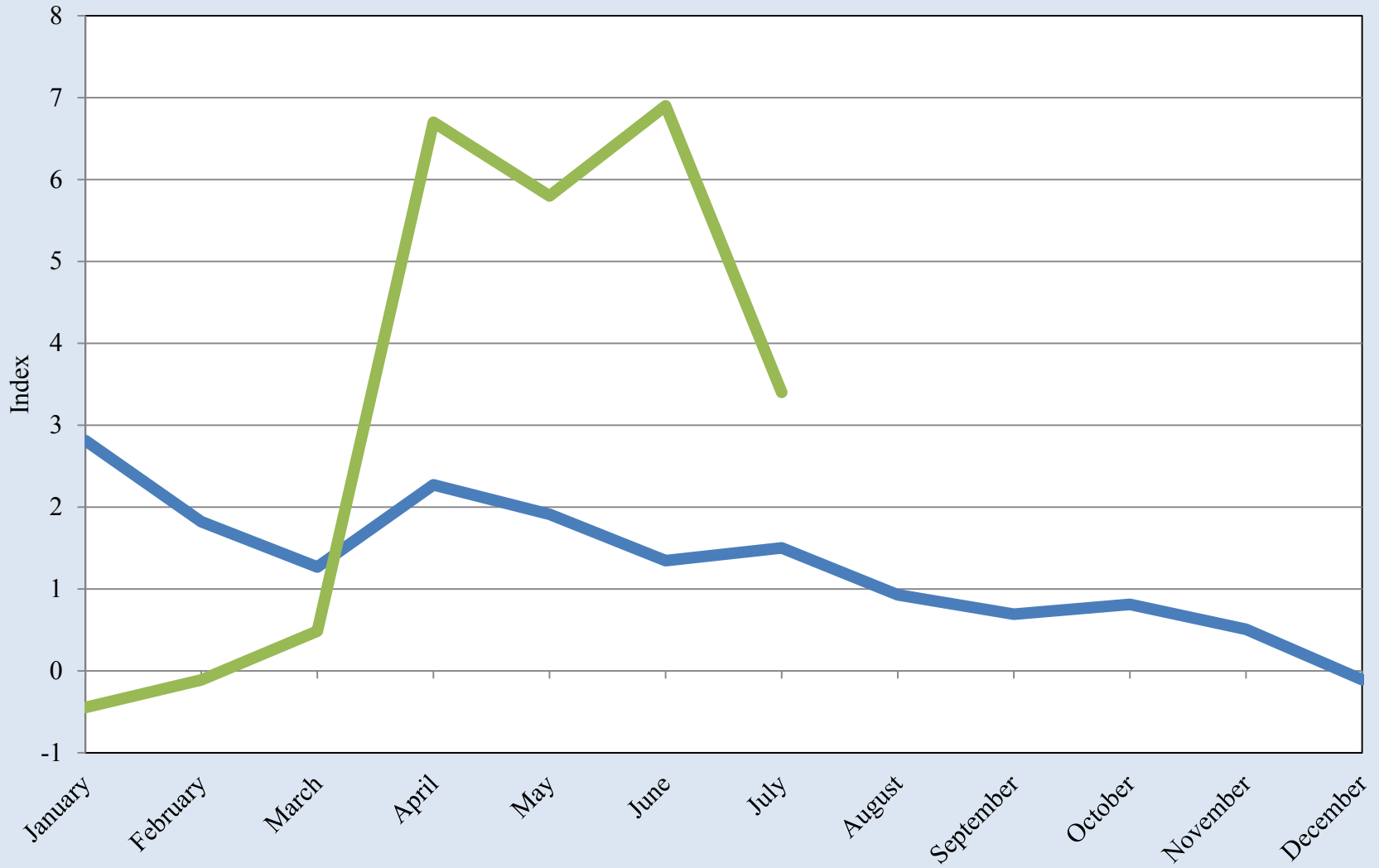
Average Treasury Yield Curve Rates



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

El Paso Household Economic Stress Index

— 2019 — 2020



Source: UTEP Border Region Modeling Project

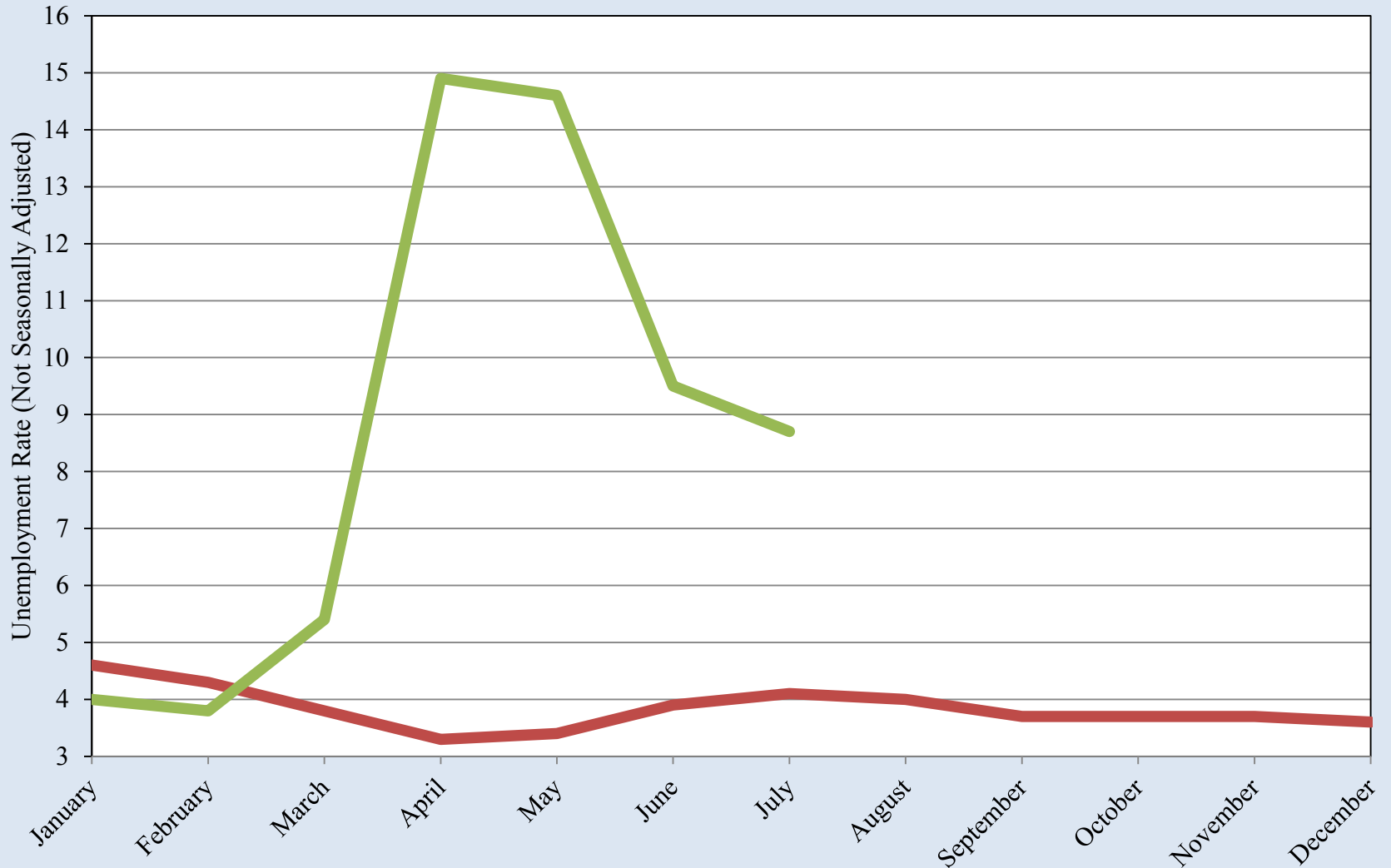
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

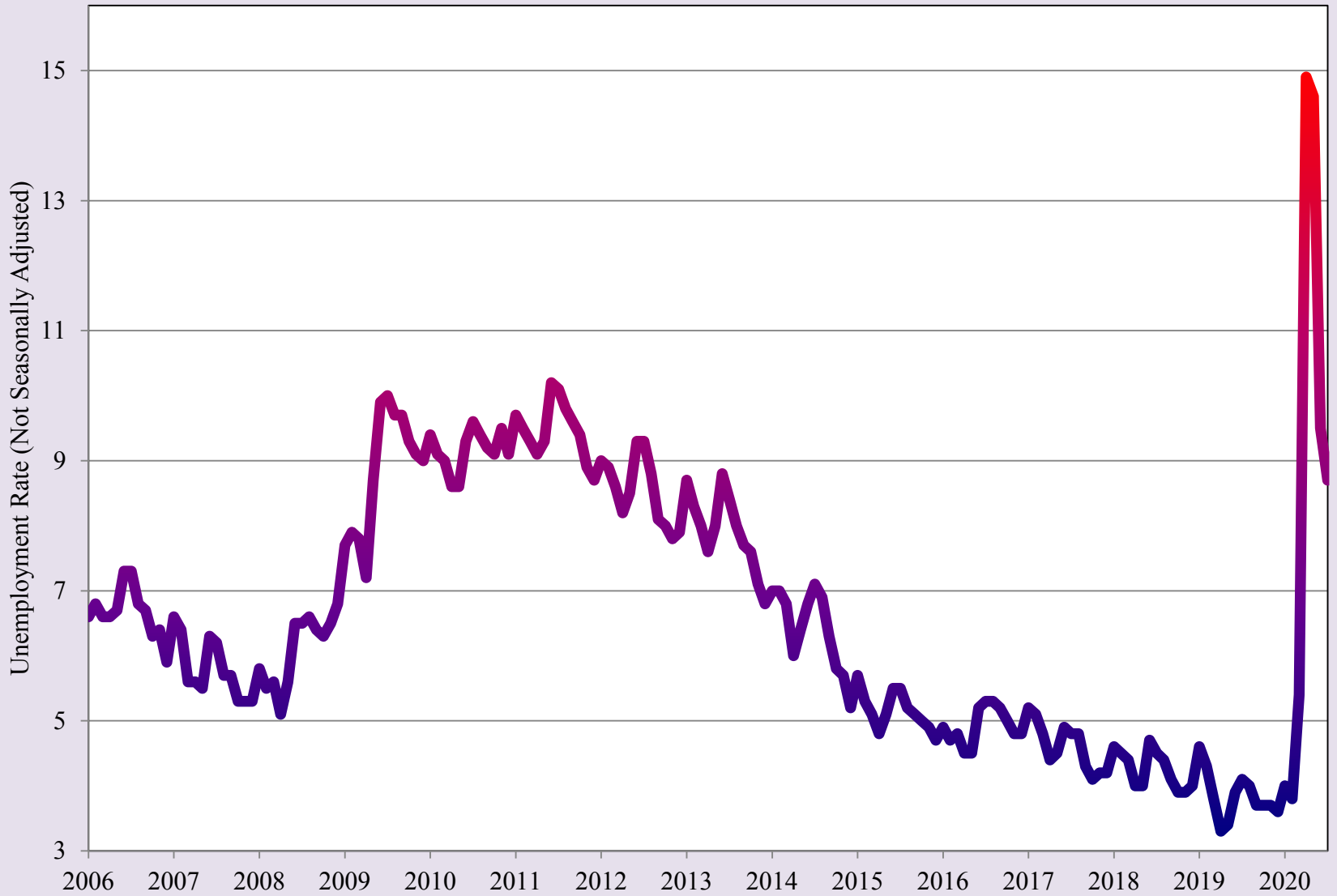
El Paso County Unemployment Rate

2019 2020



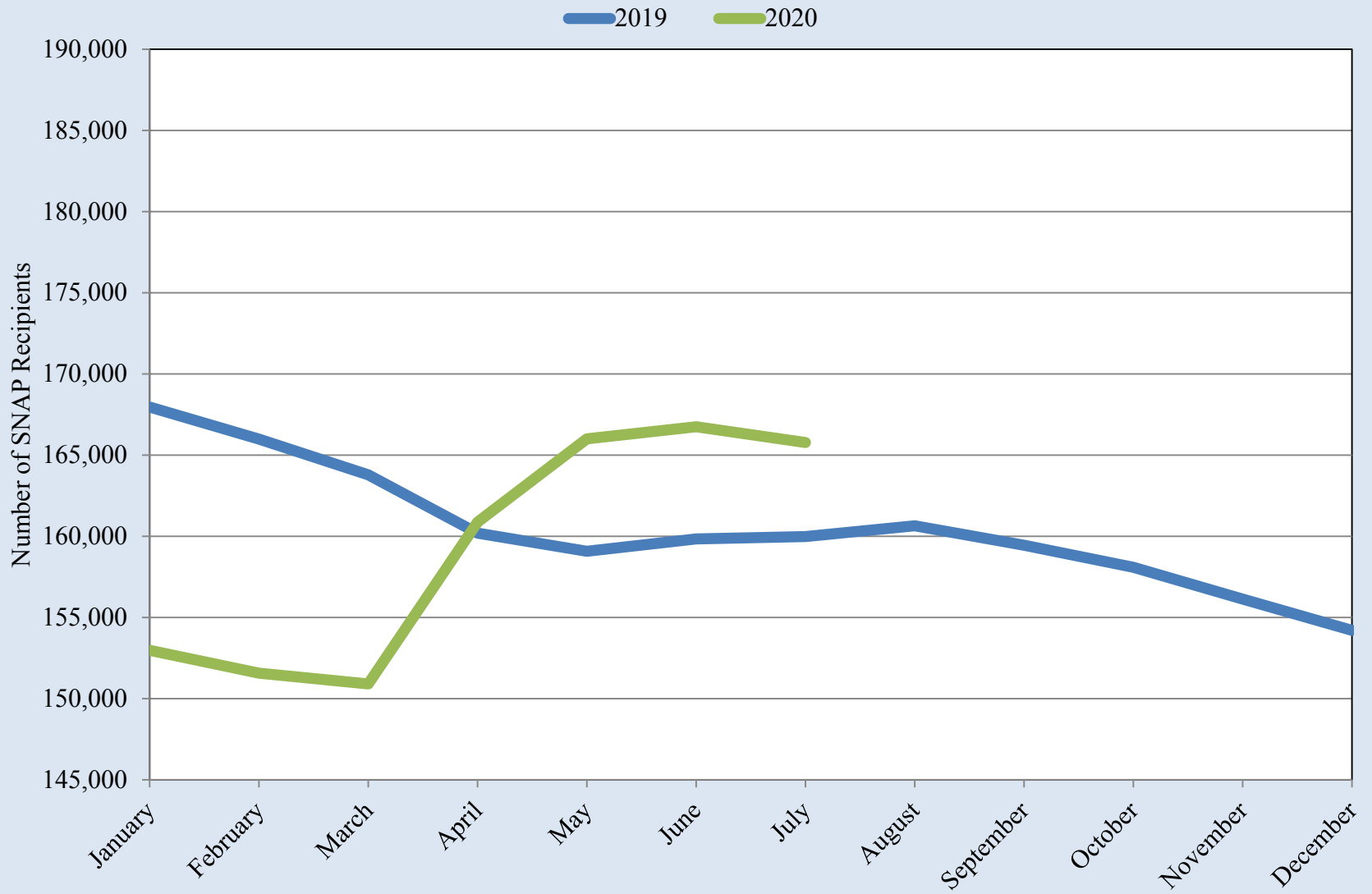
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



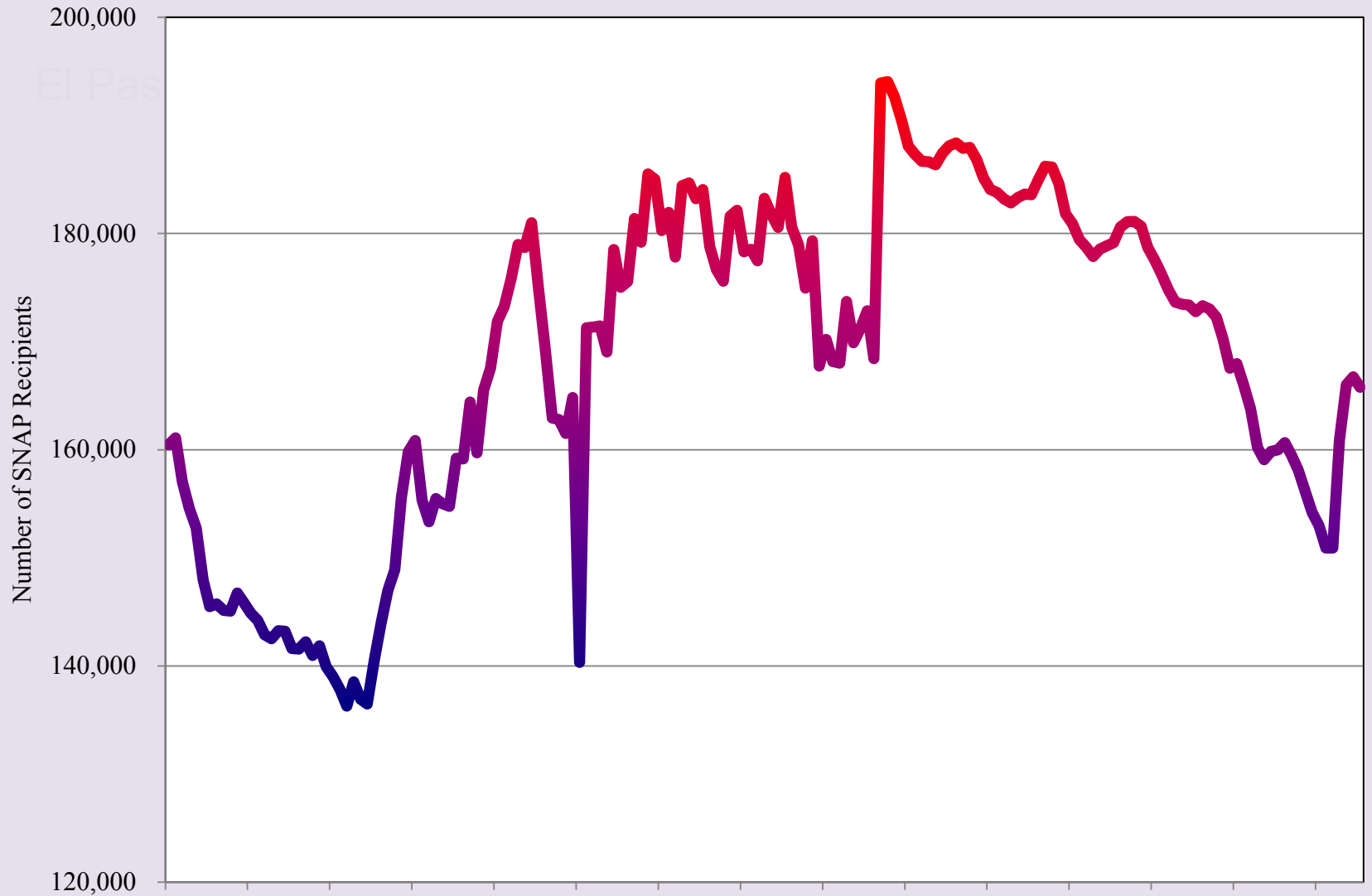
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

El Paso County SNAP (Food Stamp) Enrollment

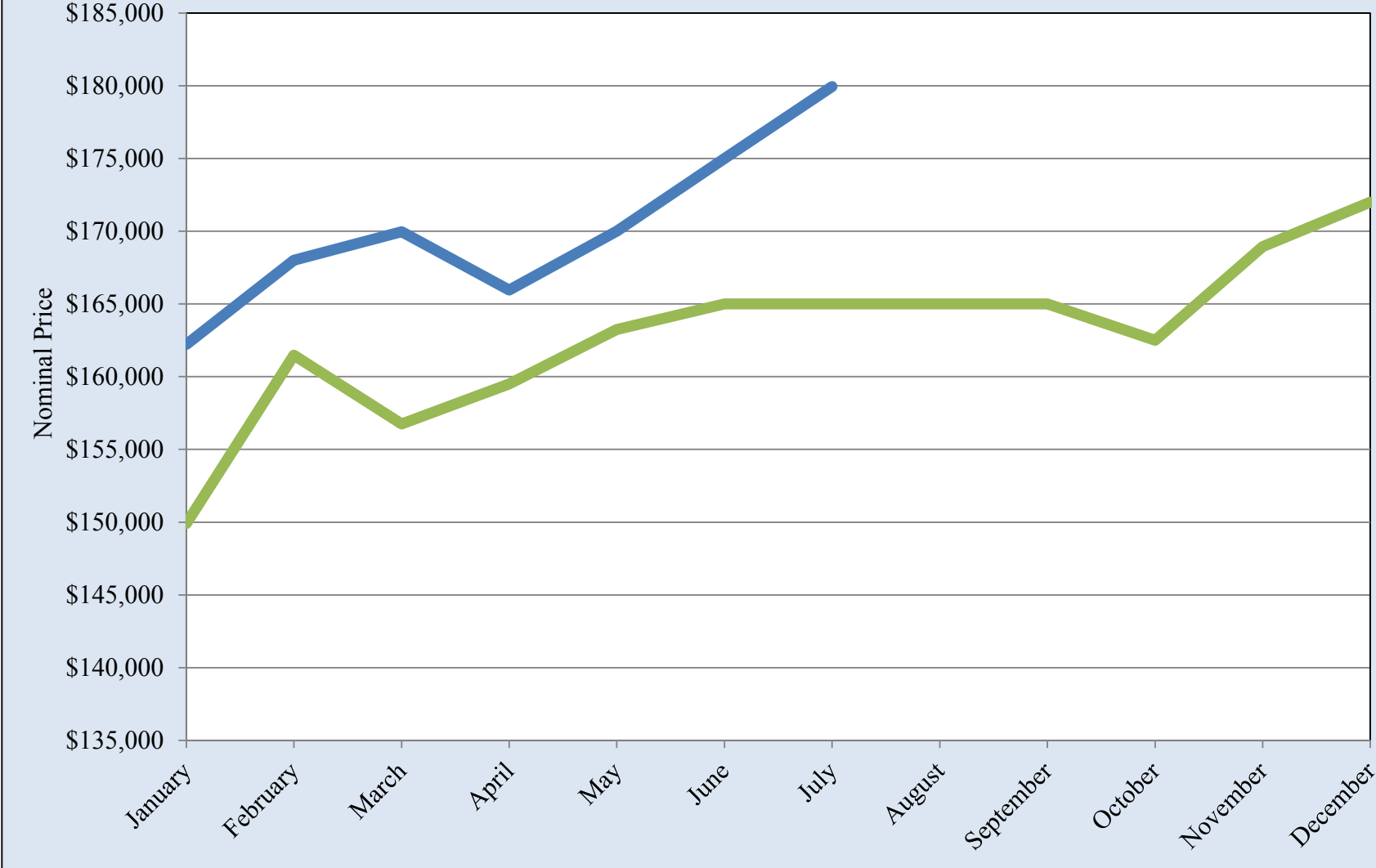


Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission

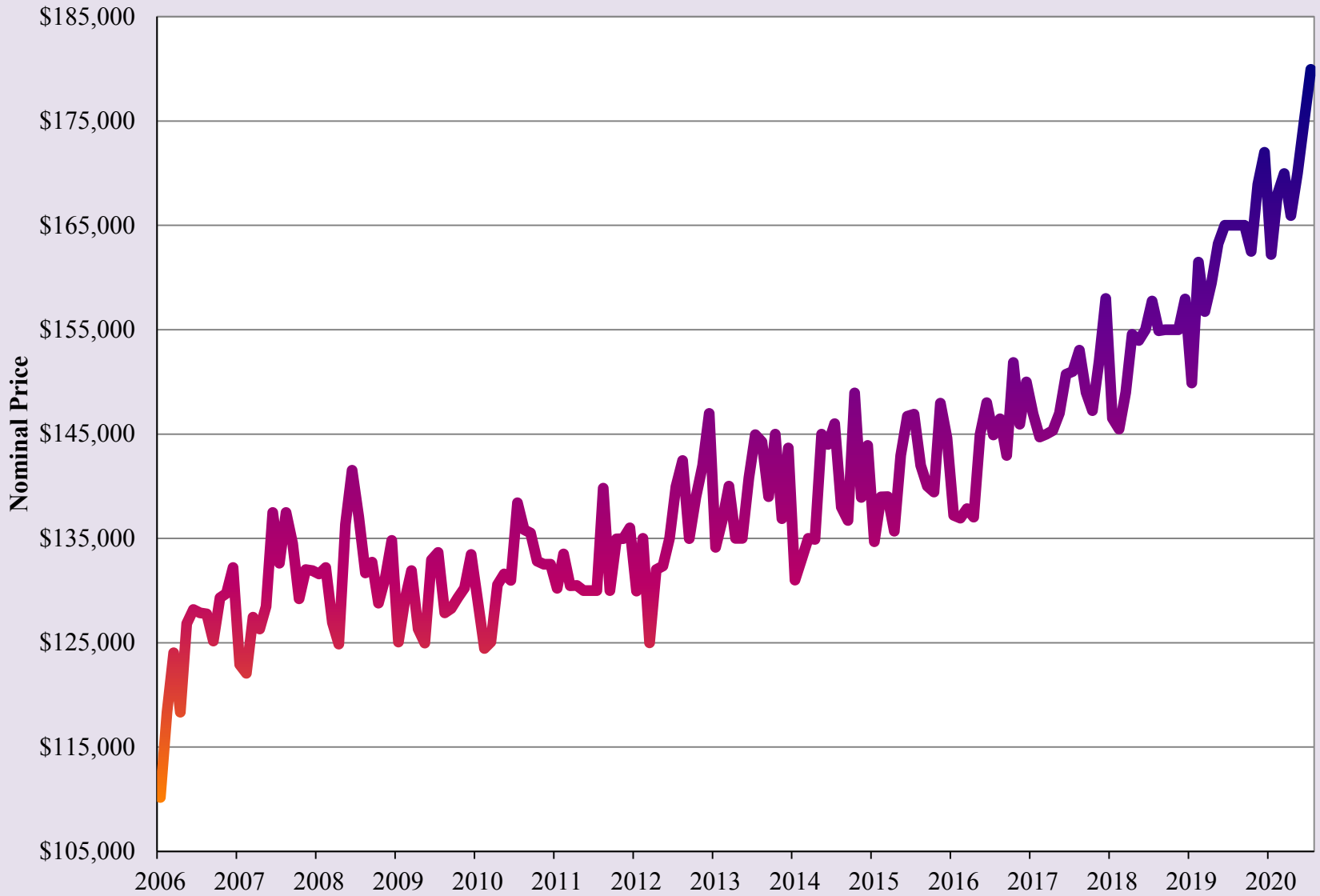
El Paso Median Housing Prices

2019 2020



Source: Texas A&M Real Estate Center

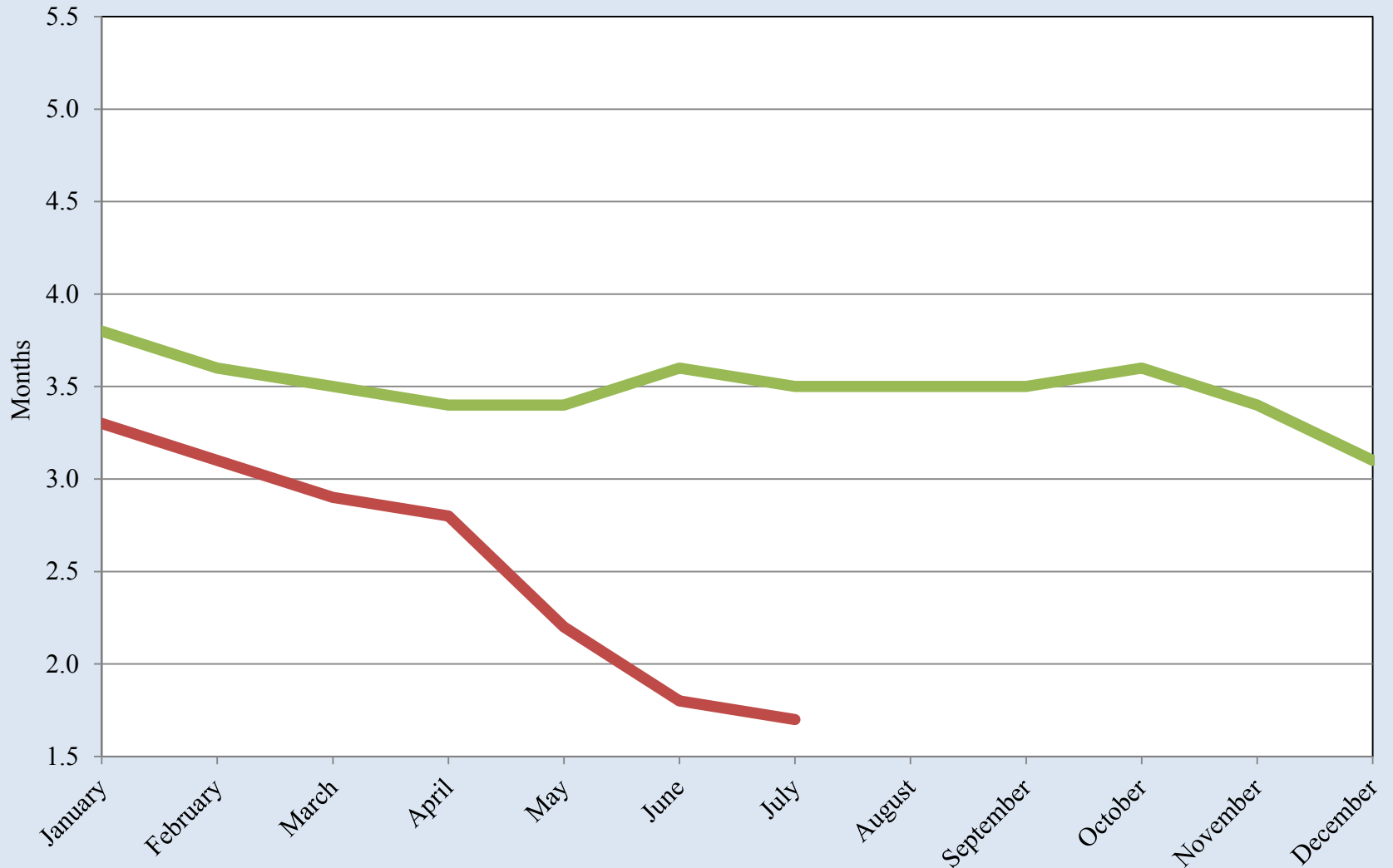
El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

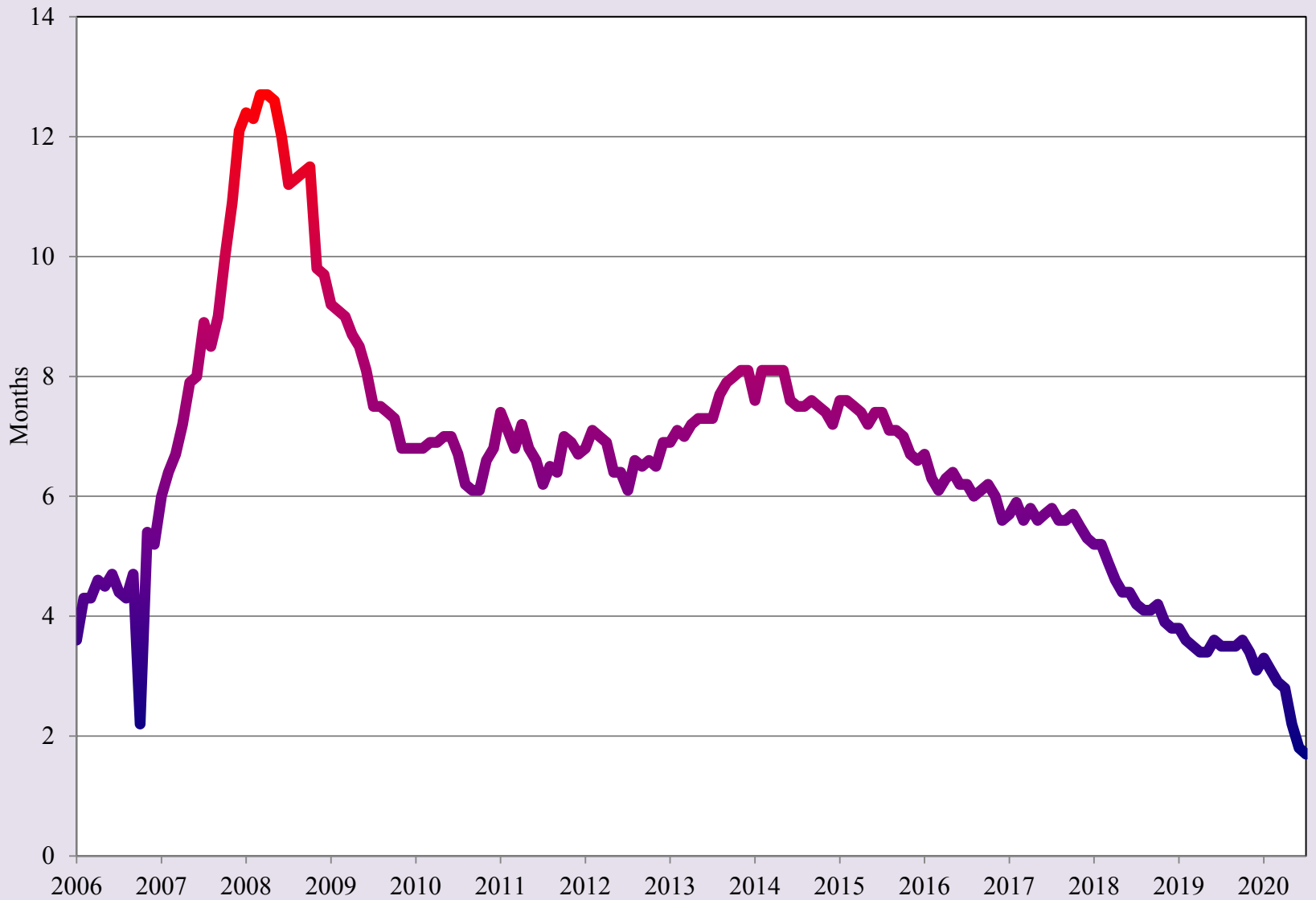
Months of Housing Inventory for El Paso

2019 2020



Source: Texas A&M Real Estate Center

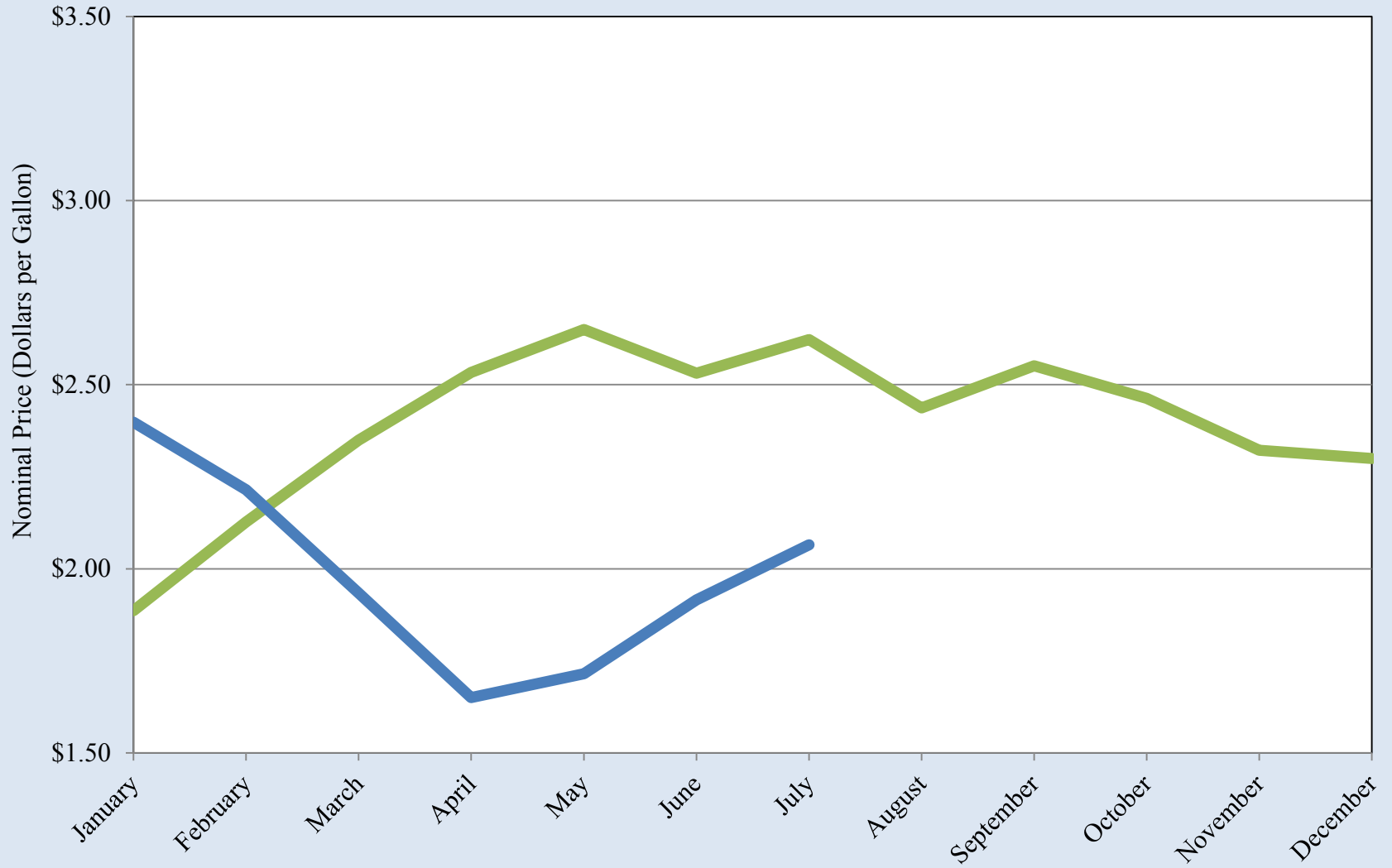
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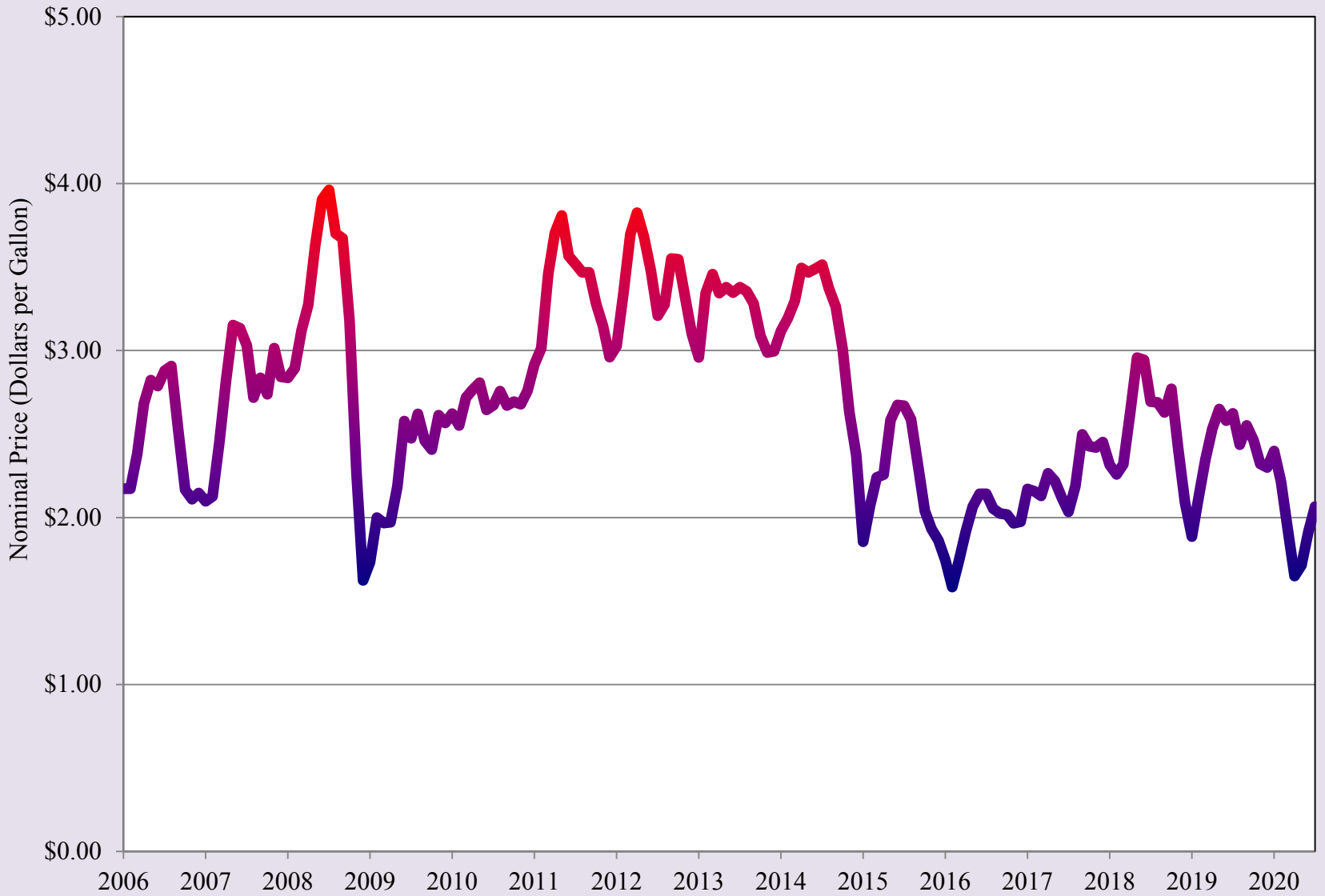
El Paso Gasoline Prices

2019 2020



Source: GasBuddy.com

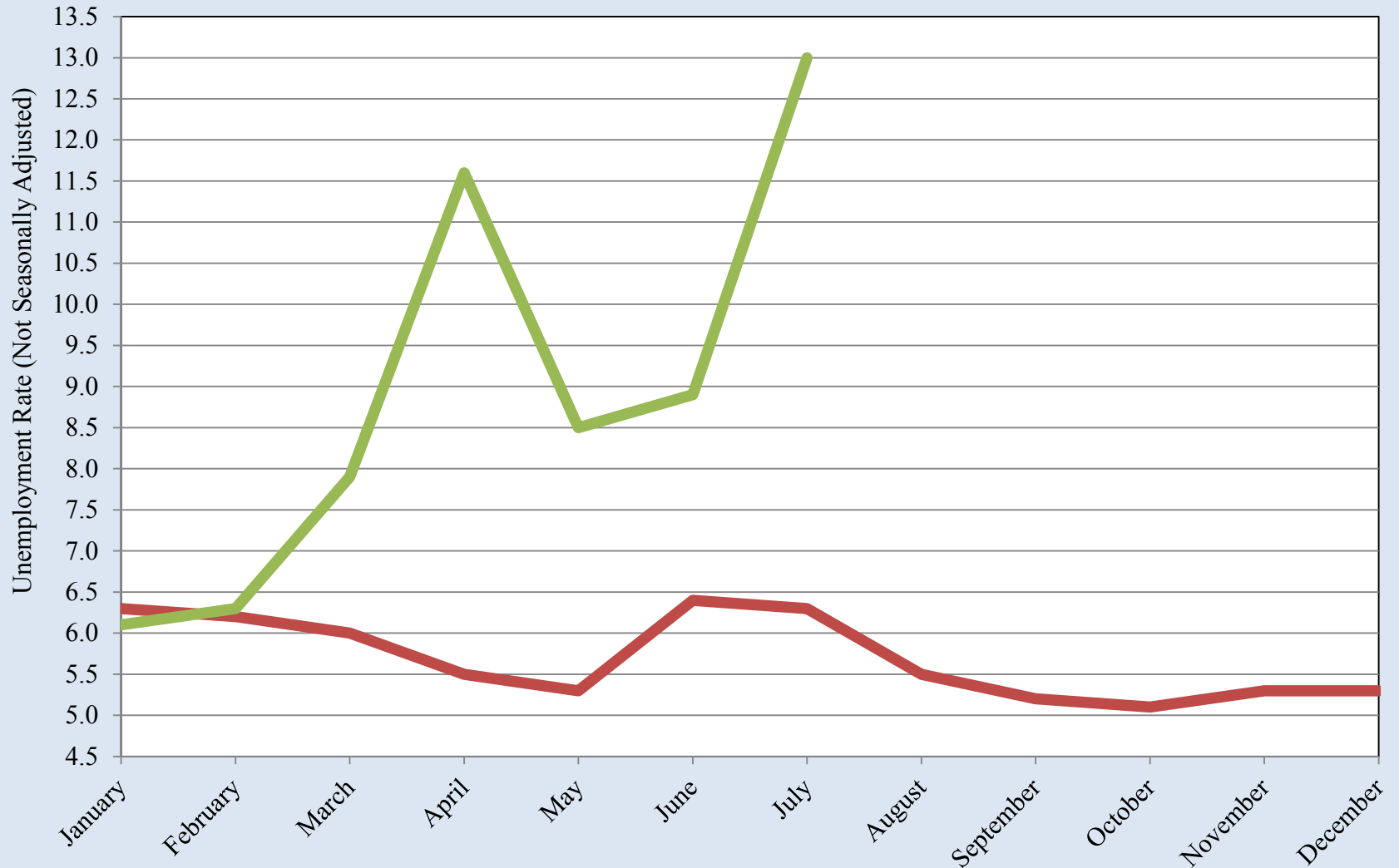
El Paso Gasoline Prices



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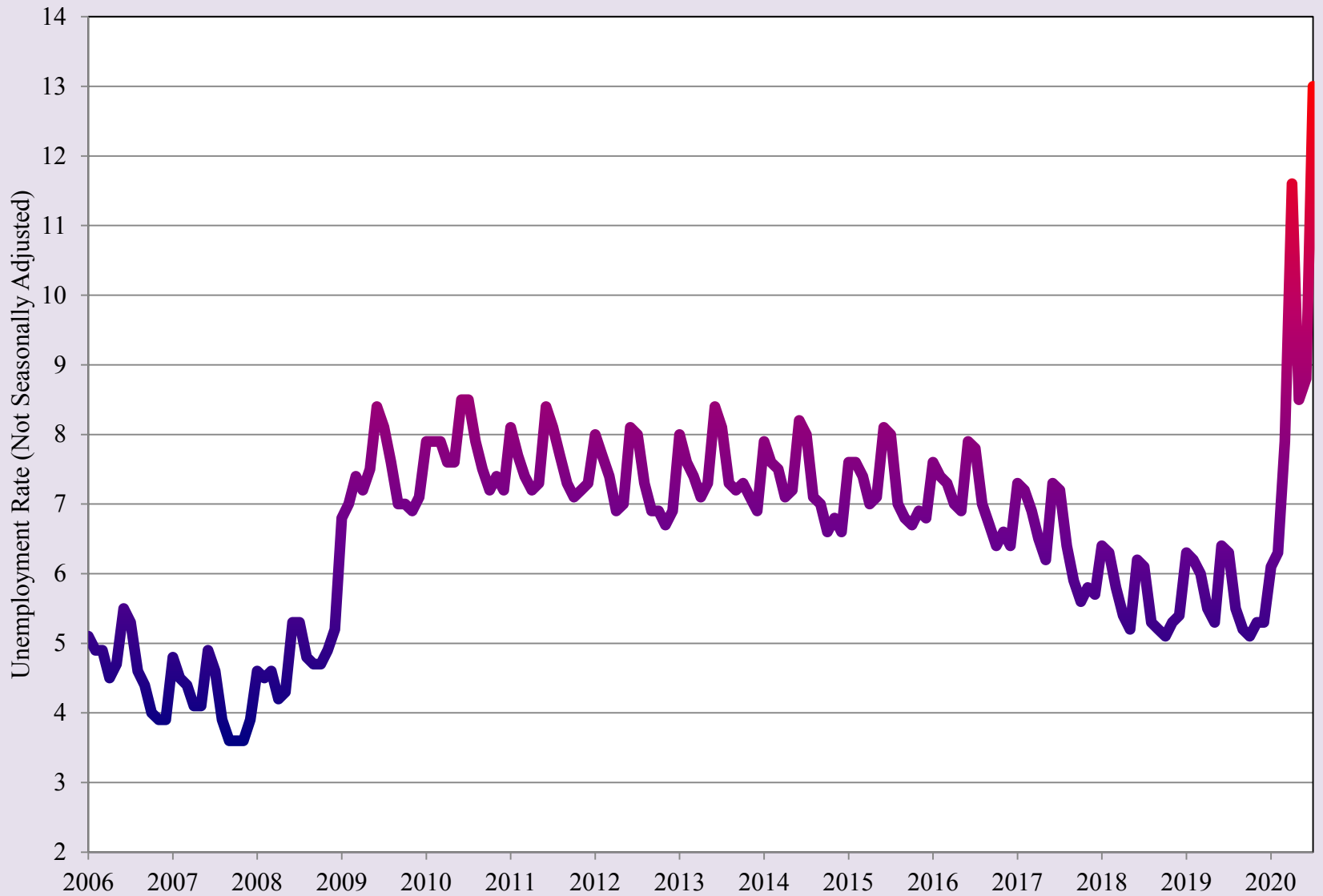
Doña Ana County Unemployment Rate

2019 2020



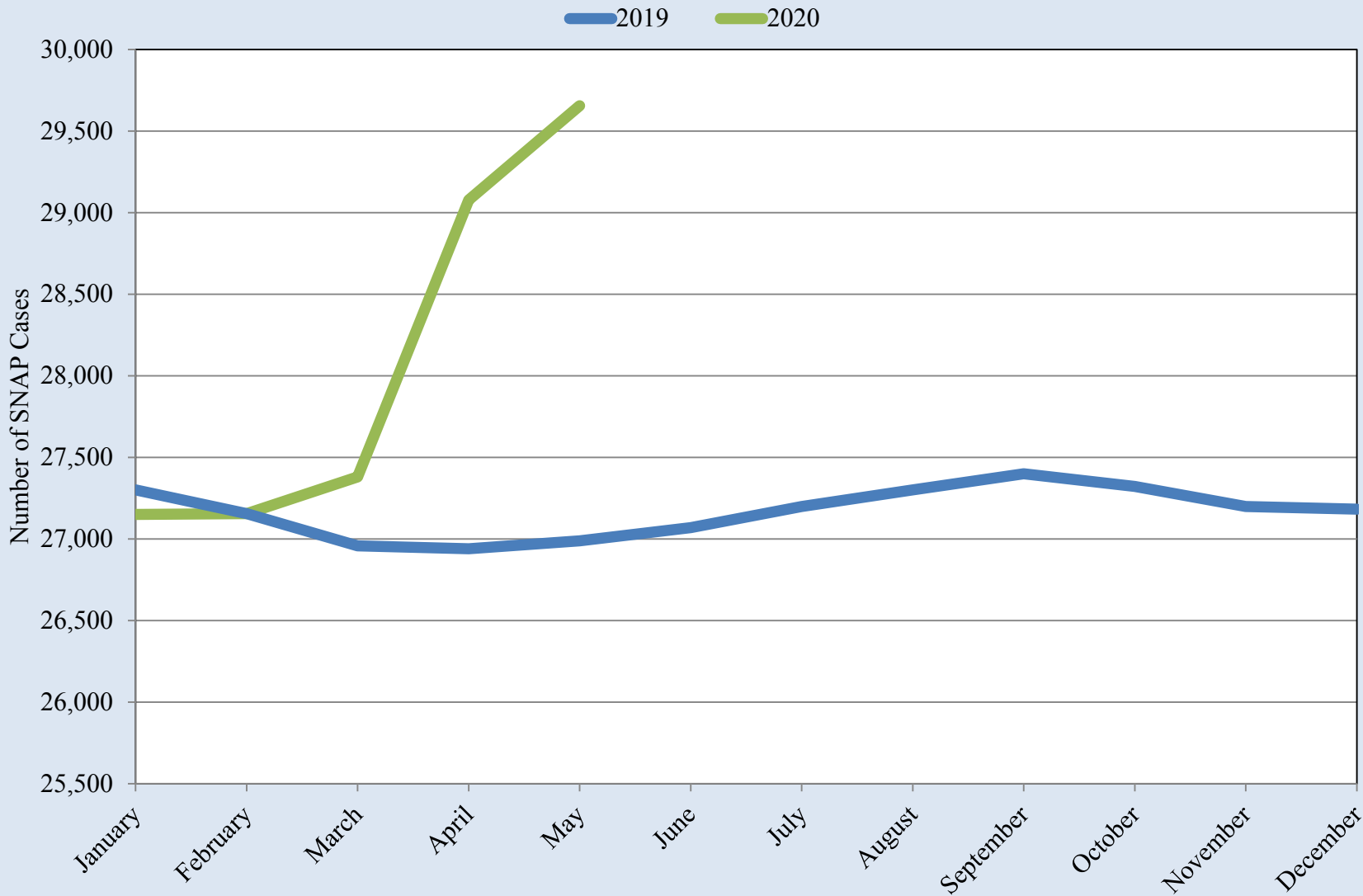
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



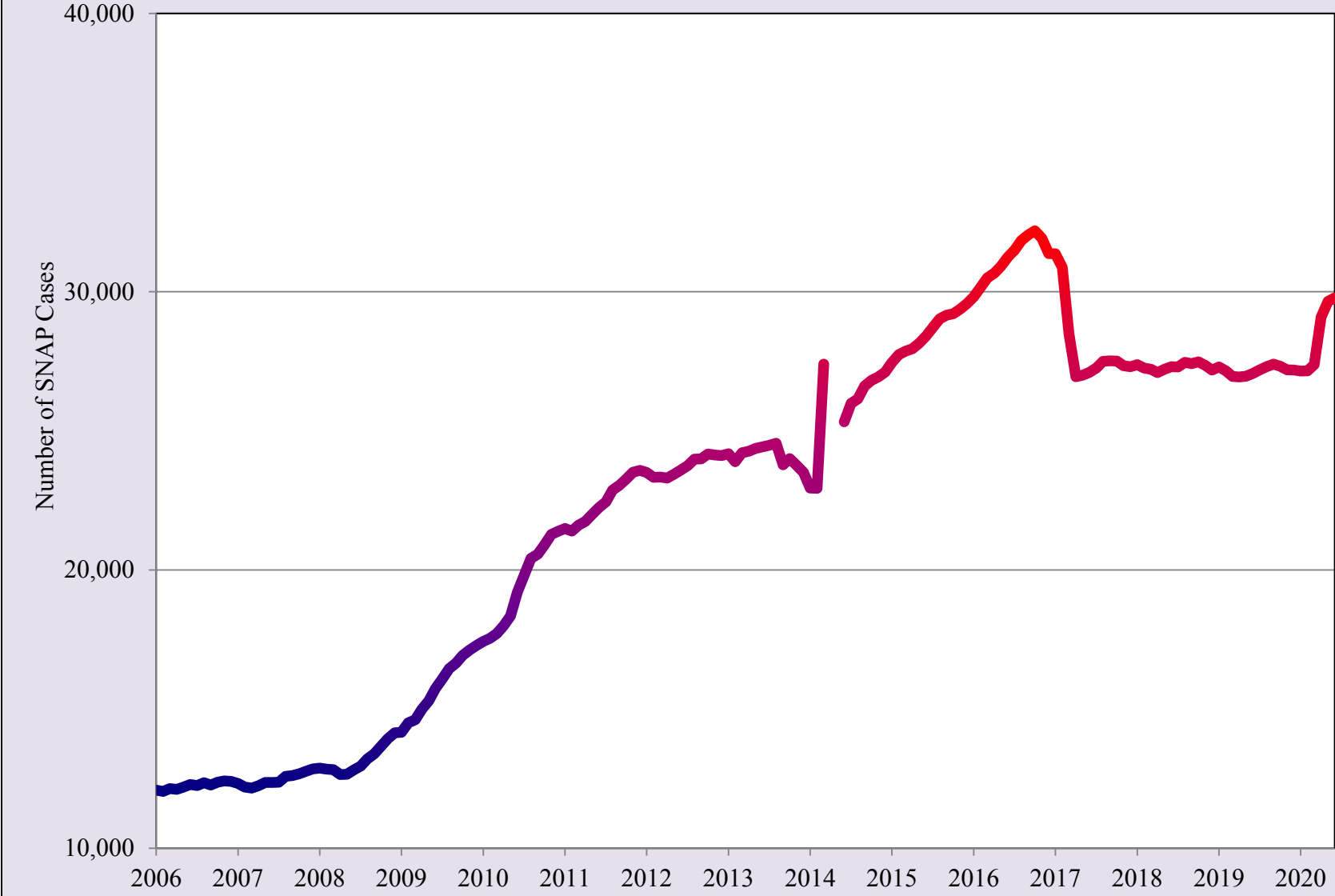
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



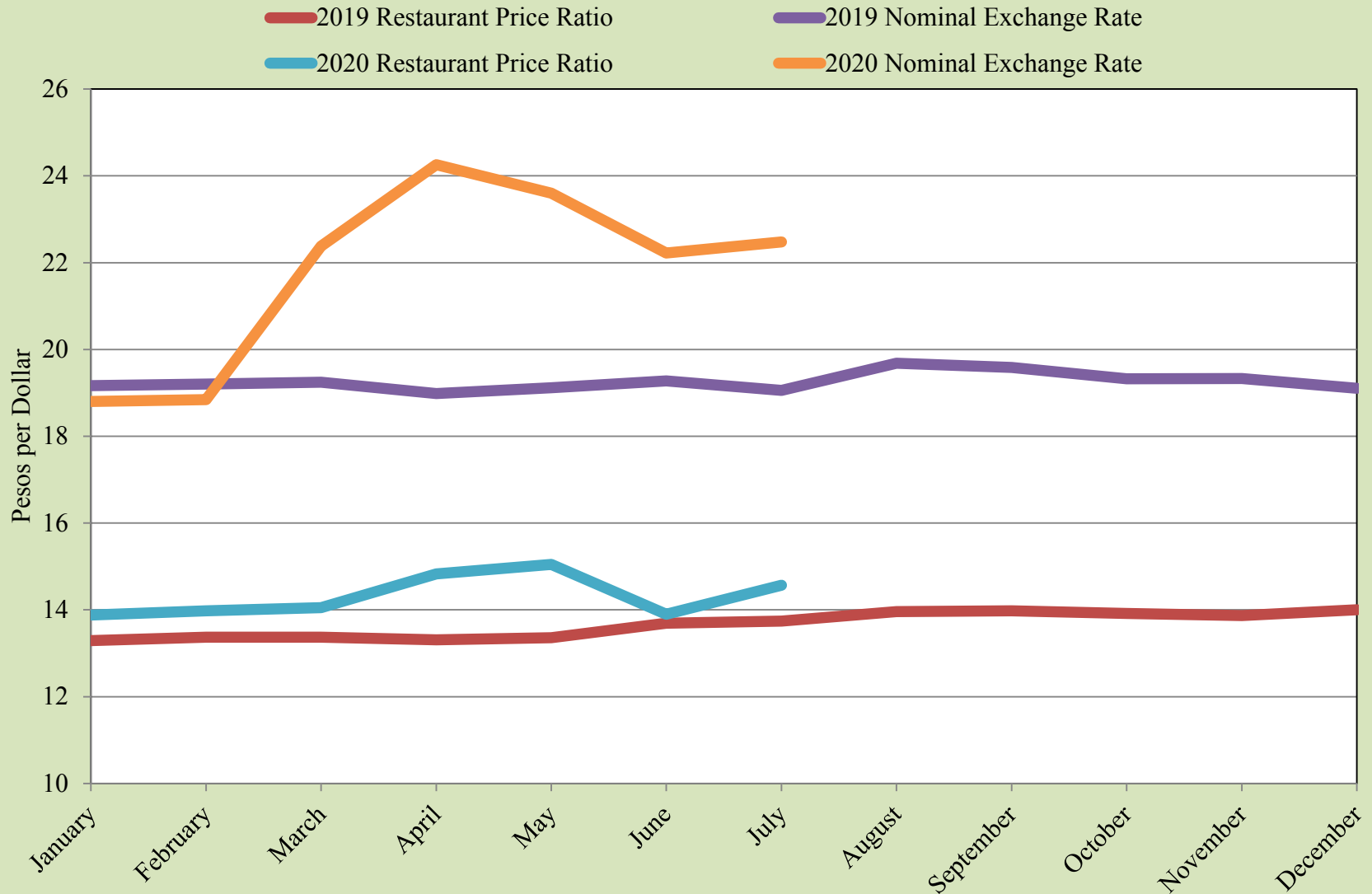
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

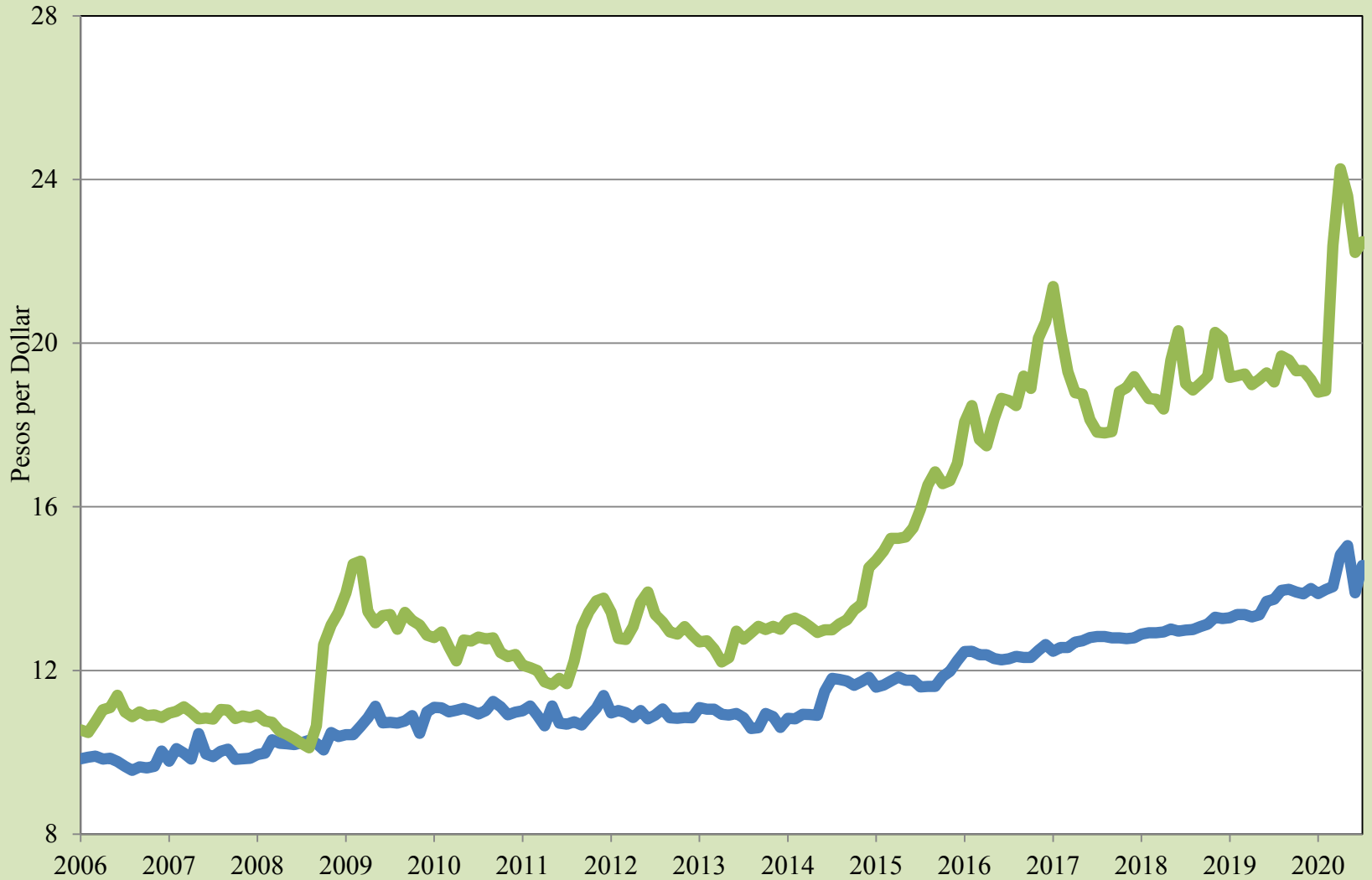
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

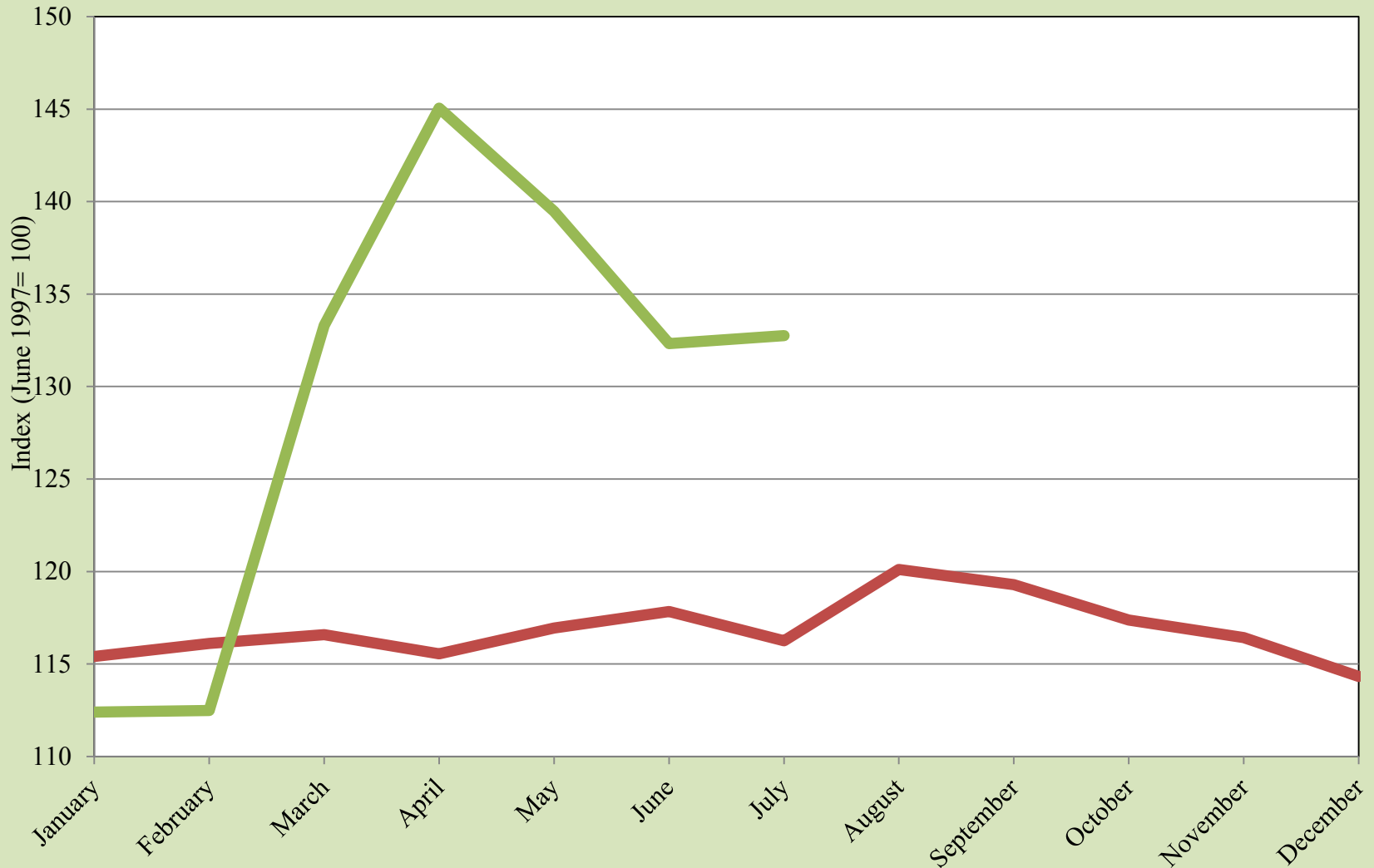
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2019 — 2020



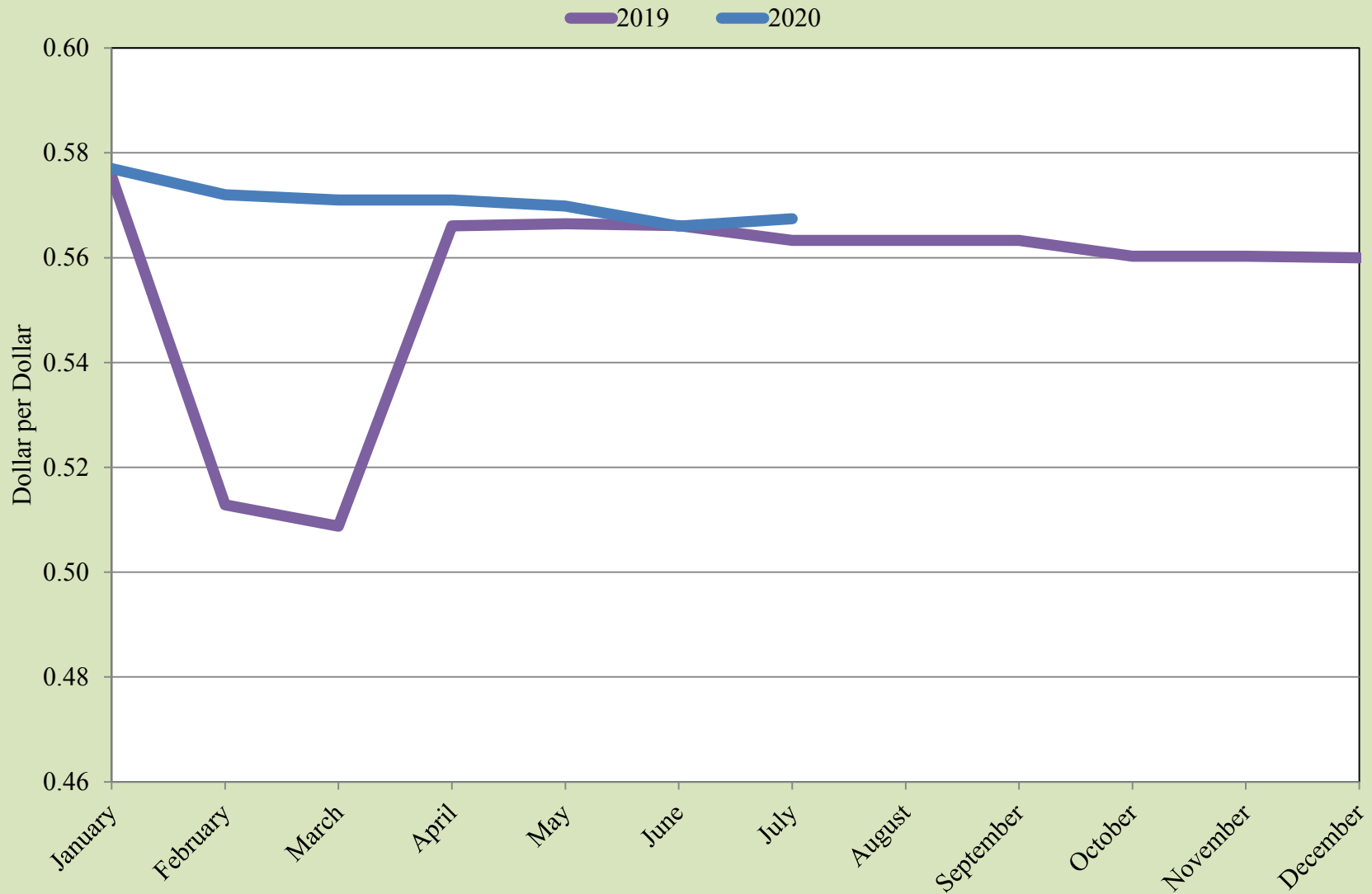
Source: UTEP Border Region Modeling Project

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

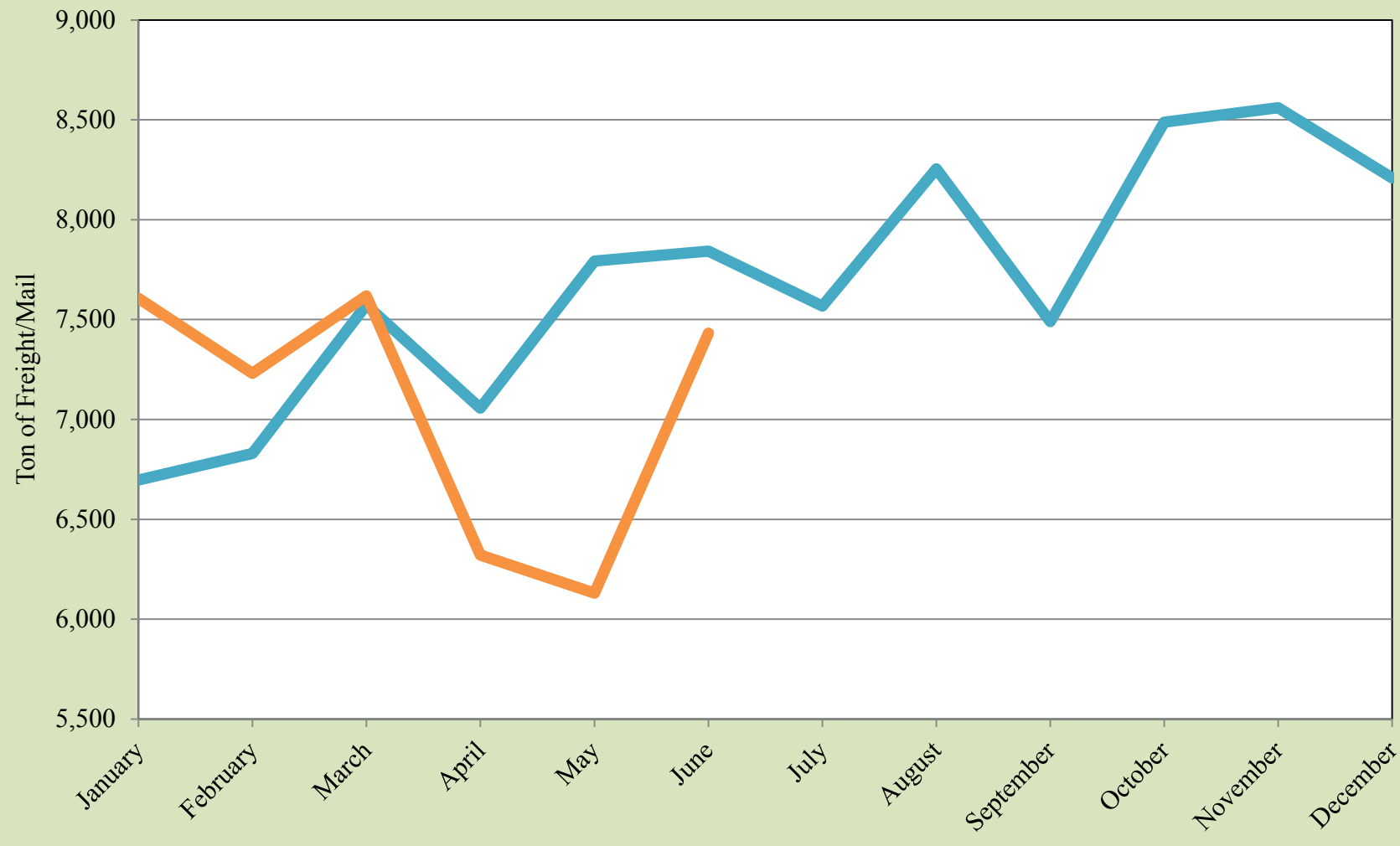
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Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com

EPIA Freight and Mail

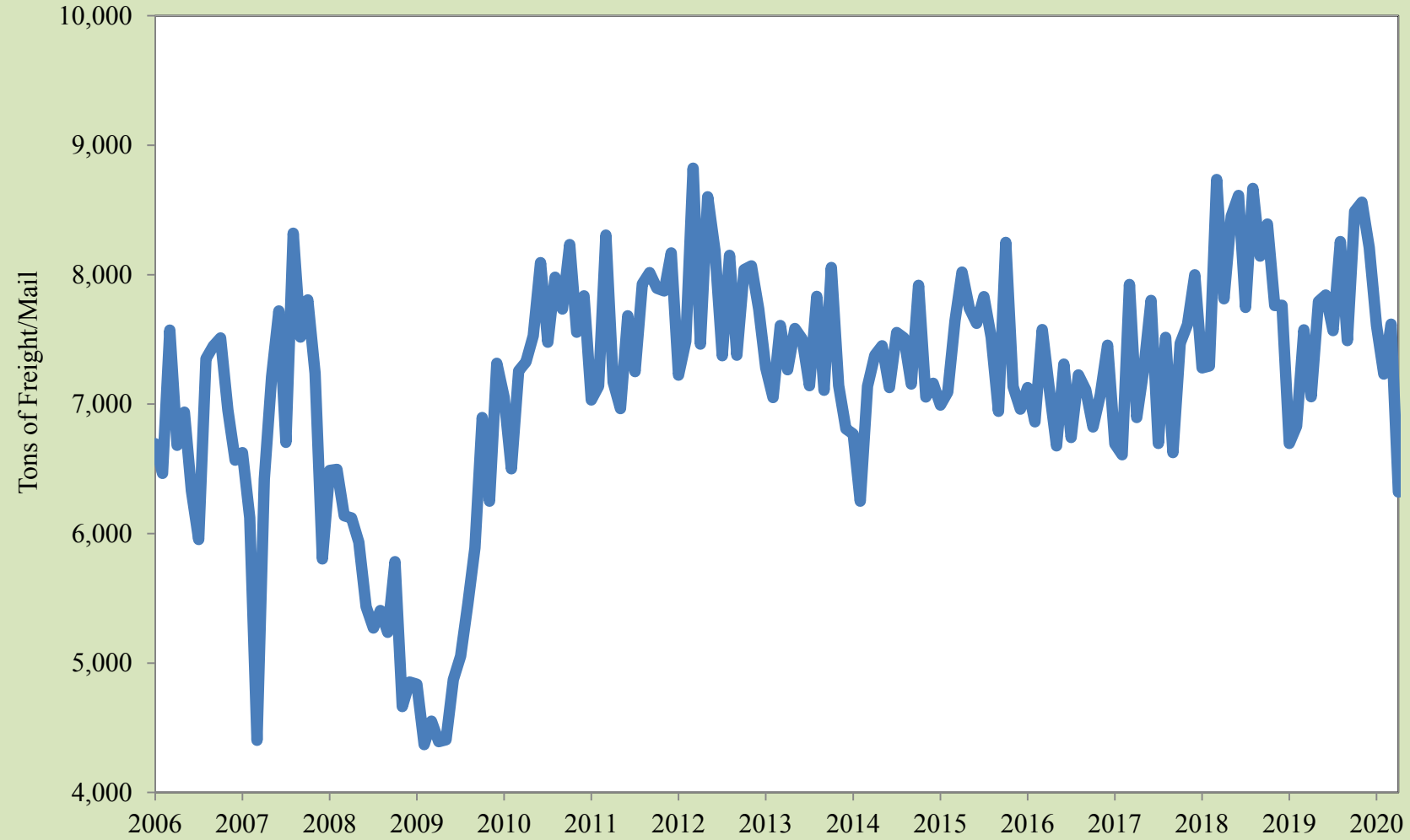
Total 2019 Total 2020



Source: EPIA Operations

EPIA Freight and Mail

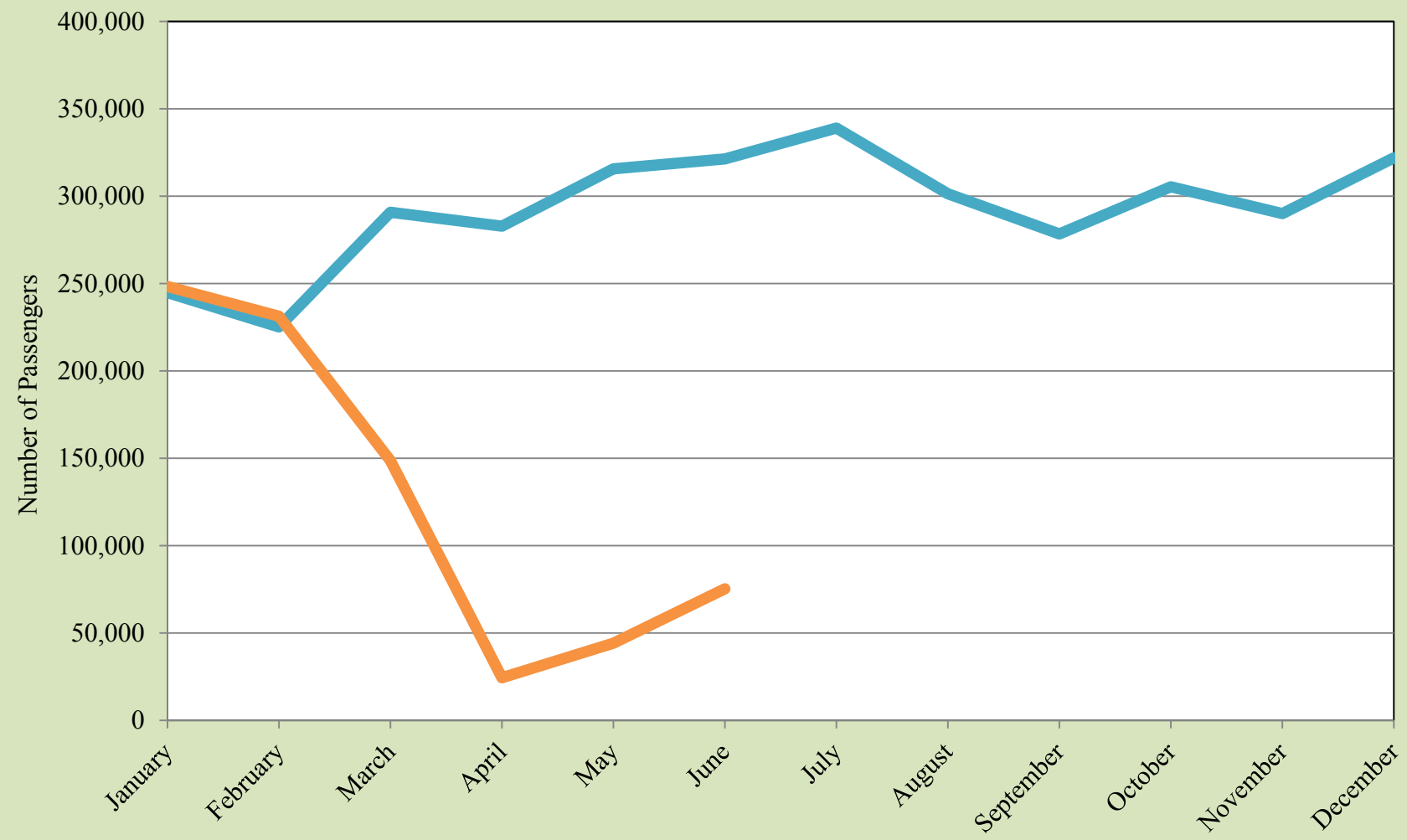
Inbound + Outbound



Source: EPIA Operations

EPIA Passengers

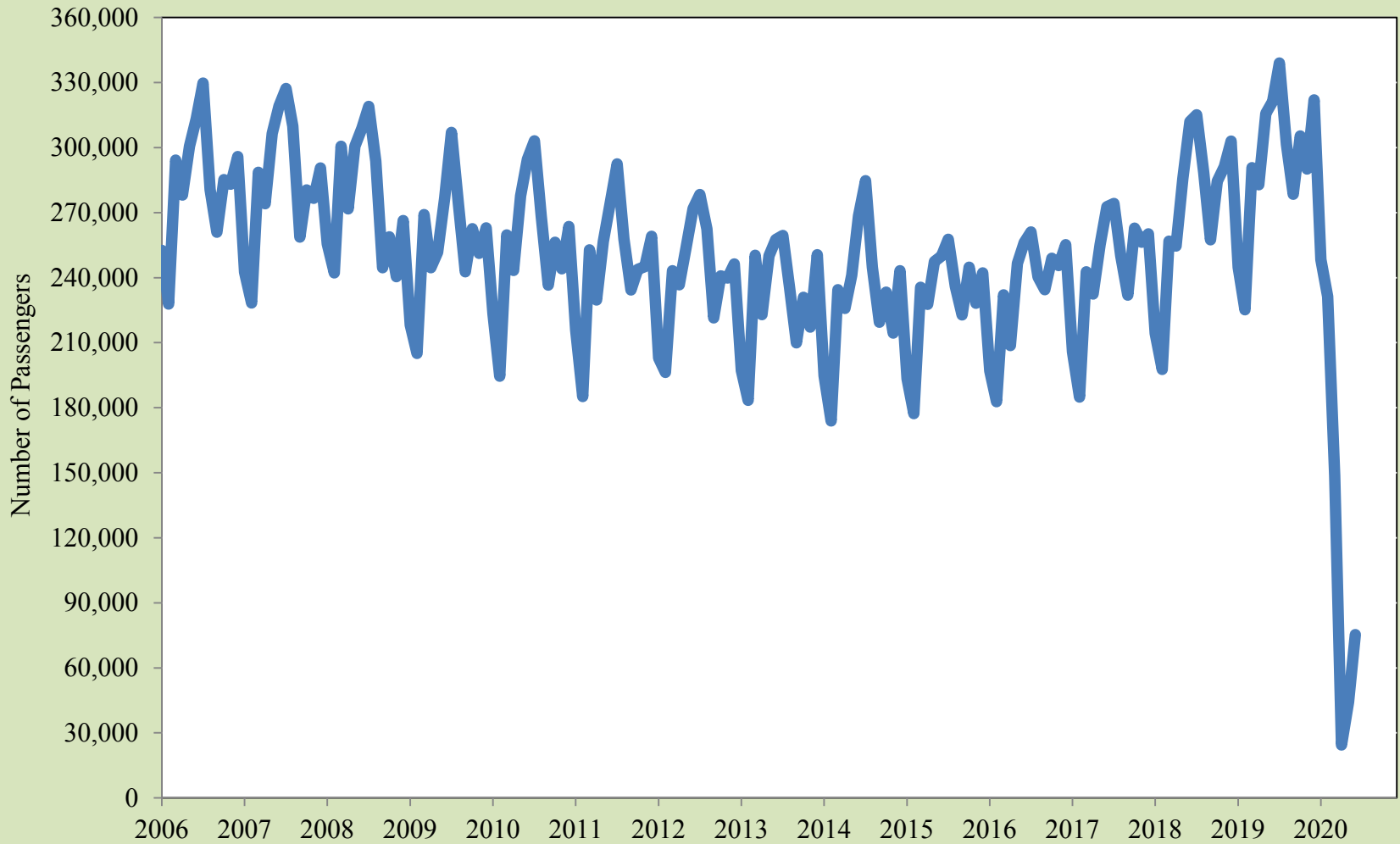
EPIA 2019 EPIA 2020



Source: EPIA Operations

EPIA Passengers

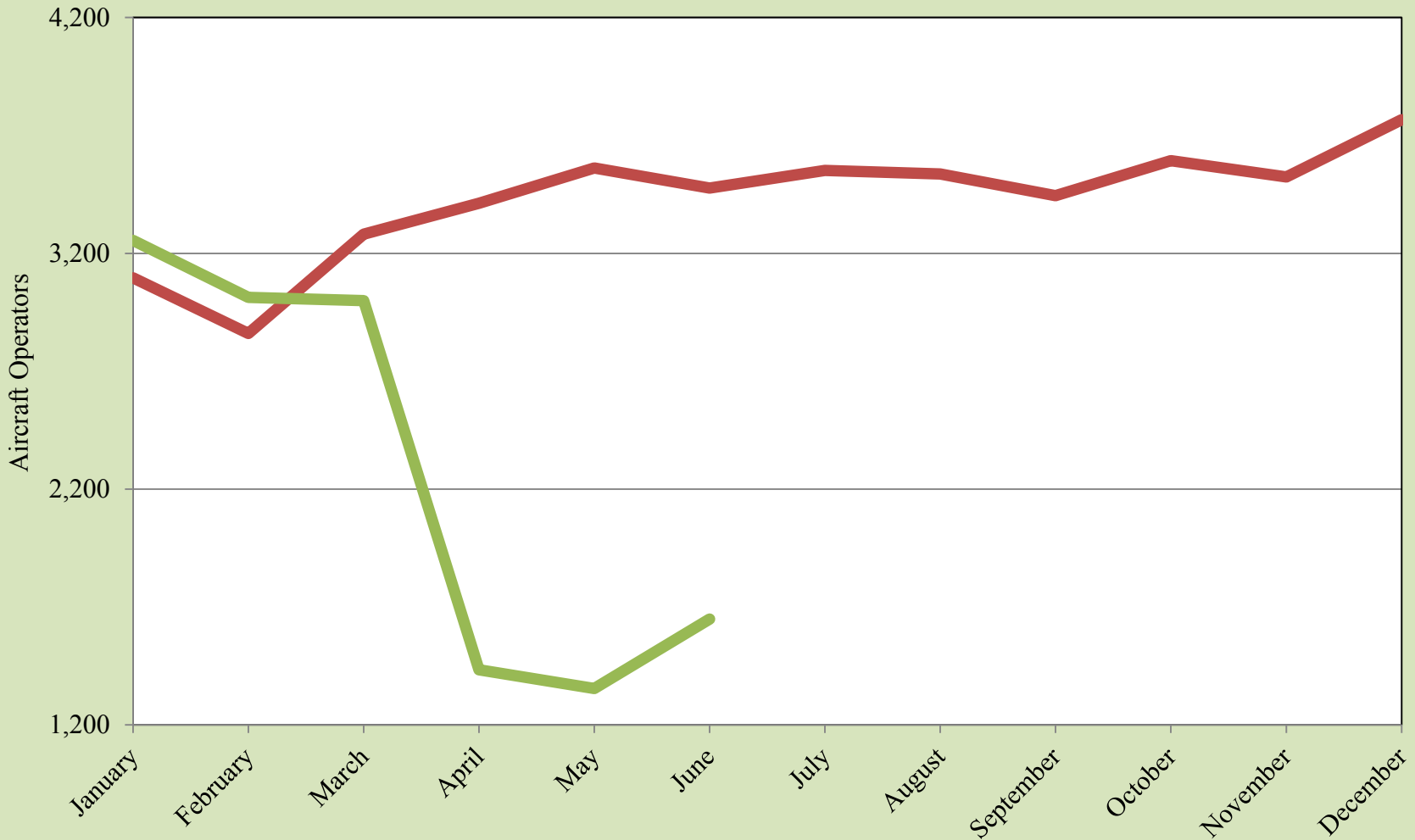
Enplaned + Deplaned



Source: EPIA Operations

EPIA Air Carrier Operations

Air Carrier Operations 2019 Air Carrier Operations 2020



Source: EPIA Operations

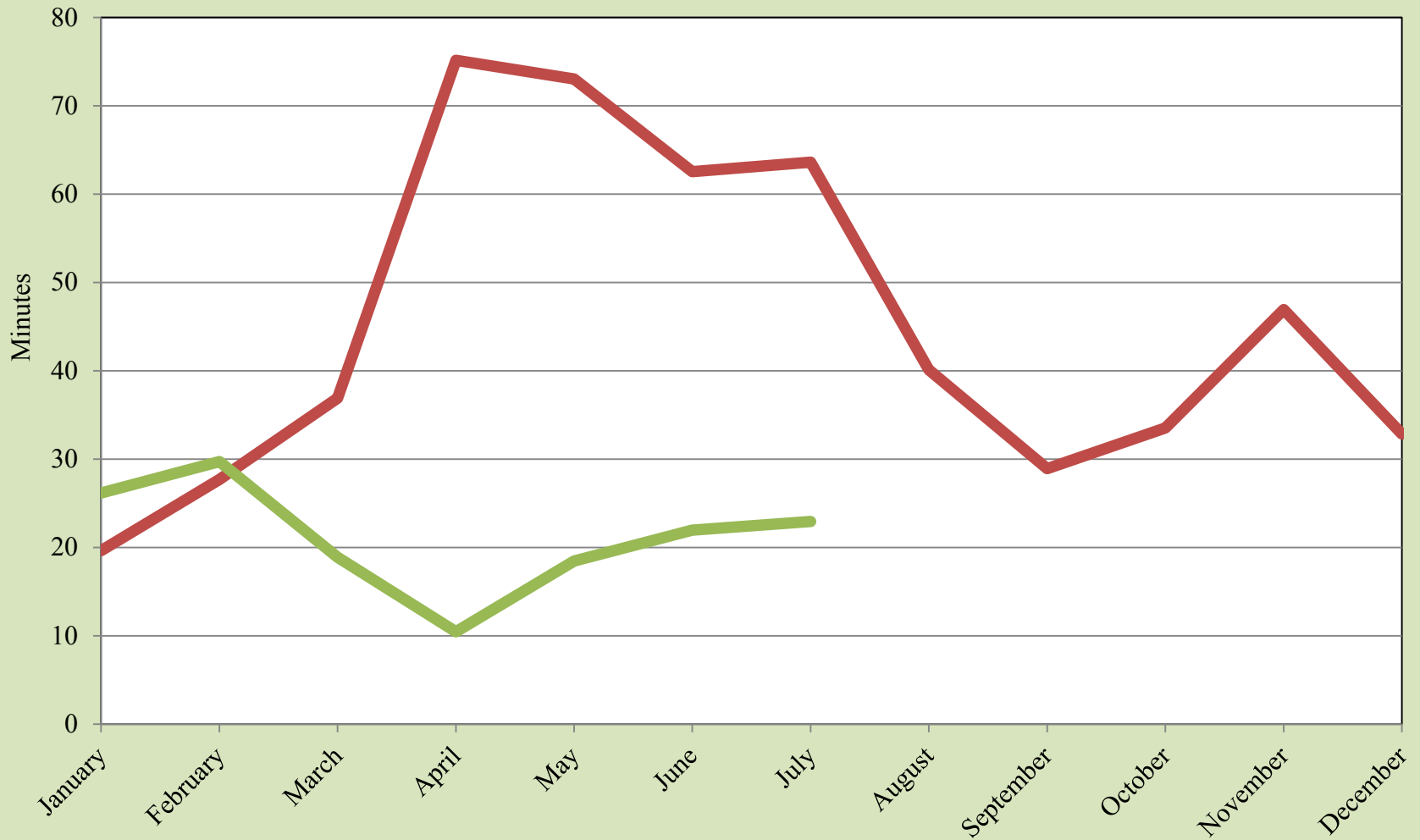
EPIA Air Carrier Operations



Source: EPIA Operations

Paso del Norte Monthly Wait Times

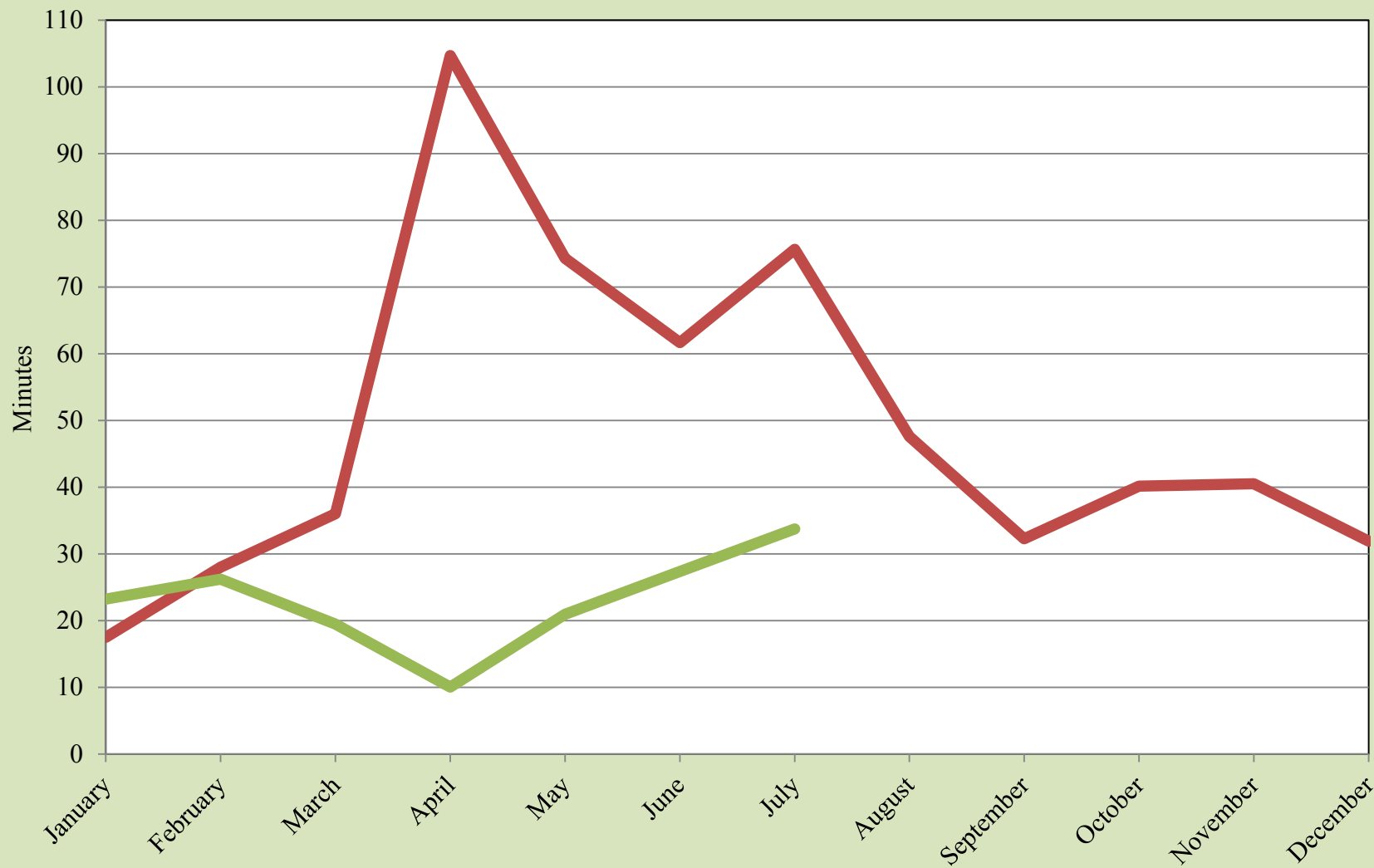
2019 2020



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

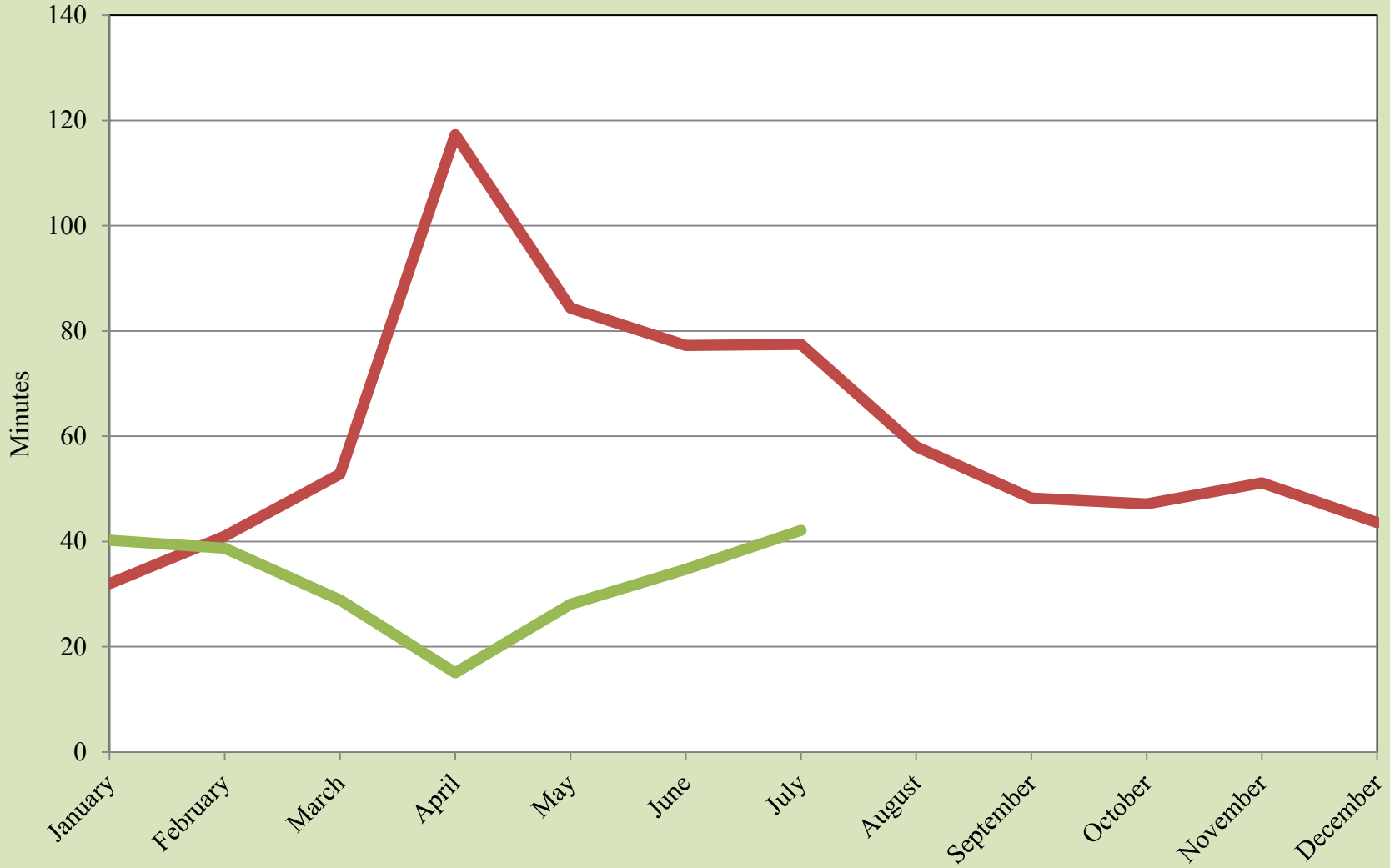
2019 2020



Source: UTEP Border Region Modeling Project

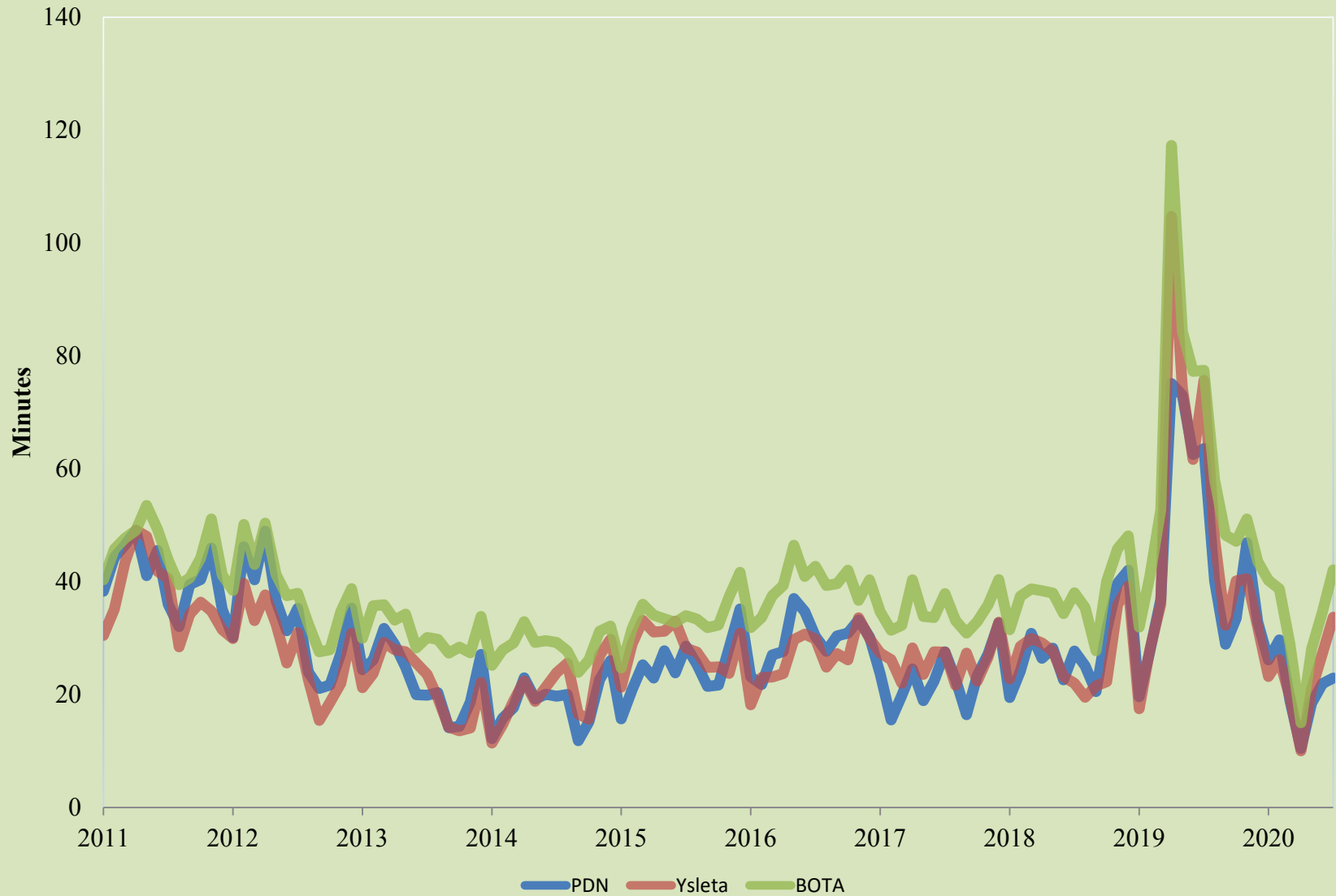
Bridge of the Americas Monthly Wait Times

2019 2020



Source: UTEP Border Region Modeling Project

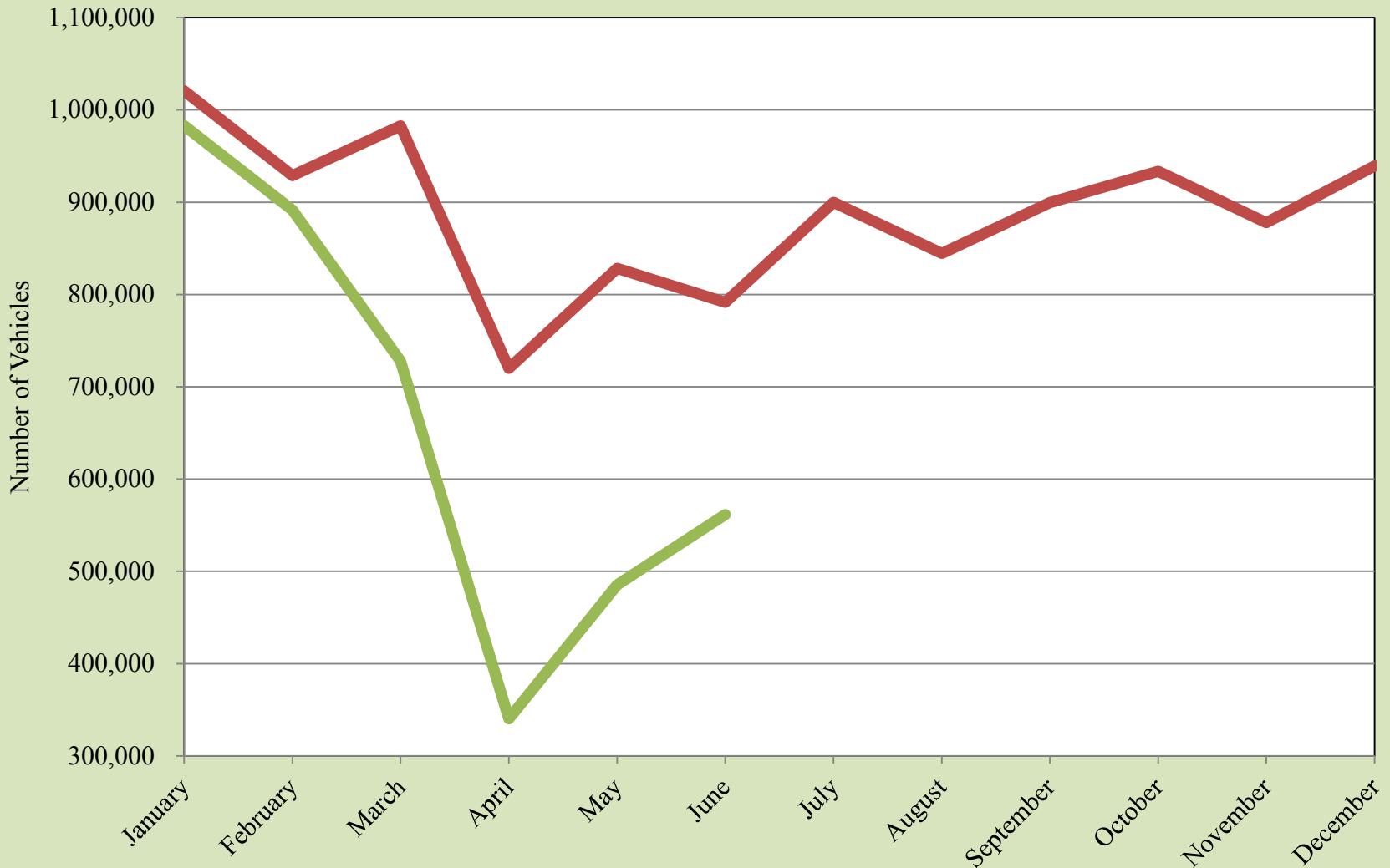
Monthly Border Wait Times



Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso

2019 2020



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

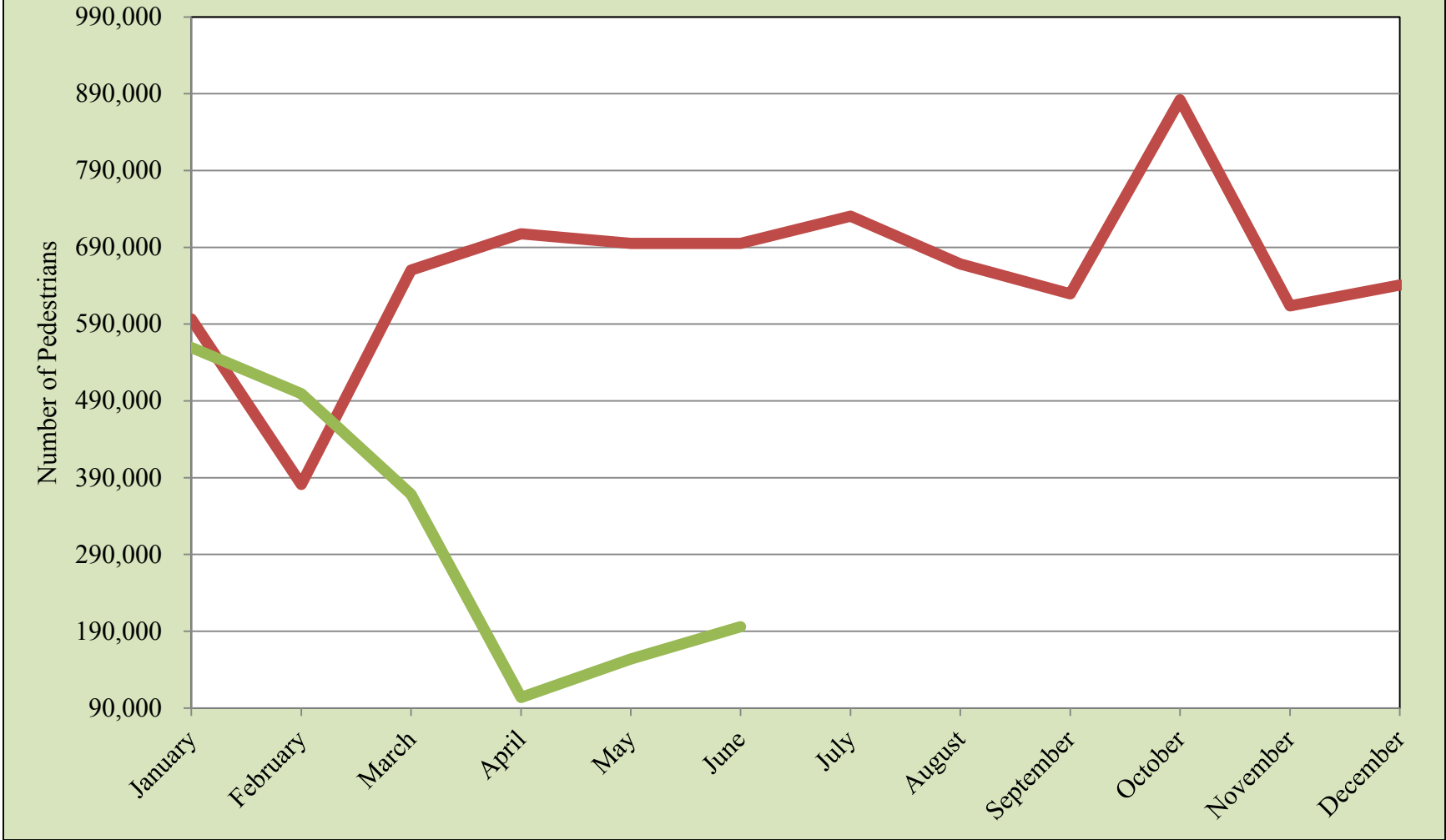
Personal Vehicle International Bridge Crossings to El Paso



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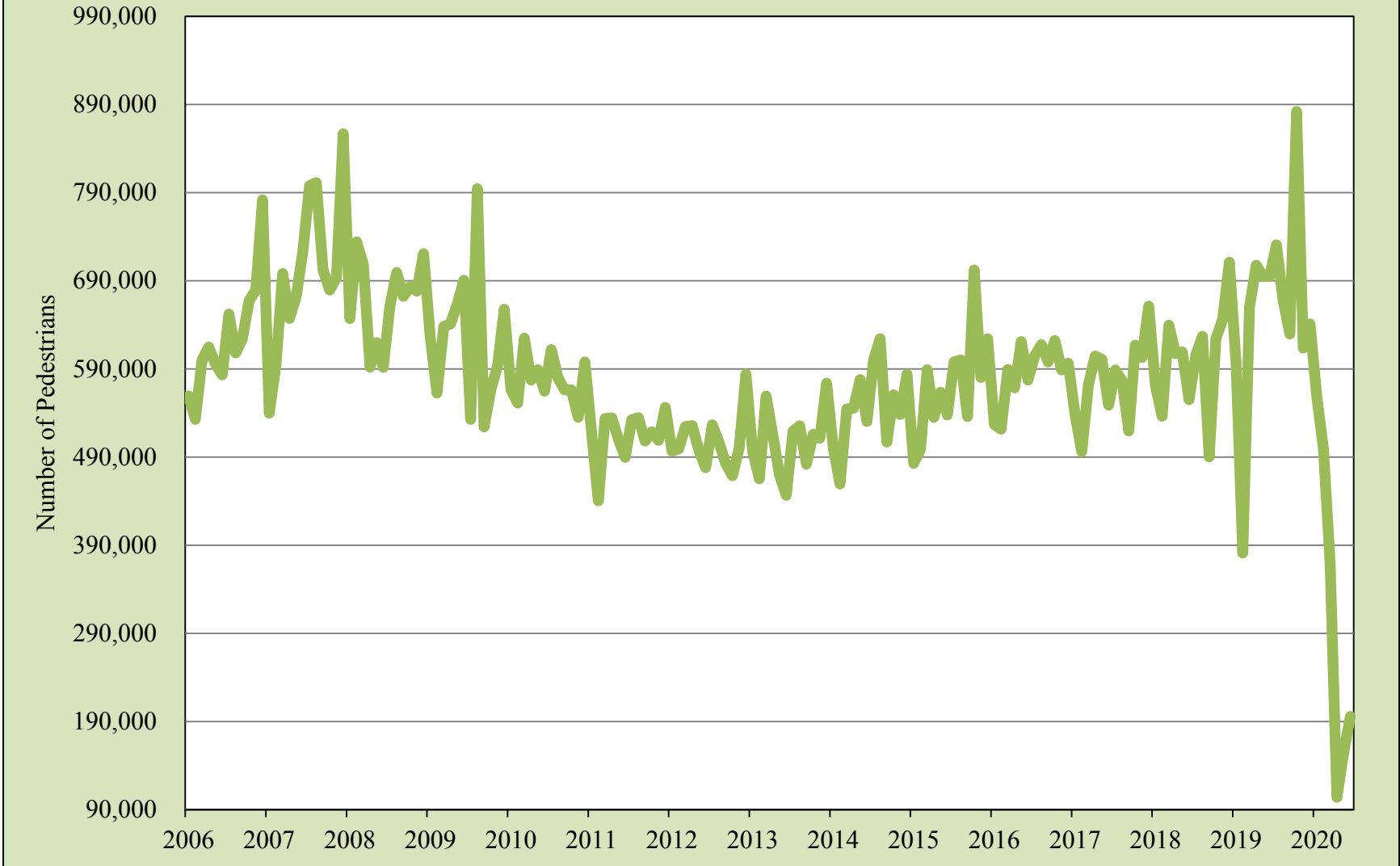
Pedestrian International Bridge Crossings to El Paso

2019 2020



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

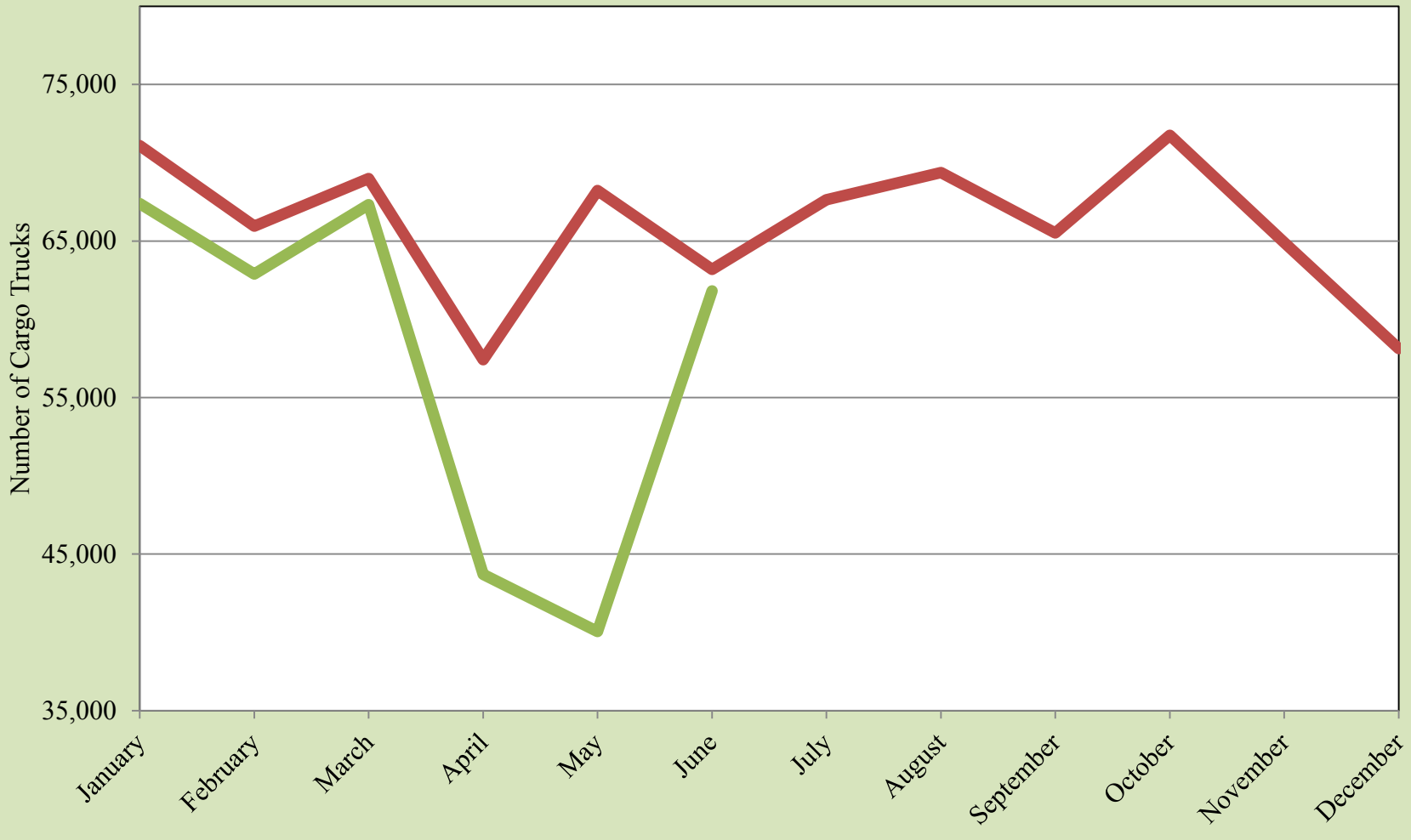
Pedestrian International Bridge Crossings to El Paso



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

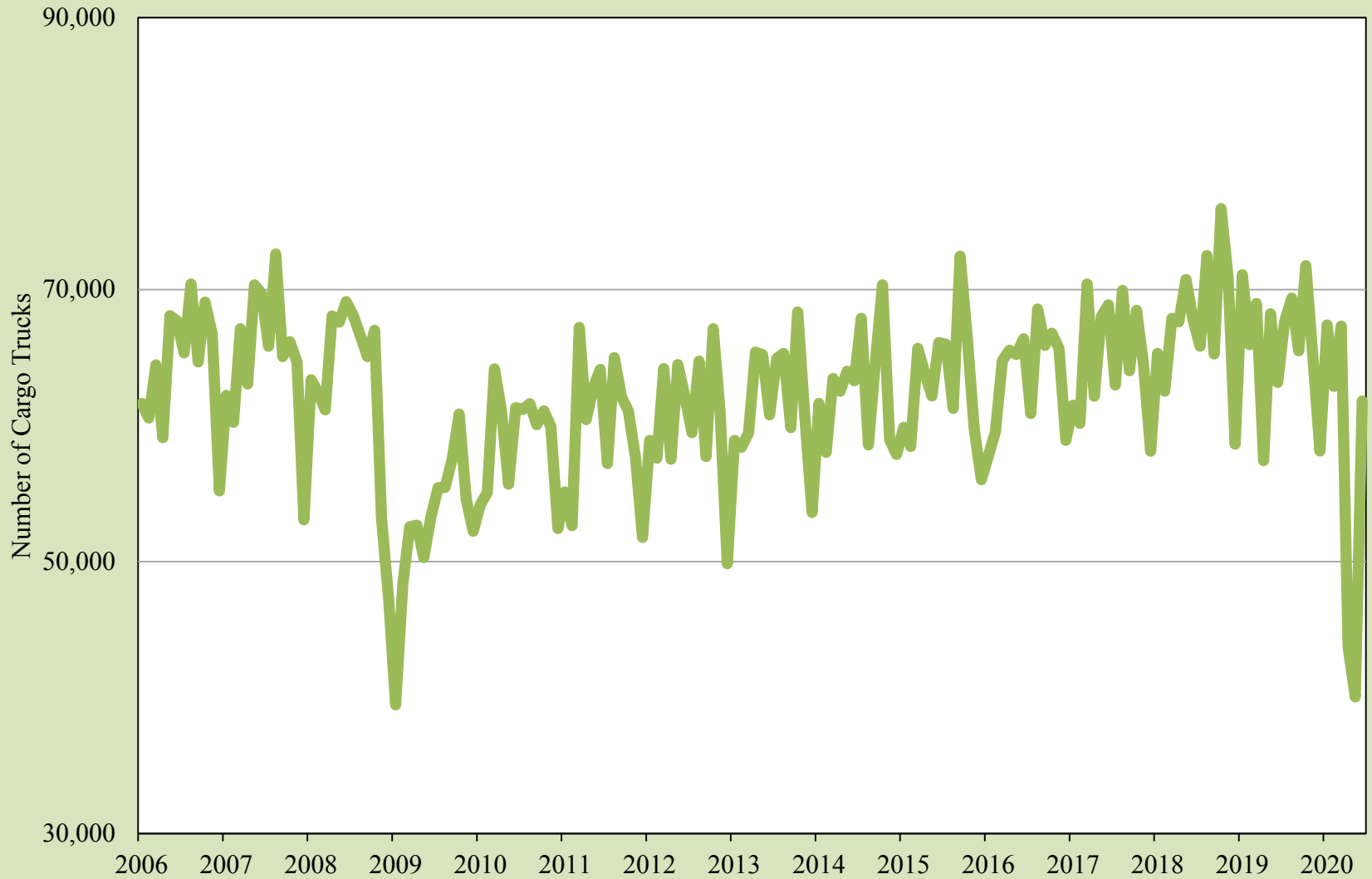
Cargo Truck International Bridge Crossings to El Paso

2019 2020



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

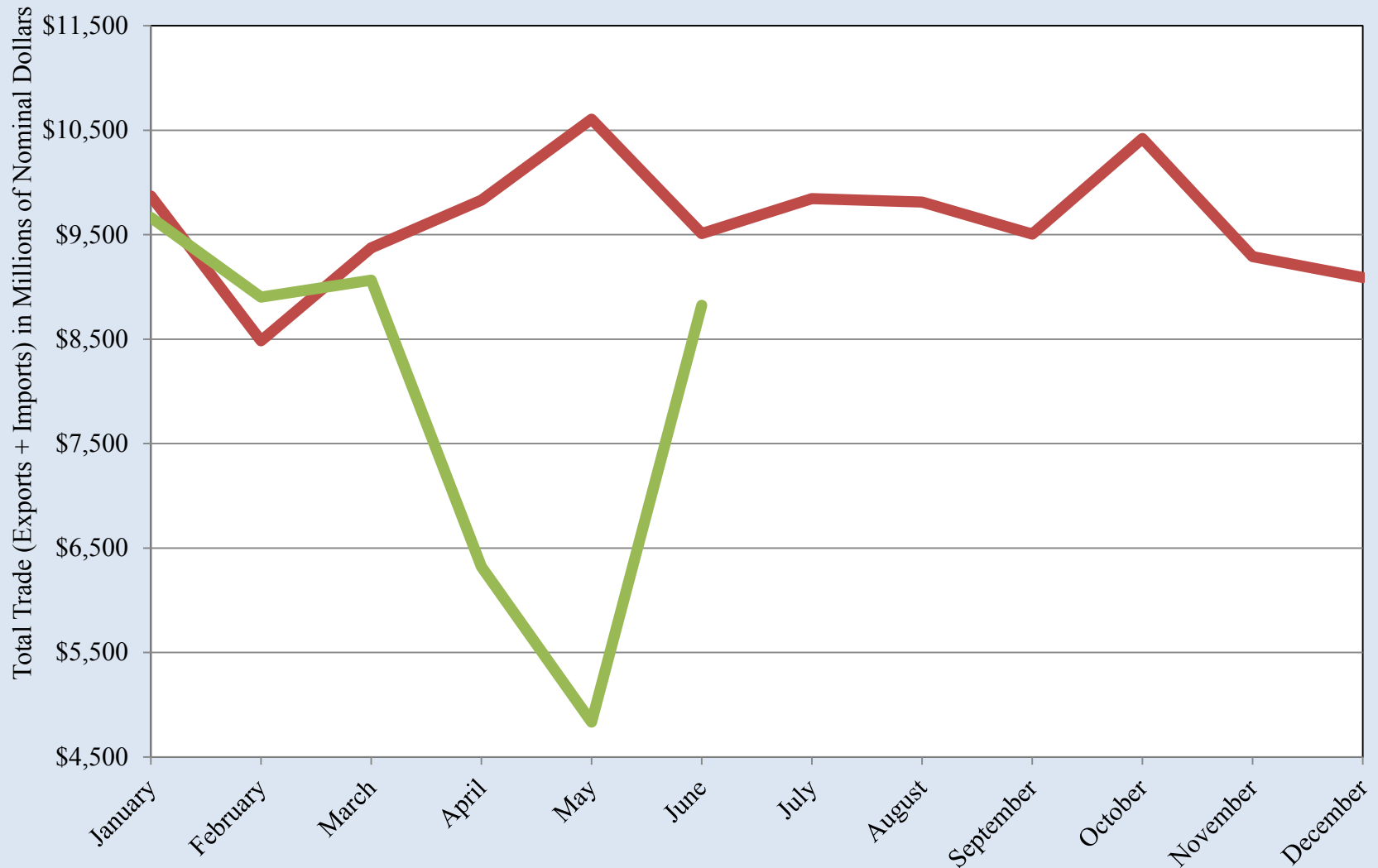
Cargo Truck International Bridge Crossings to El Paso



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

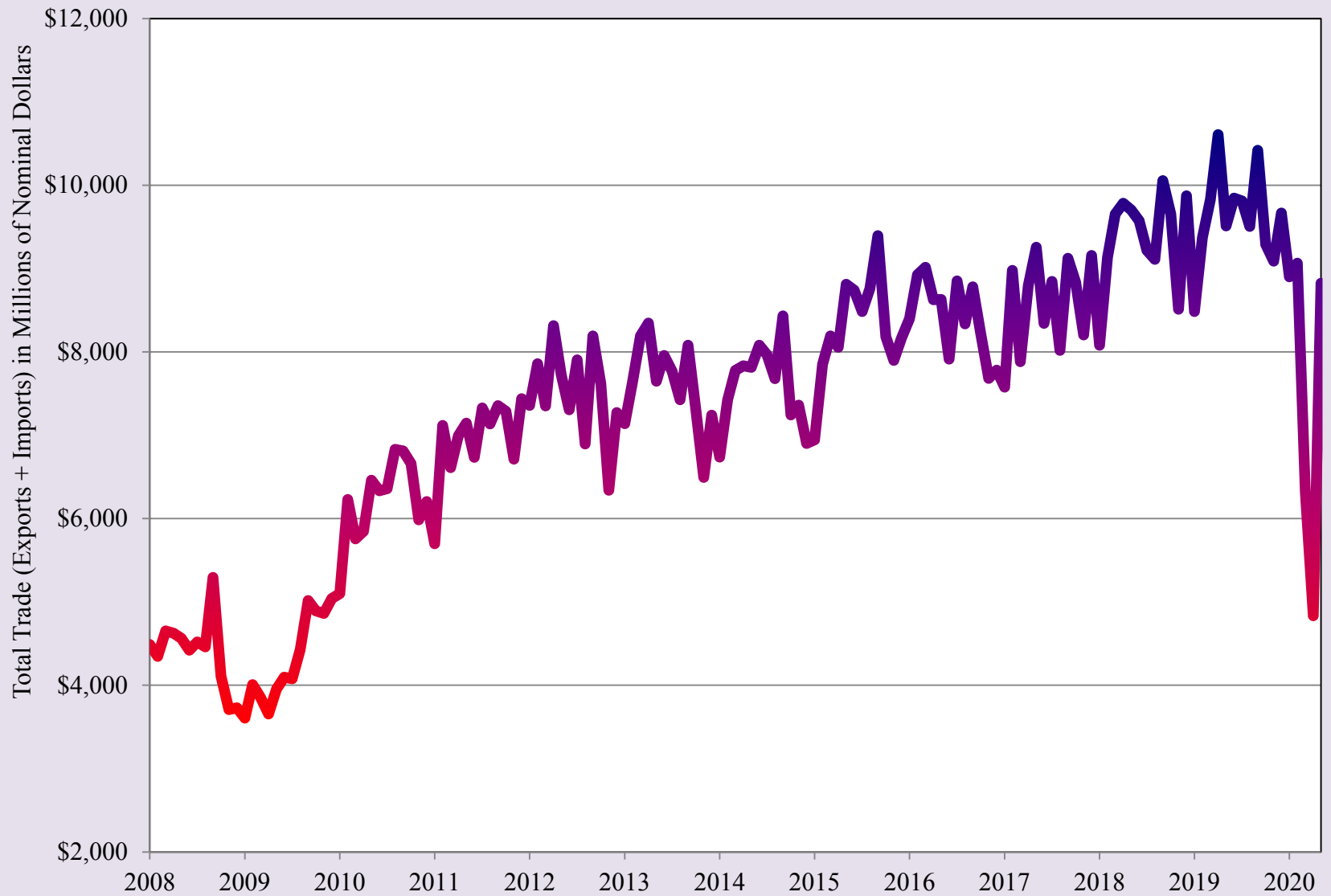
Total Trade through the El Paso Customs District

2019 2020



Source: U.S. International Trade Commission

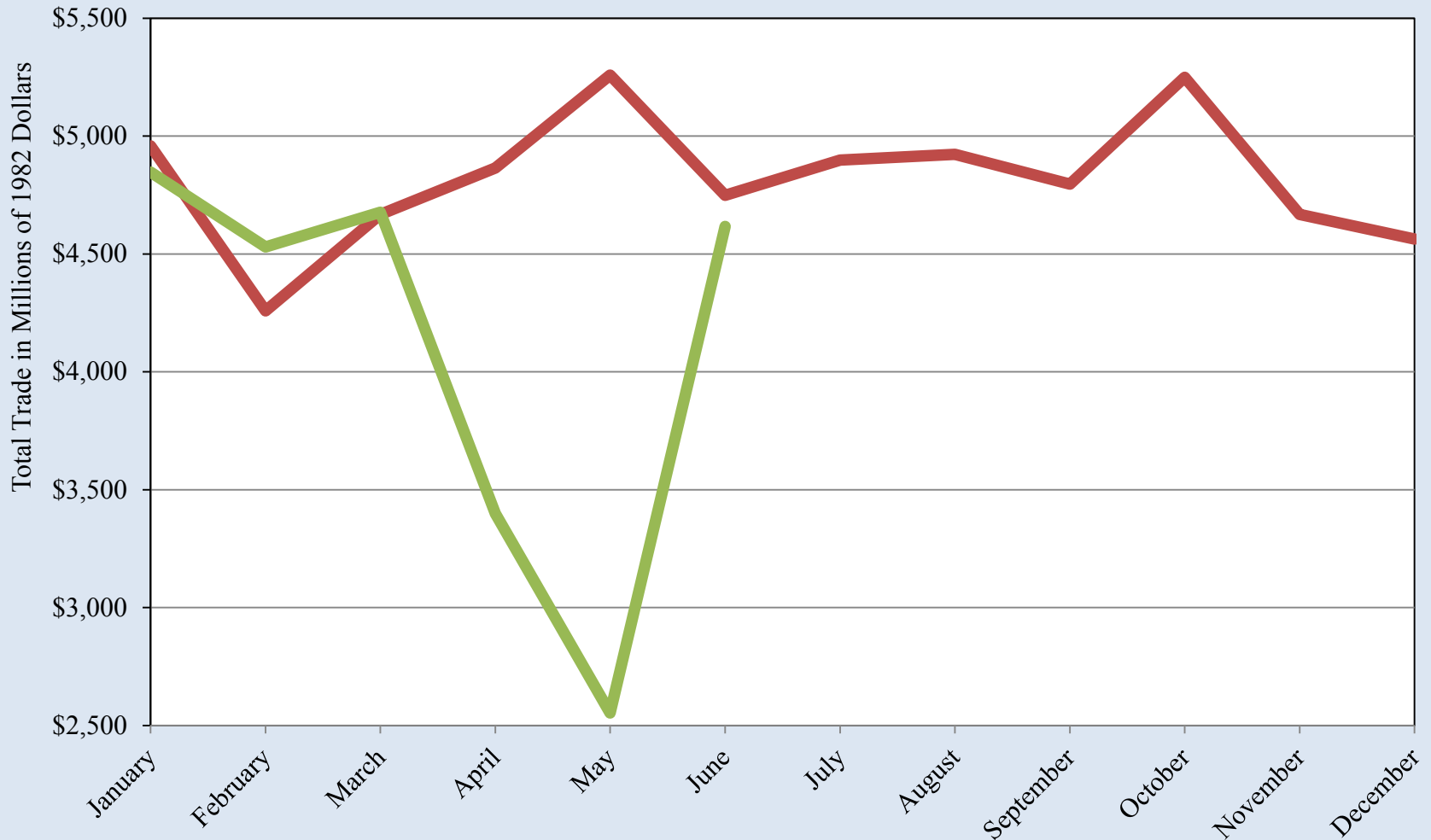
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

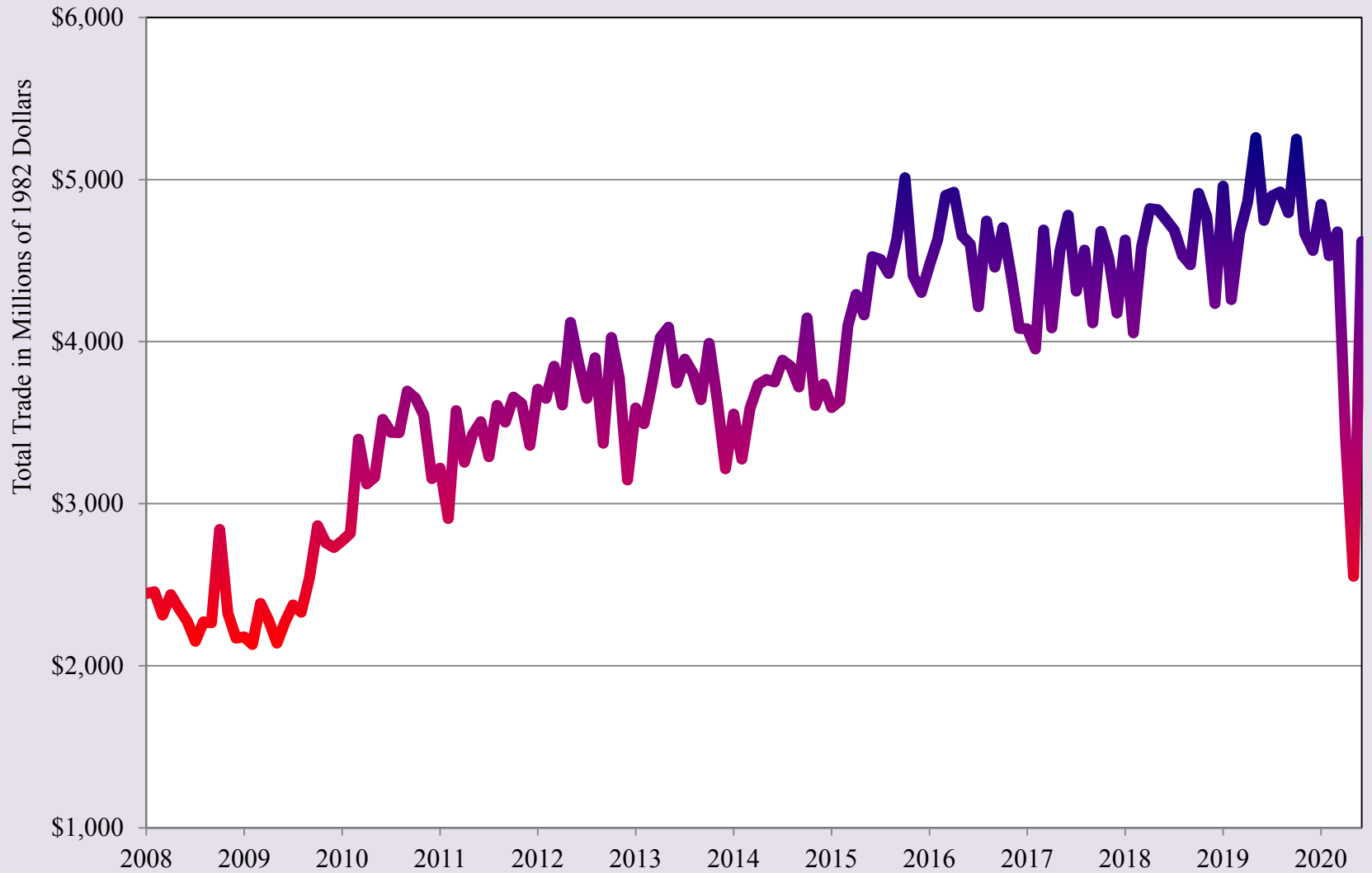
Real Total Trade through the El Paso Customs District

2019 2020



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

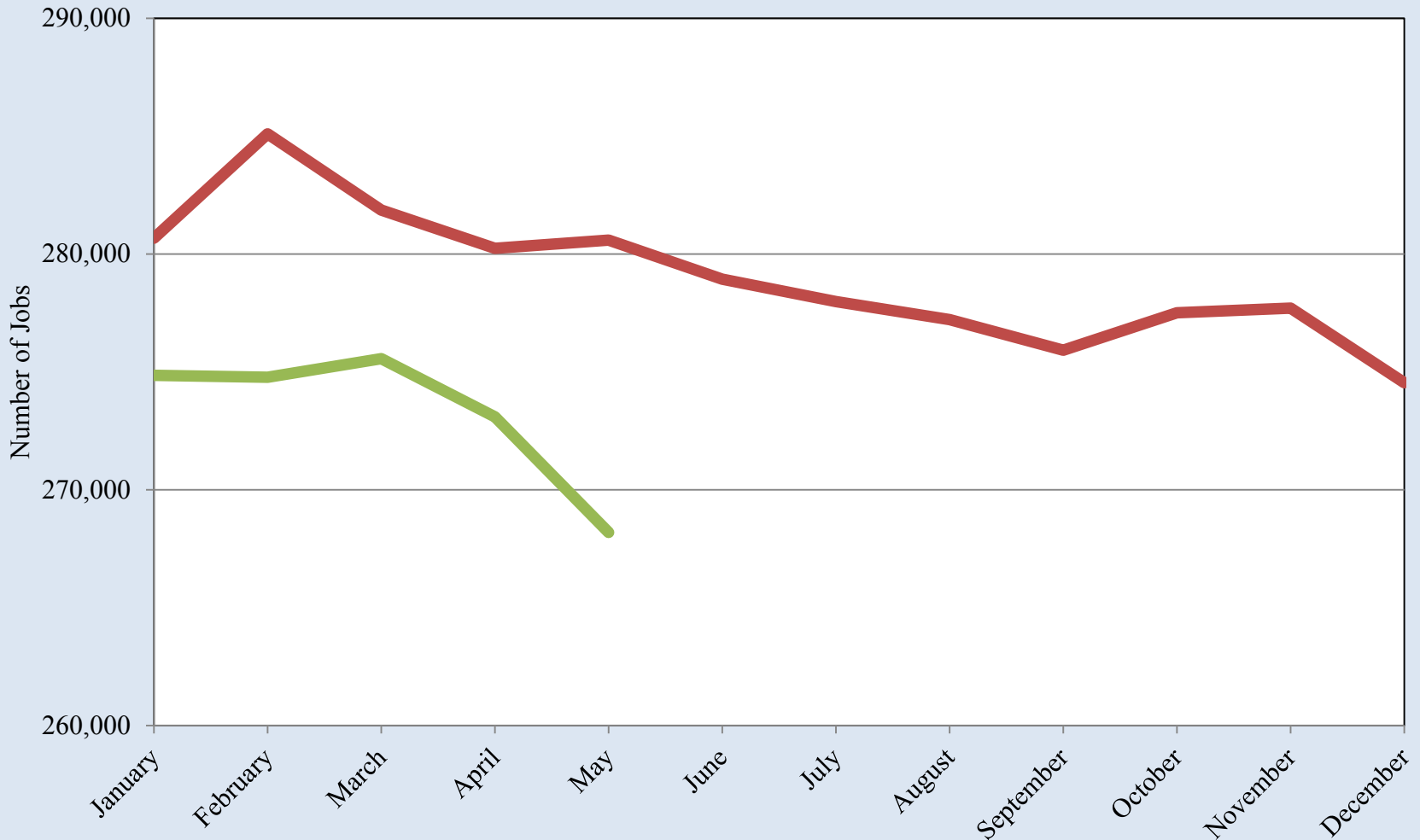
Real Total Trade through the El Paso Customs District



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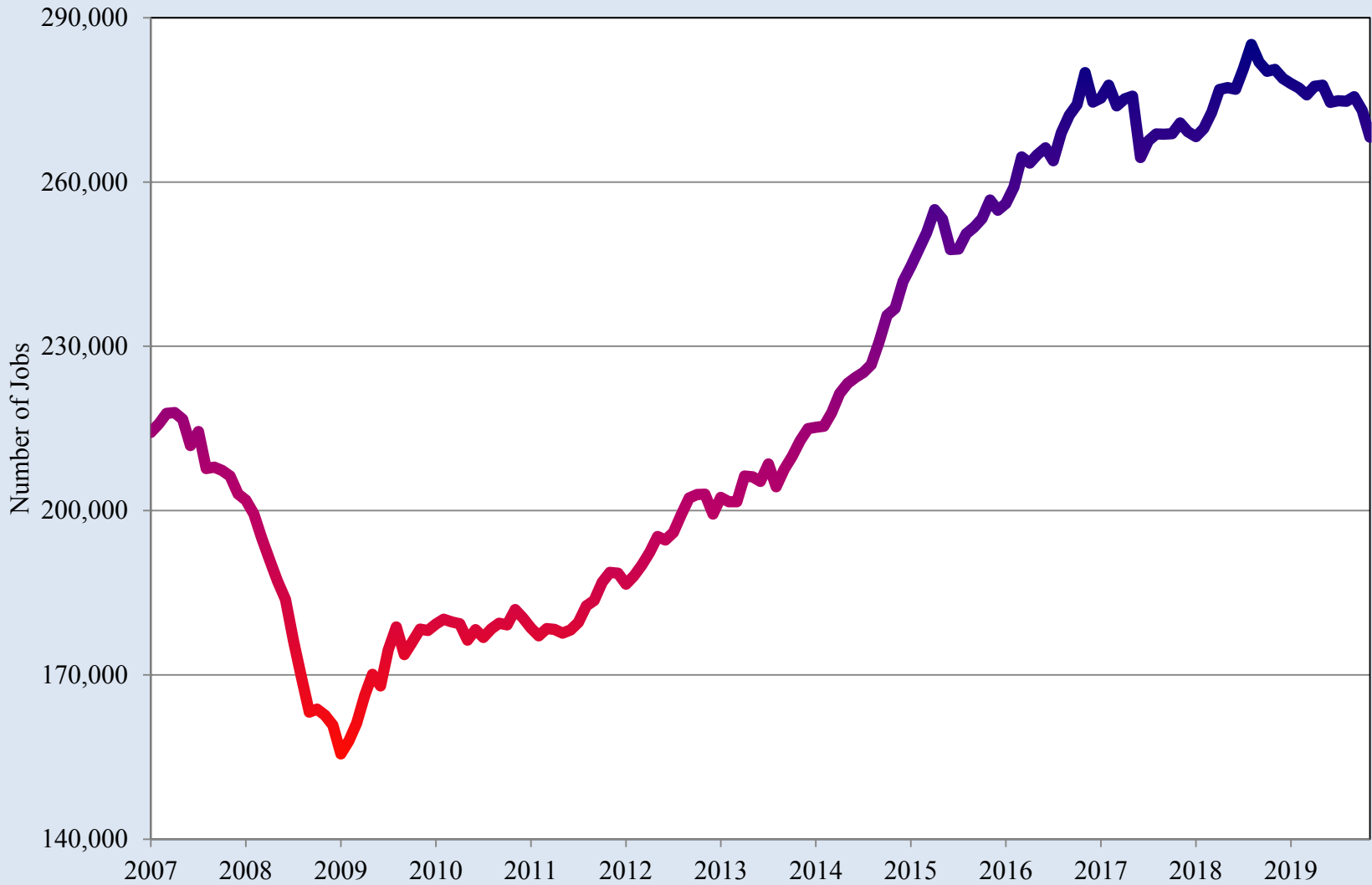
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020



Source: INEGI

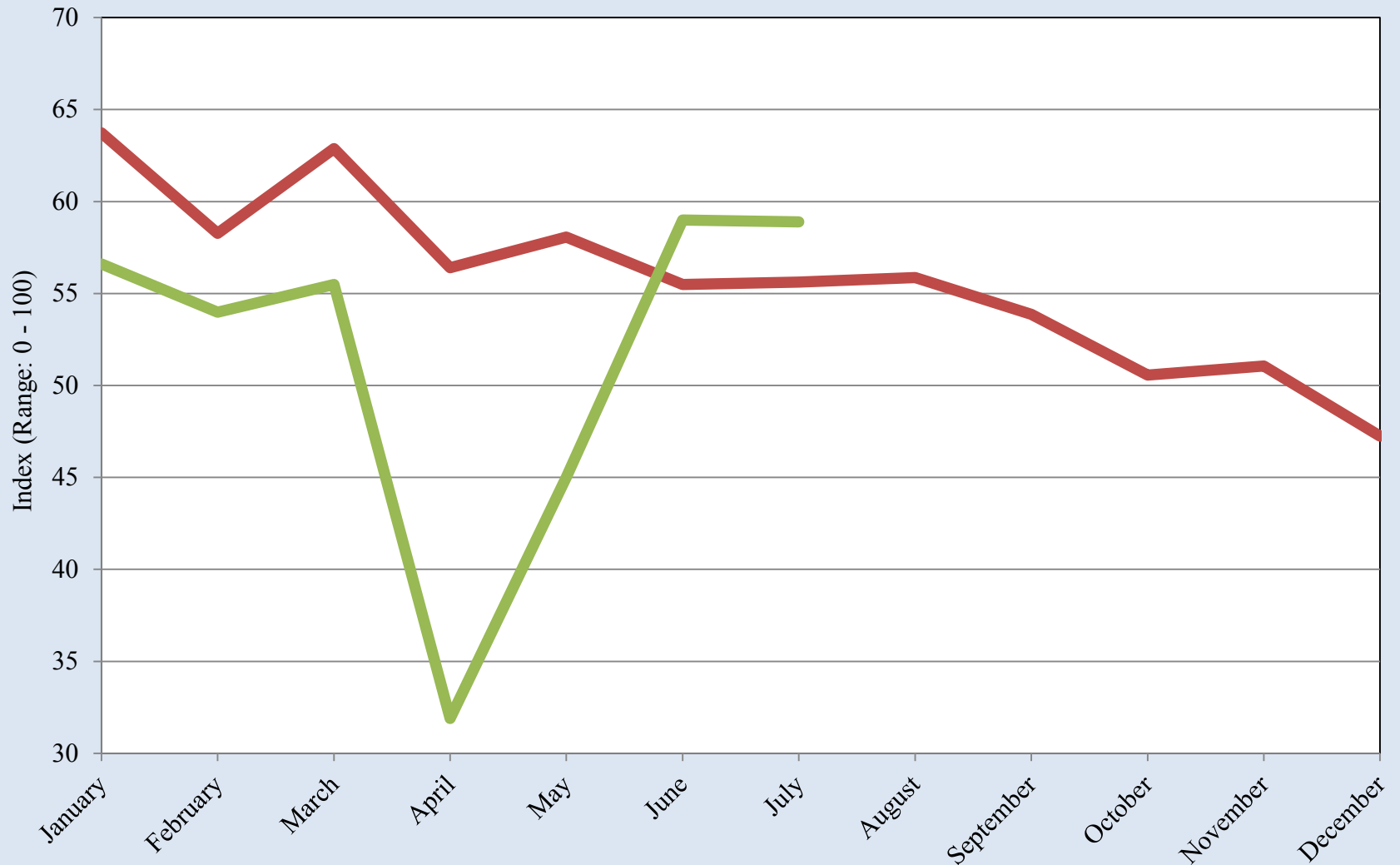
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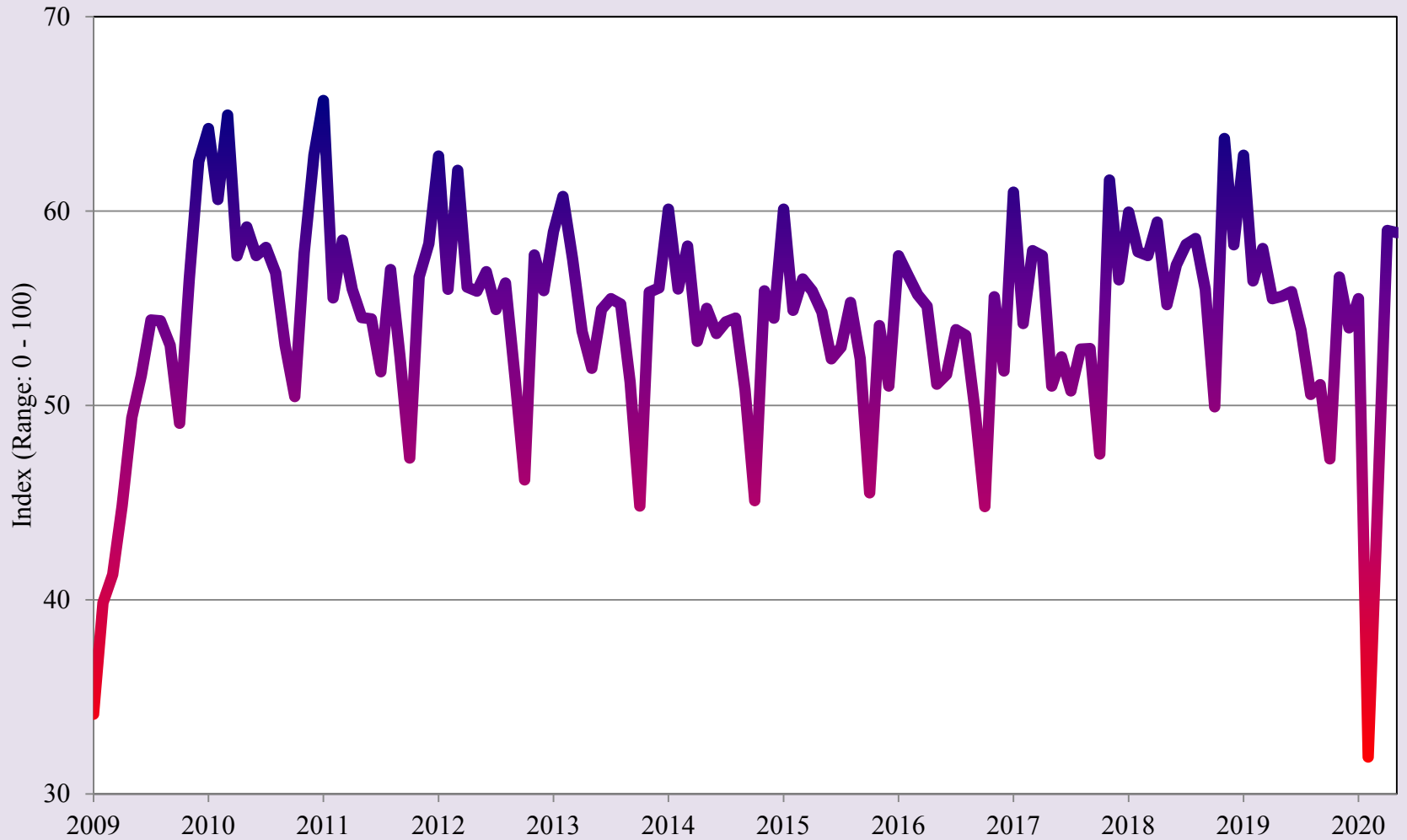
Northern Mexico Manufacturing Orders Index

2019 2020



Source: Banco de México

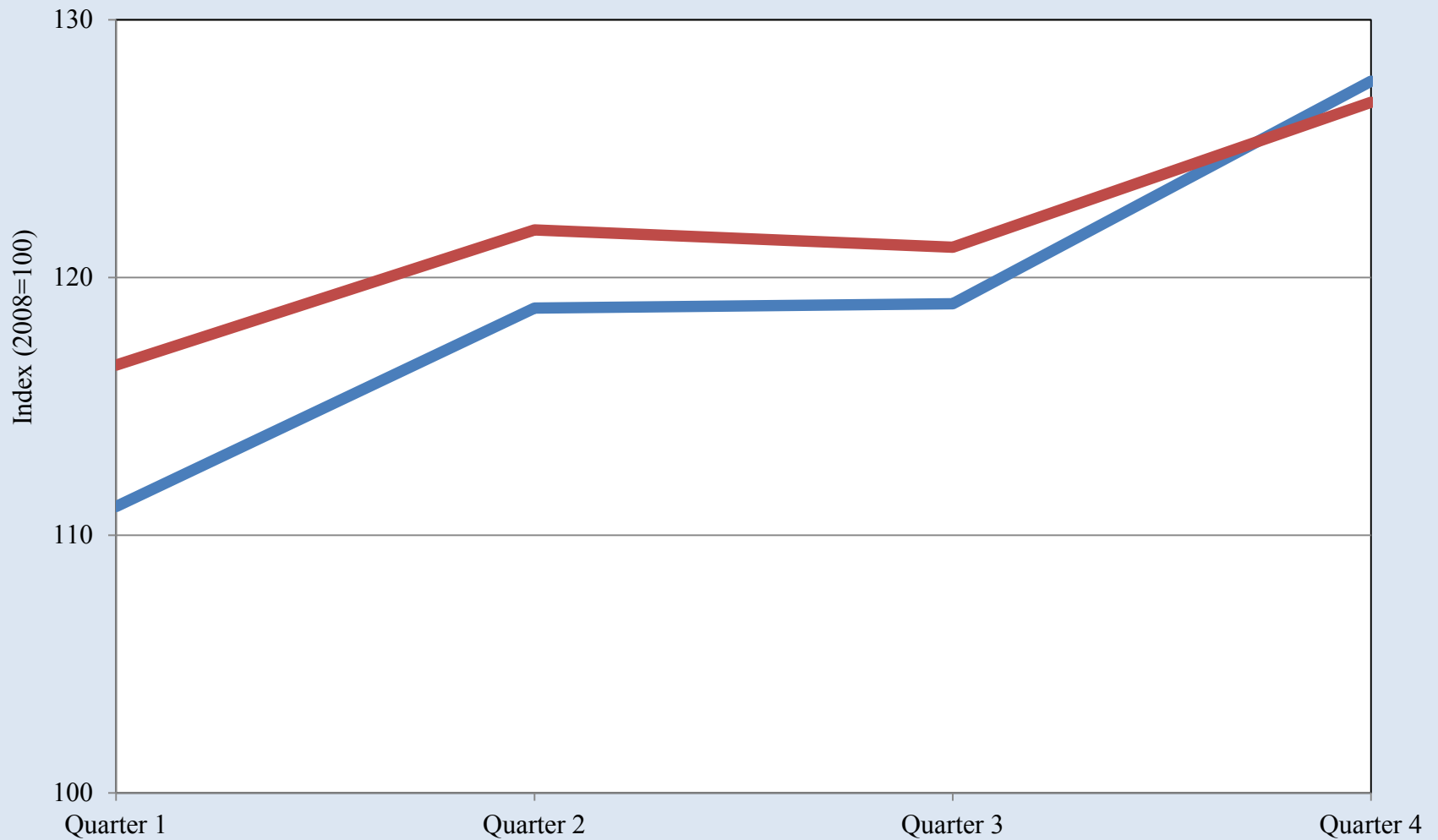
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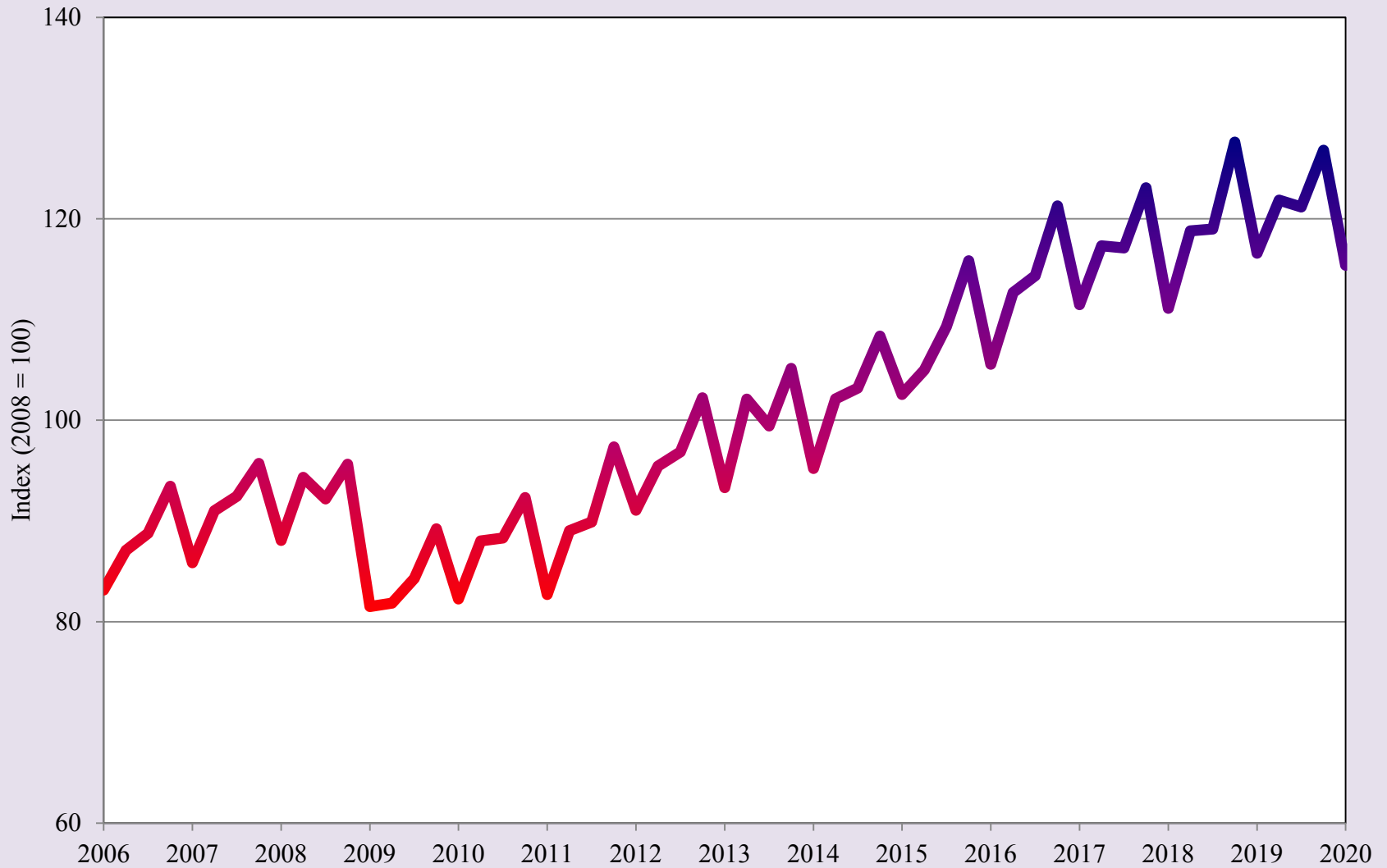
Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2018 — 2019



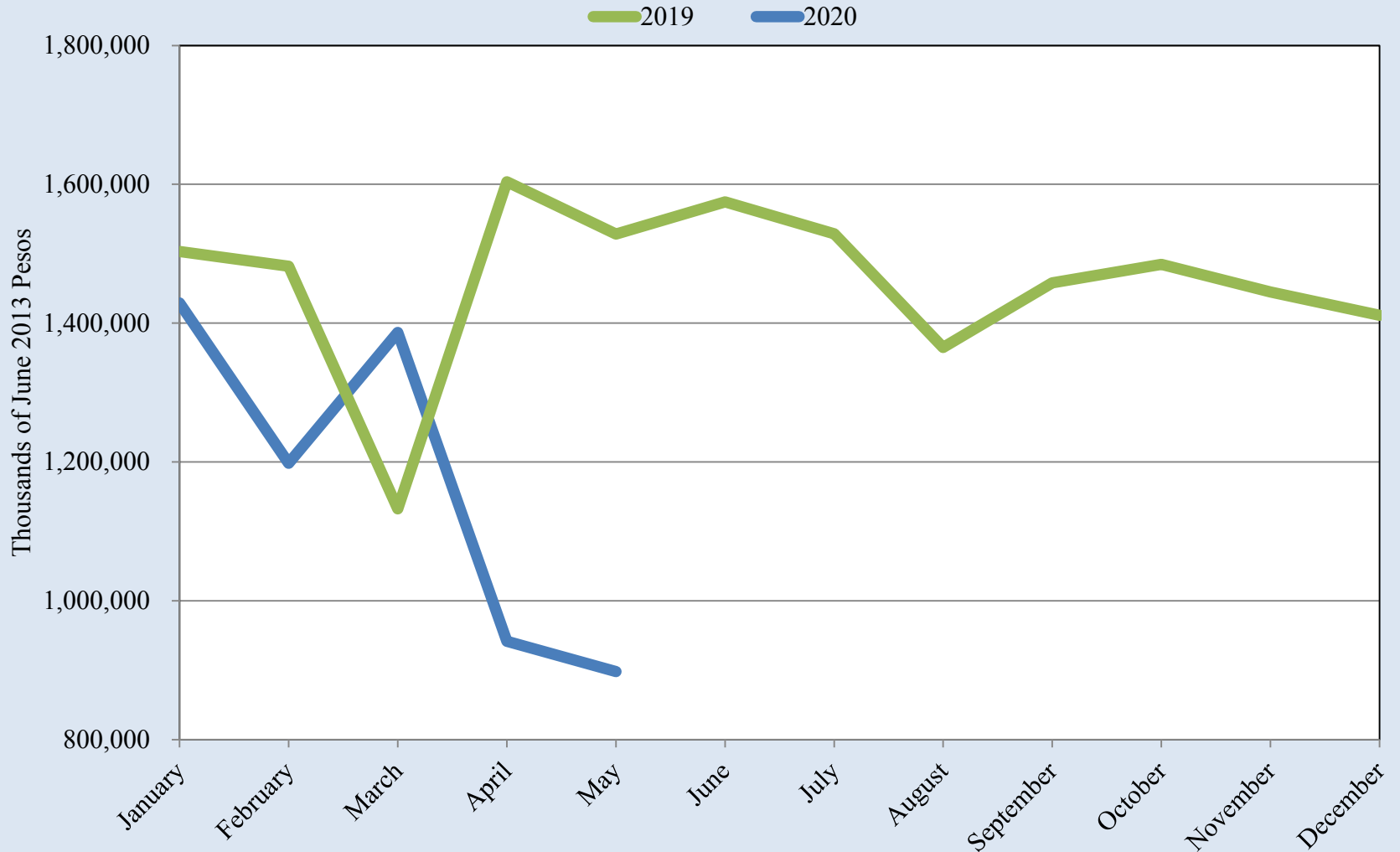
Source: INEGI

Quarterly Indicator of Economic Activity for the State of Chihuahua



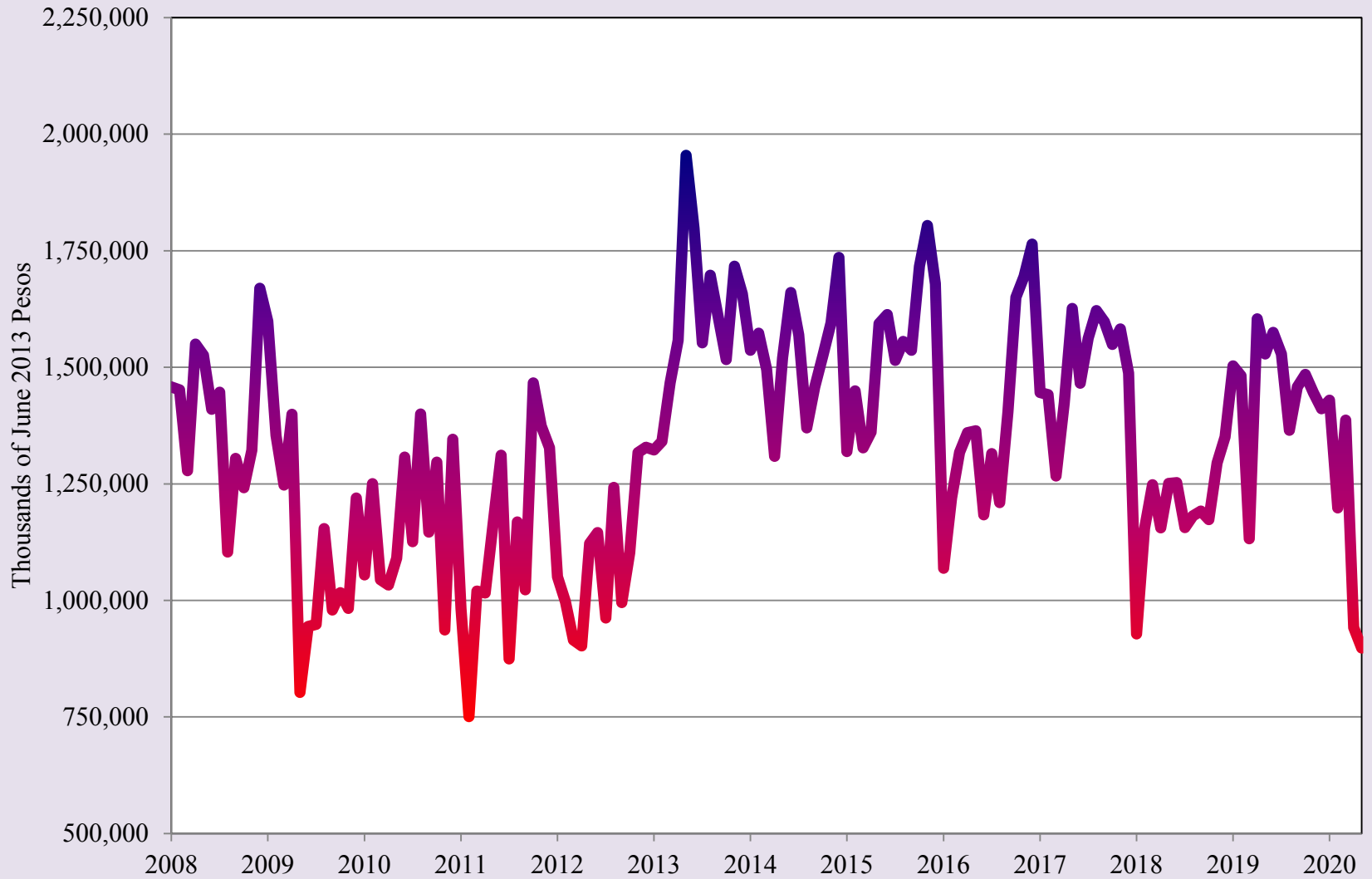
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

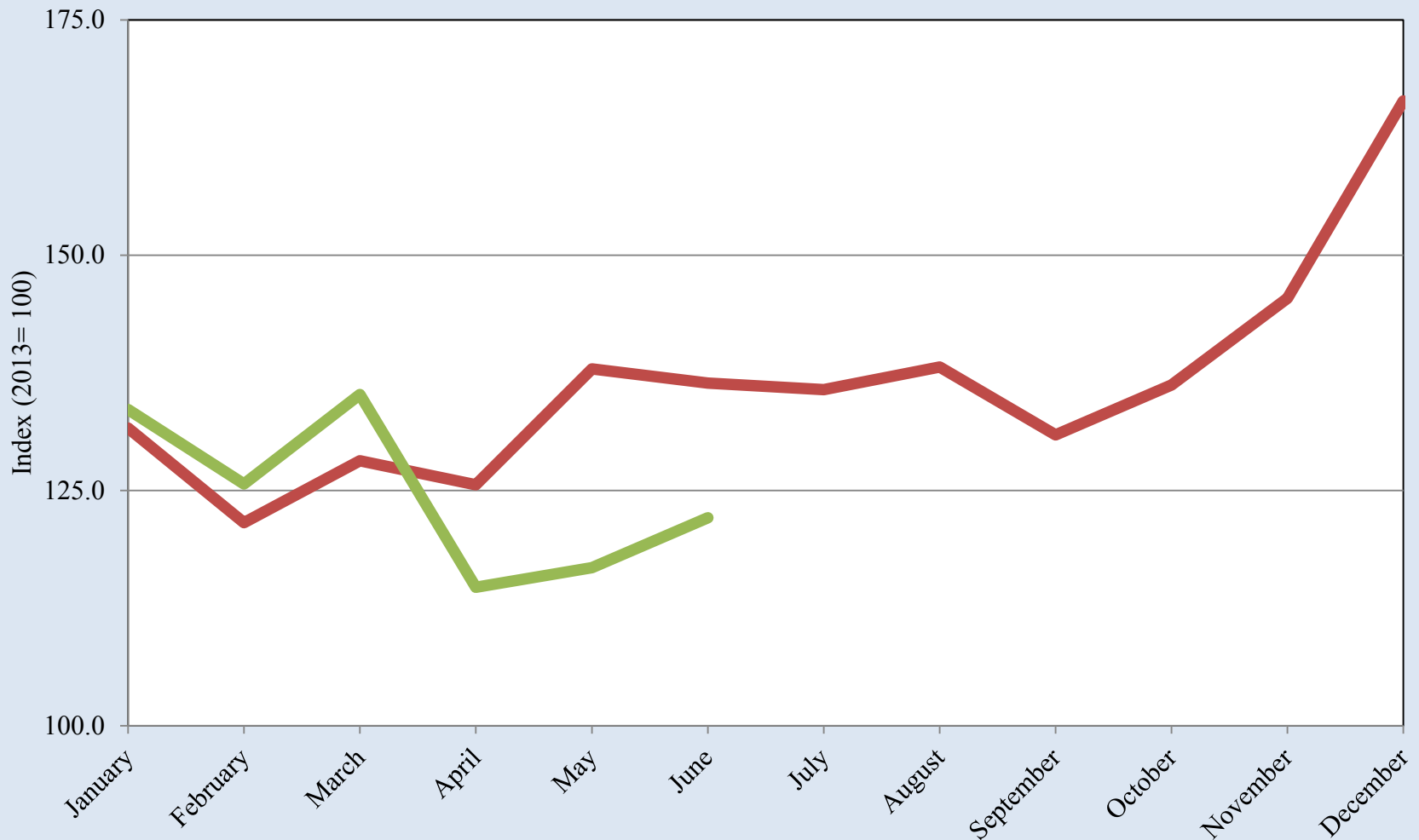
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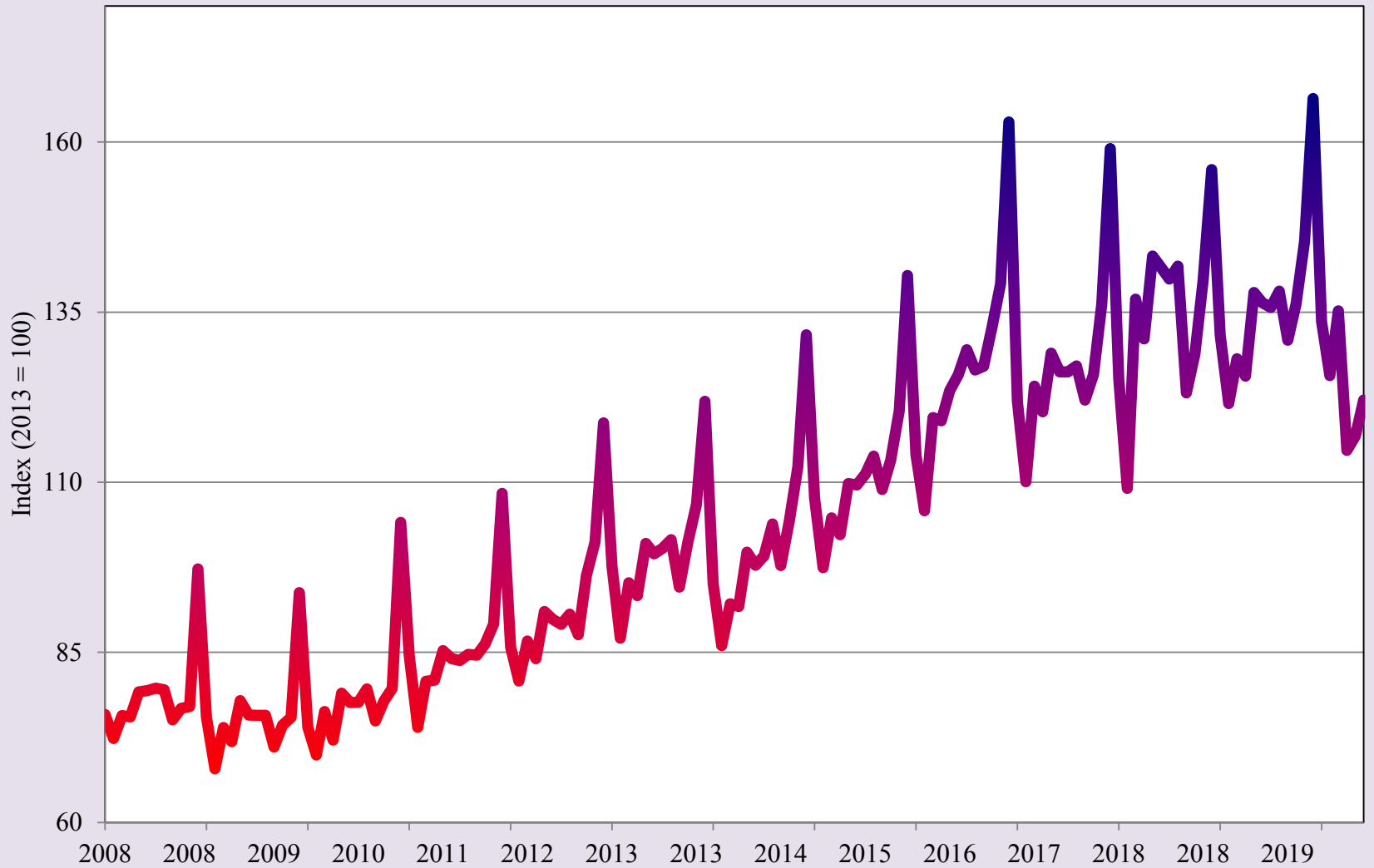
Real Retail Activity Index for the State of Chihuahua

— 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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