

9-2020

## **Borderplex Business Barometer, Volume 4, Number 9**

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T.M. Fullerton, Jr., S.L. Fullerton, A.P. Gutierrez-Zubiata, and I. Santana-Ramirez, 2020,  
"Pessimistic, Optimistic, or Realistic?" *Borderplex Business Barometer* 4(9), 1-58.

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# BORDERPLEX BUSINESS BAROMETER

**September 2020**

**Border Region Modeling Project**

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Steven L. Fullerton  
Ana Gutierrez Zubiate  
Ignacio Santana

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*Border Commerce & Economics*

**Borderplex Business Barometer, Volume 4, Number 9**

**Pessimistic, Optimistic, or Realistic?**

The Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso notched additional gains in August, but remains well below year-ago levels. Reflective of a stronger economy, the yield curve is no longer u-shaped, but rates are still low by historical standards. Lower unemployment plus strong housing prices helped the BRMP El Paso Household Economic Stress Index to continue to decline in August. Similarly, El Paso County Supplemental Nutritional Assistance Program (SNAP) enrollments remained largely unchanged from July to August as lockdown restrictions continued to be eased.

The median price for existing homes in El Paso increased to an all-time record of \$182,250 in August. Demand continued to easily outstrip supply in August with months of inventory remaining at a miniscule 1.6 months. Monthly sales surpassed the 1 thousand mark for the first time as the seller's market strengthened even more in August. In contrast, gasoline supplies are so ample that El Paso regular unleaded gasoline averaged \$2 per gallon during August, a 44 cent year over year decrease.

The jobless rate in Doña Ana County was 10.9 percent in August. That is nearly double the rate from twelve months earlier with the greatest volumes of job losses occurring in the health care and public sectors. Against that backdrop of labor market weakness, it comes as no surprise that July SNAP enrollments surpassed 30 thousand recipients for the first time since February 2017.

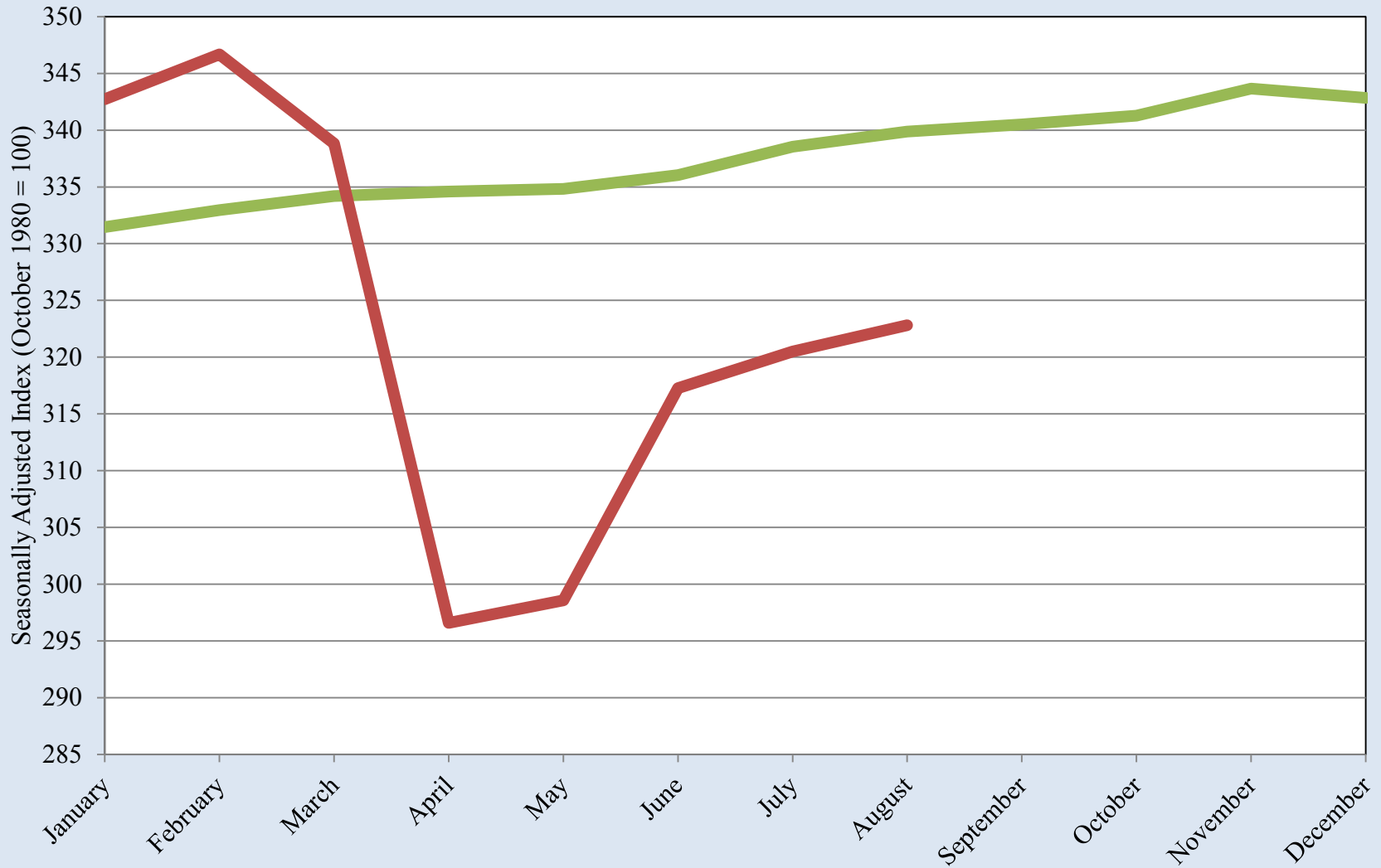
A 66 percent gap separates the August 2020 exchange rate from the Borderplex restaurant price ratio. Historically, when the gap is that wide, the peso tends to appreciate against the dollar. Border wait times rose at all three of the major bridges linking Ciudad Juarez and El Paso in August. CBP announced that wait times would be deliberately maintained at higher than necessary levels as a means for reducing non-essential travel between the two countries. Crossing volumes had already declined substantially at the three heavily travelled bridges, with

automobiles falling by more than 300 thousand cars on a year-over-year basis in July. Pedestrian traffic contracted even more sharply during that period, shrinking by more than half a million people in July of this year. In stark contrast to those developments, cargo traffic and total trade surpassed year-ago levels in July as manufacturing activity expanded this summer.

Six new graphs are introduced with this issue of **Borderplex Business Barometer**. The new graphs provide information regarding activity at El Paso International Airport (EPIA). Industrial sector recovery has spurred greater freight and mail flows through EPIA. In July, total freight and mail volumes processed at EPIA reached 8,657 tons, its highest volume since August 2018. EPIA passenger volumes increased for a third consecutive month in July, but remains more than 70 percent below the corresponding month in 2019. The number of air carrier operations at EPIA also remained well below year-ago levels in July.

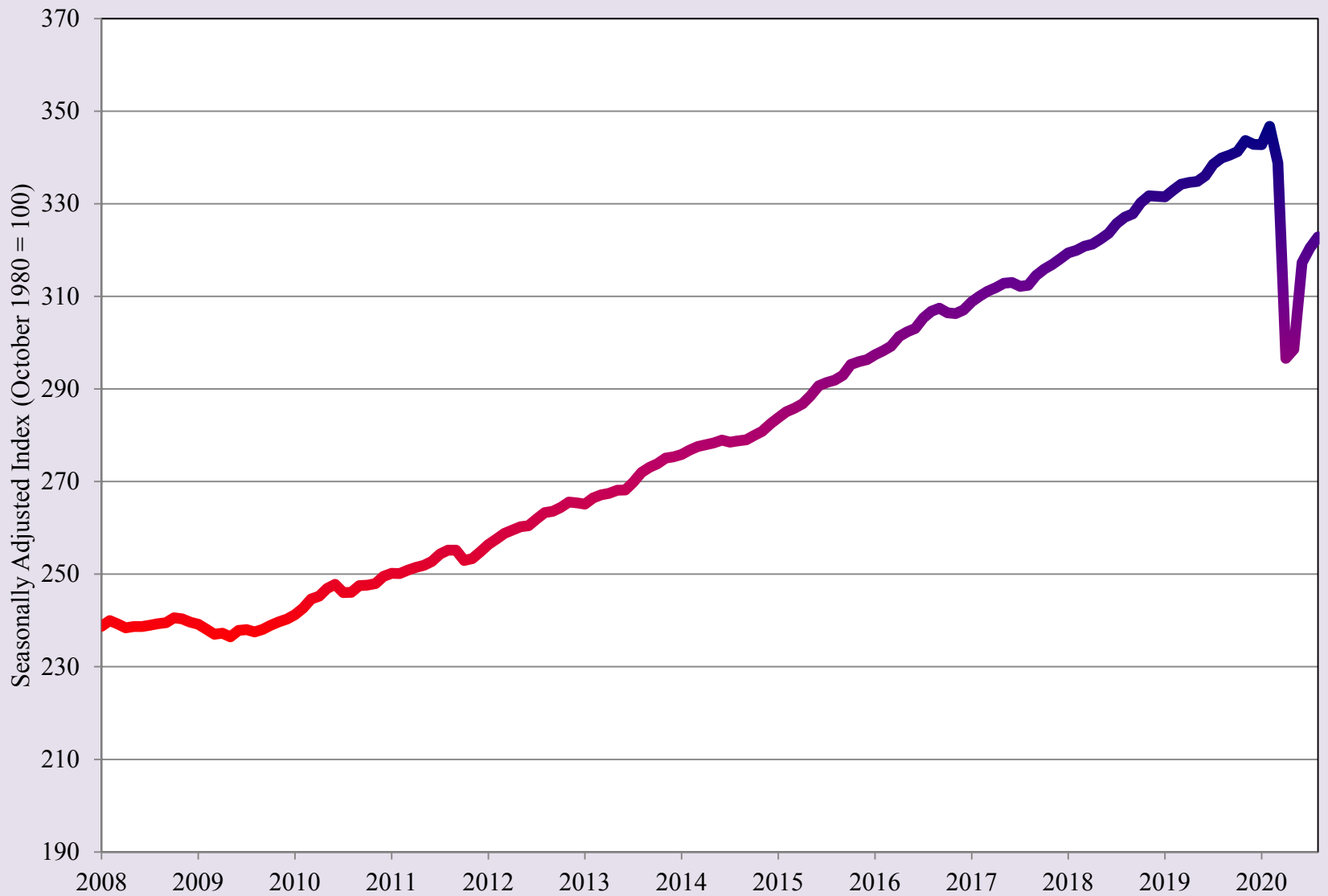
## El Paso Metropolitan Business Cycle Index

2019 2020



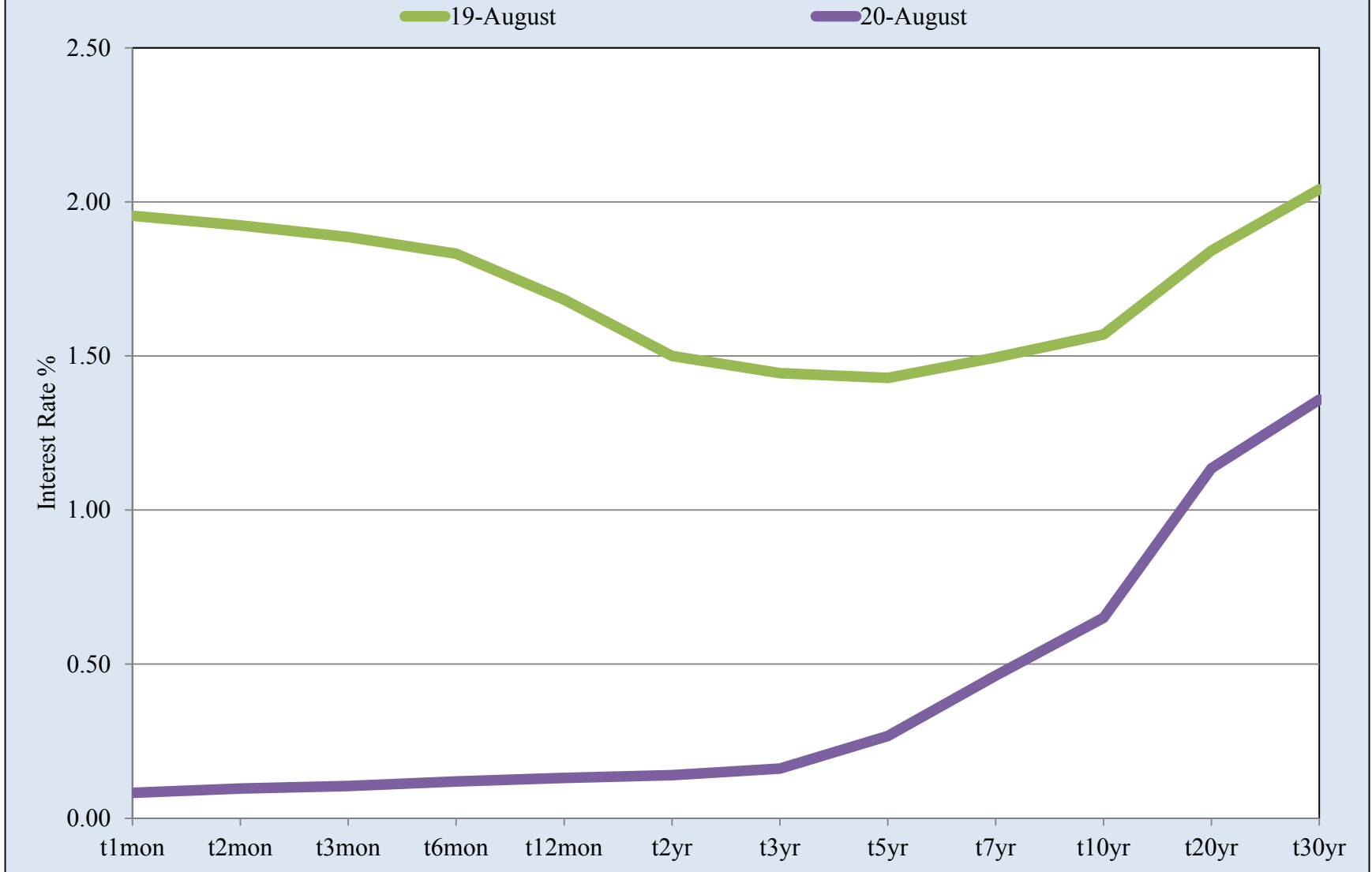
Source: Federal Reserve Bank of Dallas

## El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

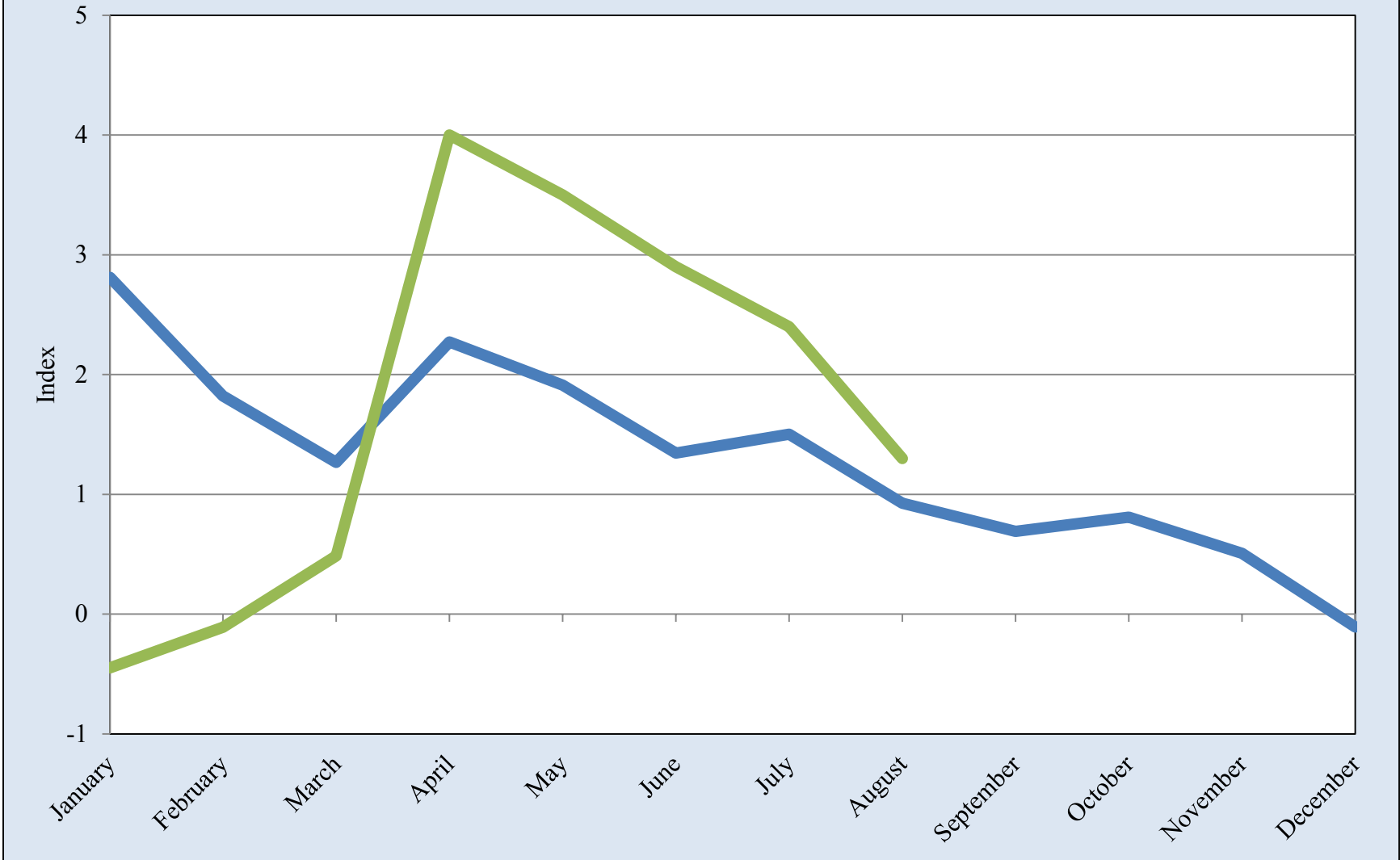
## Average Treasury Yield Curve Rates



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

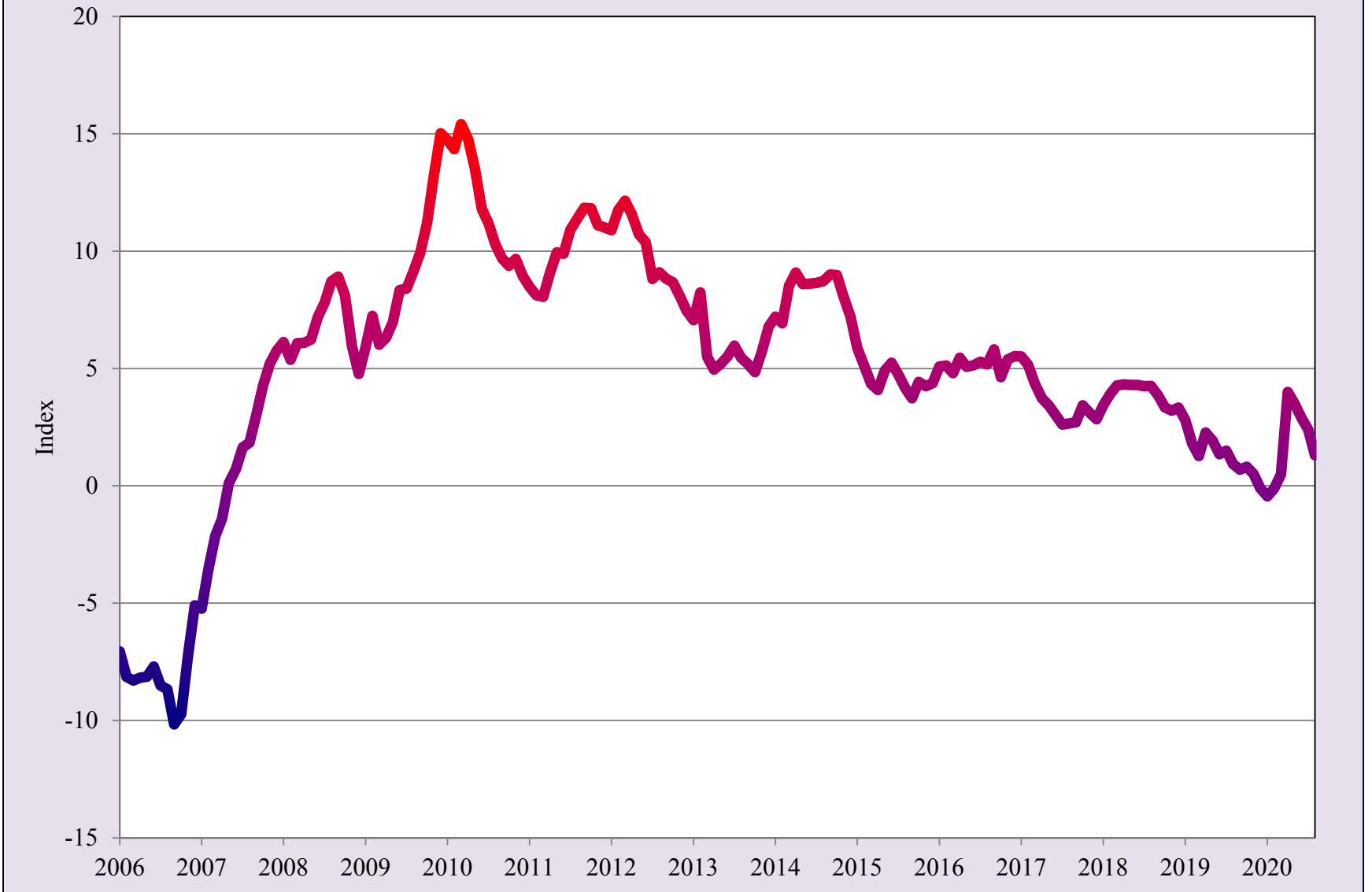
# El Paso Household Economic Stress Index

2019 2020



Source: UTEP Border Region Modeling Project

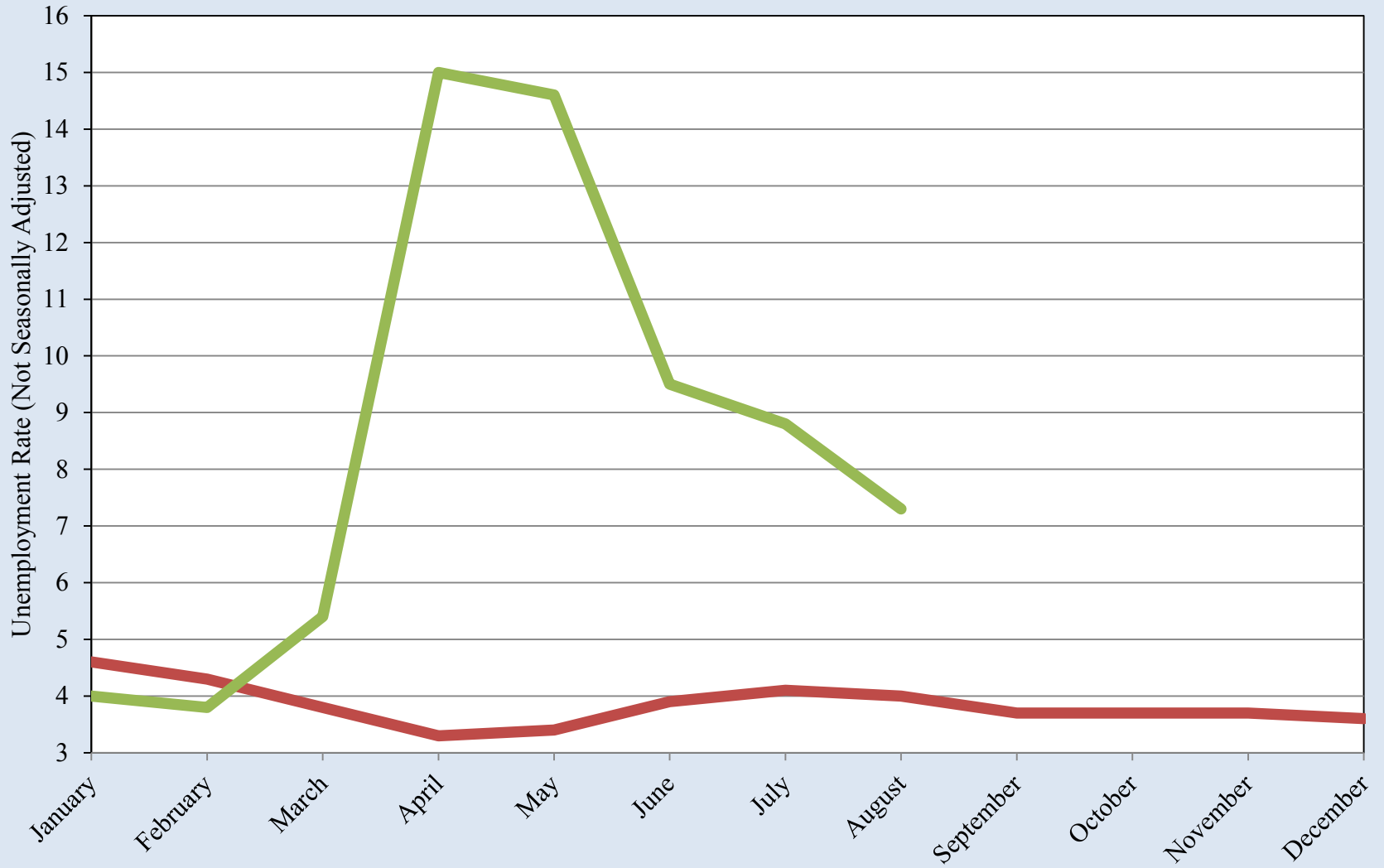
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

## El Paso County Unemployment Rate

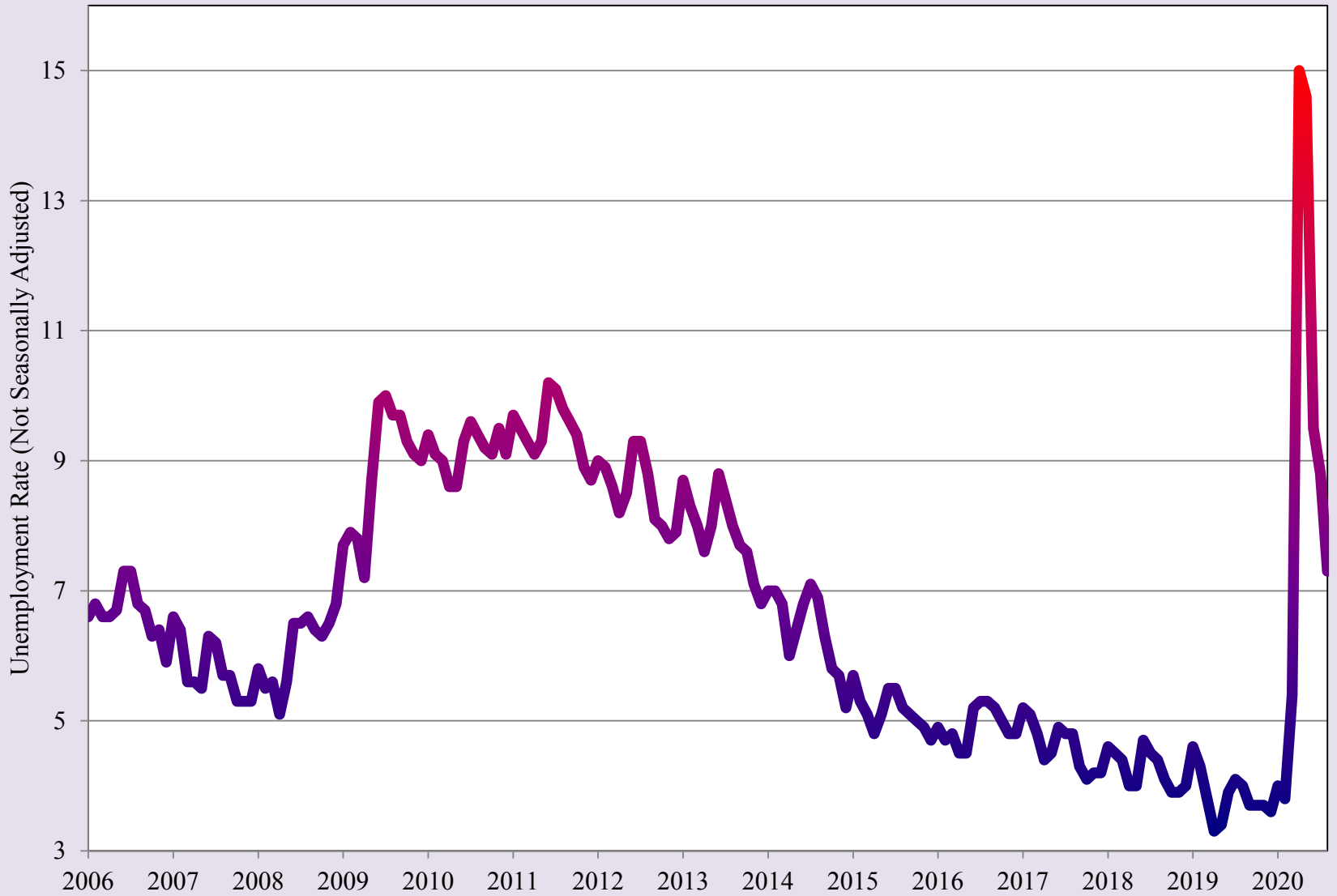
2019 2020



Source: Bureau of Labor Statistics

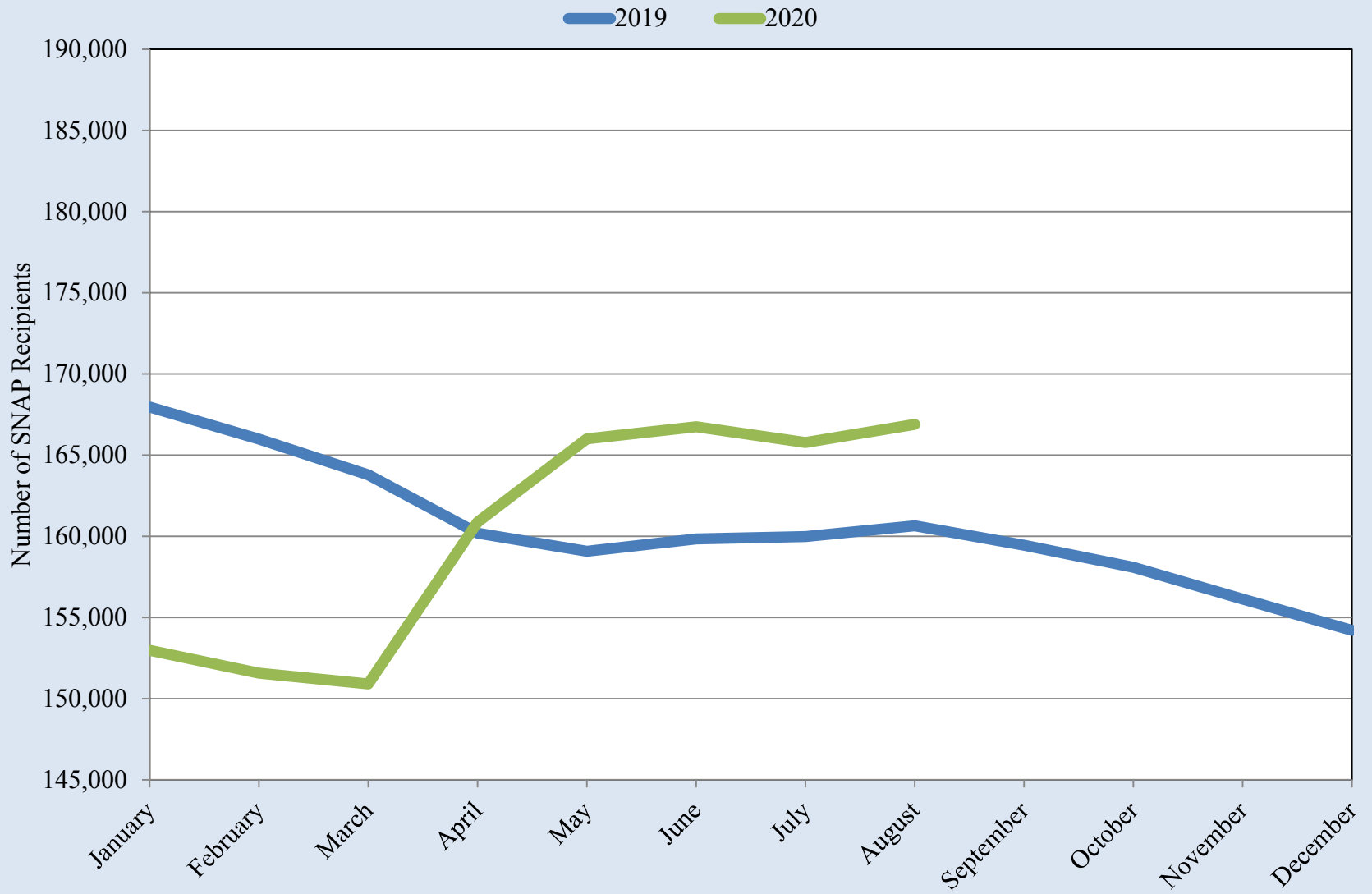


## El Paso County Unemployment Rate



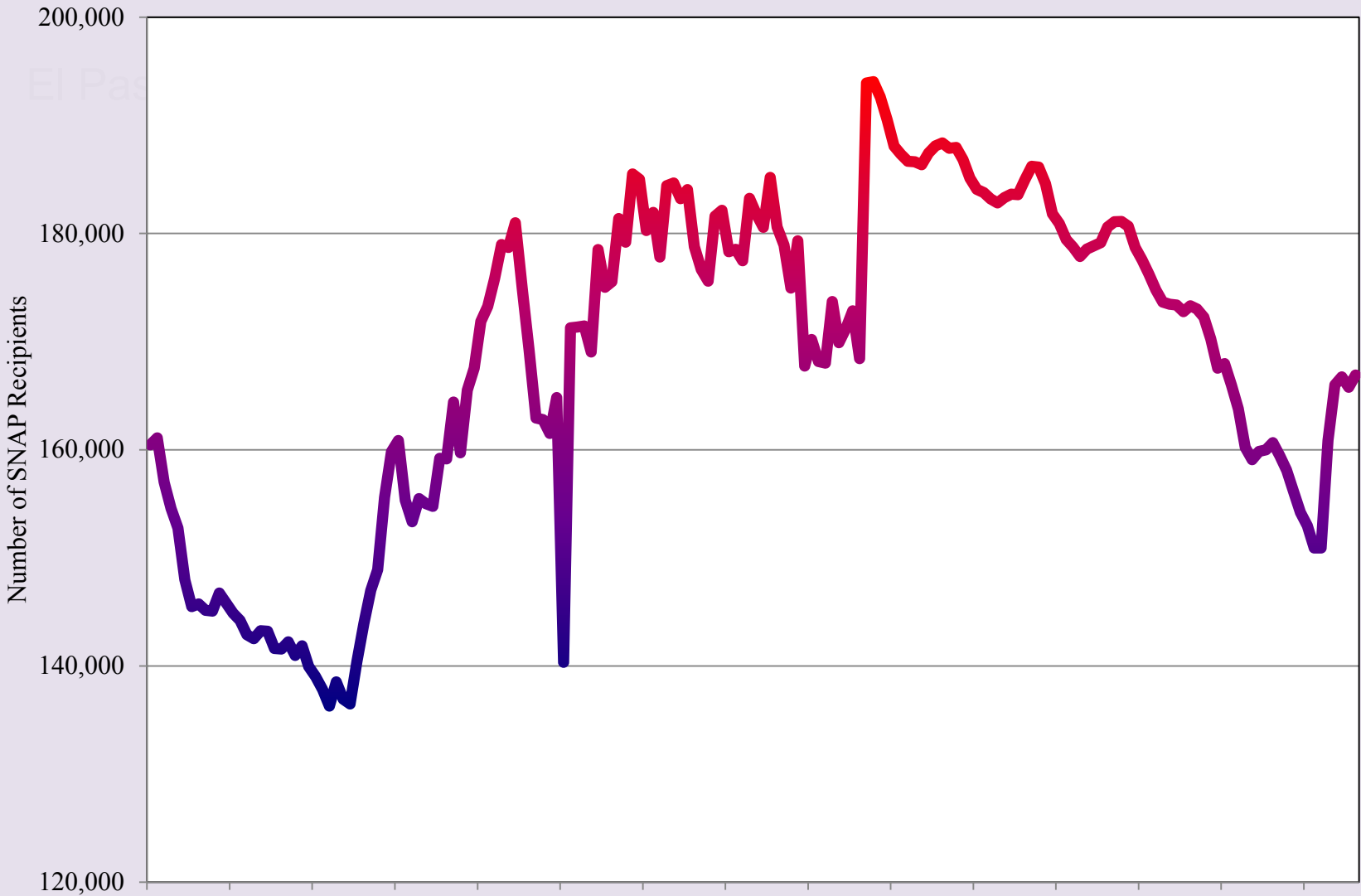
Source: Bureau of Labor Statistics

## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

# El Paso County SNAP (Food Stamp) Enrollment

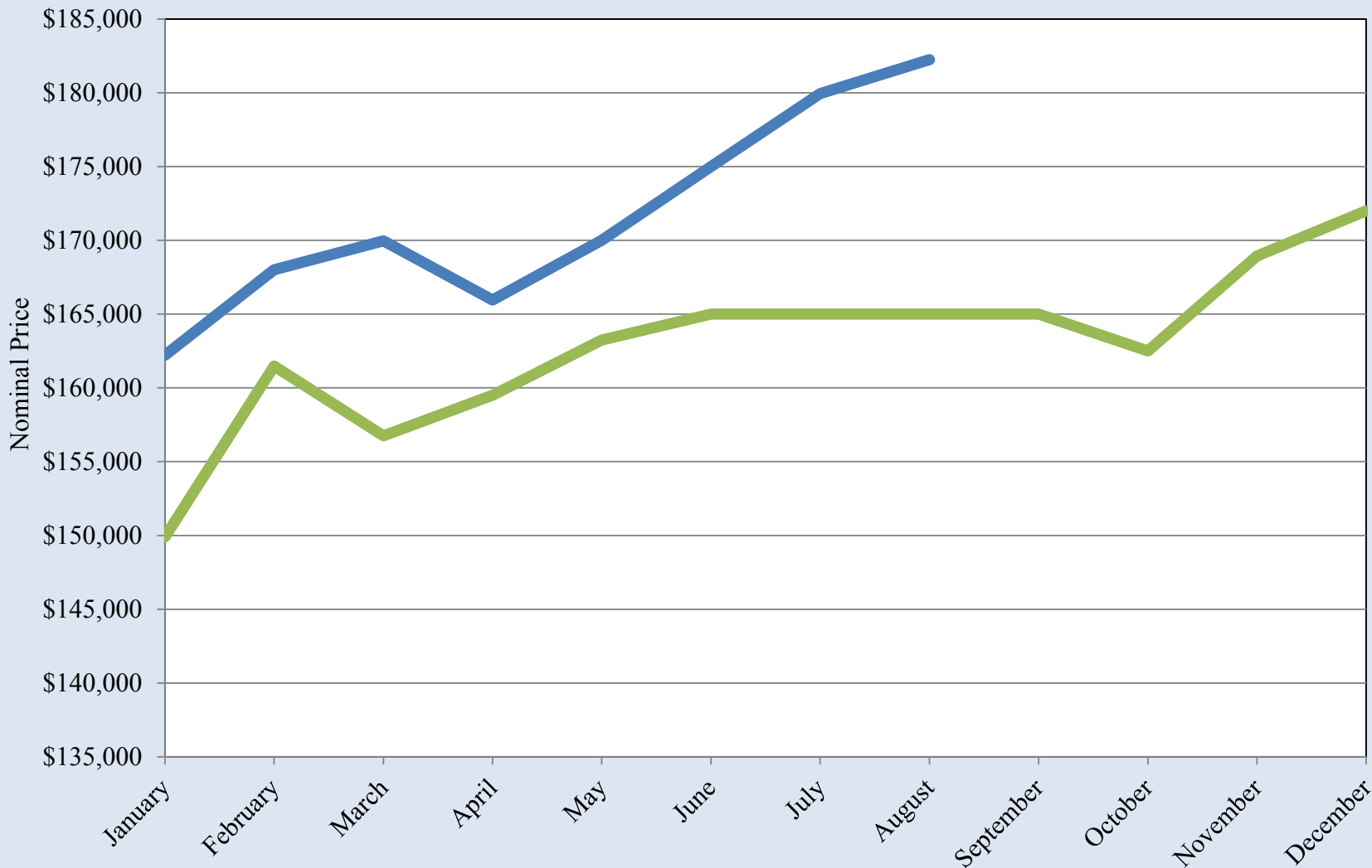


Starting in September 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission

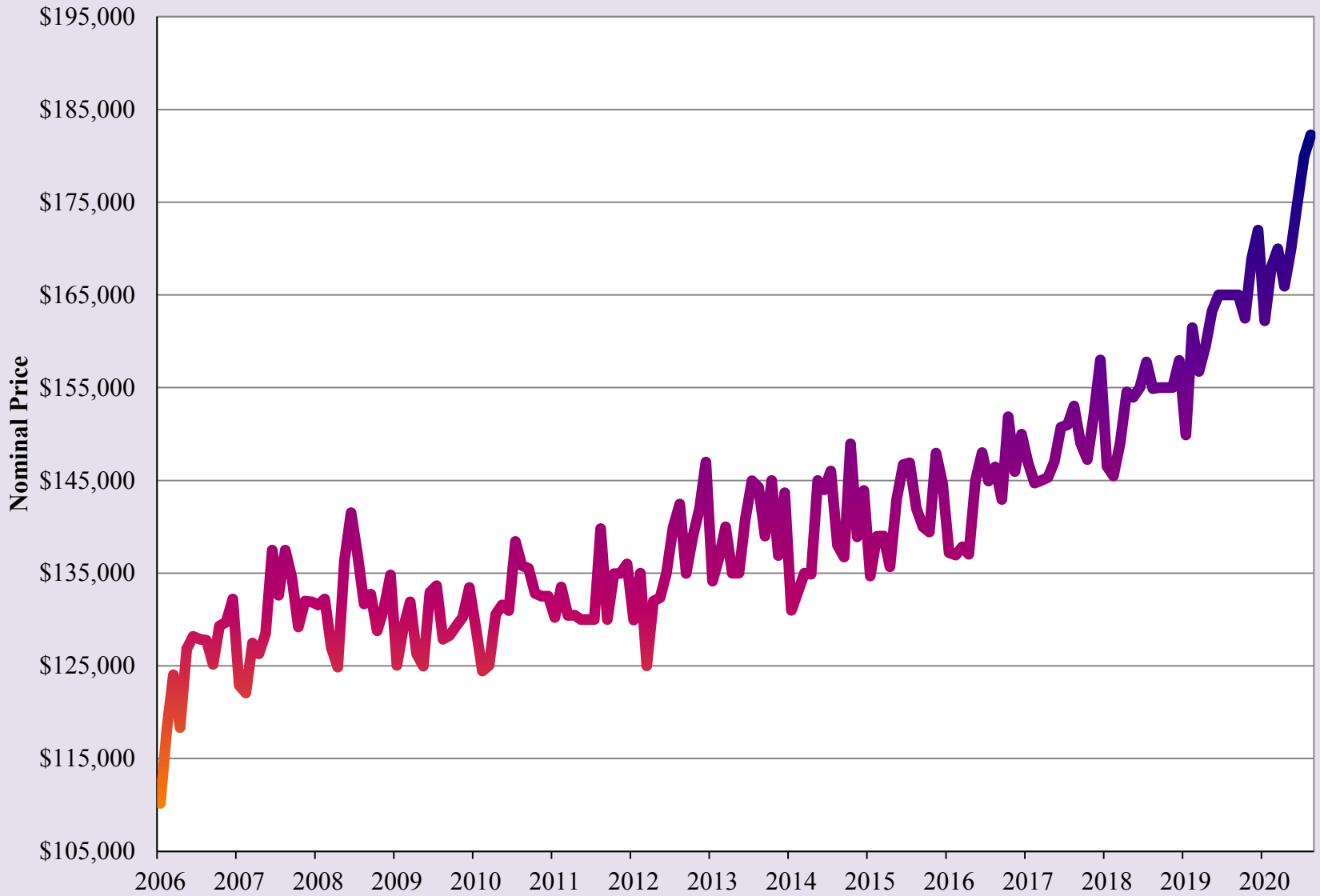
## El Paso Median Housing Prices

2019 2020



Source: Texas A&M Real Estate Center

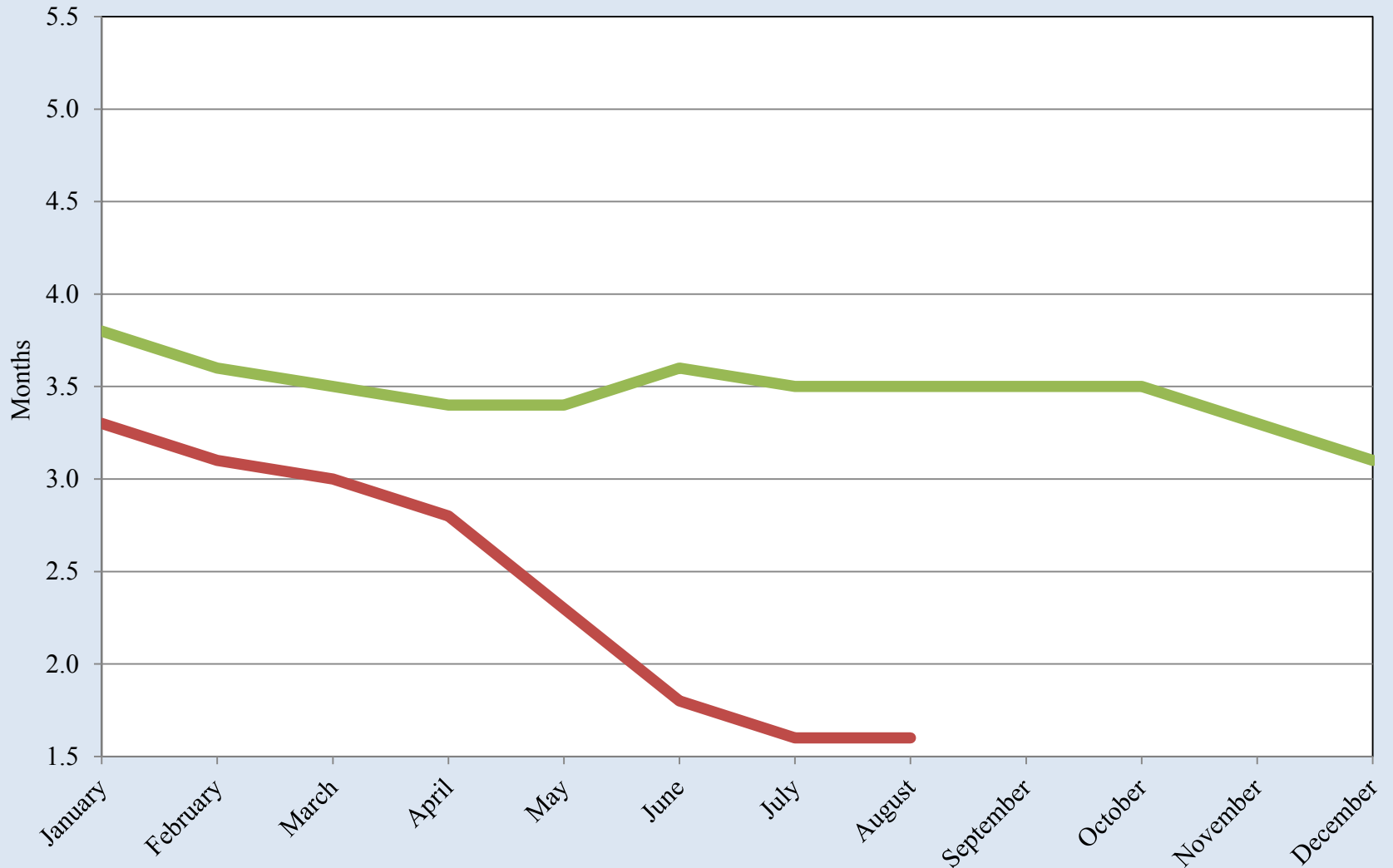
## El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

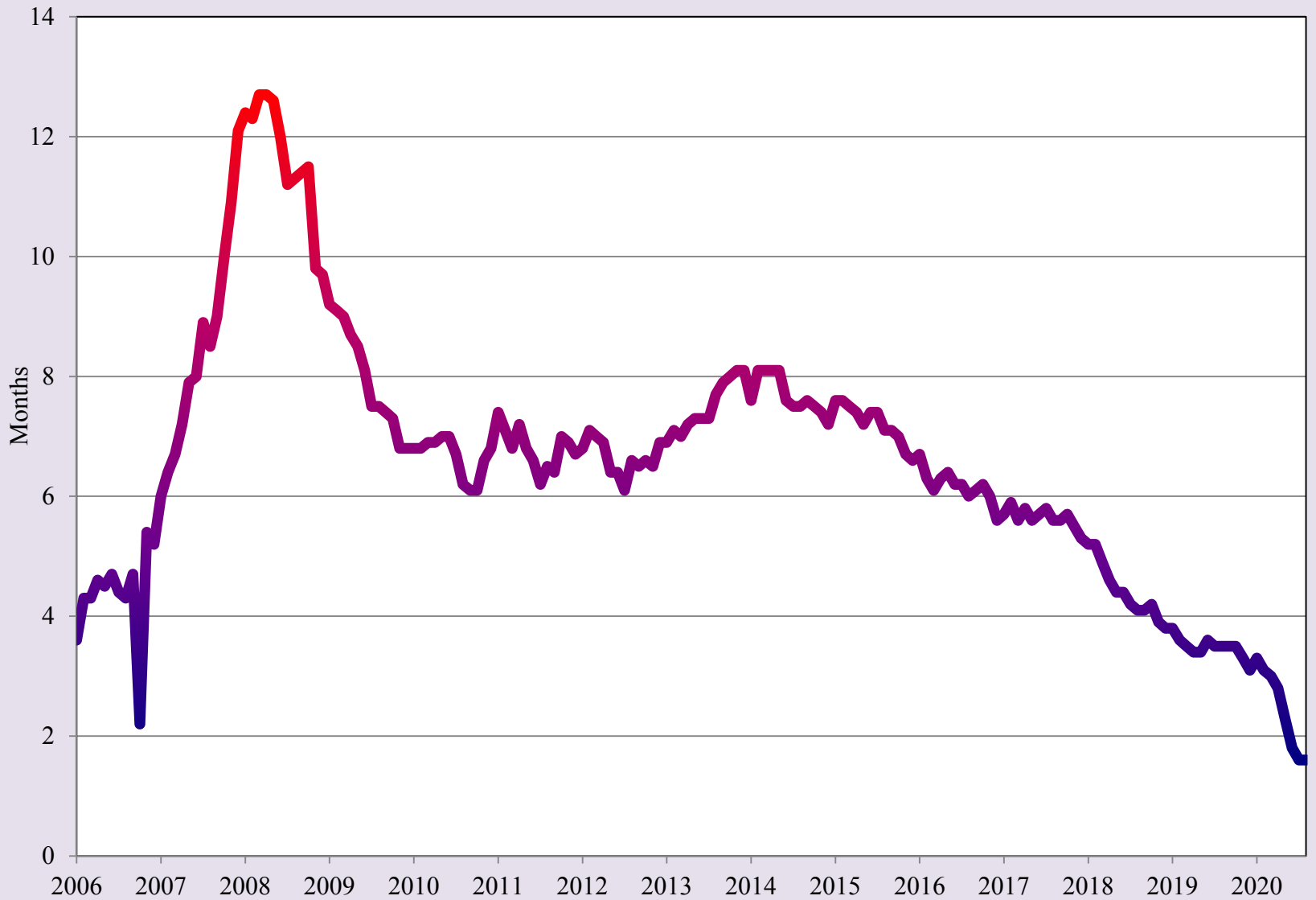
## Months of Housing Inventory for El Paso

2019 2020



Source: Texas A&M Real Estate Center

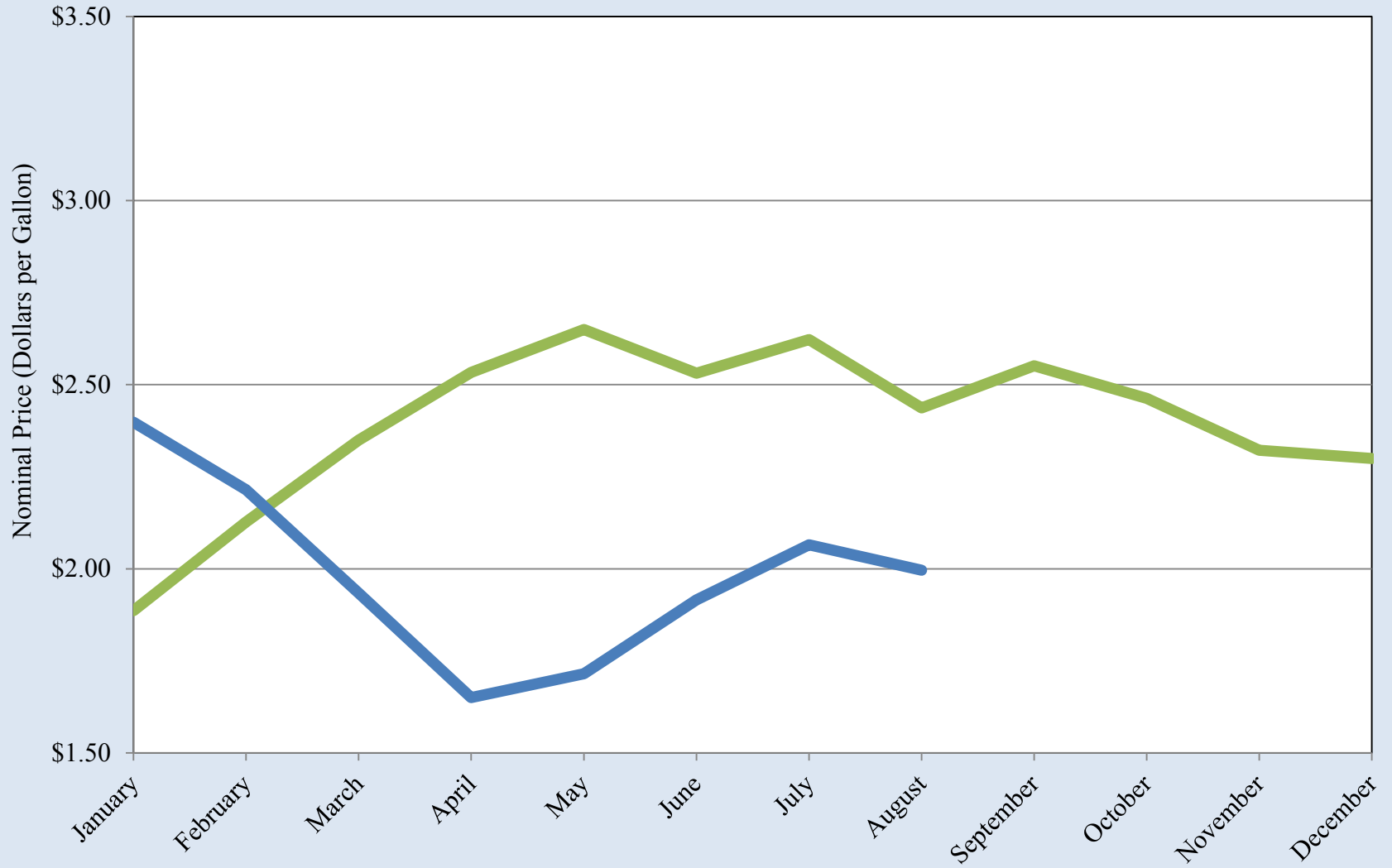
## Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

## El Paso Gasoline Prices

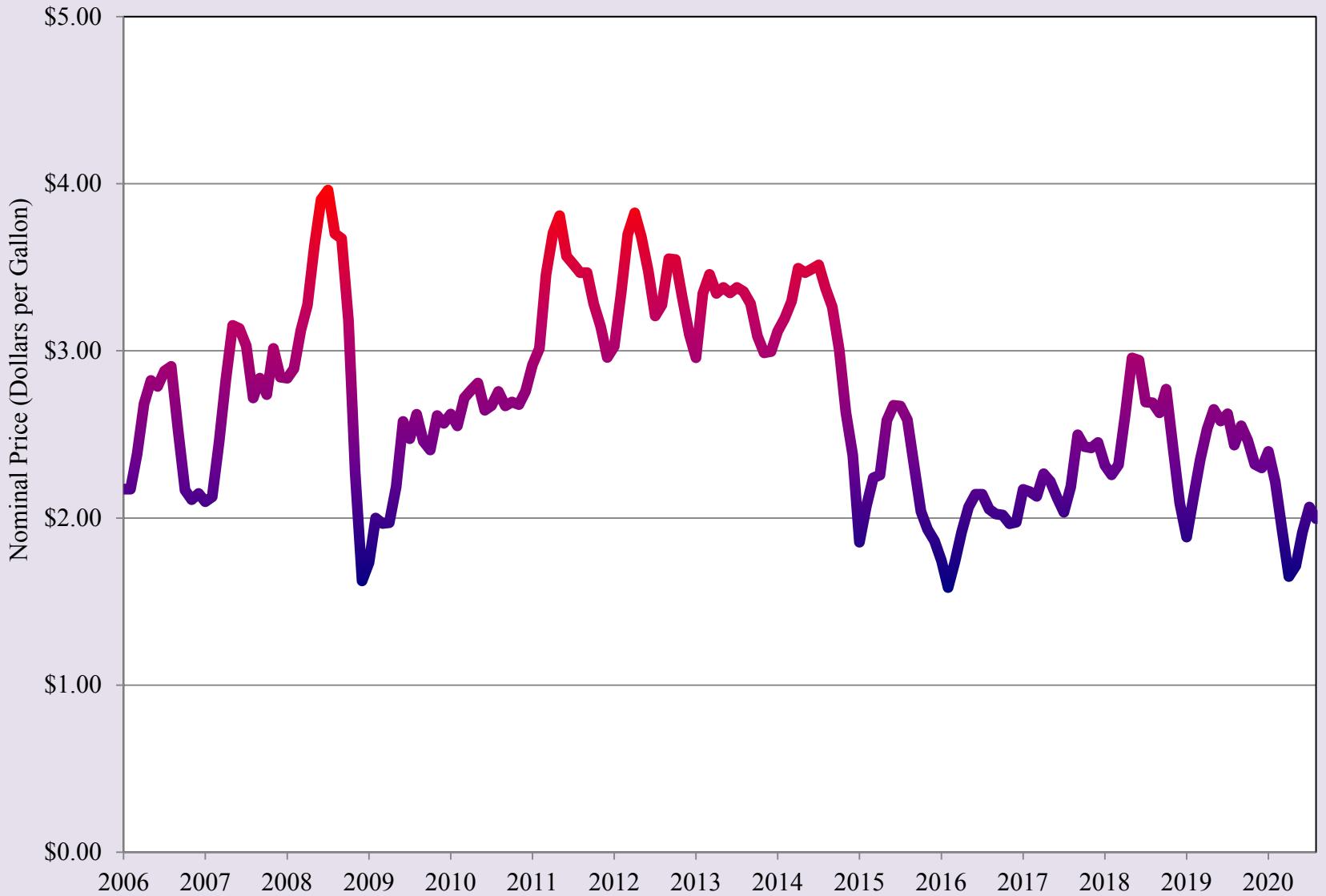
2019 2020



Source: GasBuddy.com



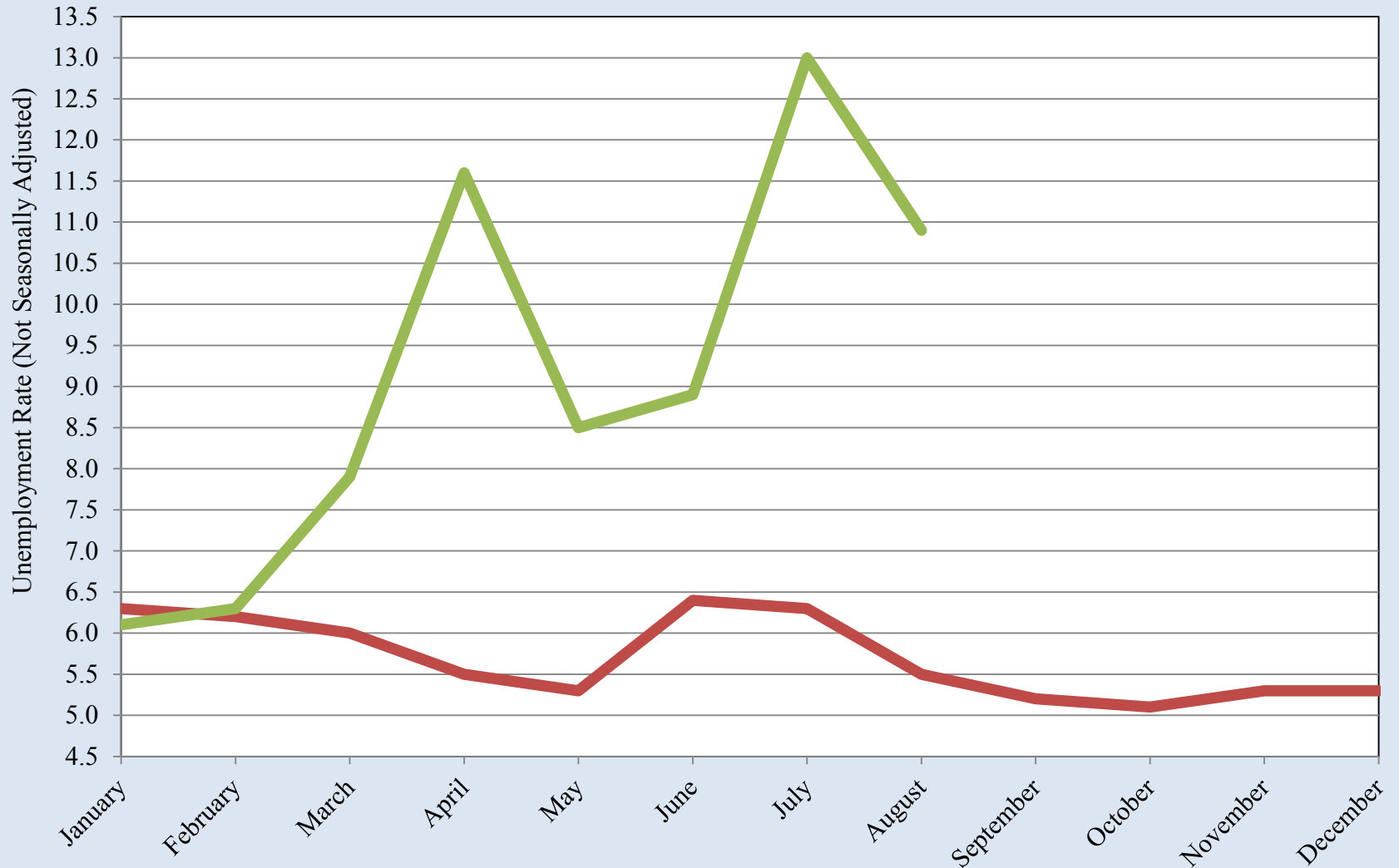
## El Paso Gasoline Prices



Source: GasBuddy.com

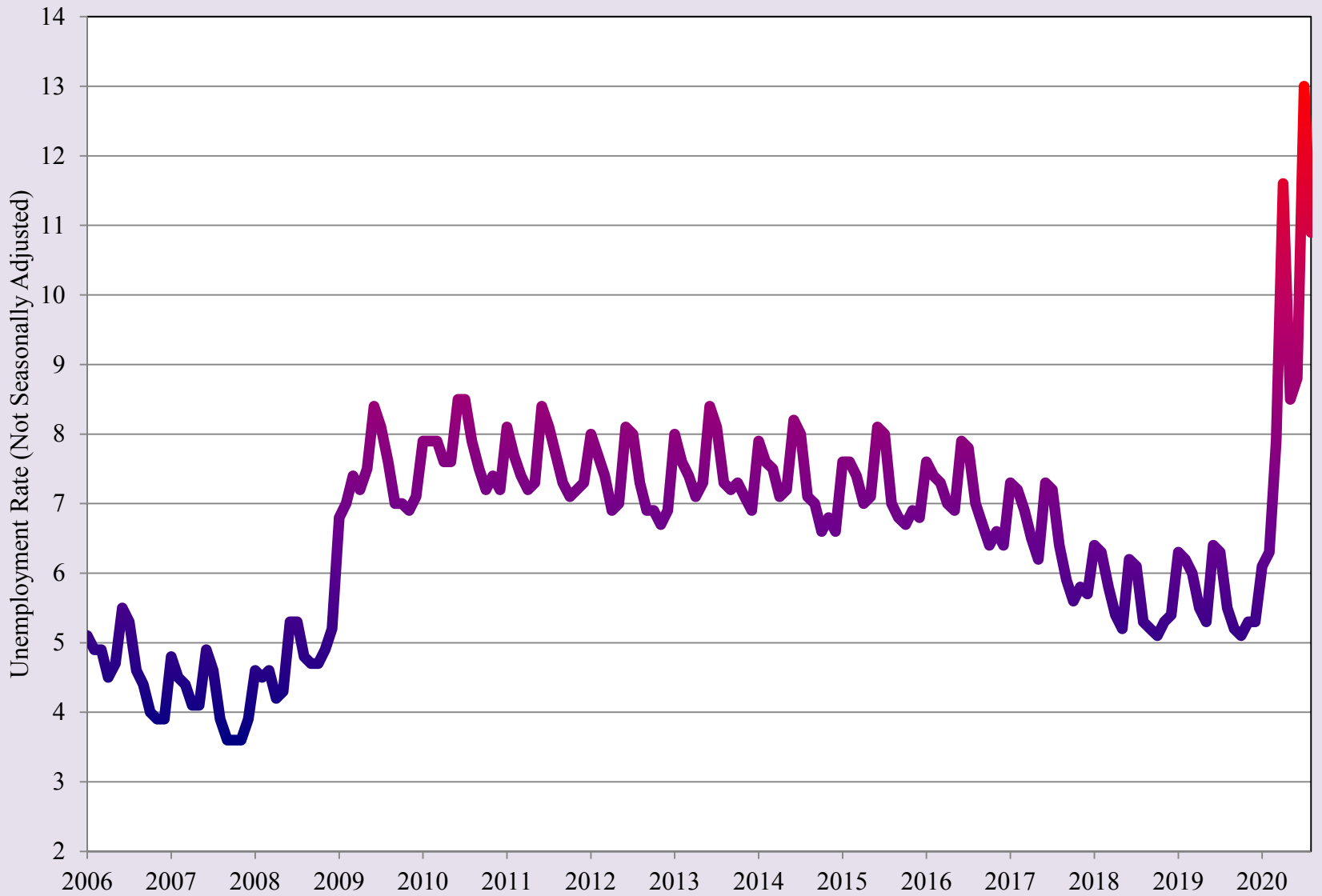
## Doña Ana County Unemployment Rate

2019 2020



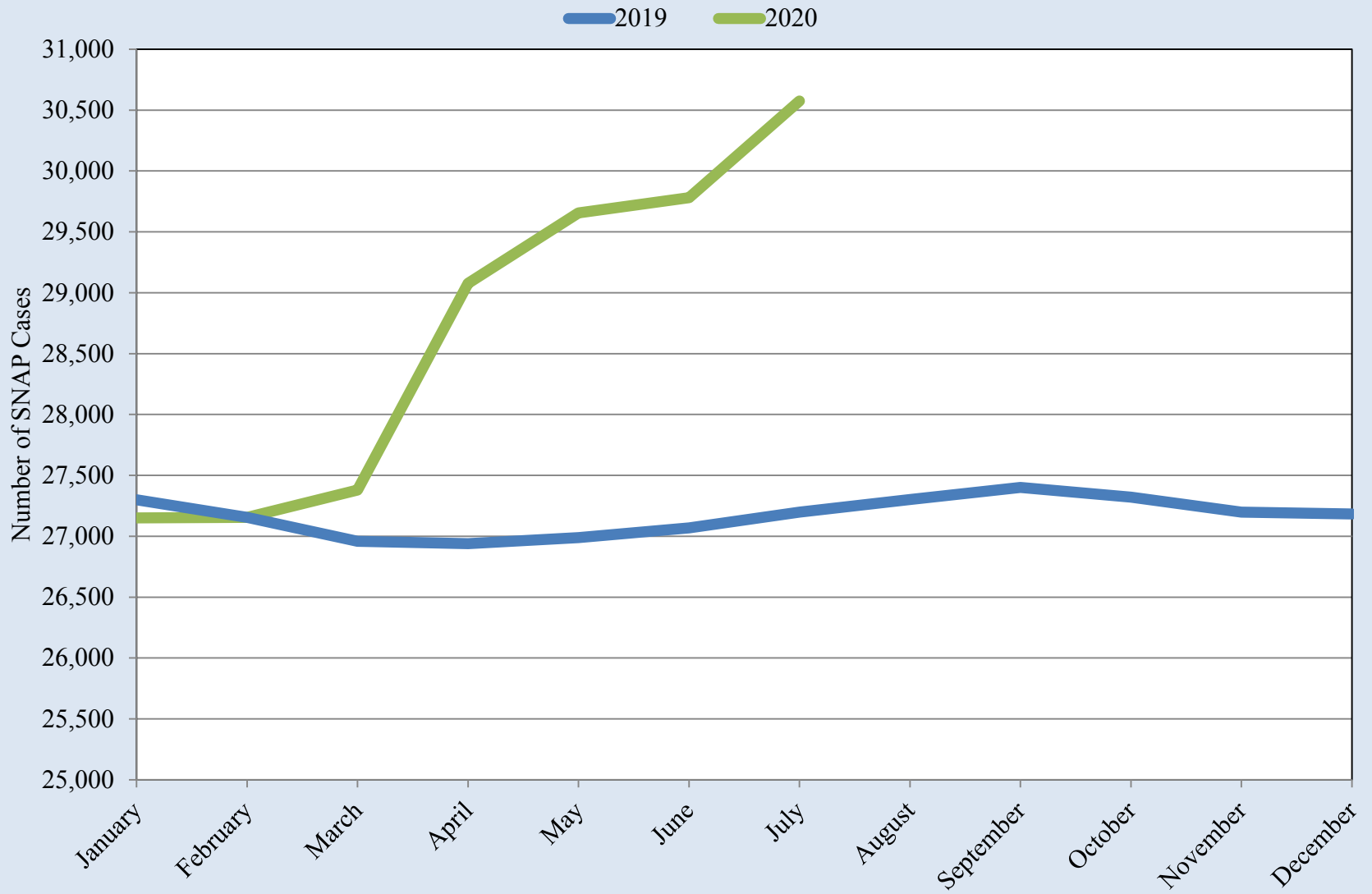
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate

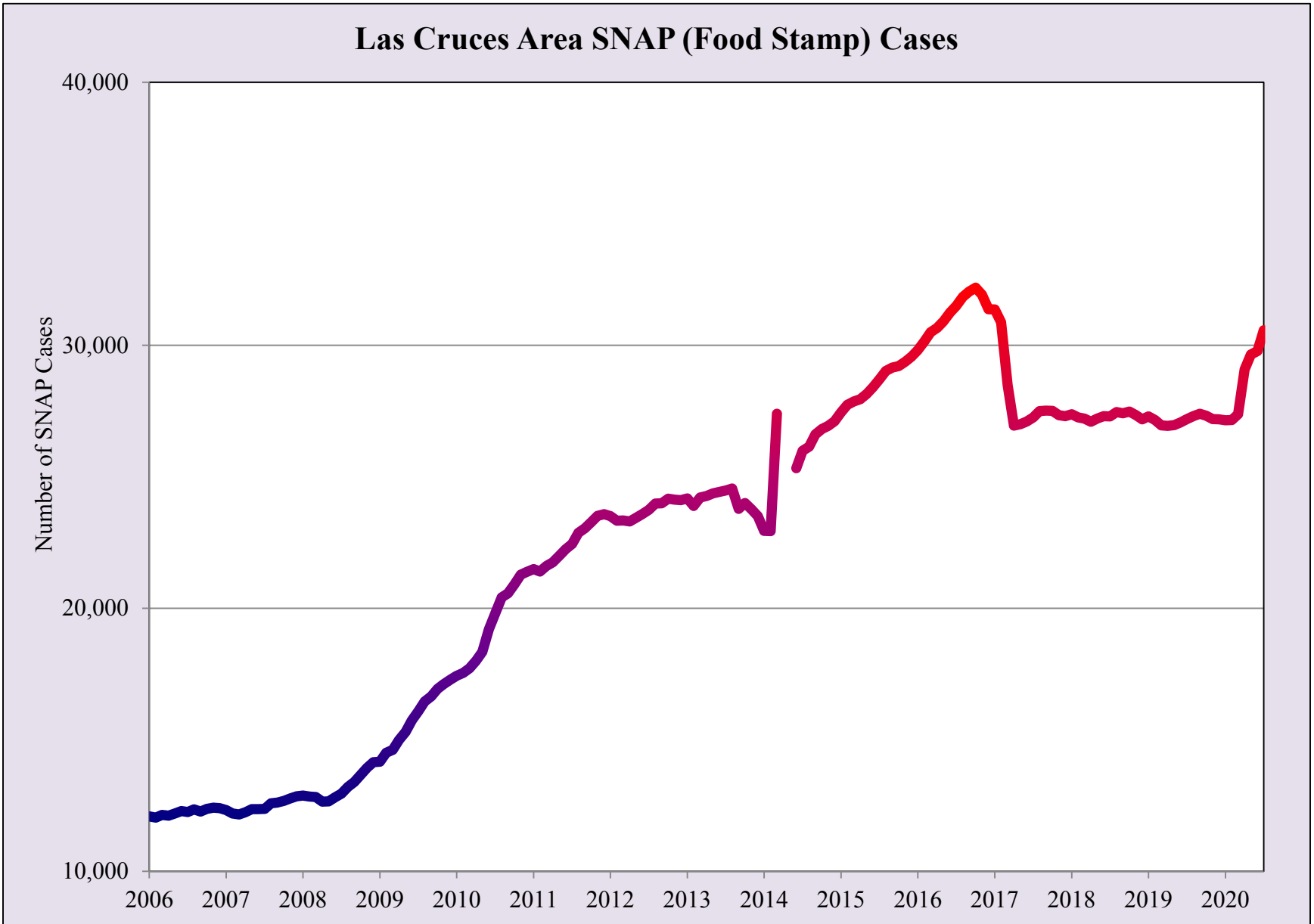


Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases

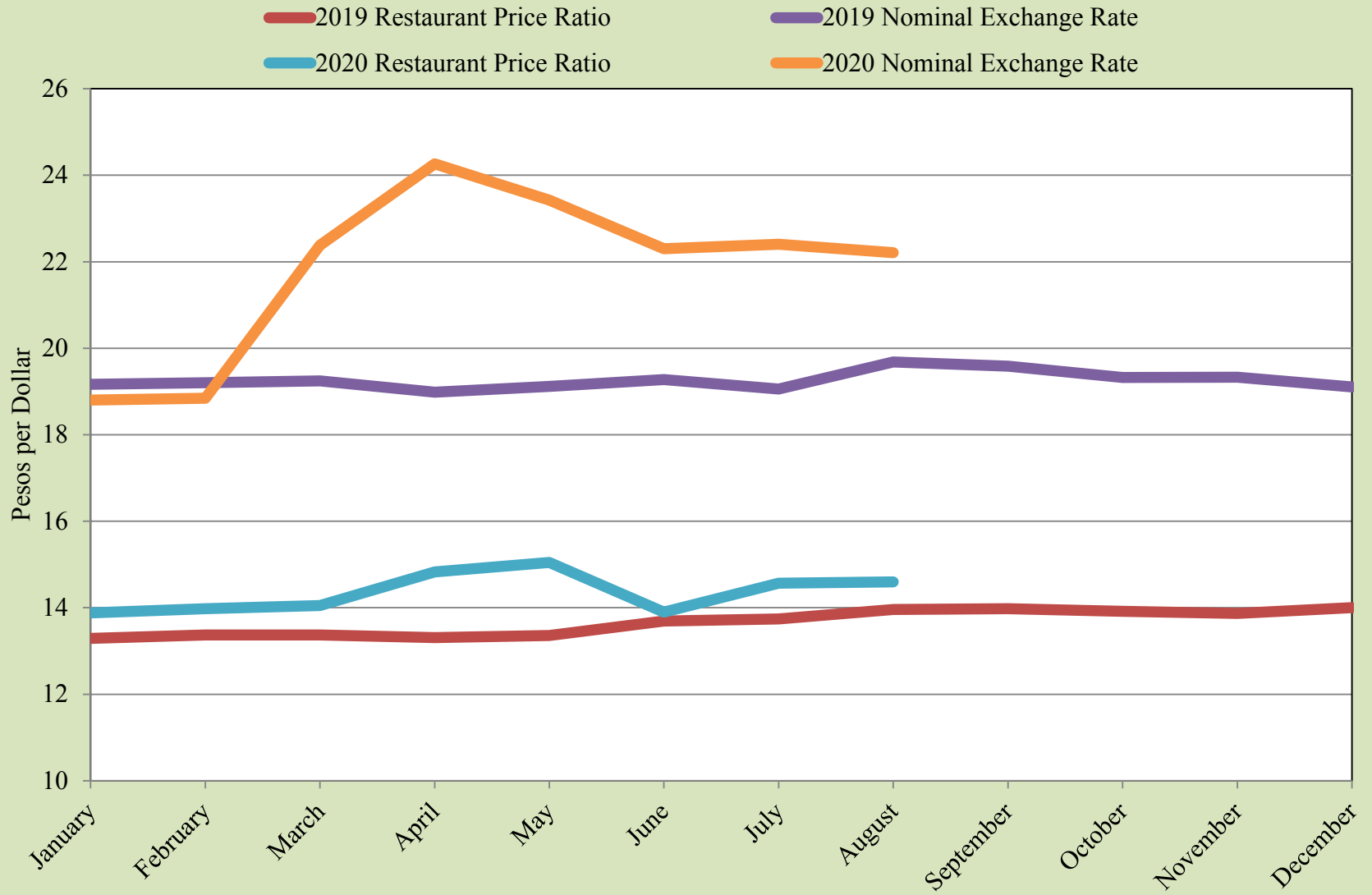


Source: New Mexico Human Services Department



Source: New Mexico Human Services Department

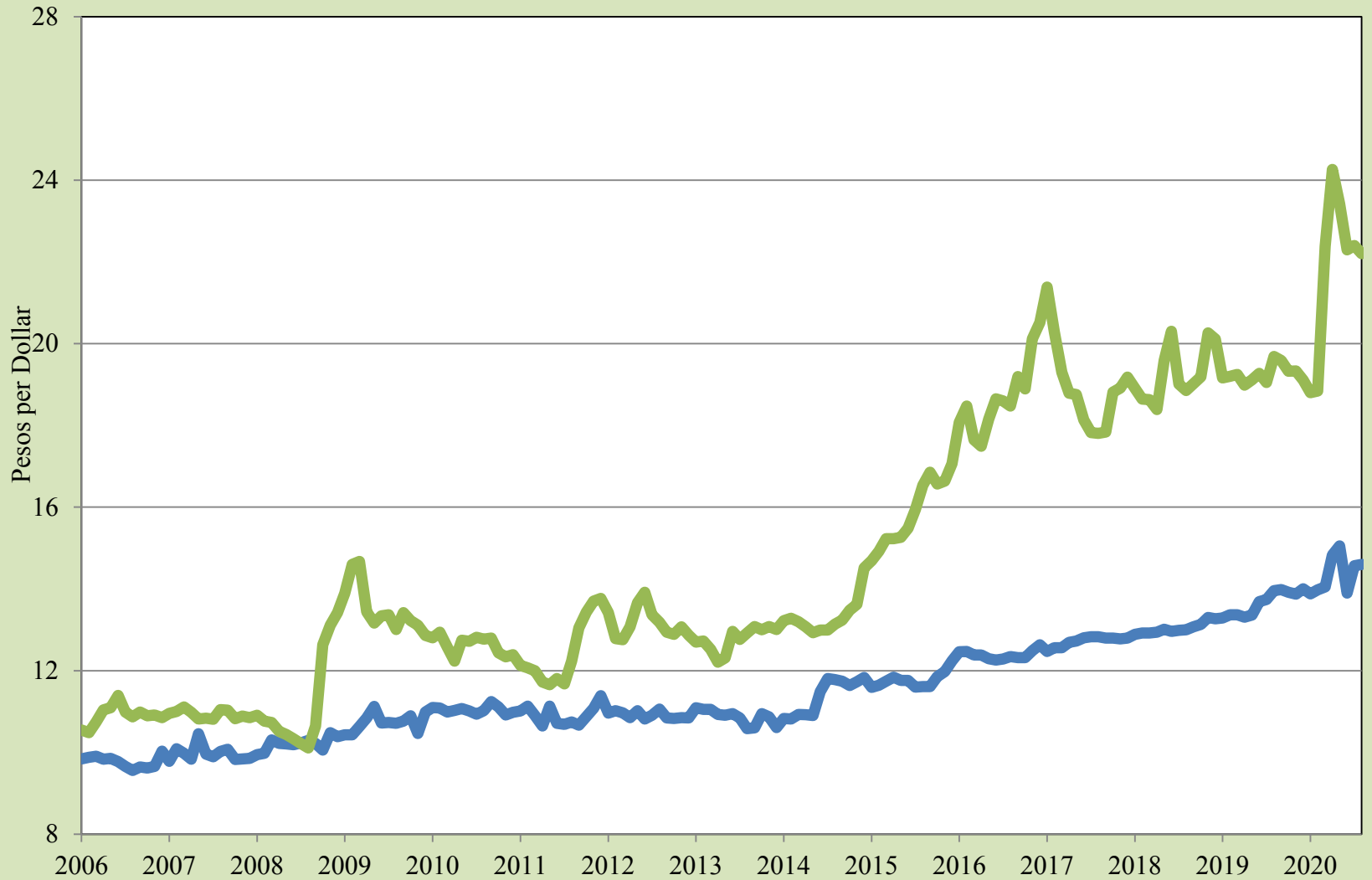
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

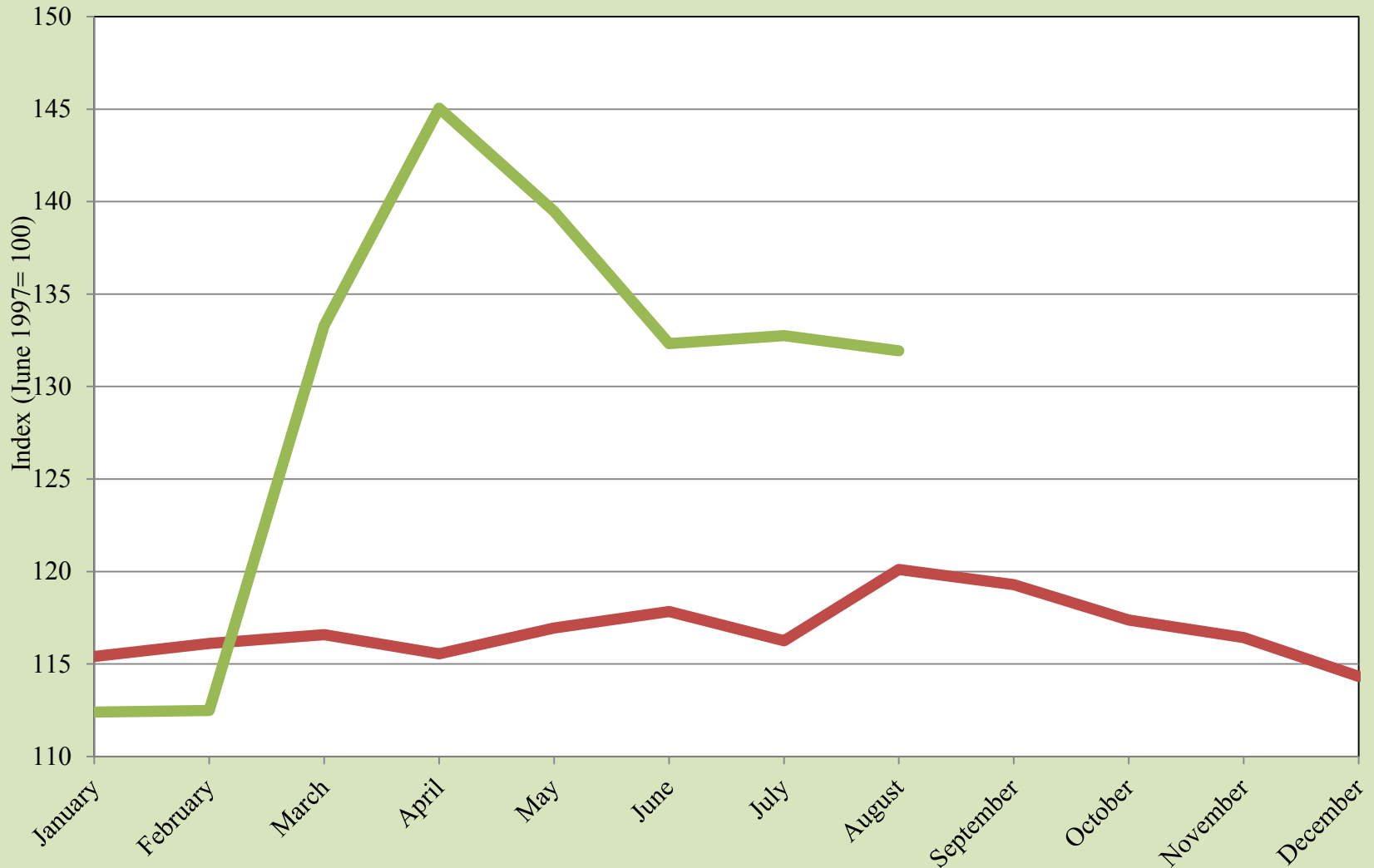
Price Ratio Exchange Rate



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

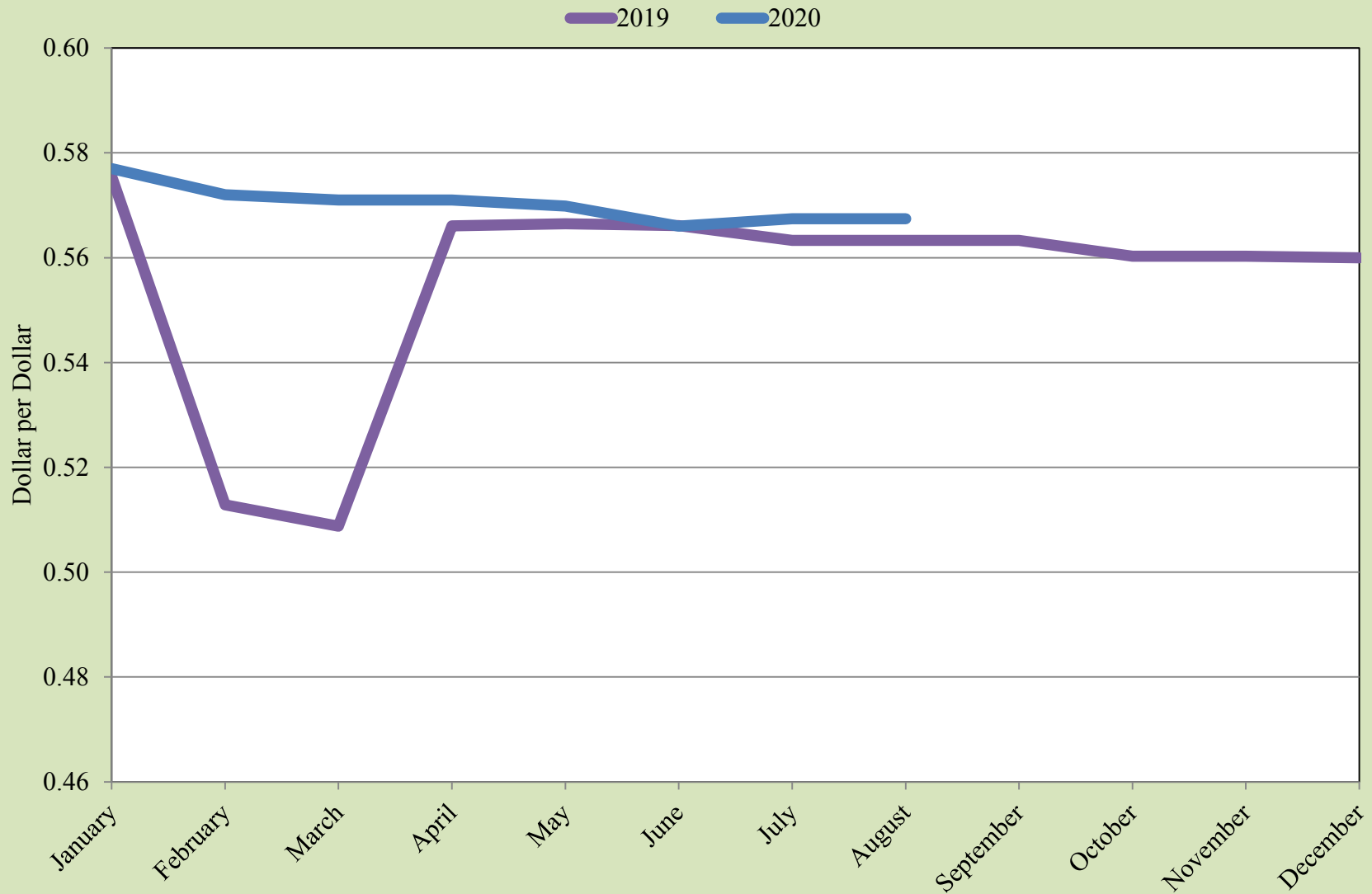


## Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

## Pharmaceutical Nominal Price Ratio in the USA and Mexico



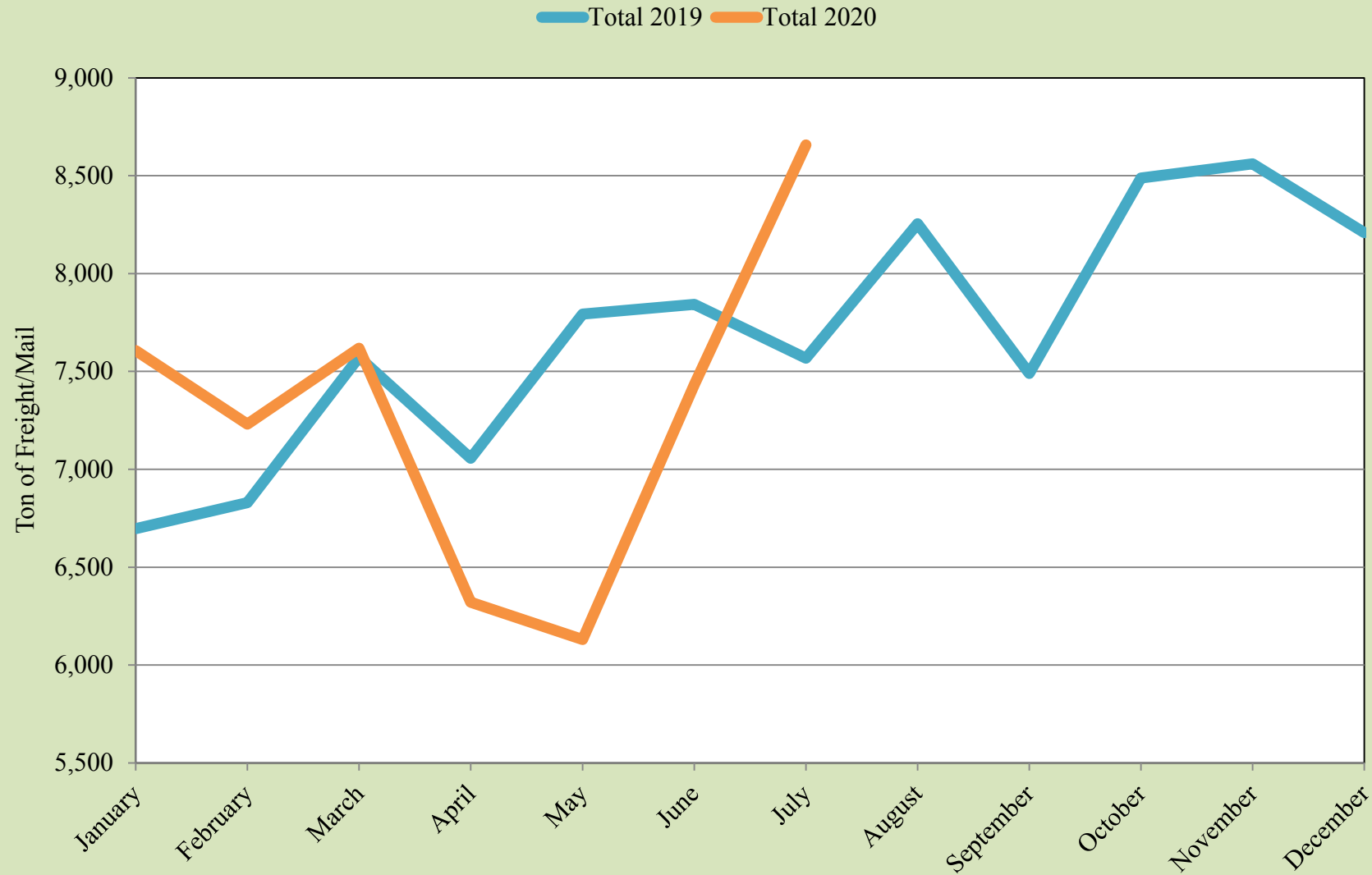
Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [medicinesmexico.com](http://medicinesmexico.com), [medsmex.com](http://medsmex.com)

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Source: UTEP Border Region Modeling Project, [healthwarehouse.com](http://healthwarehouse.com), [medicinesmexico.com](http://medicinesmexico.com), [medsmex.com](http://medsmex.com)

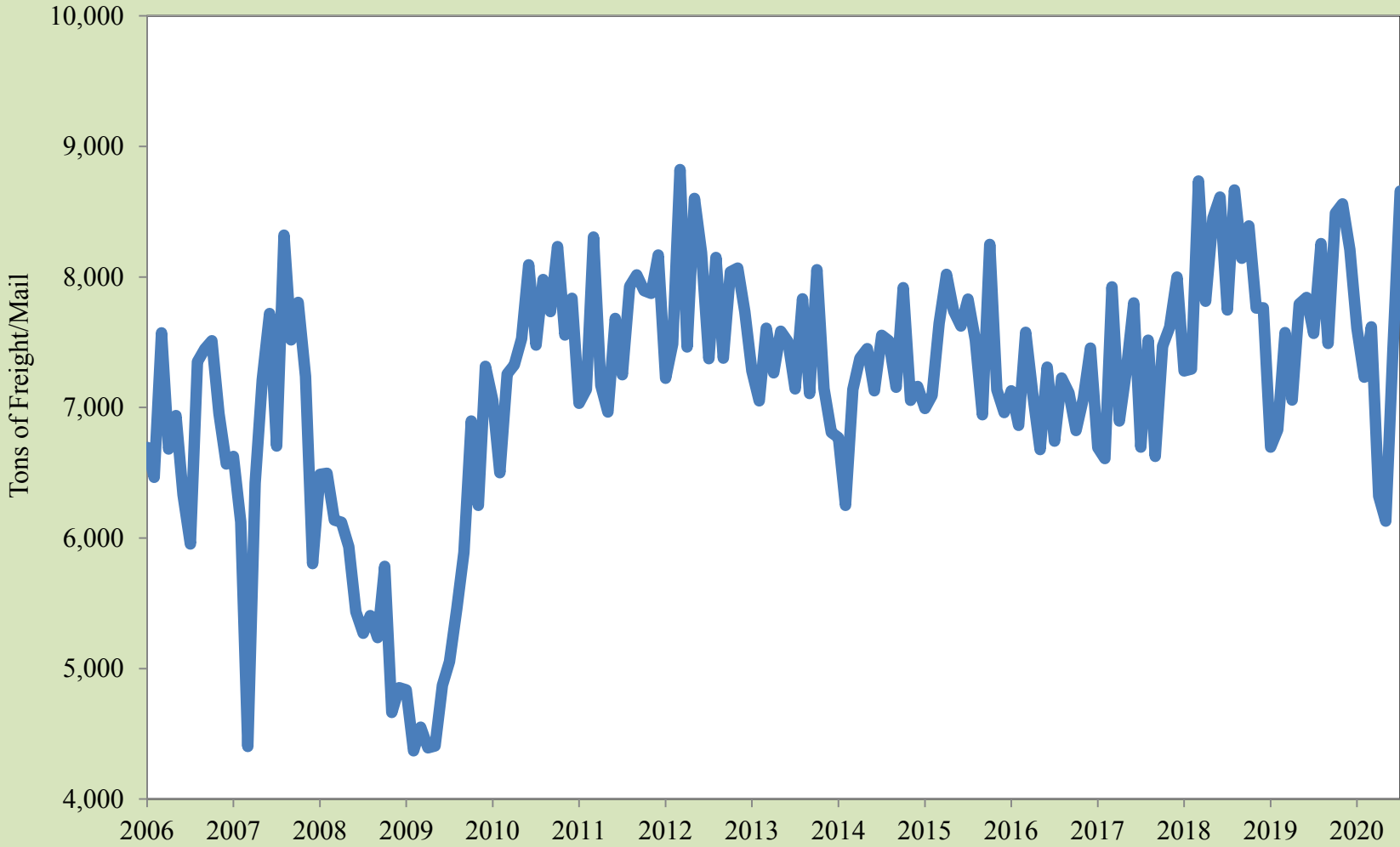
# EPIA Freight and Mail



Source: EPIA Operations

# EPIA Freight and Mail

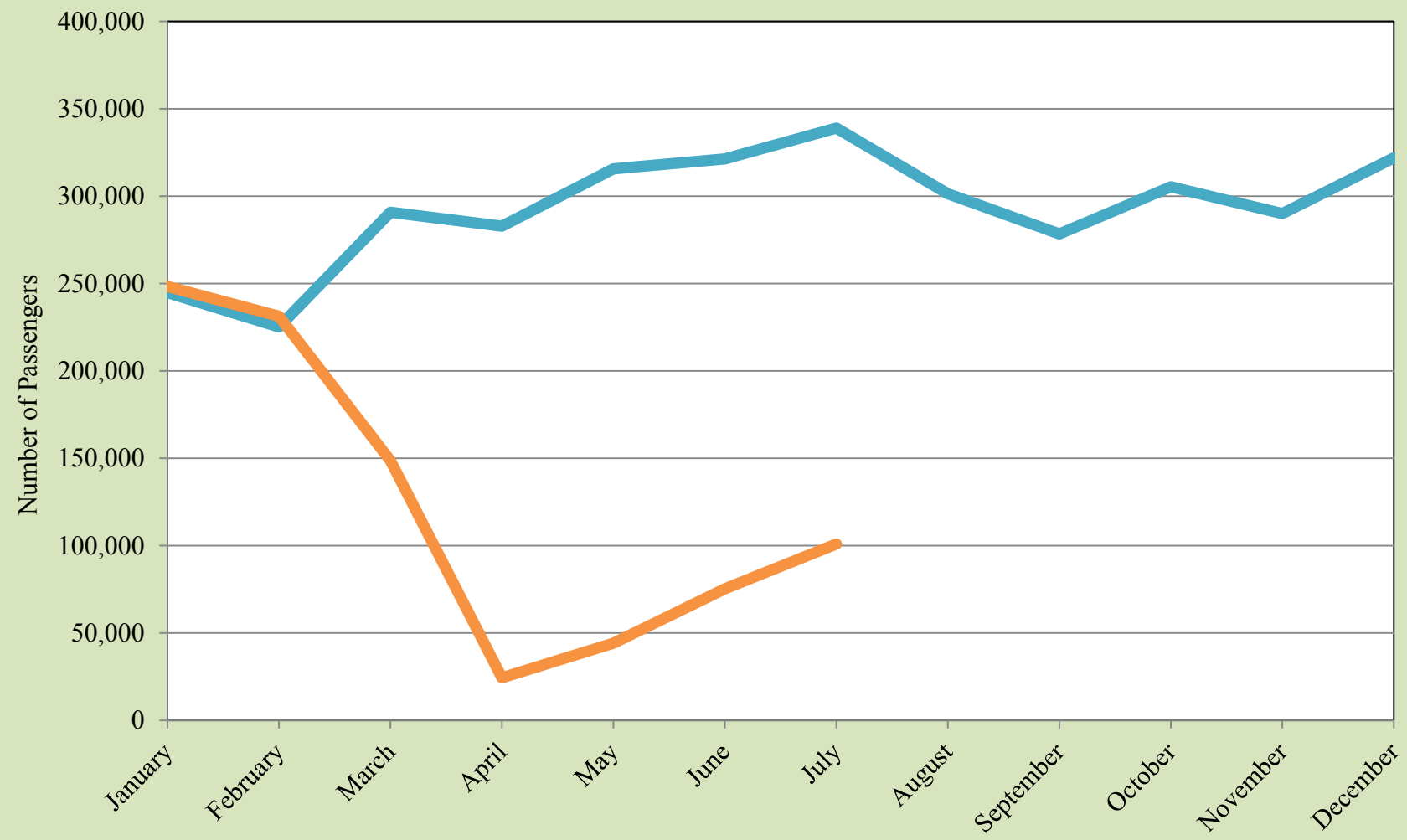
Inbound+Outbound



Source: EPIA Operations

# EPIA Passengers

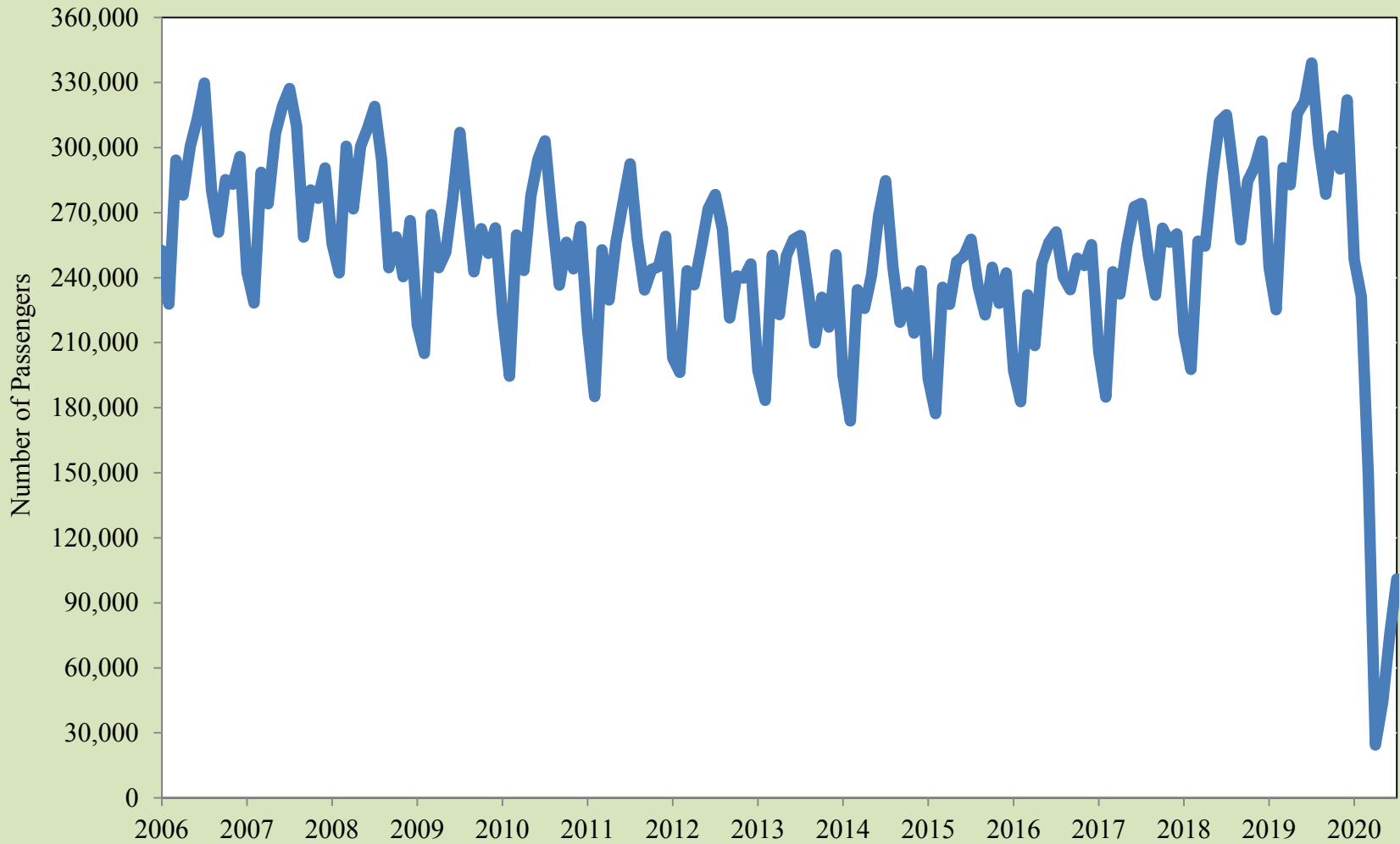
EPIA 2019 EPIA 2020



Source: EPIA Operations

# EPIA Passengers

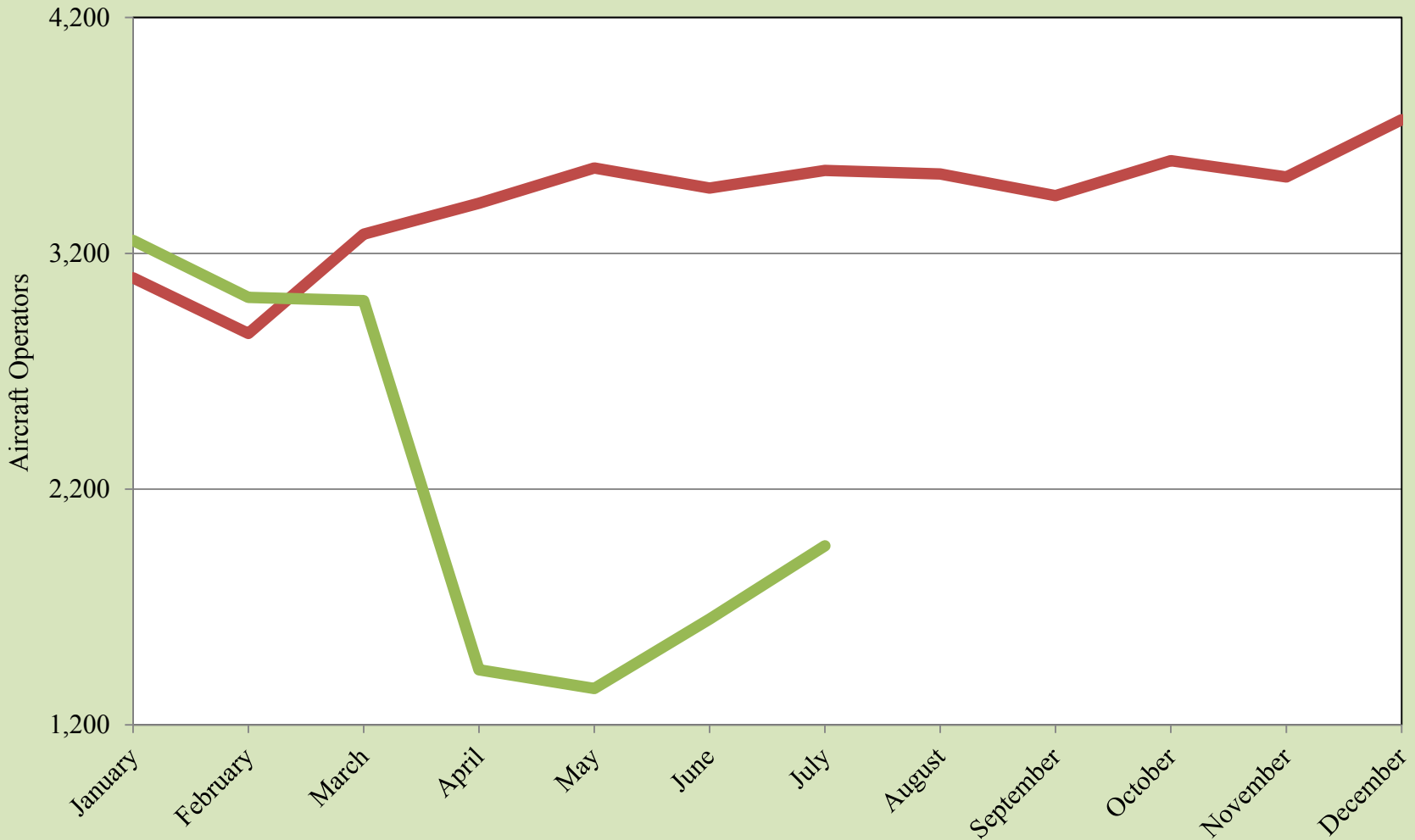
— Inbound+Outbound



Source: EPIA Operations

# EPIA Air Carrier Operations

Air Carrier Operations 2019      Air Carrier Operations 2020



Source: EPIA Operations



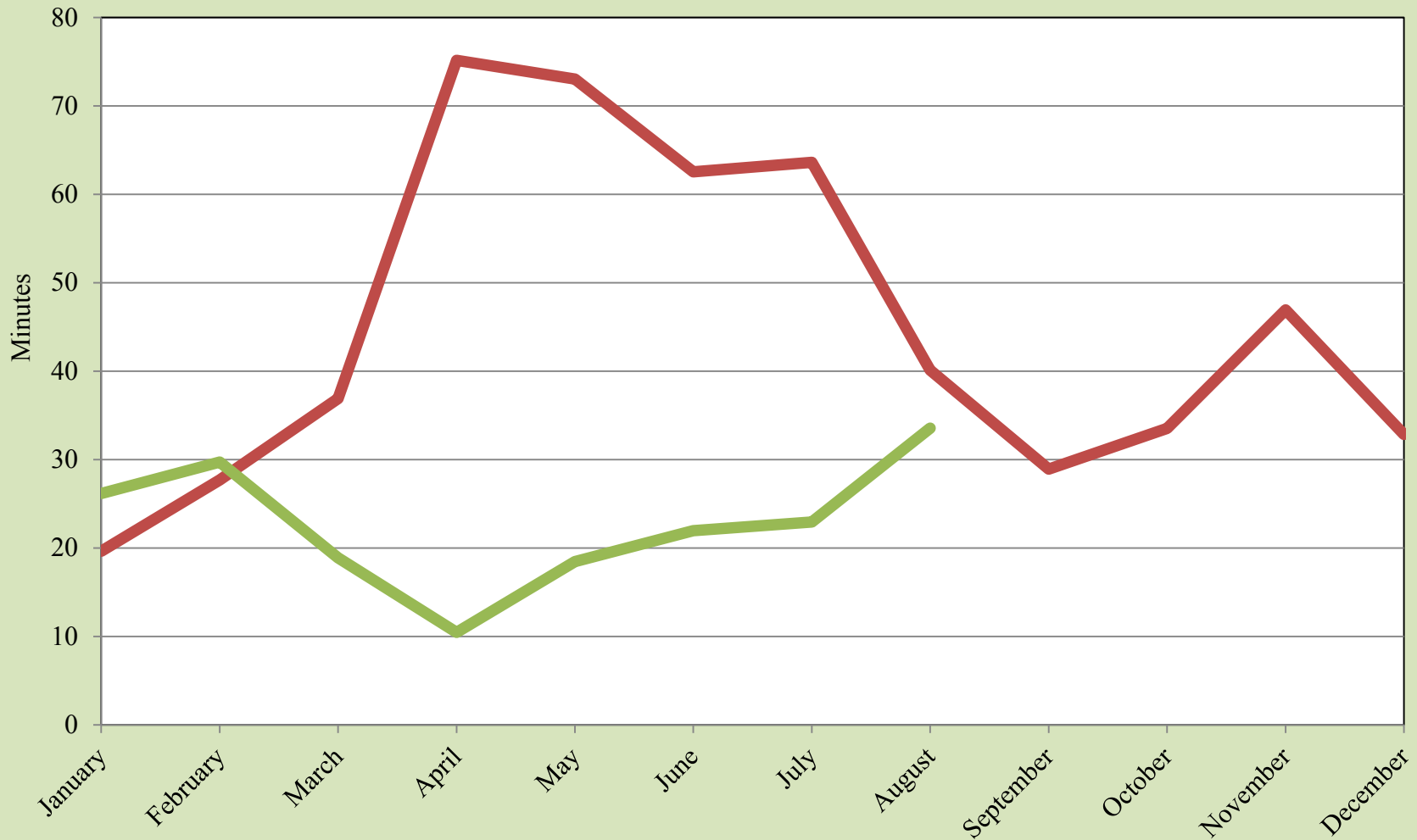
# EPIA Air Carrier Operations



Source: EPIA Operations

## Paso del Norte Monthly Wait Times

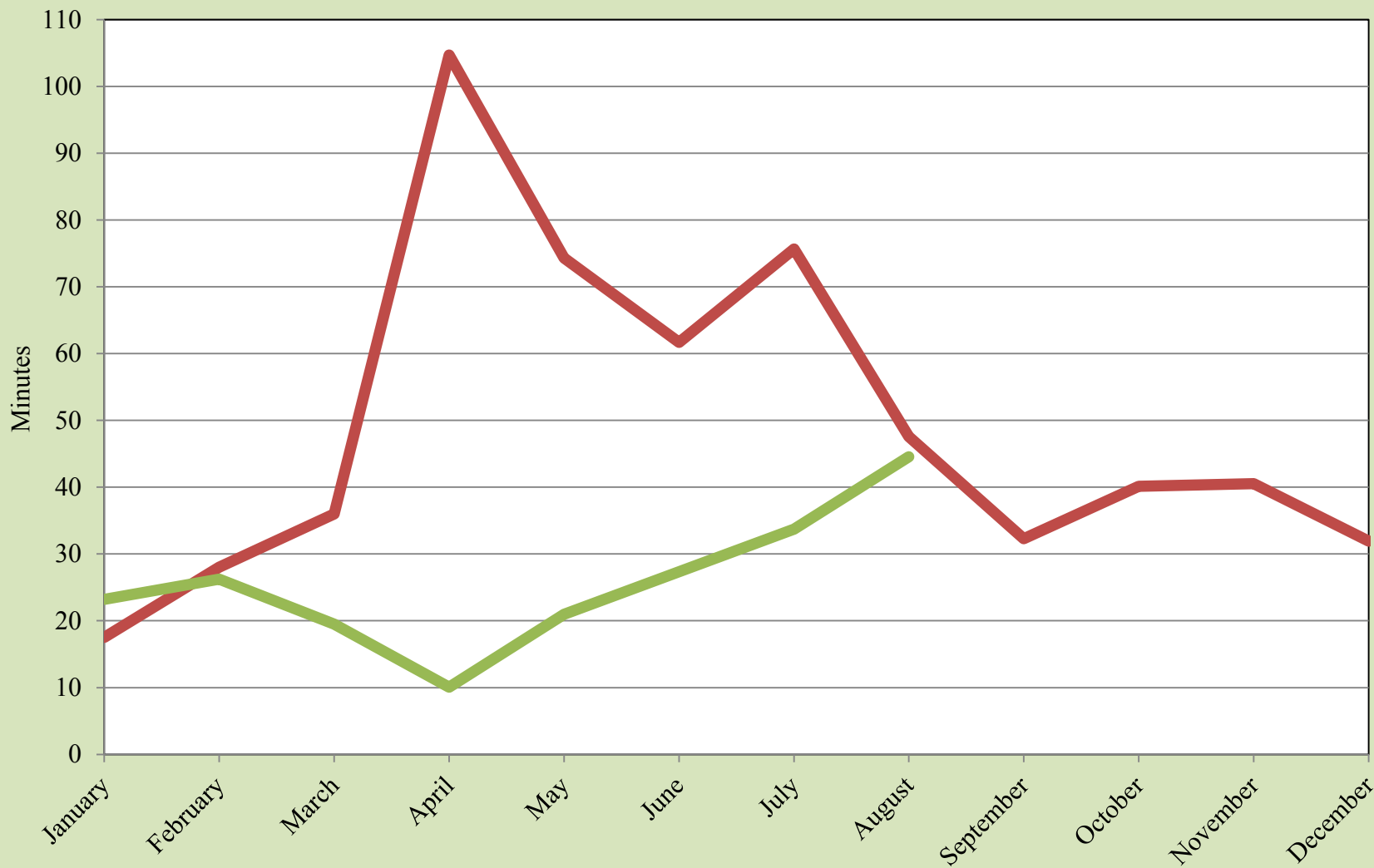
2019 2020



Source: UTEP Border Region Modeling Project

## Ysleta Monthly Wait Times

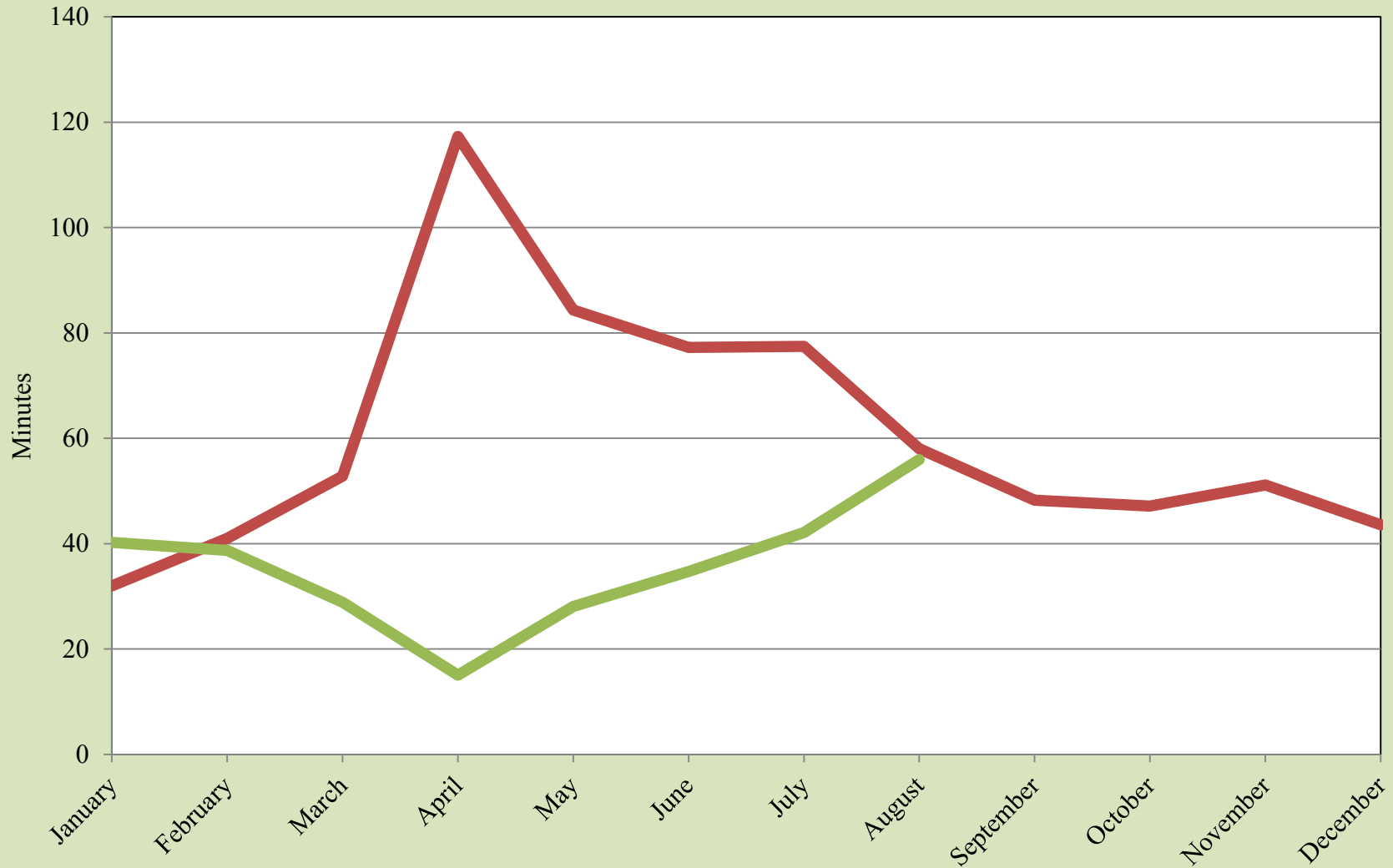
2019 2020



Source: UTEP Border Region Modeling Project

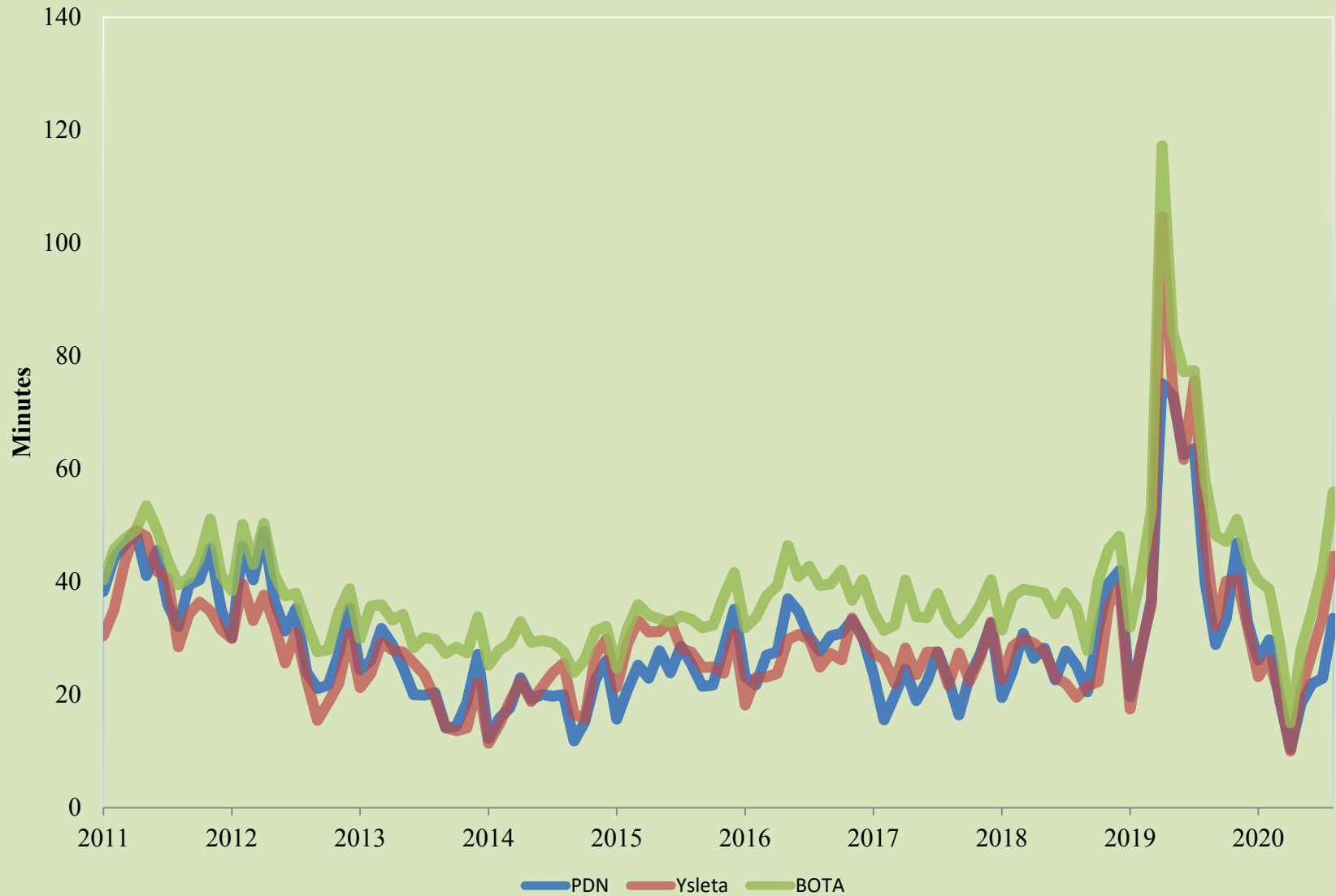
## Bridge of the Americas Monthly Wait Times

2019 2020



Source: UTEP Border Region Modeling Project

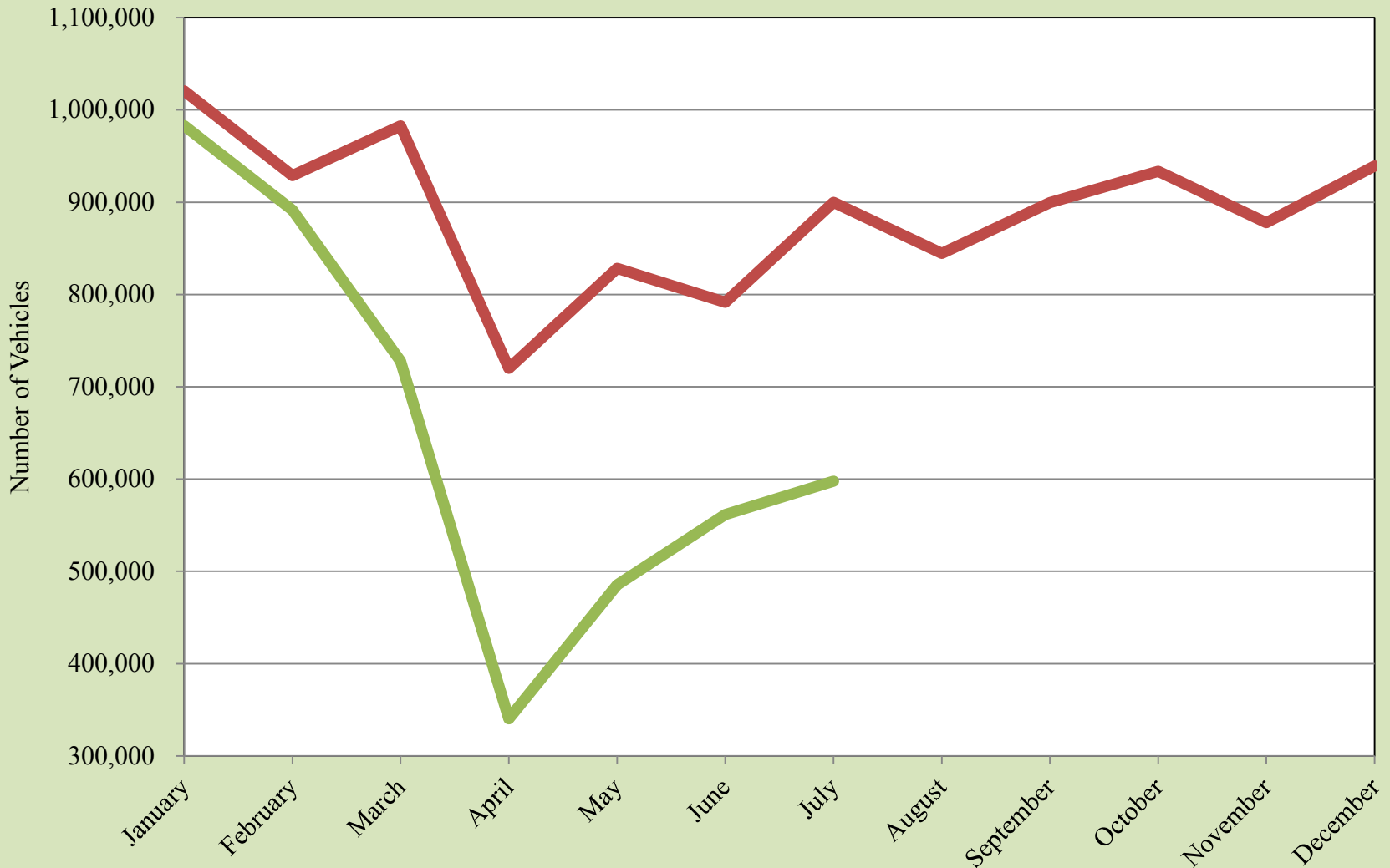
## Monthly Border Wait Times



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

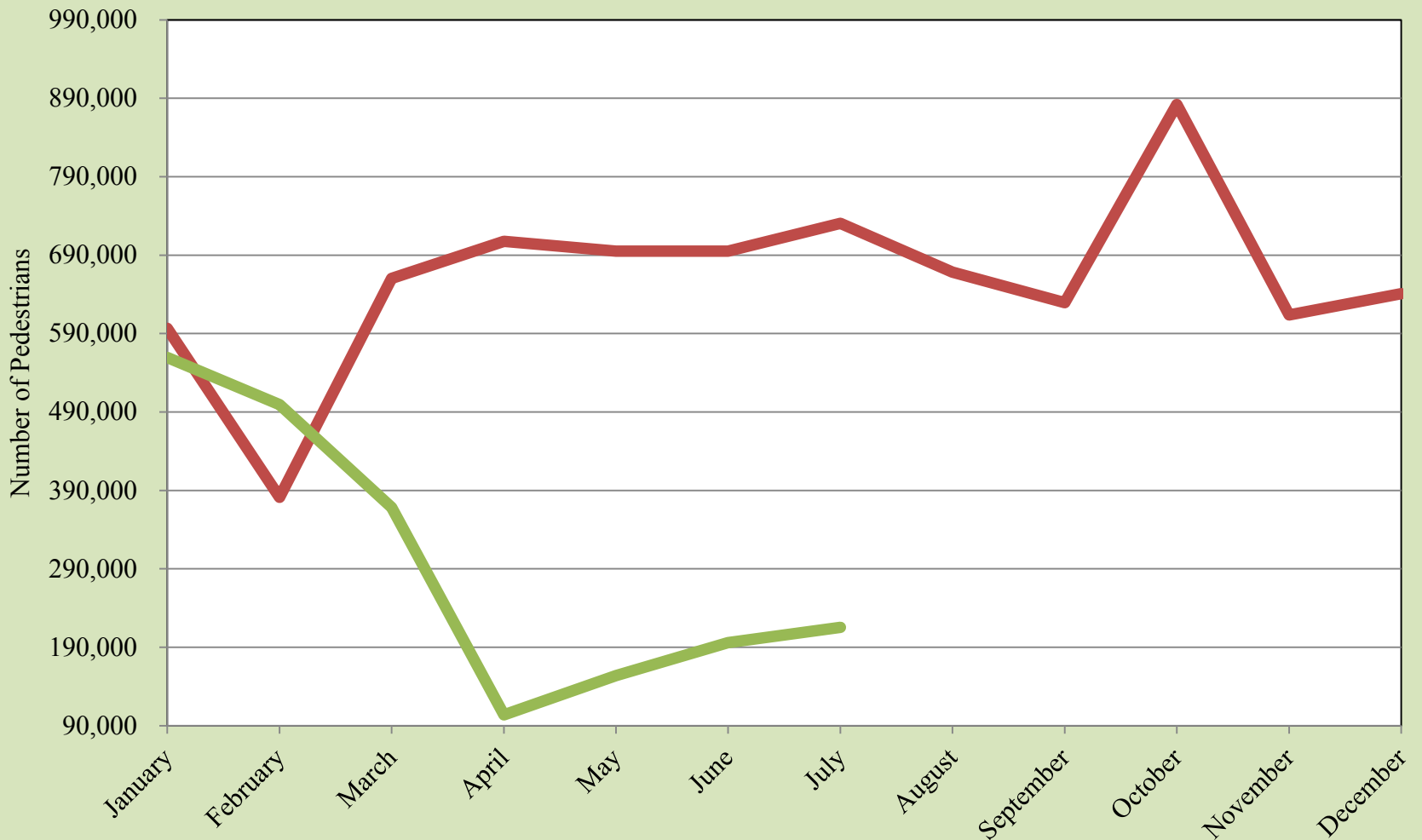
## Personal Vehicle International Bridge Crossings to El Paso



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

## Pedestrian International Bridge Crossings to El Paso

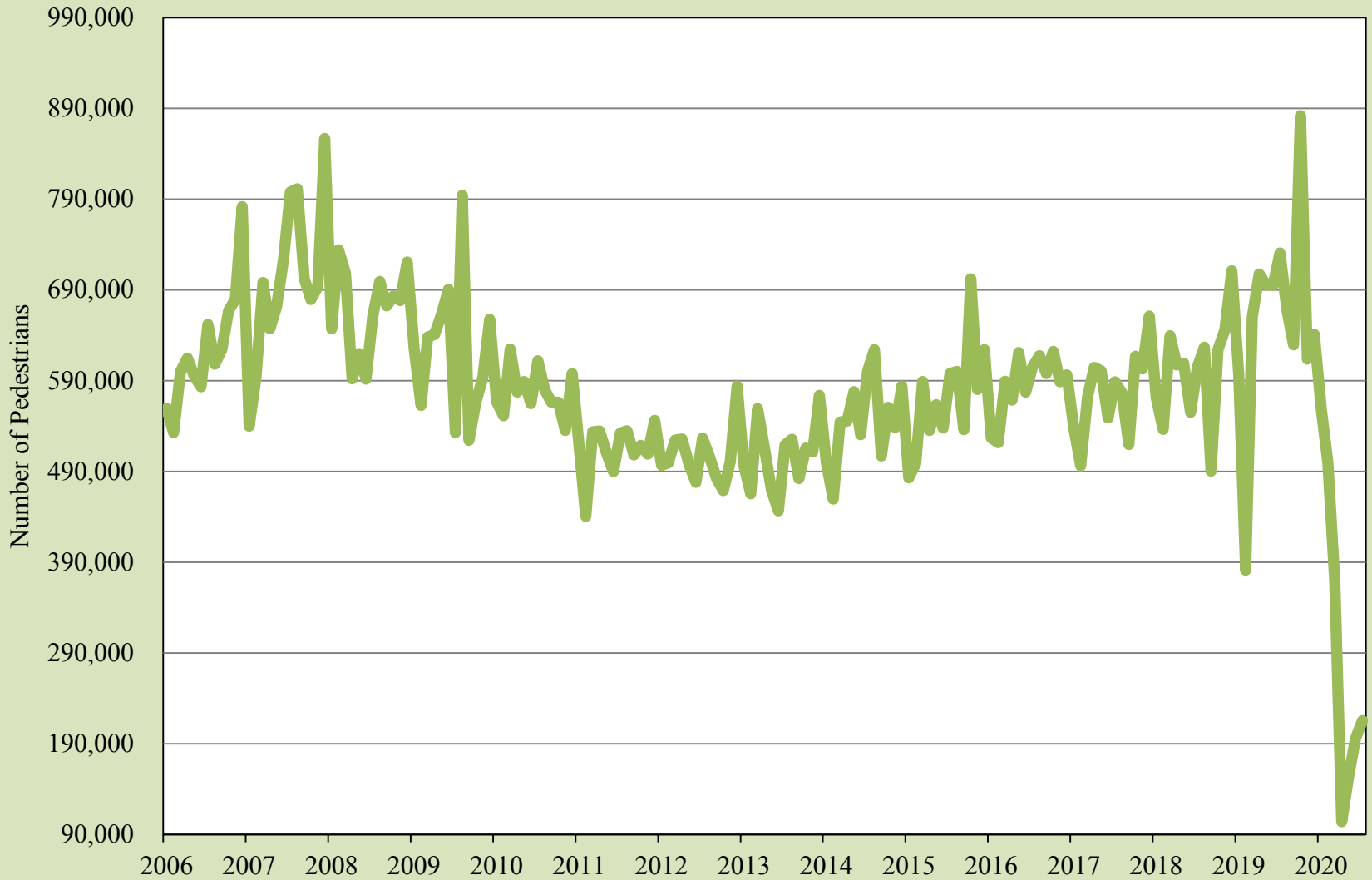
2019 2020



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



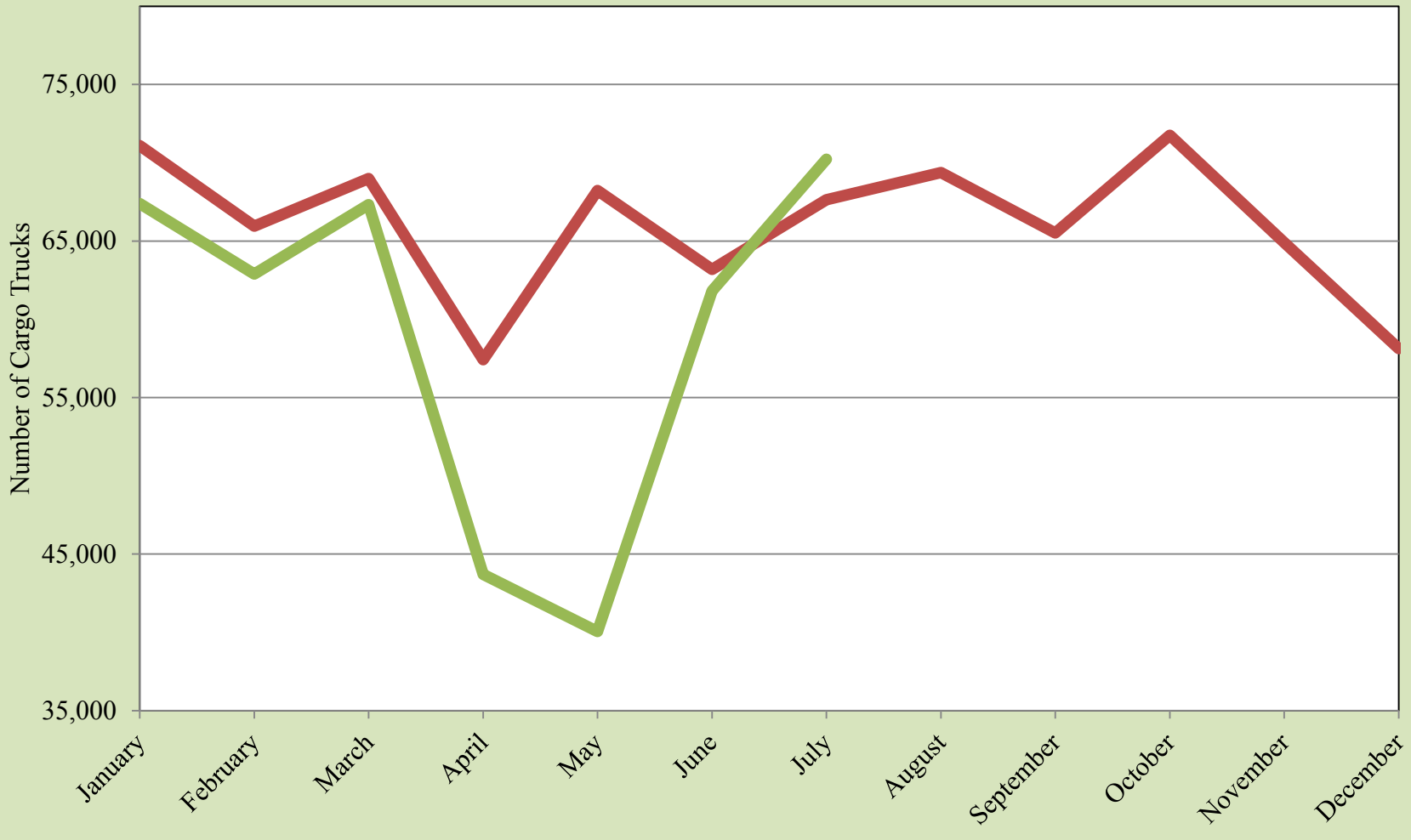
## Pedestrian International Bridge Crossings to El Paso



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

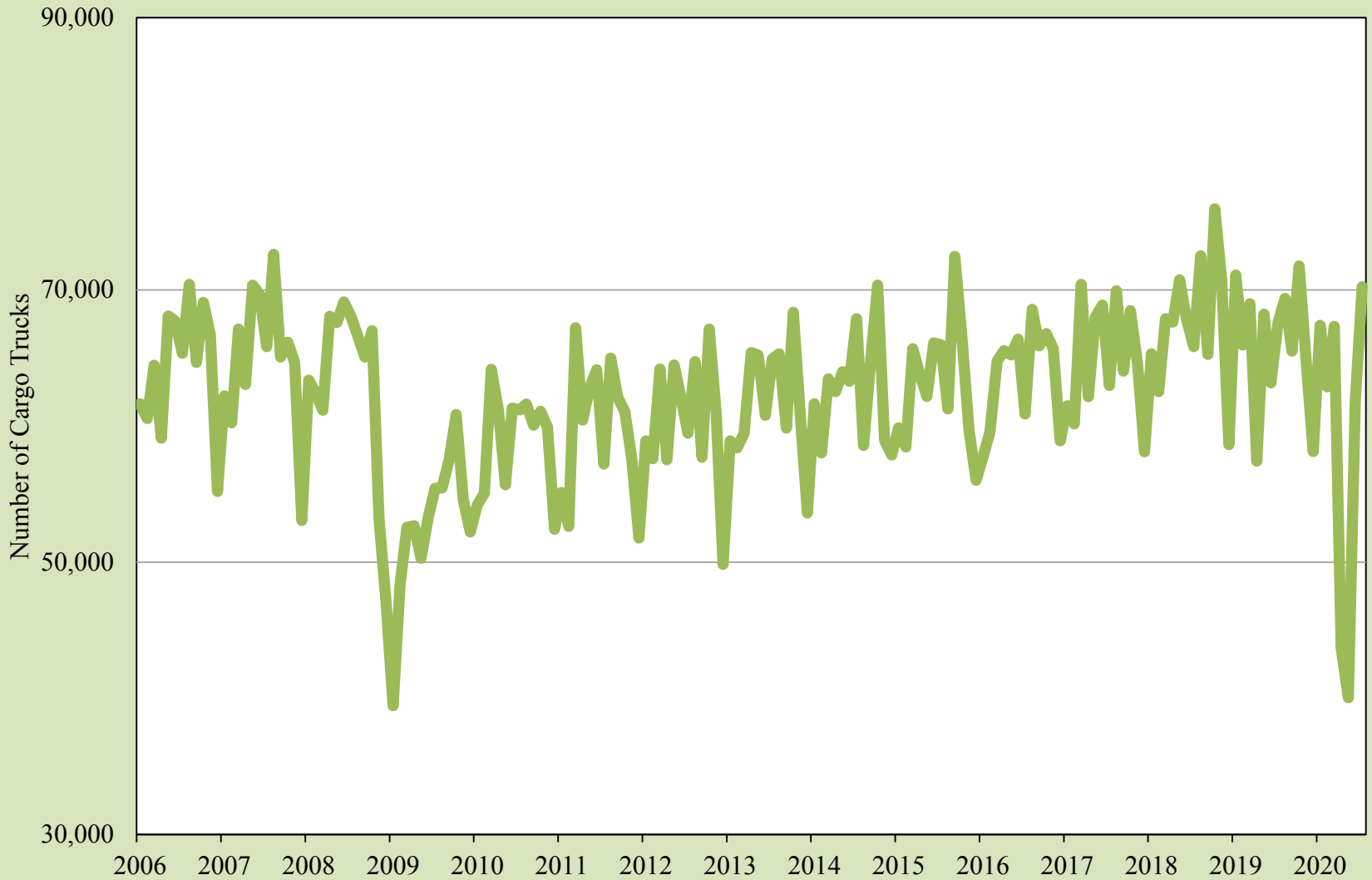
## Cargo Truck International Bridge Crossings to El Paso

2019 2020



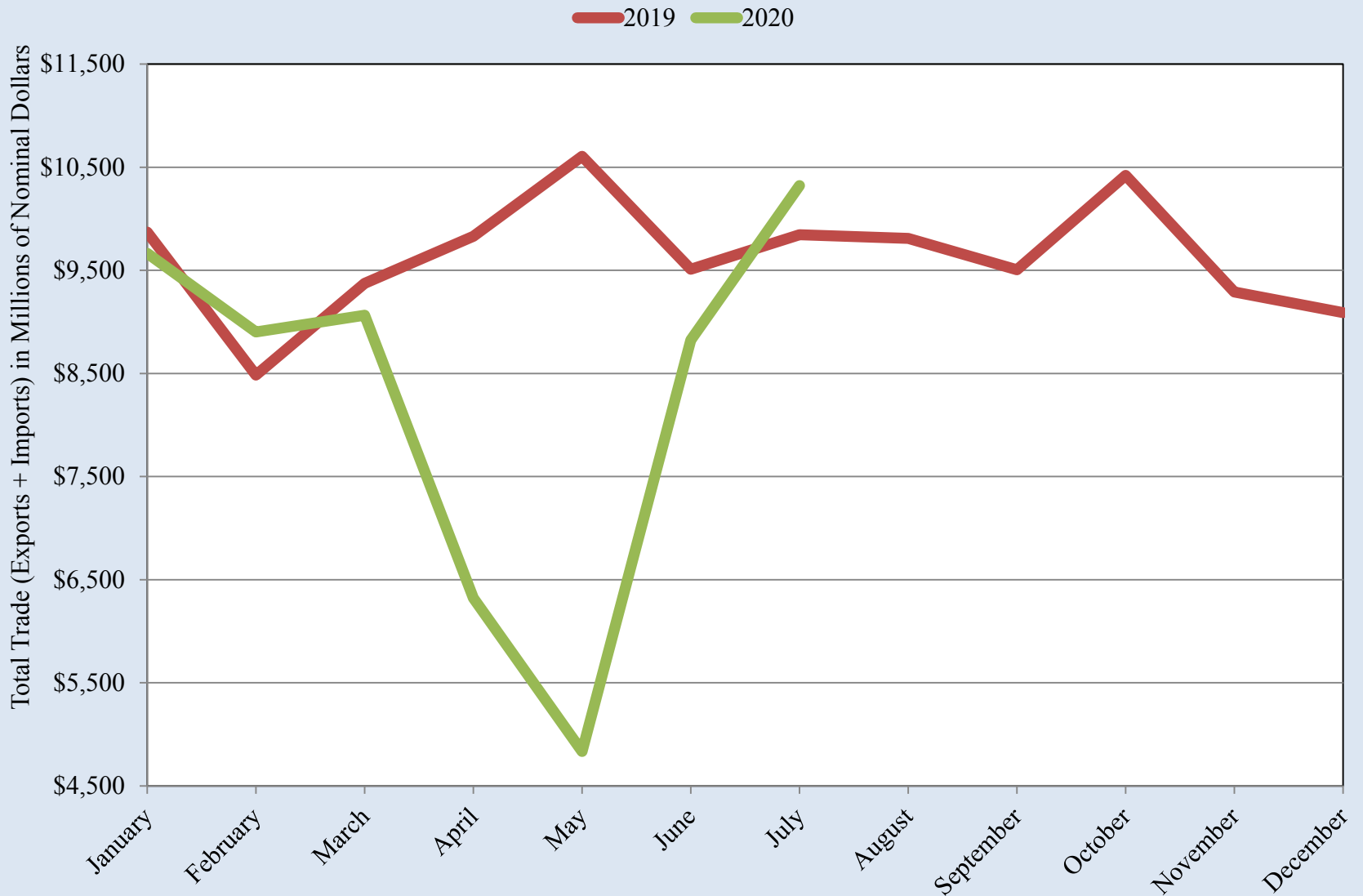
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Cargo Truck International Bridge Crossings to El Paso



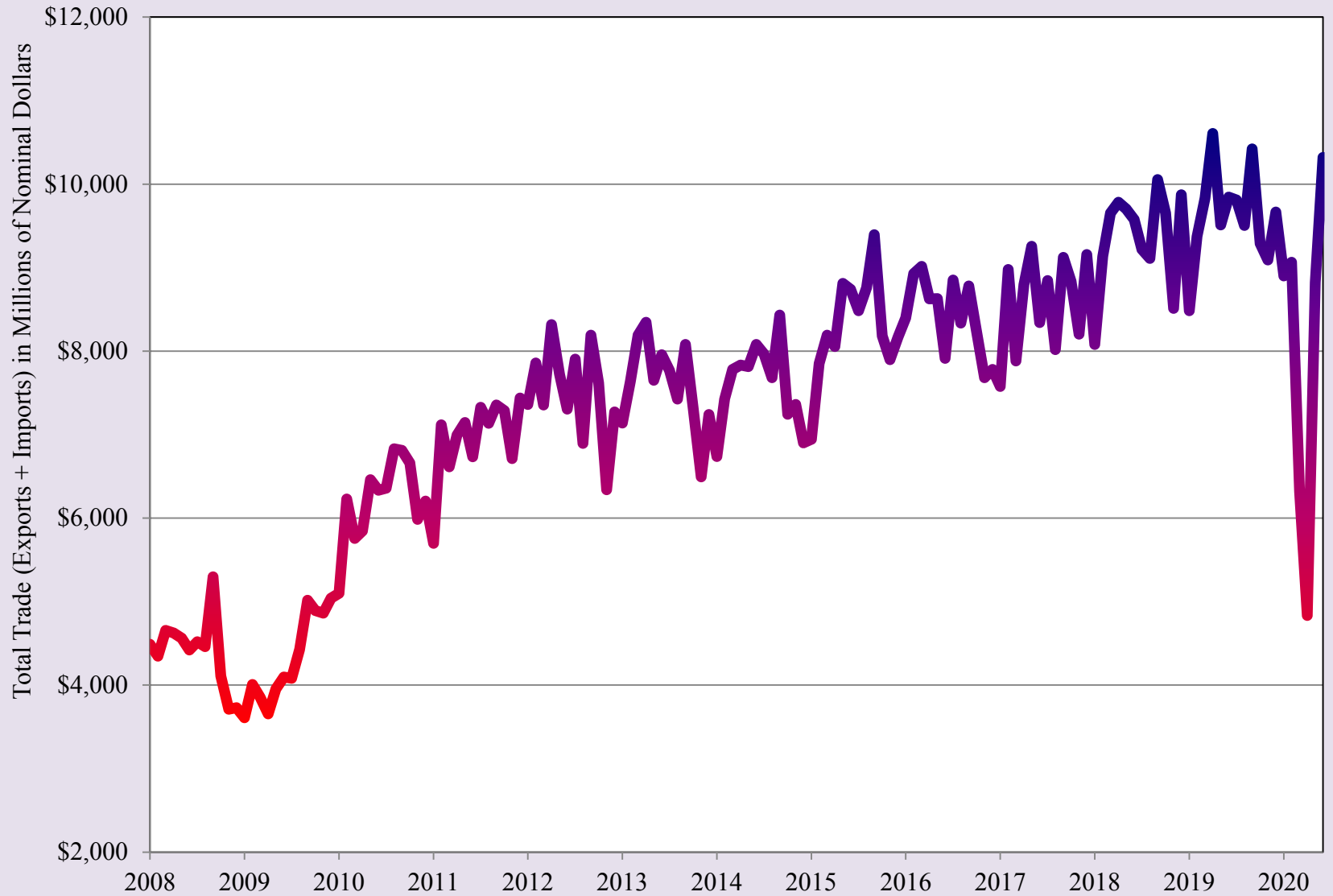
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

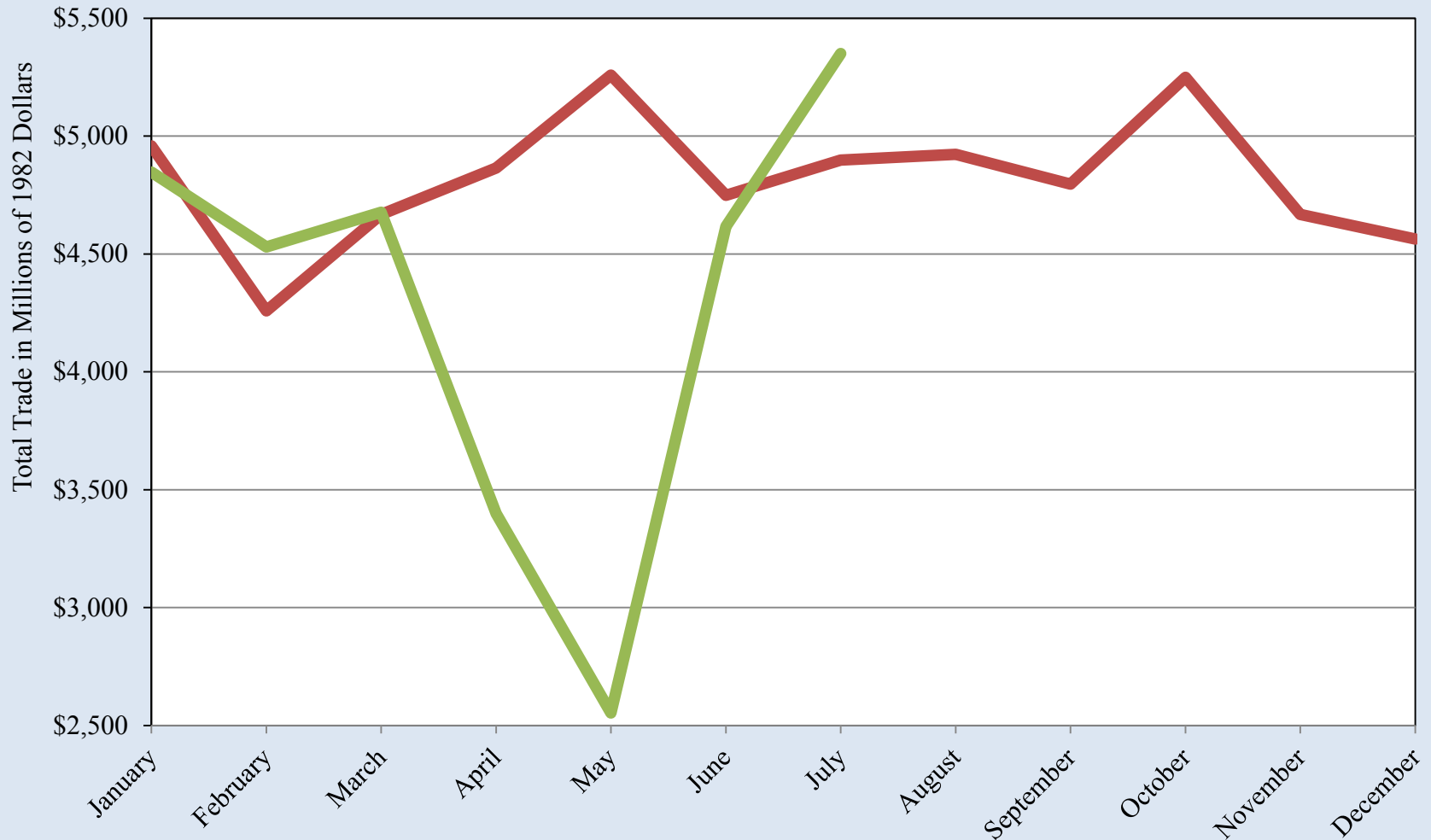
## Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

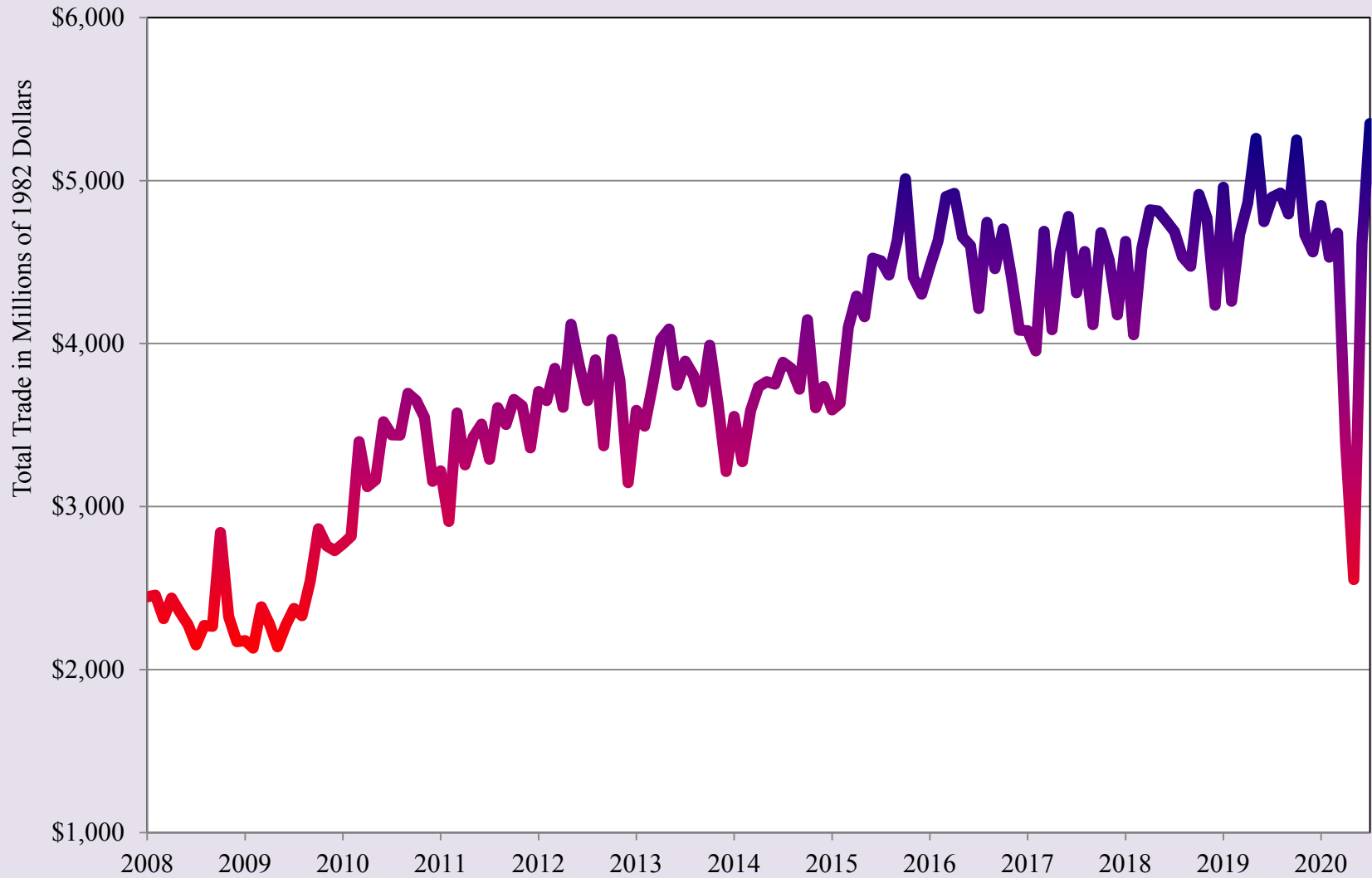
## Real Total Trade through the El Paso Customs District

2019 2020



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

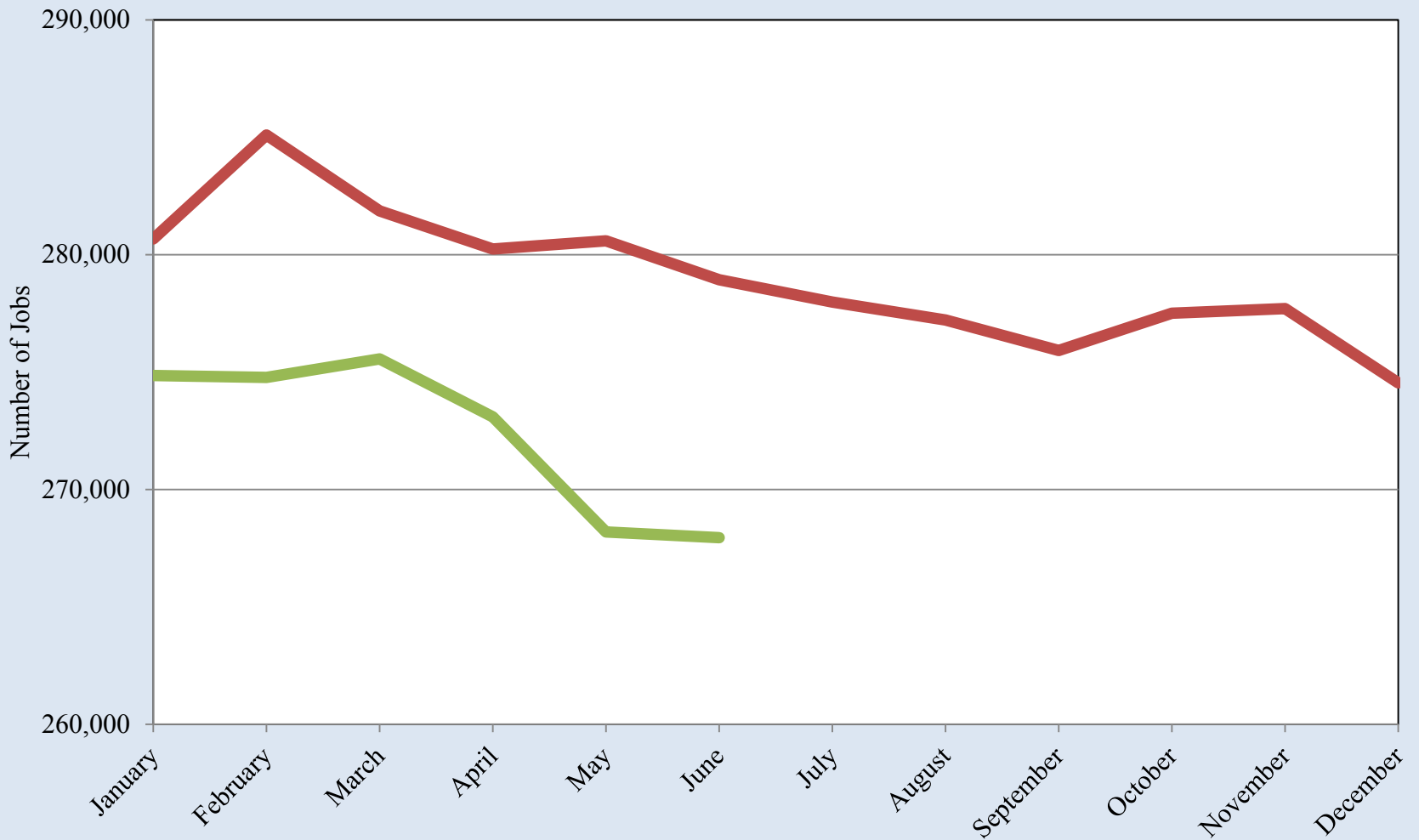
## Real Total Trade through the El Paso Customs District



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

## Export-Oriented Manufacturing Employment in Ciudad Juárez

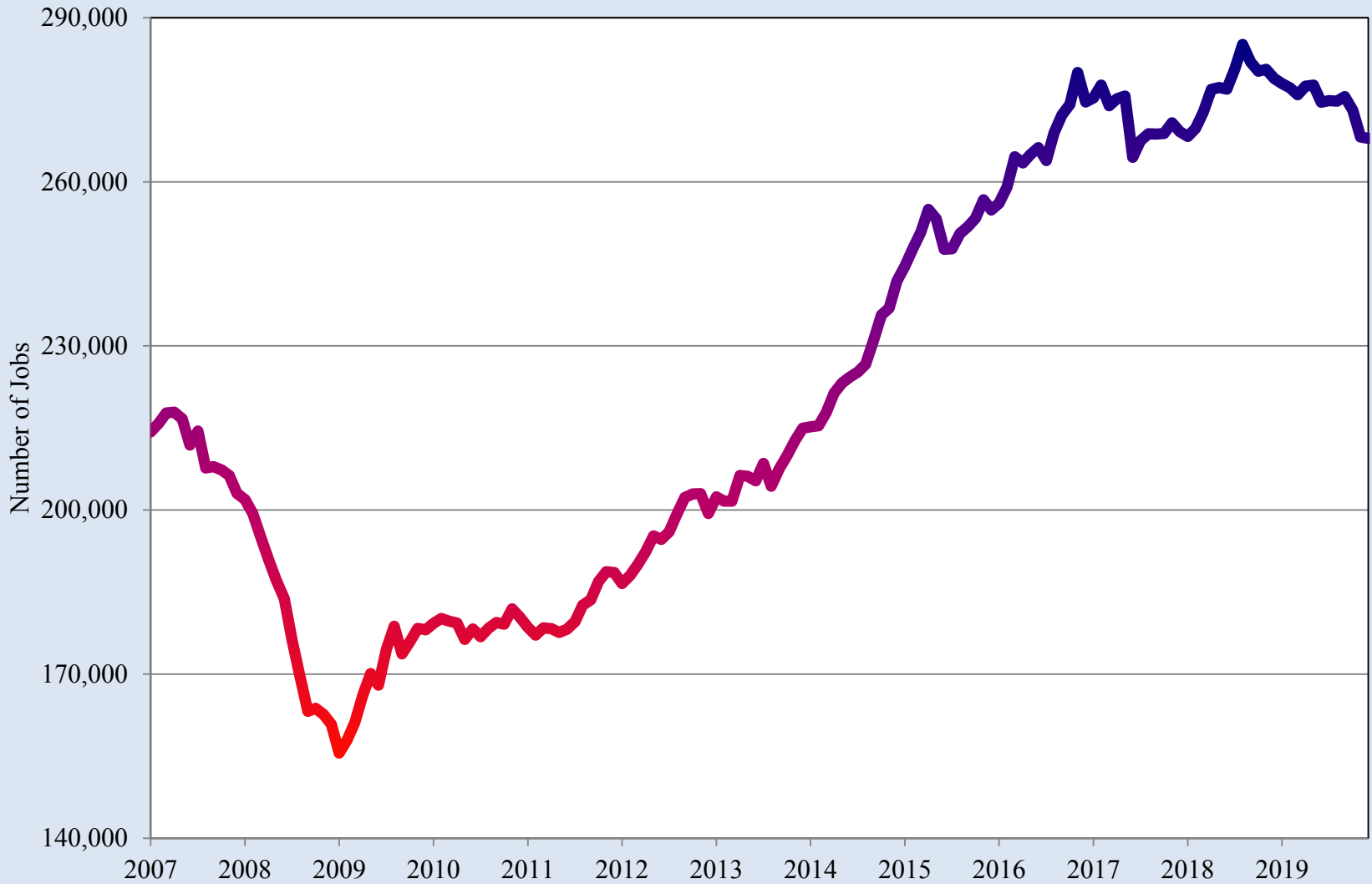
2019 2020



Source: INEGI



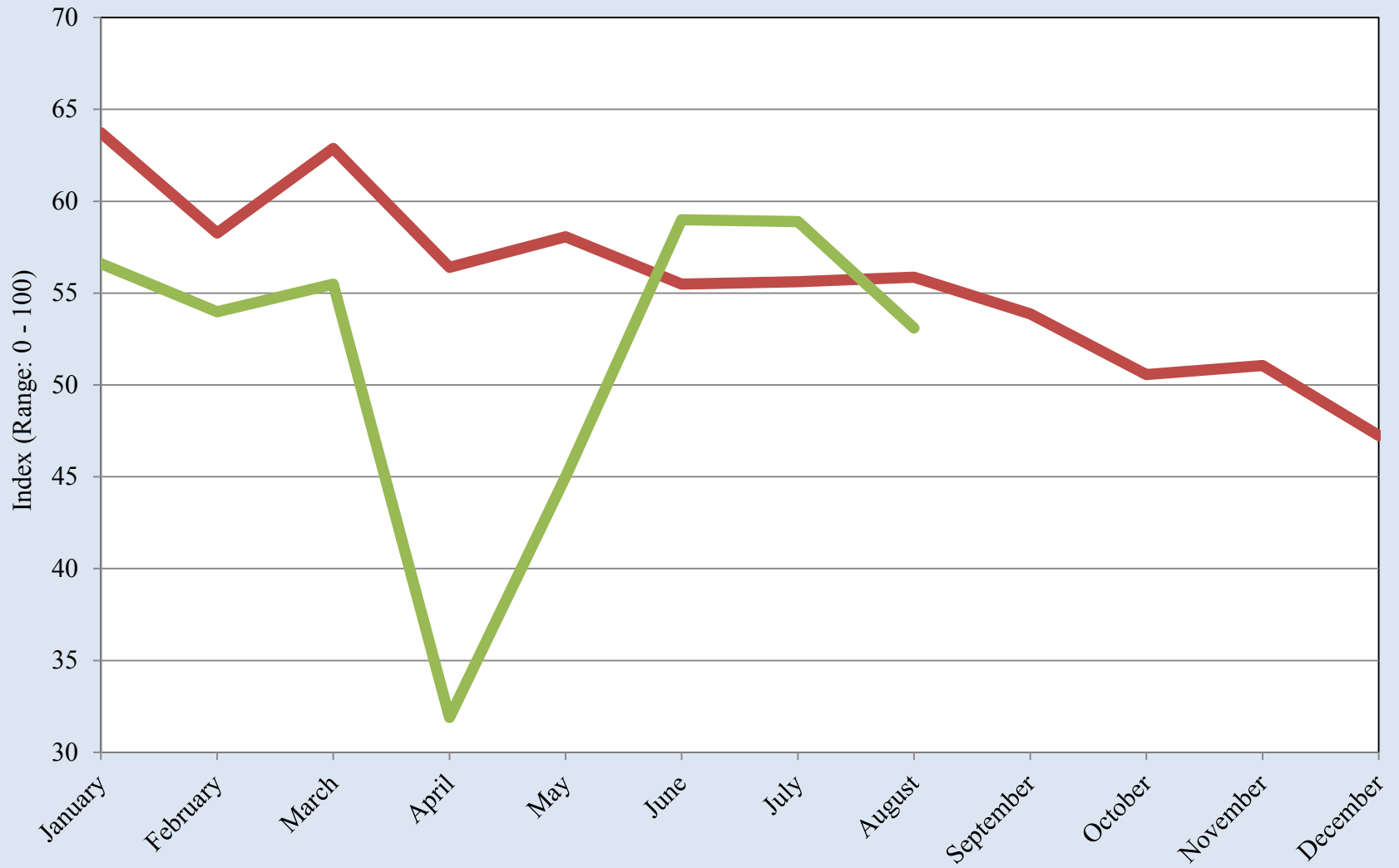
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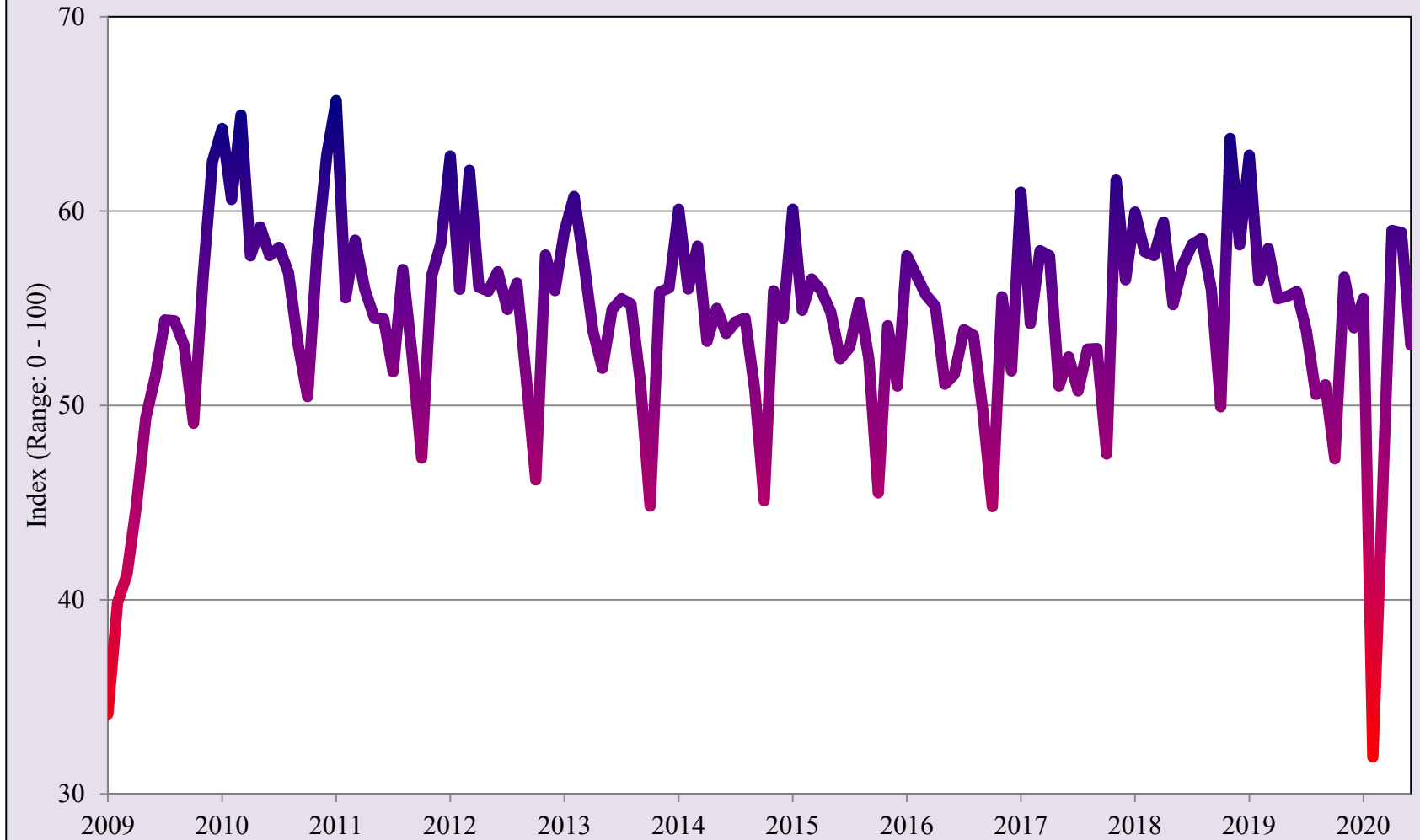
# Northern Mexico Manufacturing Orders Index

2019 2020



Source: Banco de México

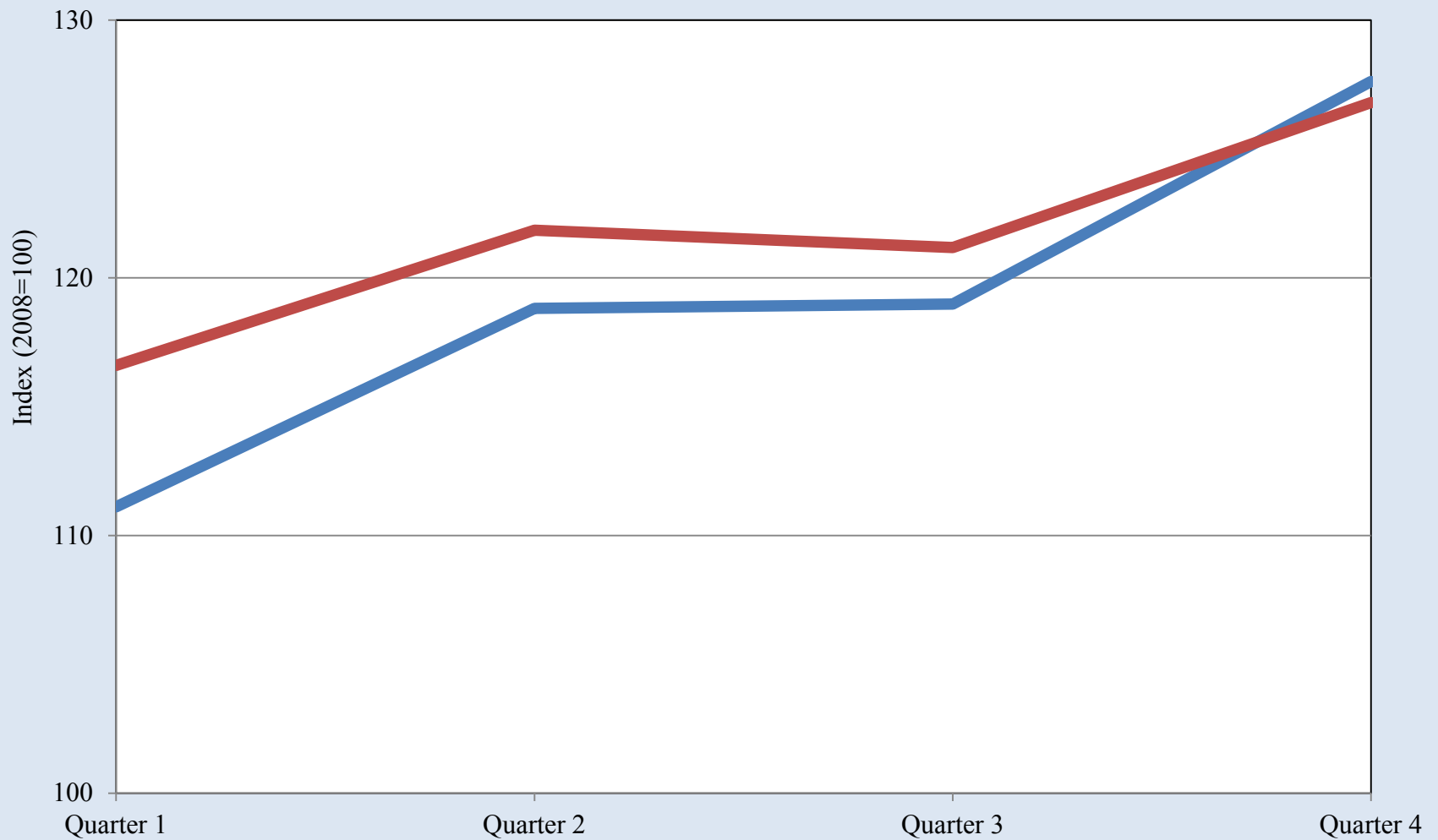
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Source: Banco de México

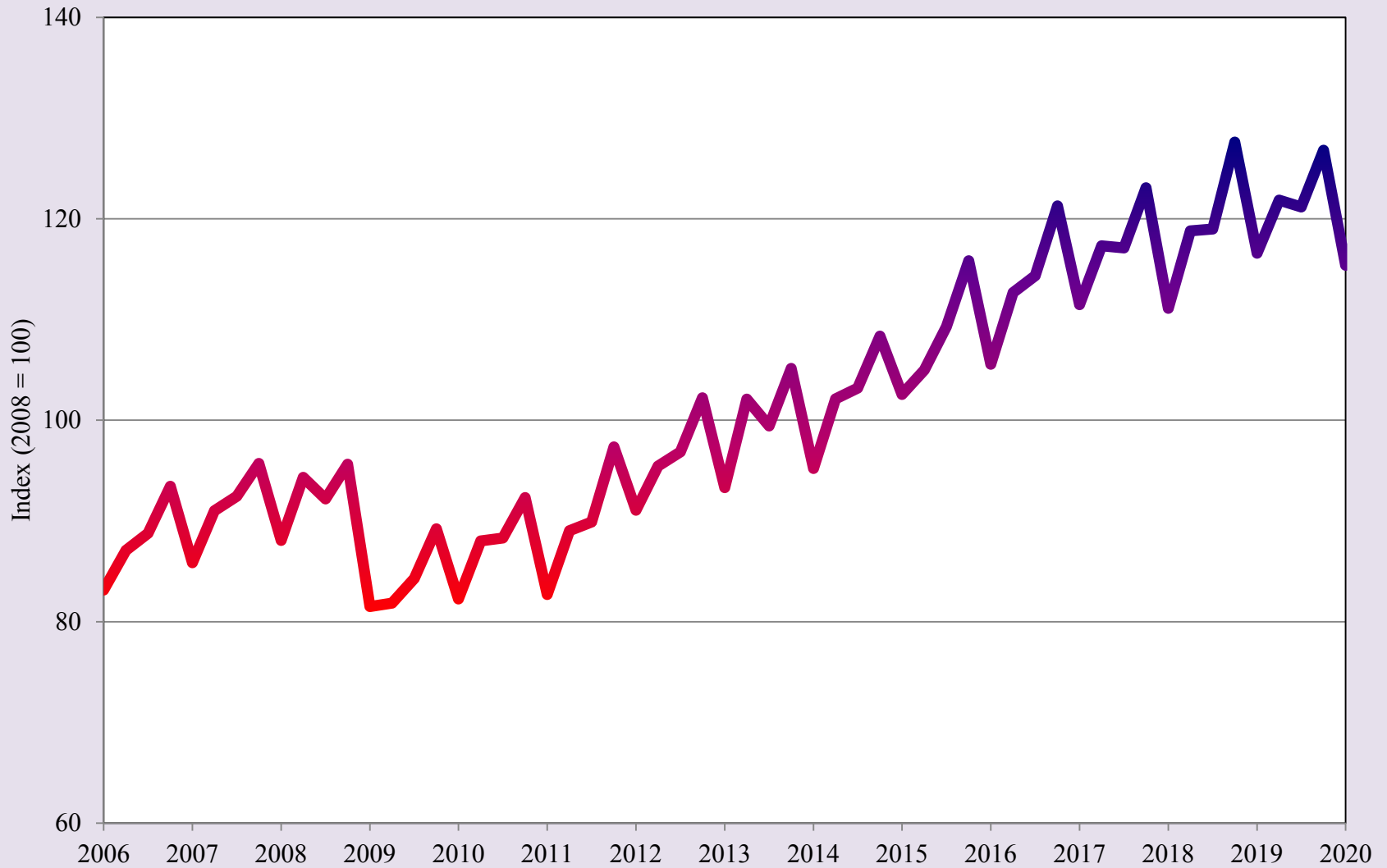
## Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2018 — 2019



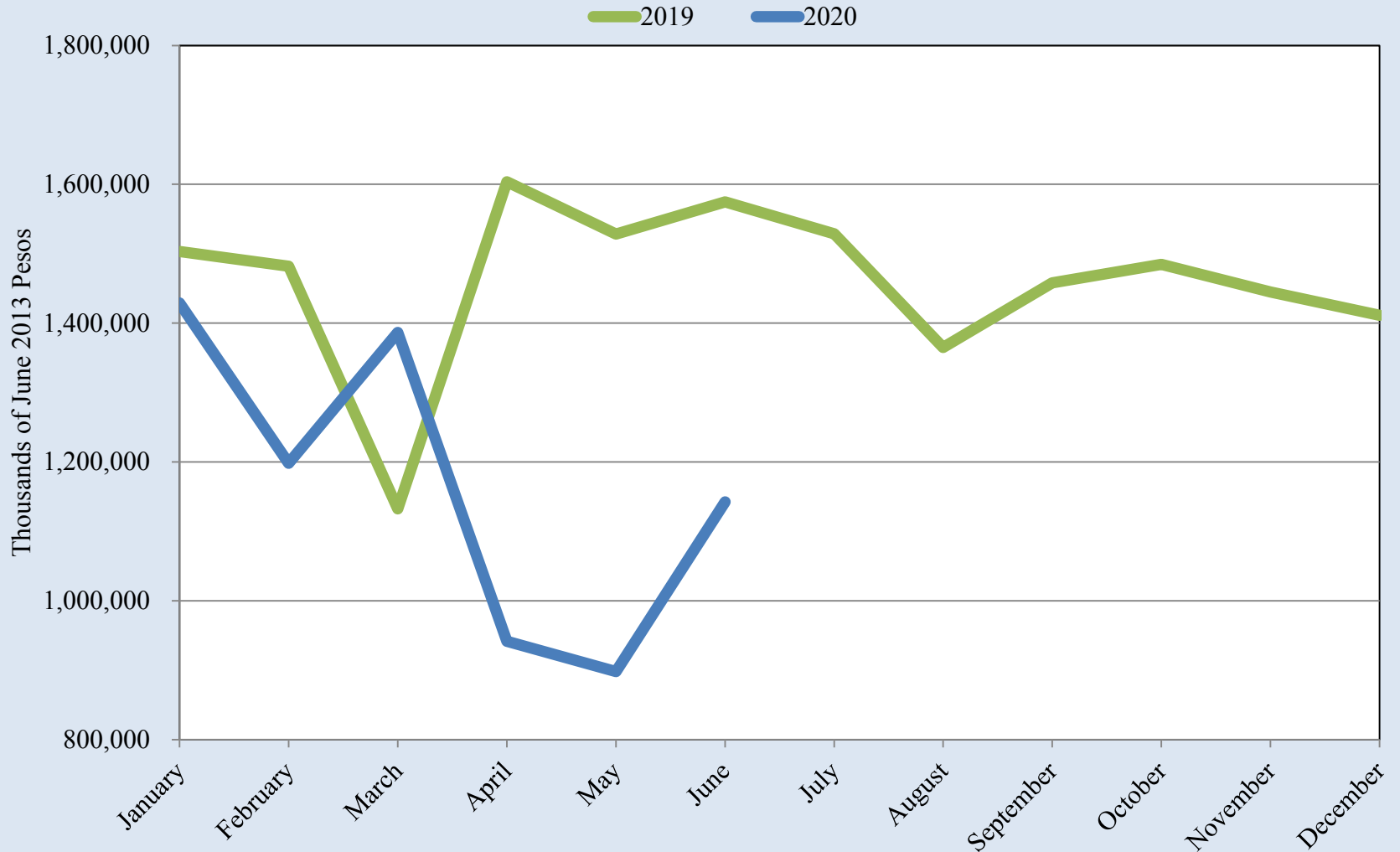
Source: INEGI

## Quarterly Indicator of Economic Activity for the State of Chihuahua



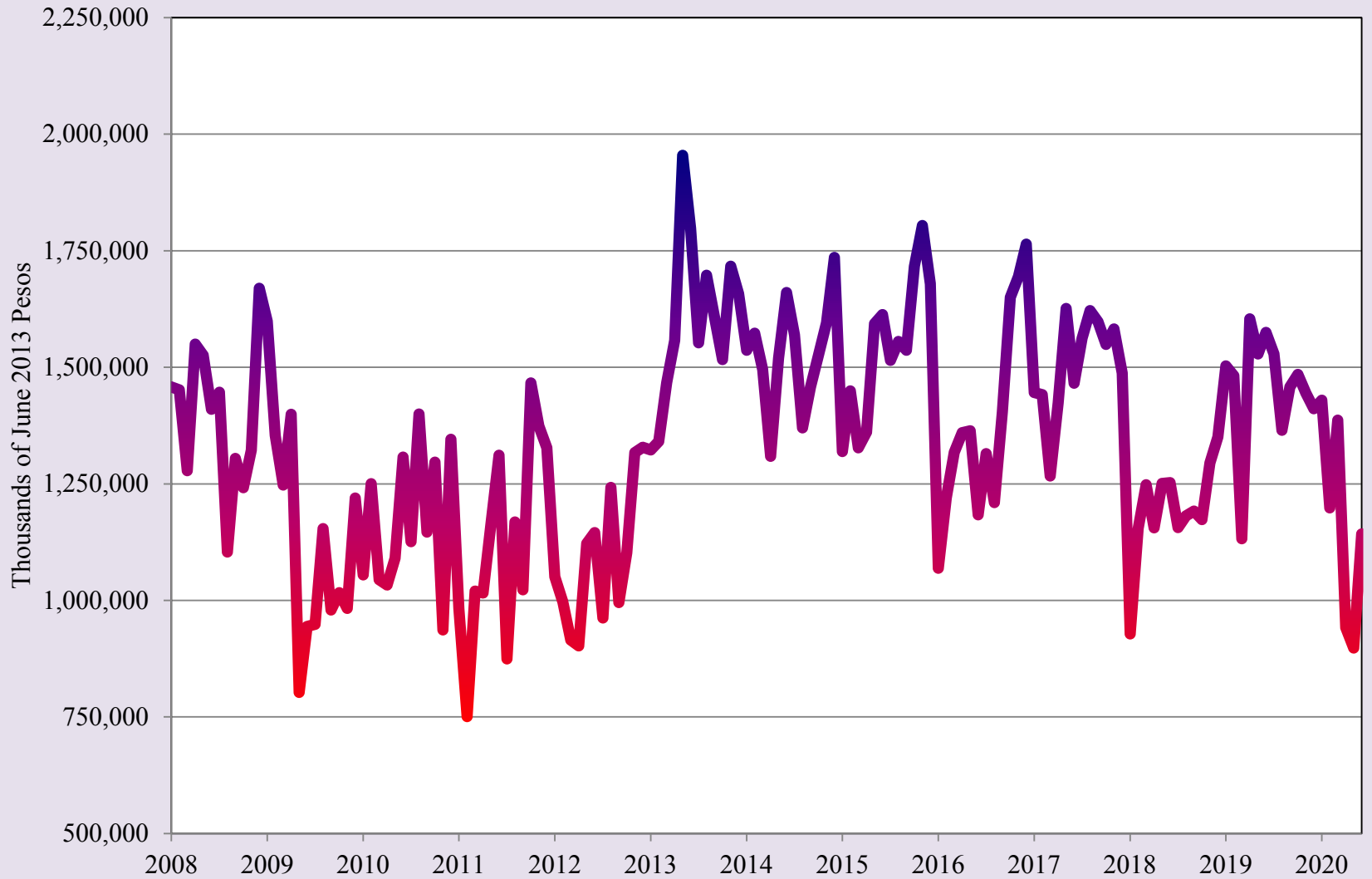
Source: INEGI

## Total Value of Construction in the State of Chihuahua



Source: INEGI

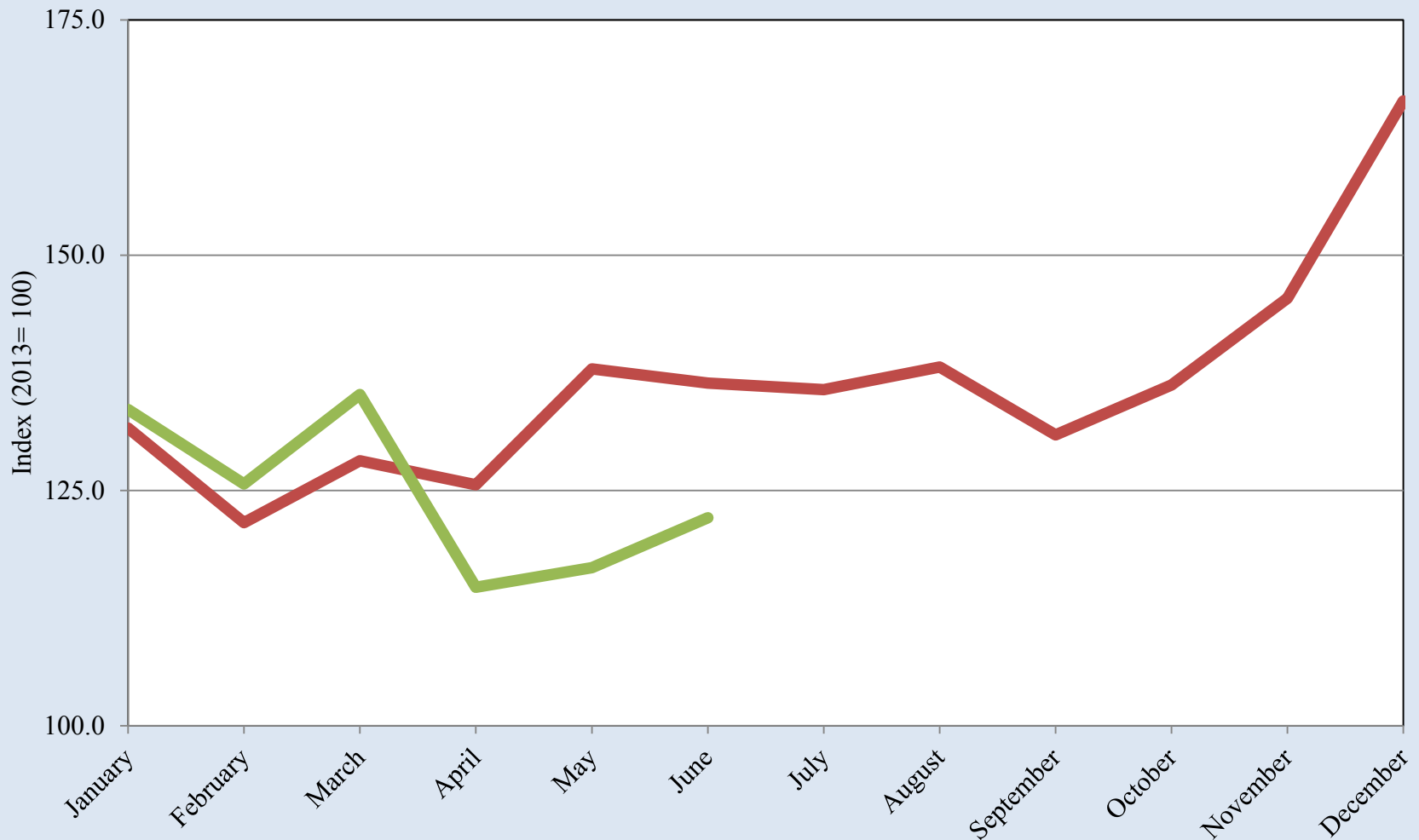
## Total Value of Construction in the State of Chihuahua



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua

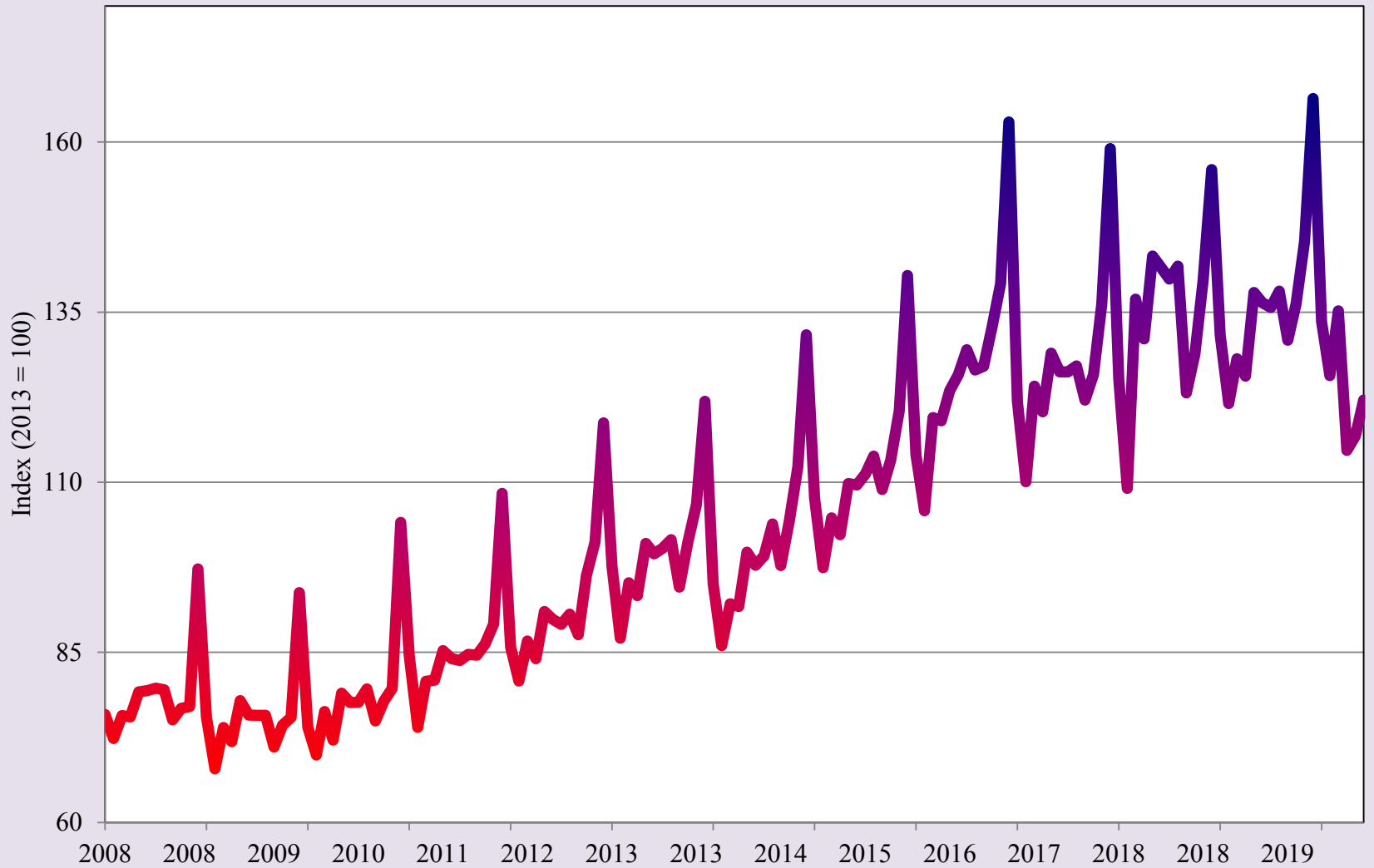
— 2019 — 2020



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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