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Borderplex Business Barometer, Volume 4, Number 10

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BORDERPLEX BUSINESS BAROMETER

October 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 10

The Calm before the Election

As measured by the El Paso Metropolitan Business Cycle Index, the summer 2020 recovery stalled in September. The setback is not surprising. The \$600 weekly federal unemployment supplements terminated in early August, and local unemployment remains twice as high as a year ago. Conditions in El Paso may presage a double dip recession for the nation as a whole.

Although longer maturity interest rates are higher than those for shorter term instruments, the yield curve shape was still atypical in September. All Treasury bills, instruments with maturities of 12 months or less, had yields of 0.15 percent or lower. Treasury notes carry maturities of 2- to 7-years. All of those certificates carried yields below 50 basis points in September. Treasury bonds have maturities of 10-, 20-, or 30-years. The returns on these long-term contracts were all below 1.5 percent in September. In sum, the yields on all 12 types of Treasury paper are substantially lower than year-ago levels.

The BRMP El Paso Household Economic Stress Index increased again in September. Labor market weakness was the primary factor contributing to heightened stress. Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments also rose in September, exceeding 169 thousand for the first time since late 2018.

The El Paso real estate market remains tight. The median price for single-family housing units reached \$182,950, while the months of housing inventory held steady at 1.5 in September. Gasoline supplies have been relatively stable with the price of unleaded regular still hovering near \$2.00 per gallon. West Texas Intermediate crude oil continues to sell for approximately \$40 per barrel.

At 8.7 percent, the Las Cruces unemployment rate is considerably above its year-ago rate. Total nonfarm jobs fell by 6.7 percent in the year to September. The labor force remained below year-ago levels for a sixth straight month in September. Las Cruces SNAP enrollments also exceeded prior-year levels in August.

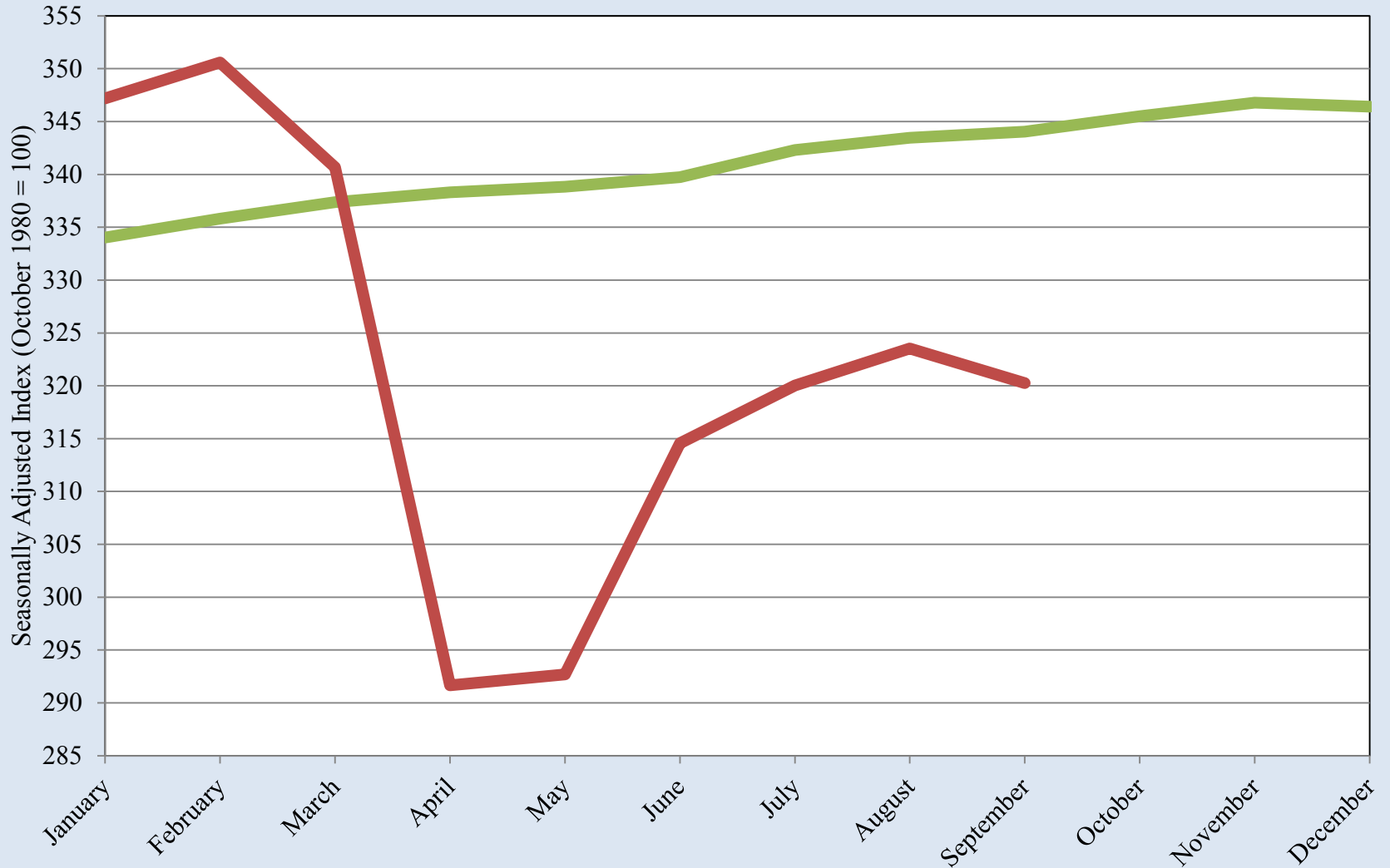
In line with what Borderplex restaurant prices have suggested for a long time, the peso has quietly gained ground against the dollar since May. Such developments are frequently accompanied by increased numbers of car and pedestrian border

crossings, but higher wait times continue to discourage visits from Northern Mexico. Even though total trade was below year-ago levels in August, the number of trucks crossing the bridges was slightly above prior-year volumes again in August. That sometimes occurs when northbound cargo bays are not filled to capacity prior to sending the vehicles across the border.

Export manufacturing payrolls exceeded prior-year levels in Ciudad Juarez for the first time in 2020 in June. Although economic prospects are still uncertain, the Northern Mexico Manufacturing Orders Index remained above 50 for a fourth consecutive month in September. That is good news, but the statewide value of construction in Chihuahua has faltered substantially from April forward. Although industrial construction activity remains relatively strong, commercial, residential, and public sector building volumes have declined this year. Commercial and residential construction have dropped in response to fragile business conditions. Public sector infrastructure investment has fallen due to federal government reluctance to allow the deficit to grow.

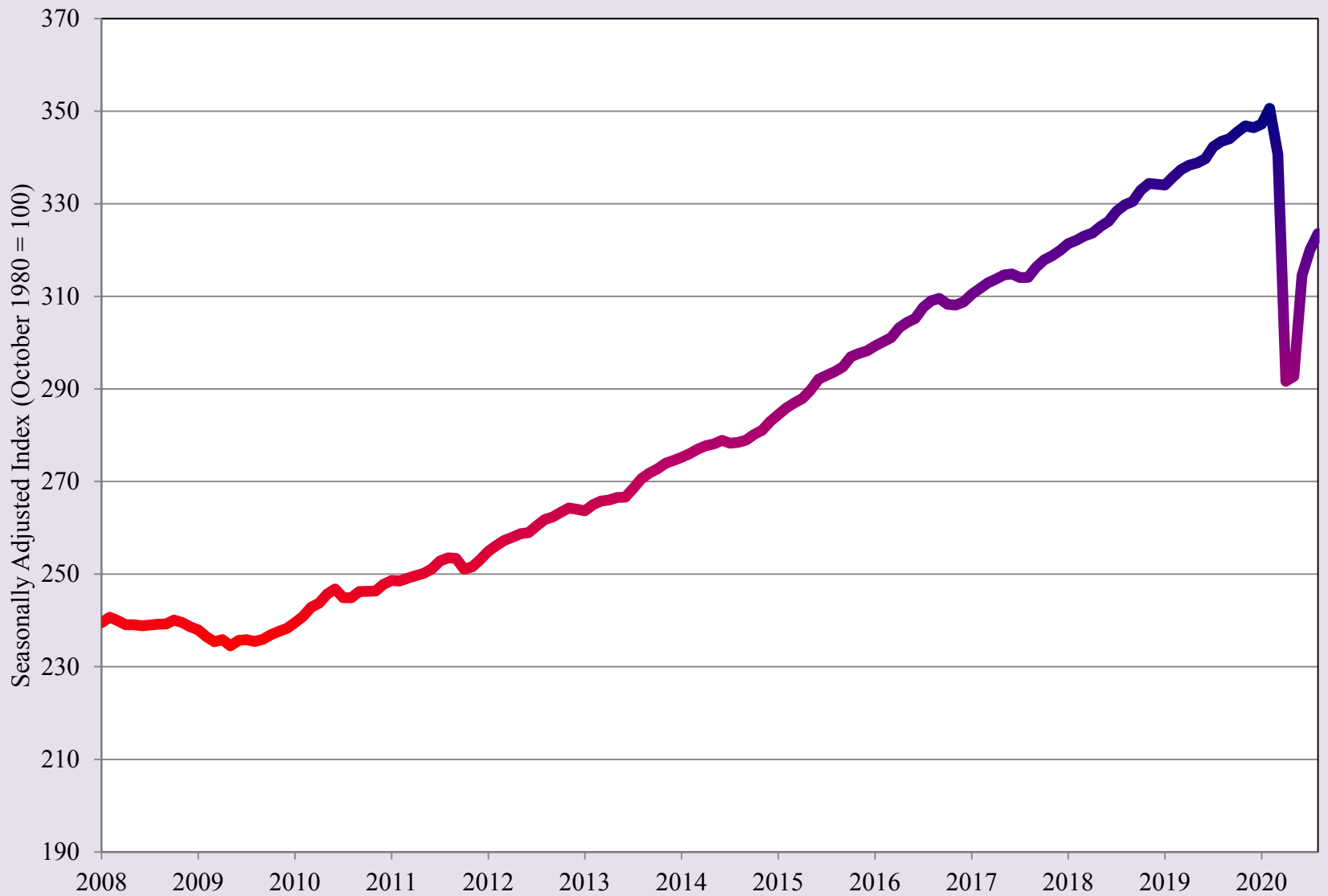
El Paso Metropolitan Business Cycle Index

2019 2020



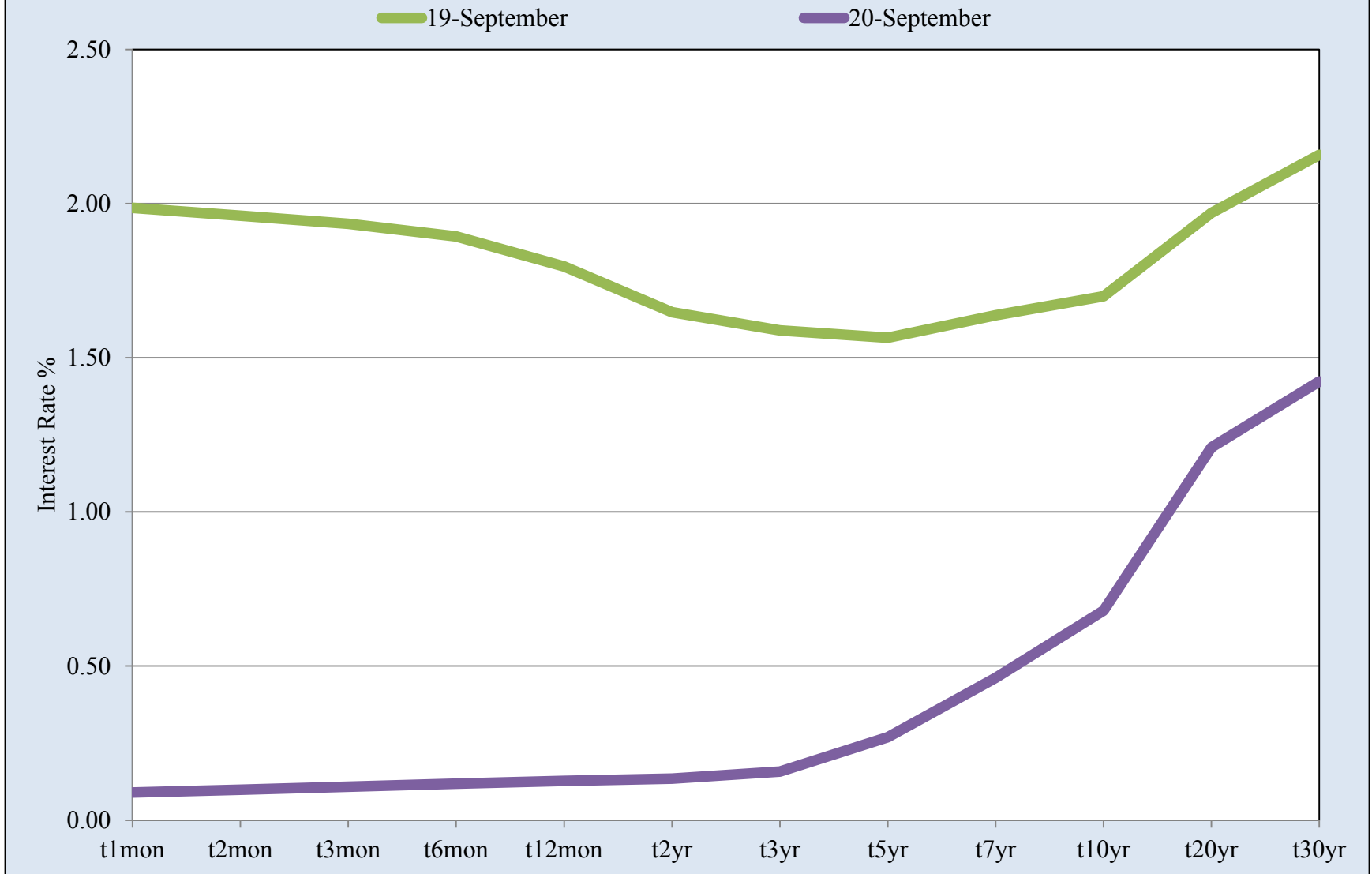
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

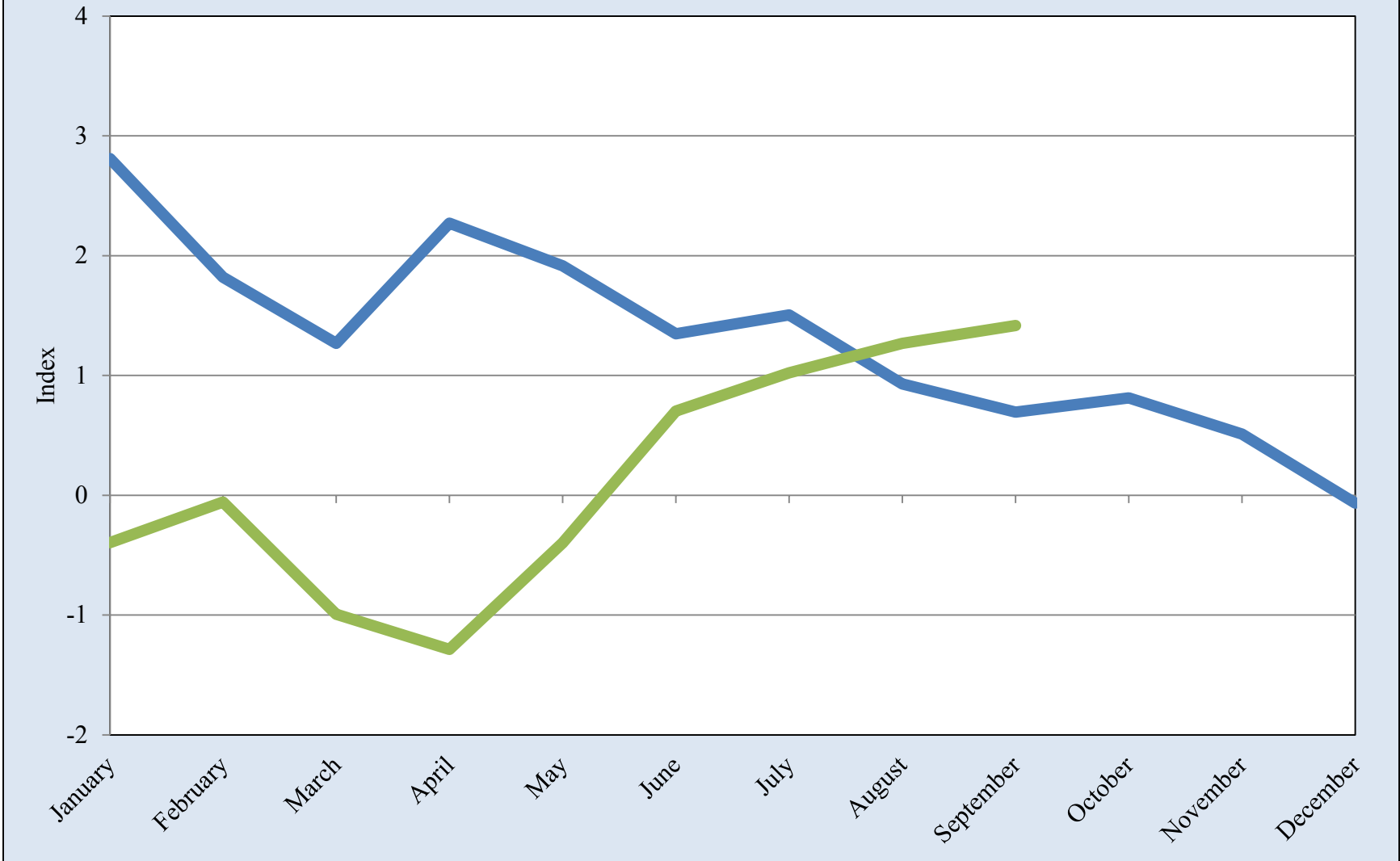
Average Treasury Yield Curve Rates



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

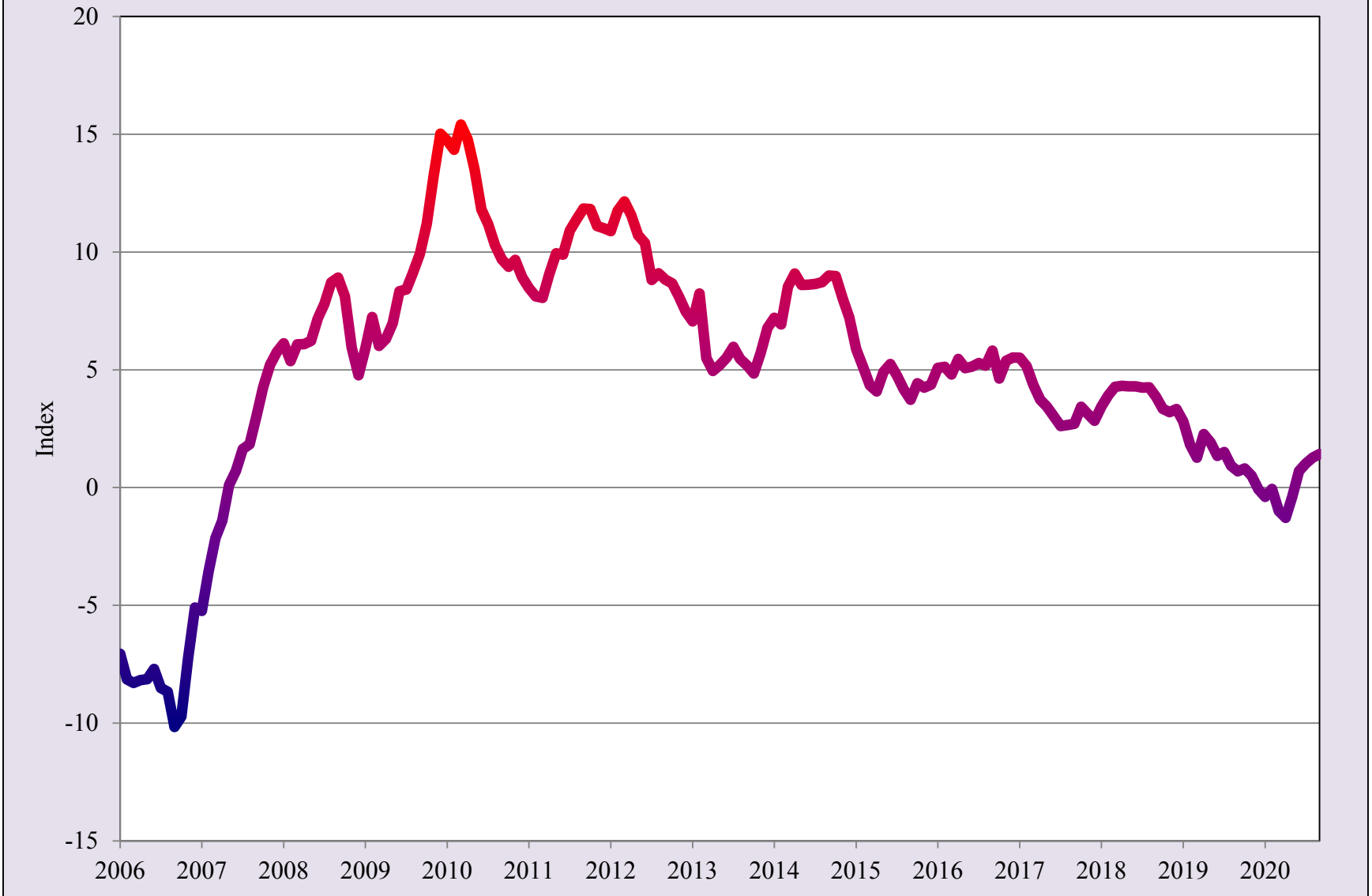
El Paso Household Economic Stress Index

2019 2020



Source: UTEP Border Region Modeling Project

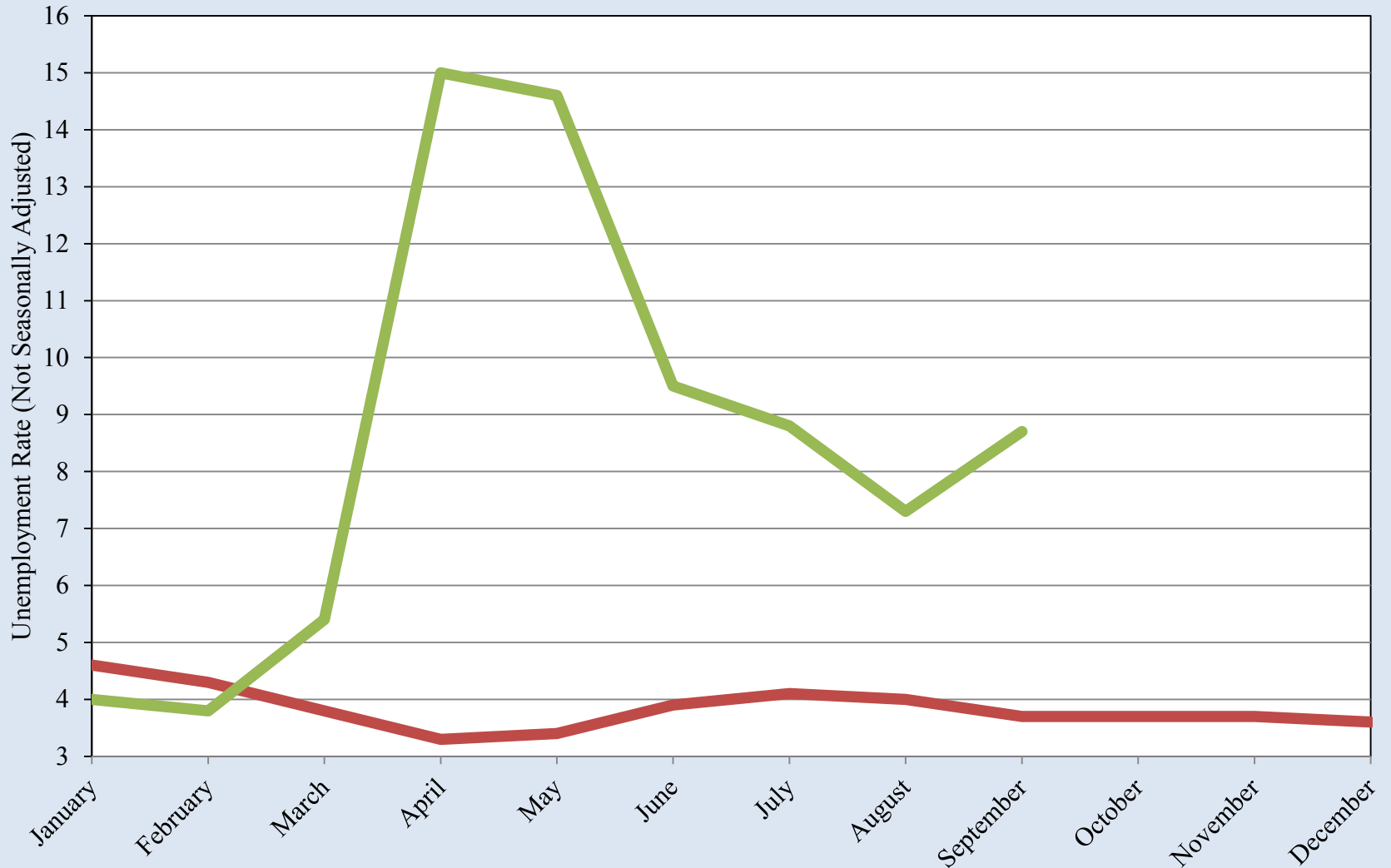
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

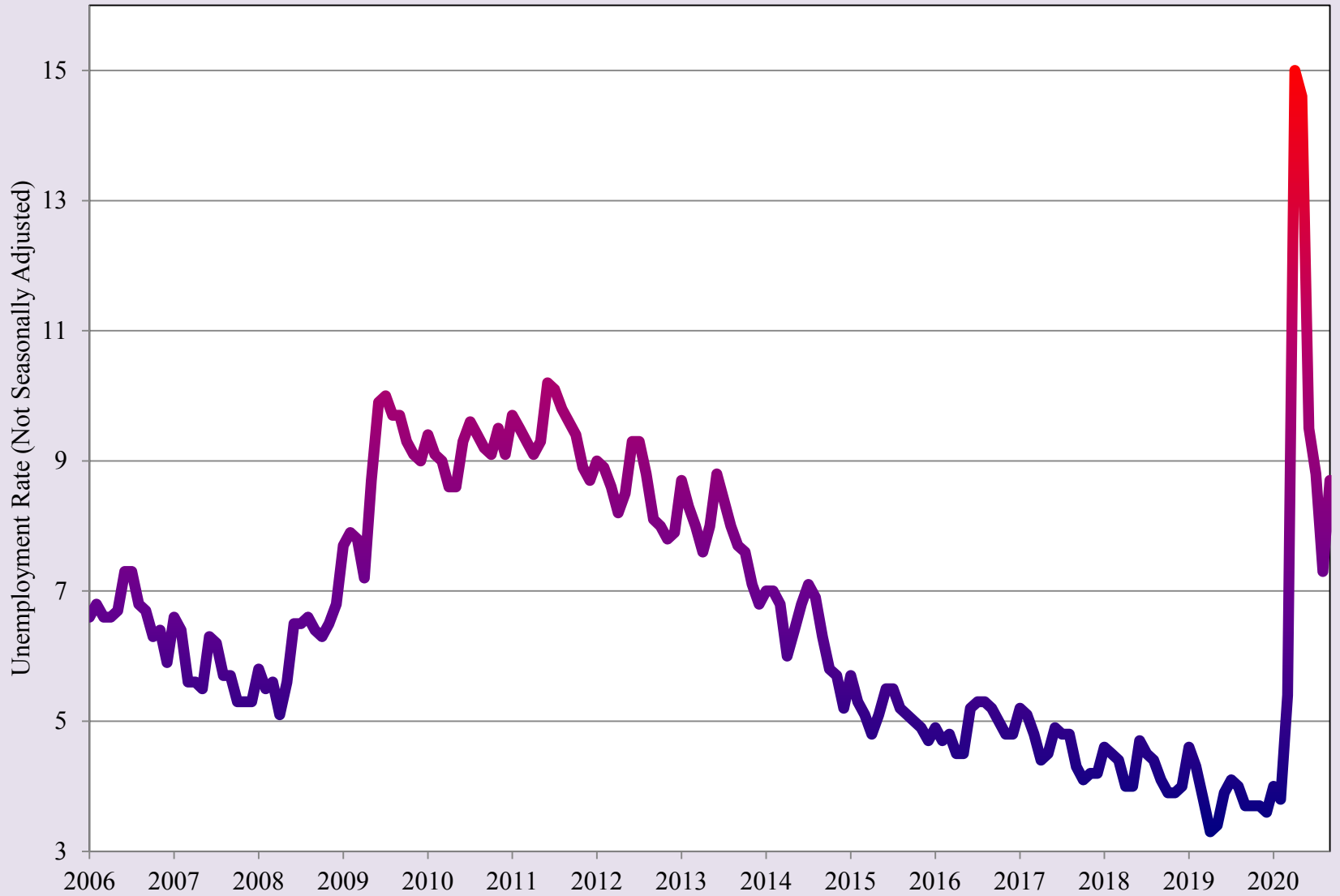
El Paso County Unemployment Rate

2019 2020



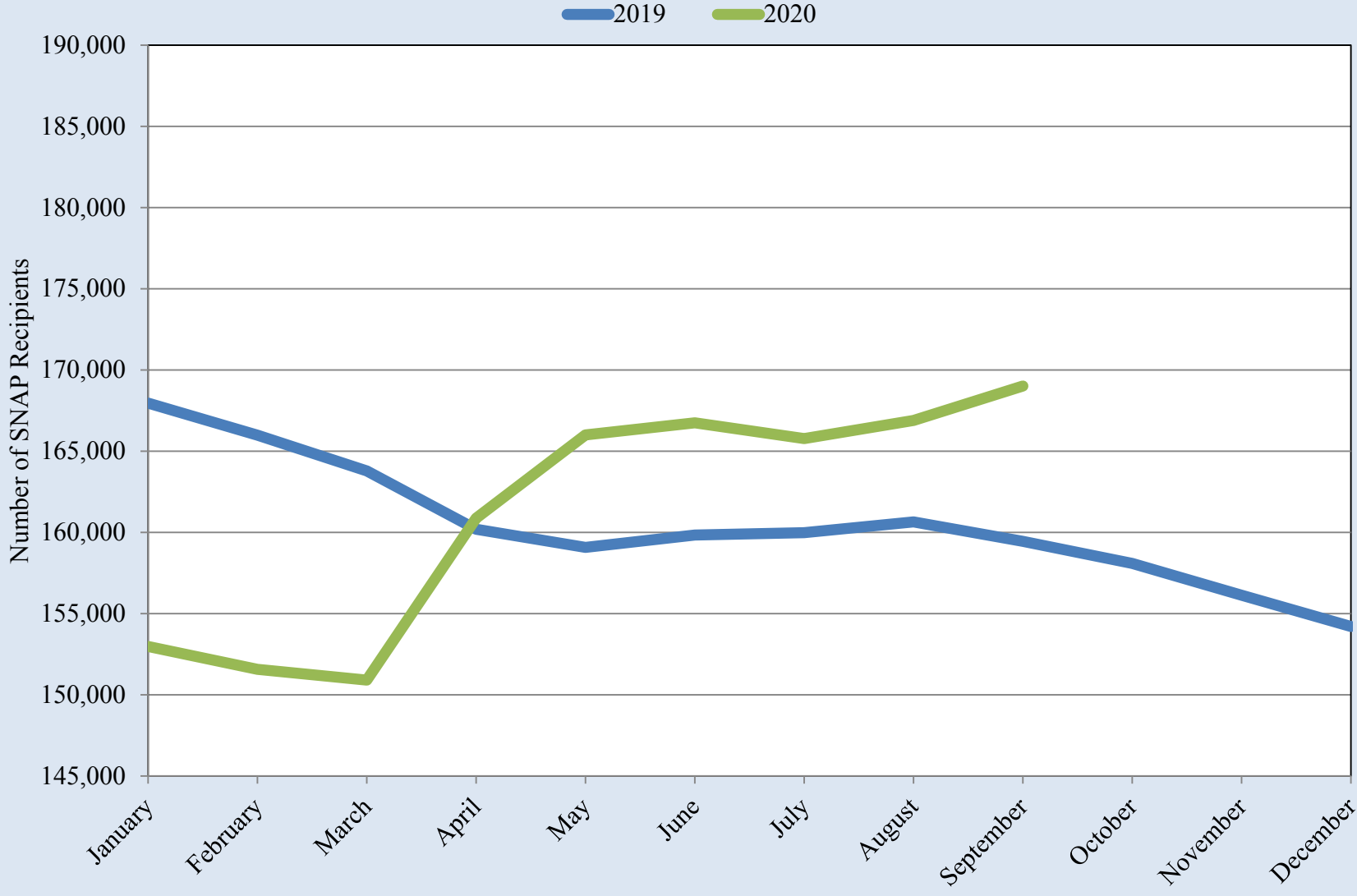
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



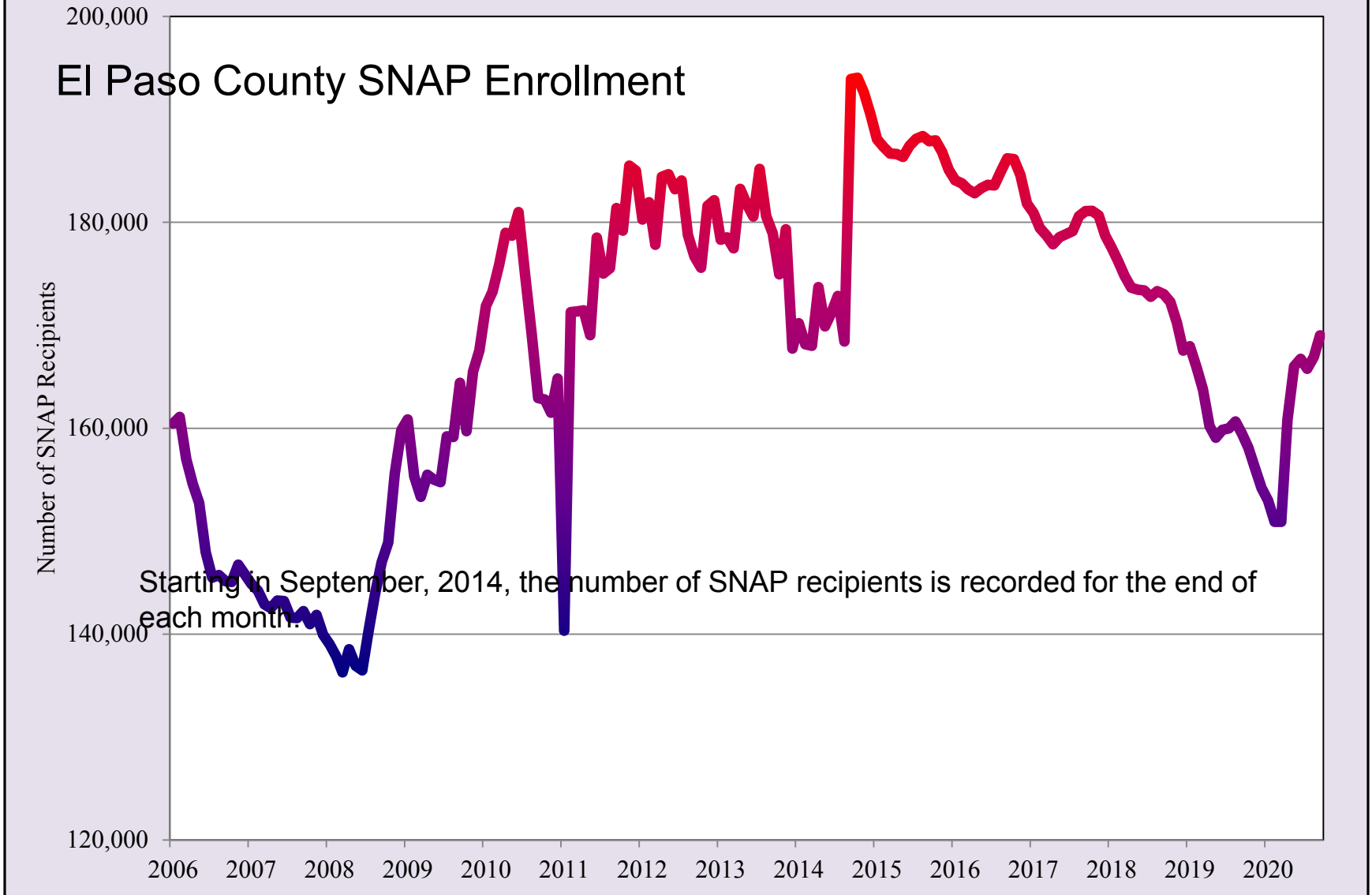
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

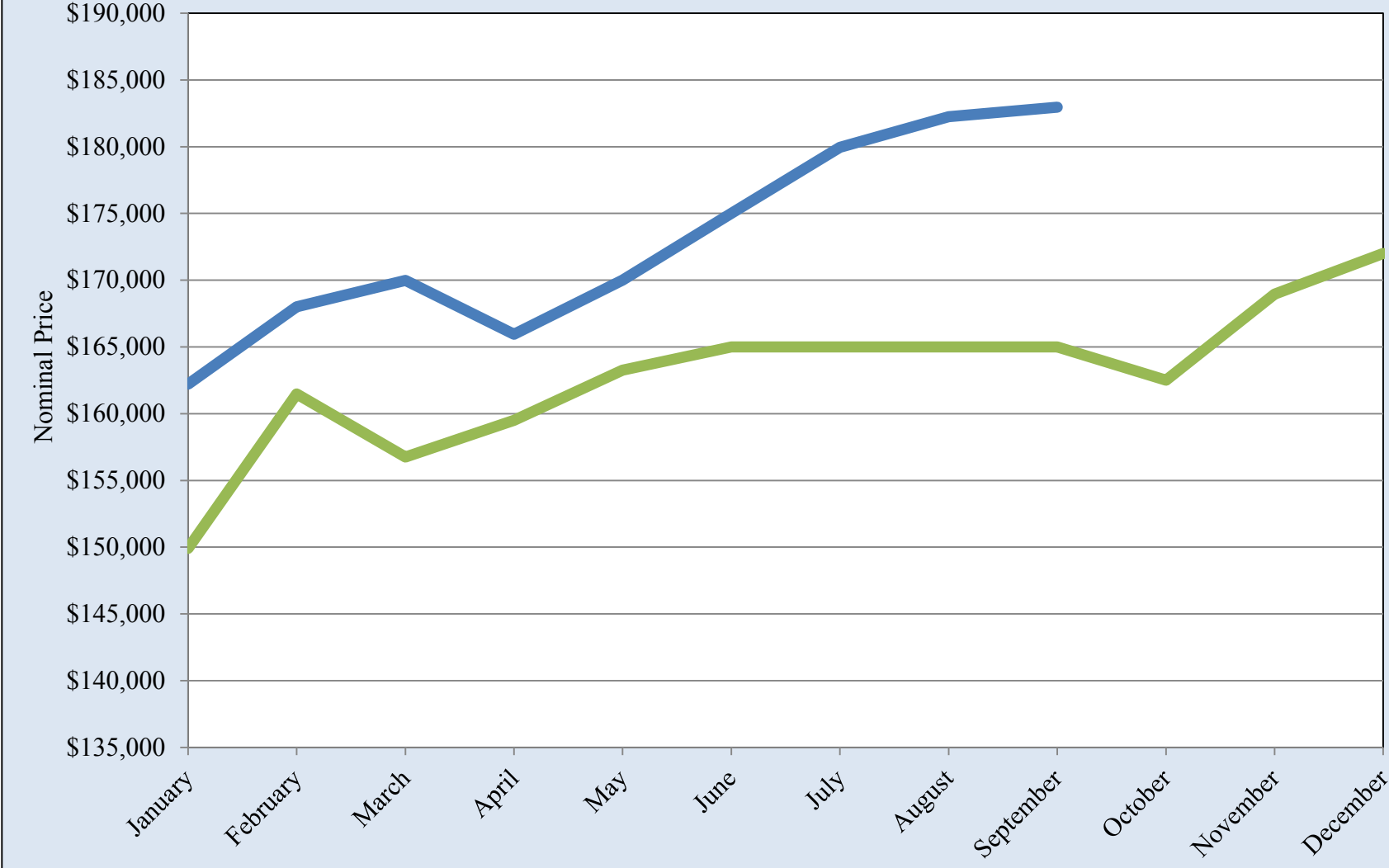
El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

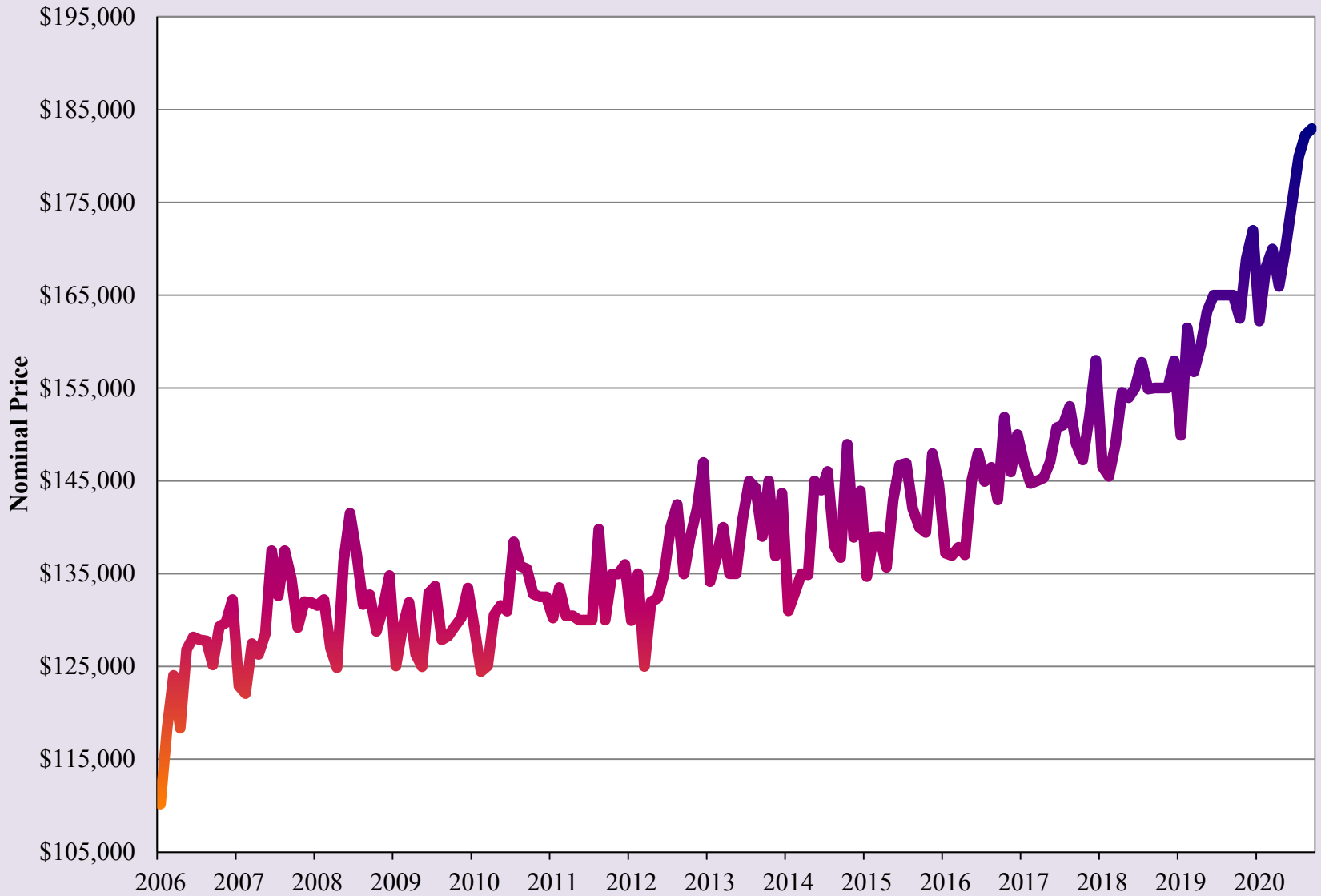
El Paso Median Housing Prices

2019 2020



Source: Texas A&M Real Estate Center

El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

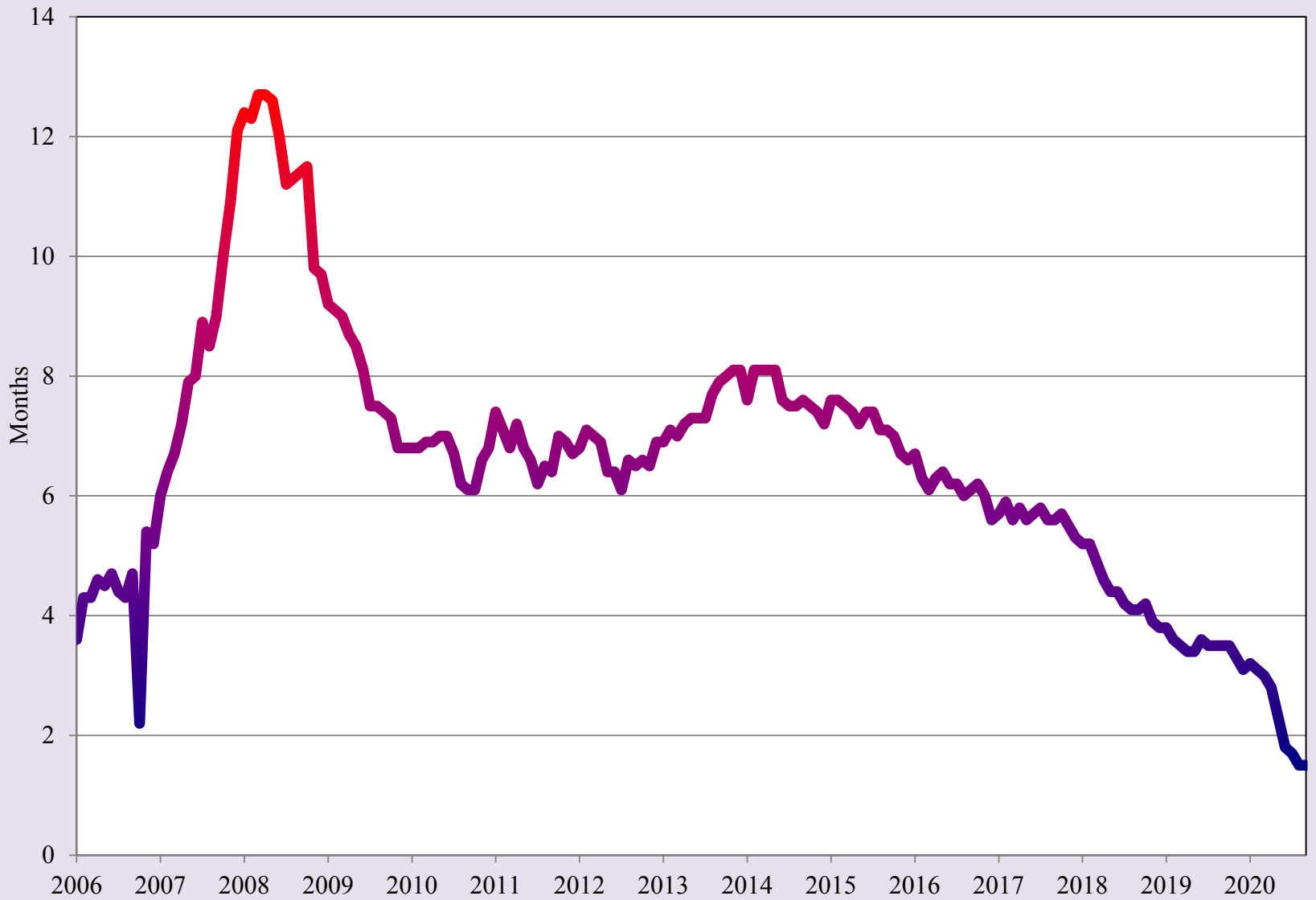
Months of Housing Inventory for El Paso

2019 2020



Source: Texas A&M Real Estate Center

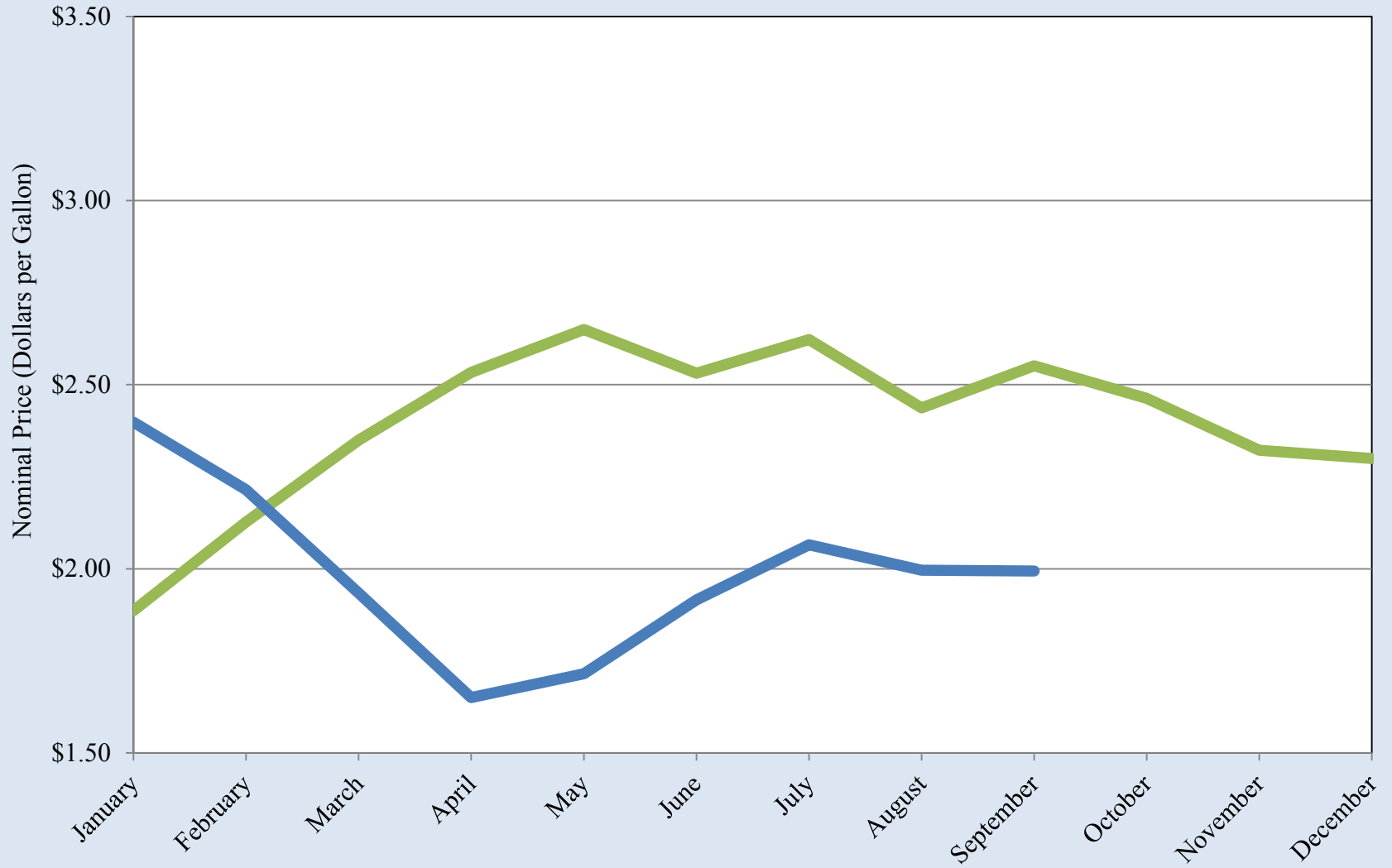
Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

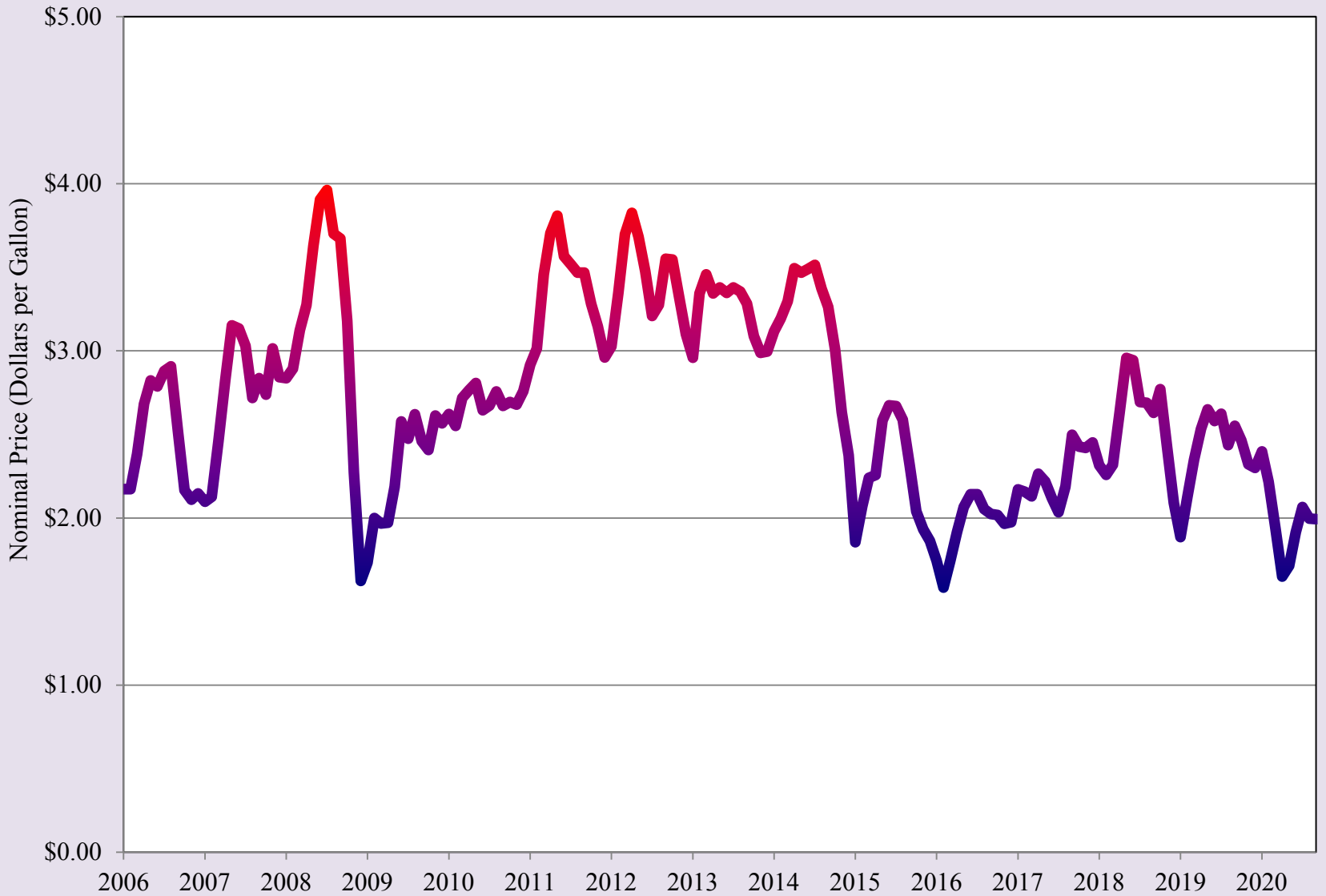
El Paso Gasoline Prices

2019 2020



Source: GasBuddy.com

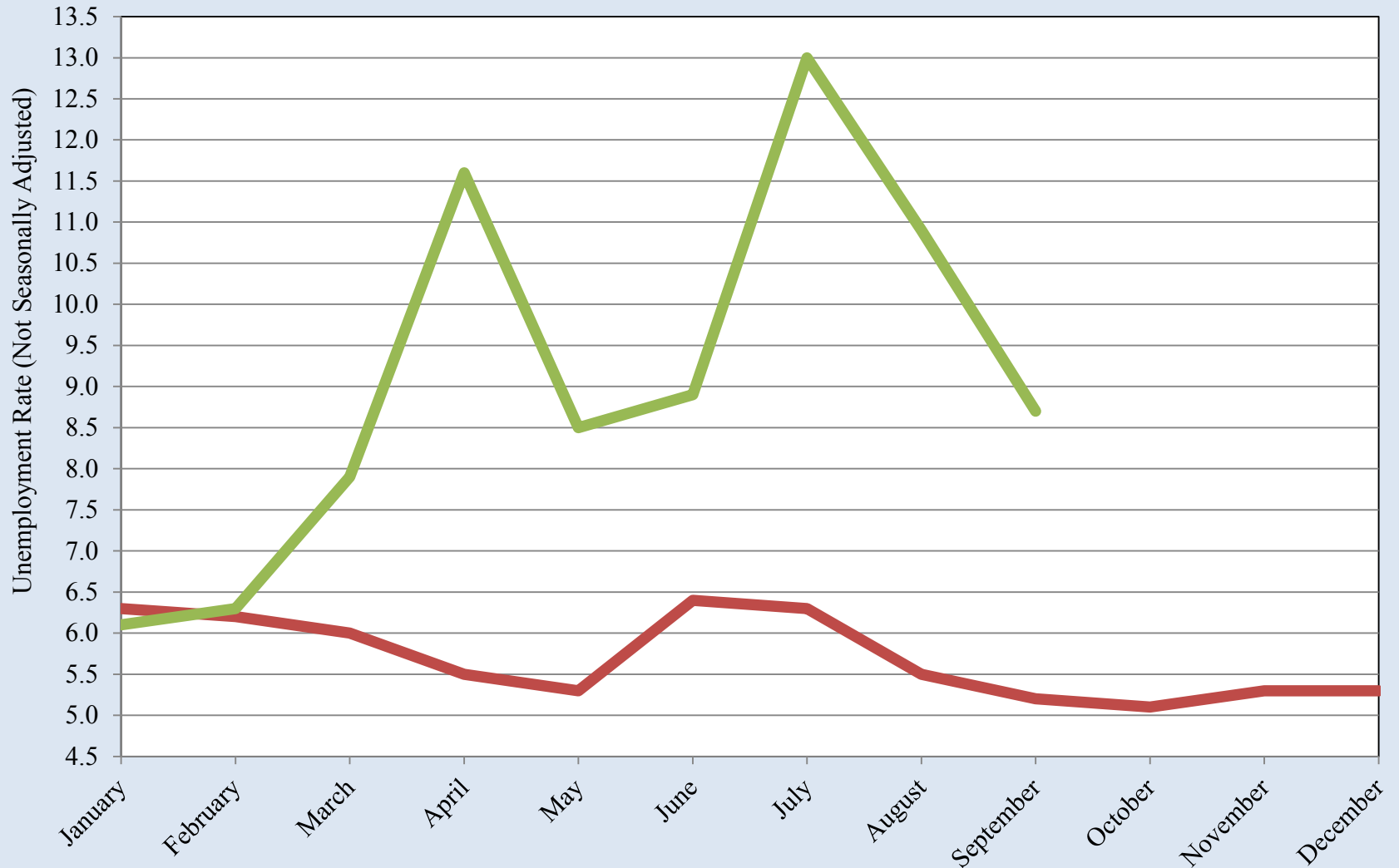
El Paso Gasoline Prices



Source: GasBuddy.com

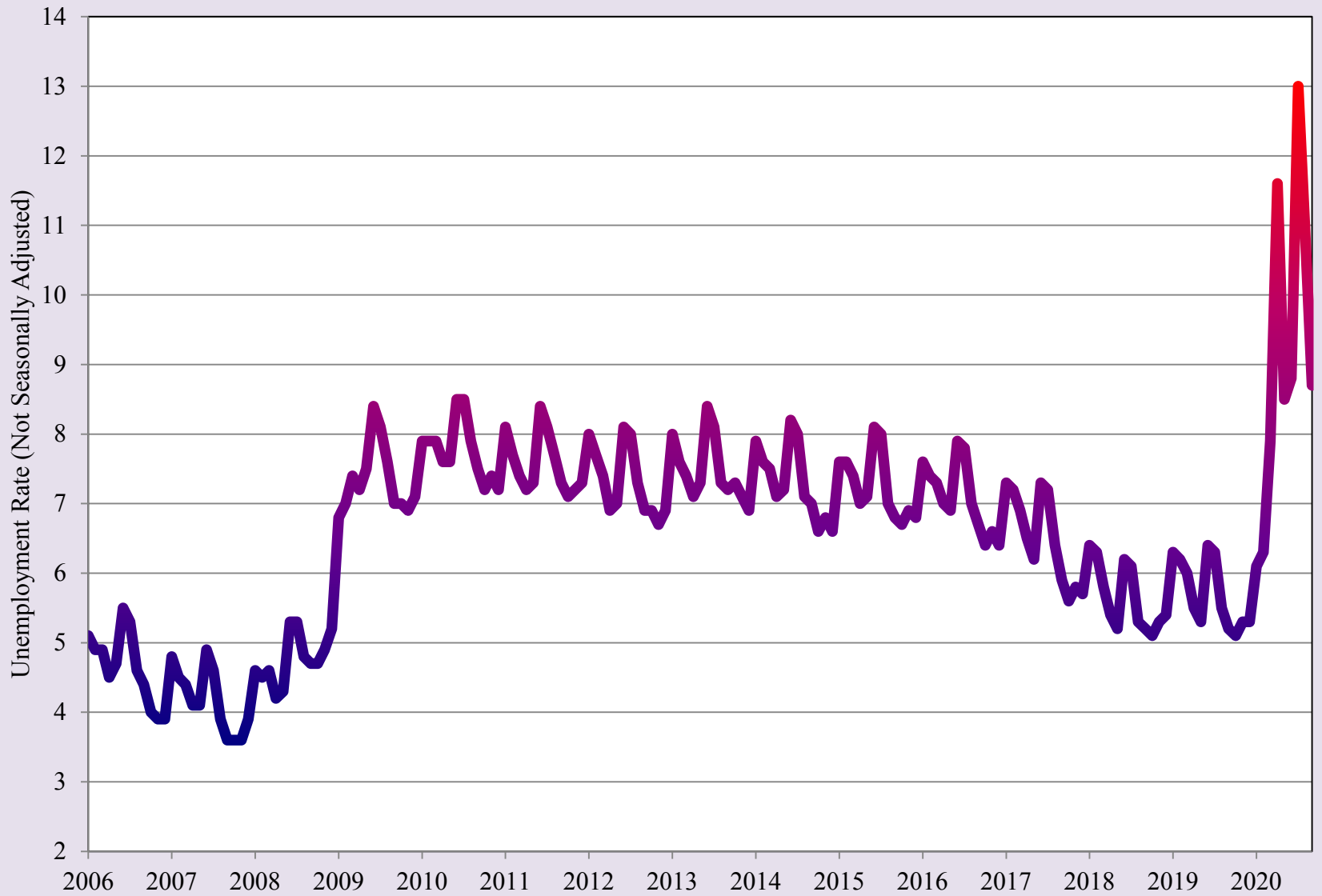
Doña Ana County Unemployment Rate

2019 2020



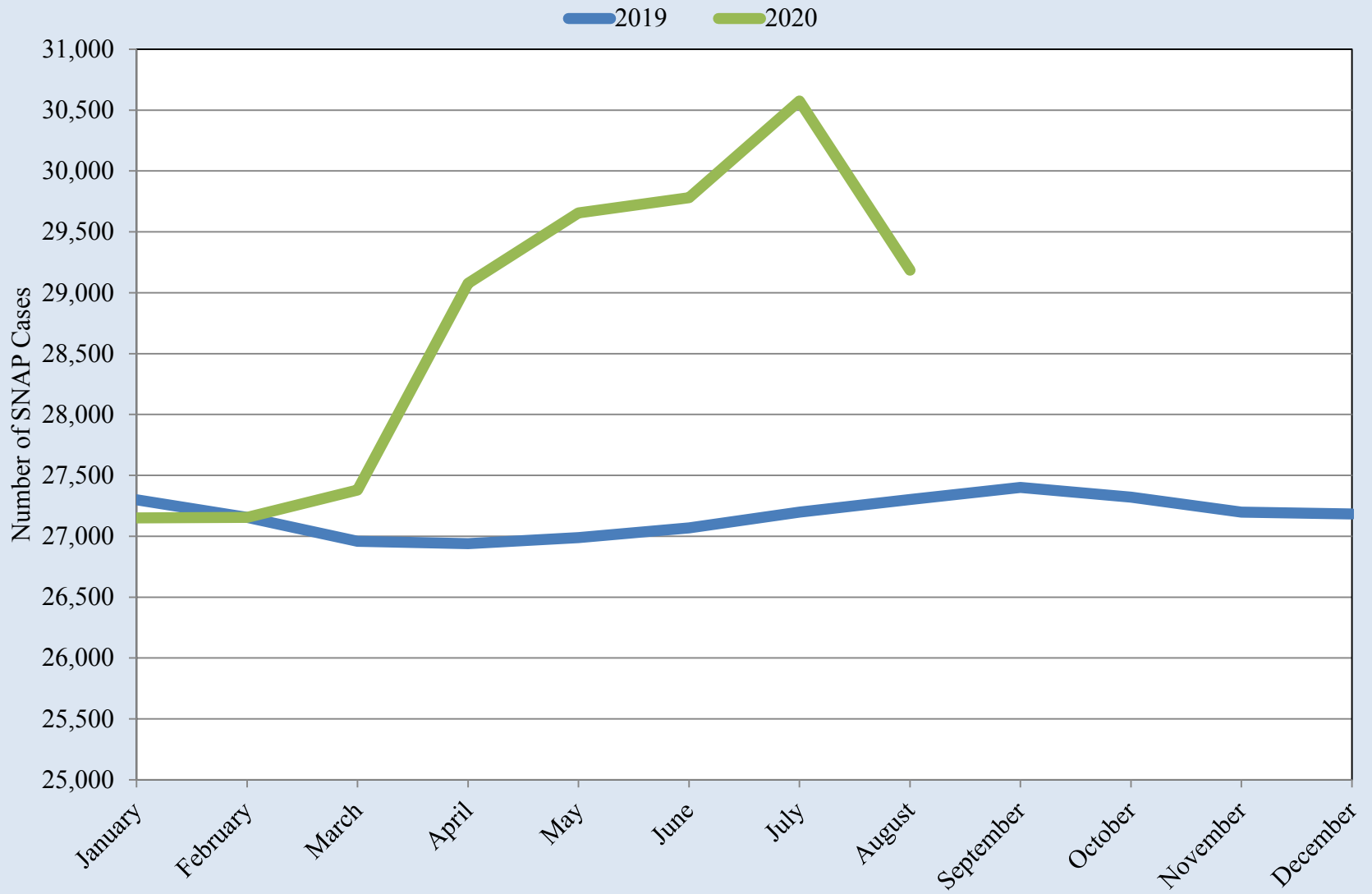
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



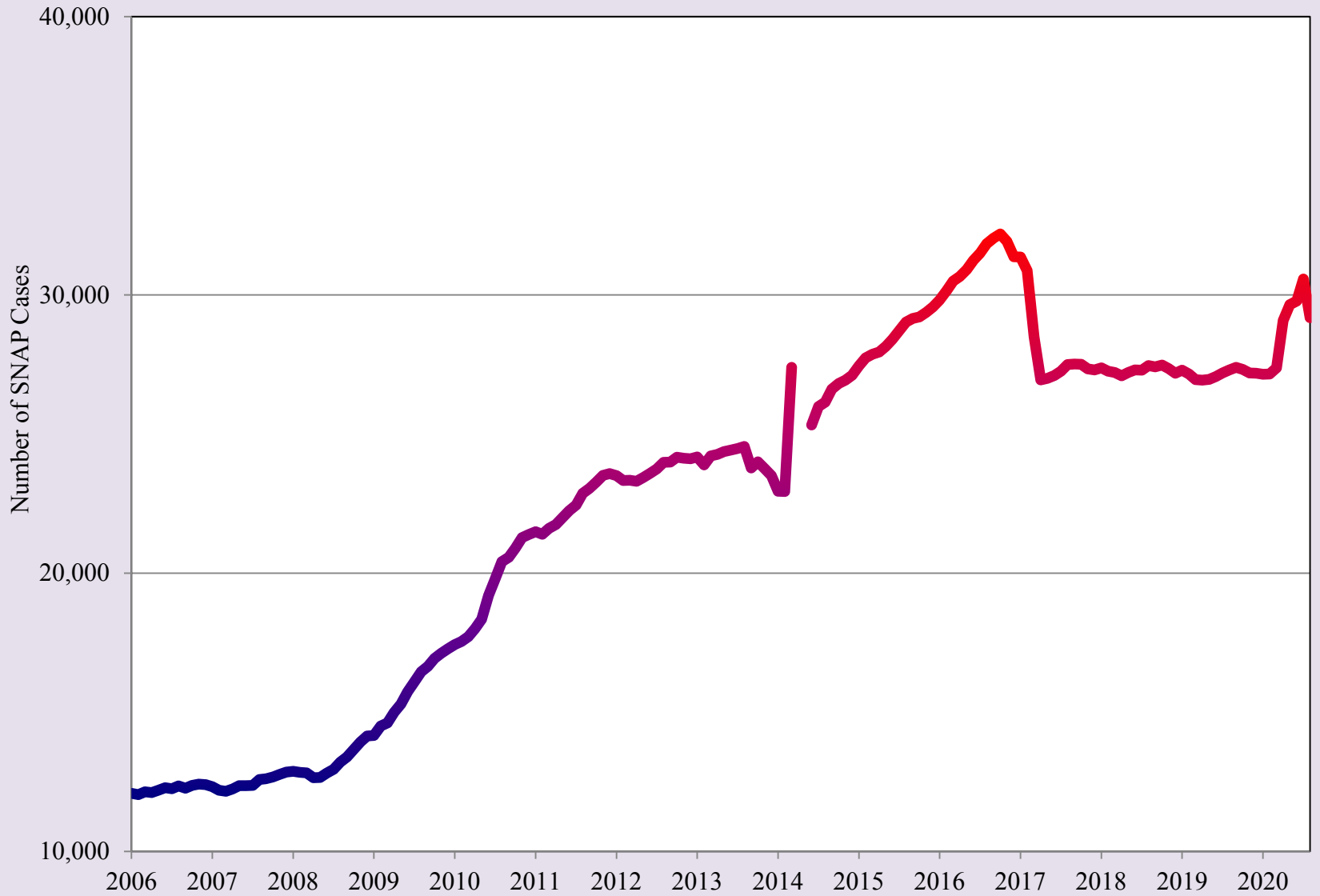
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



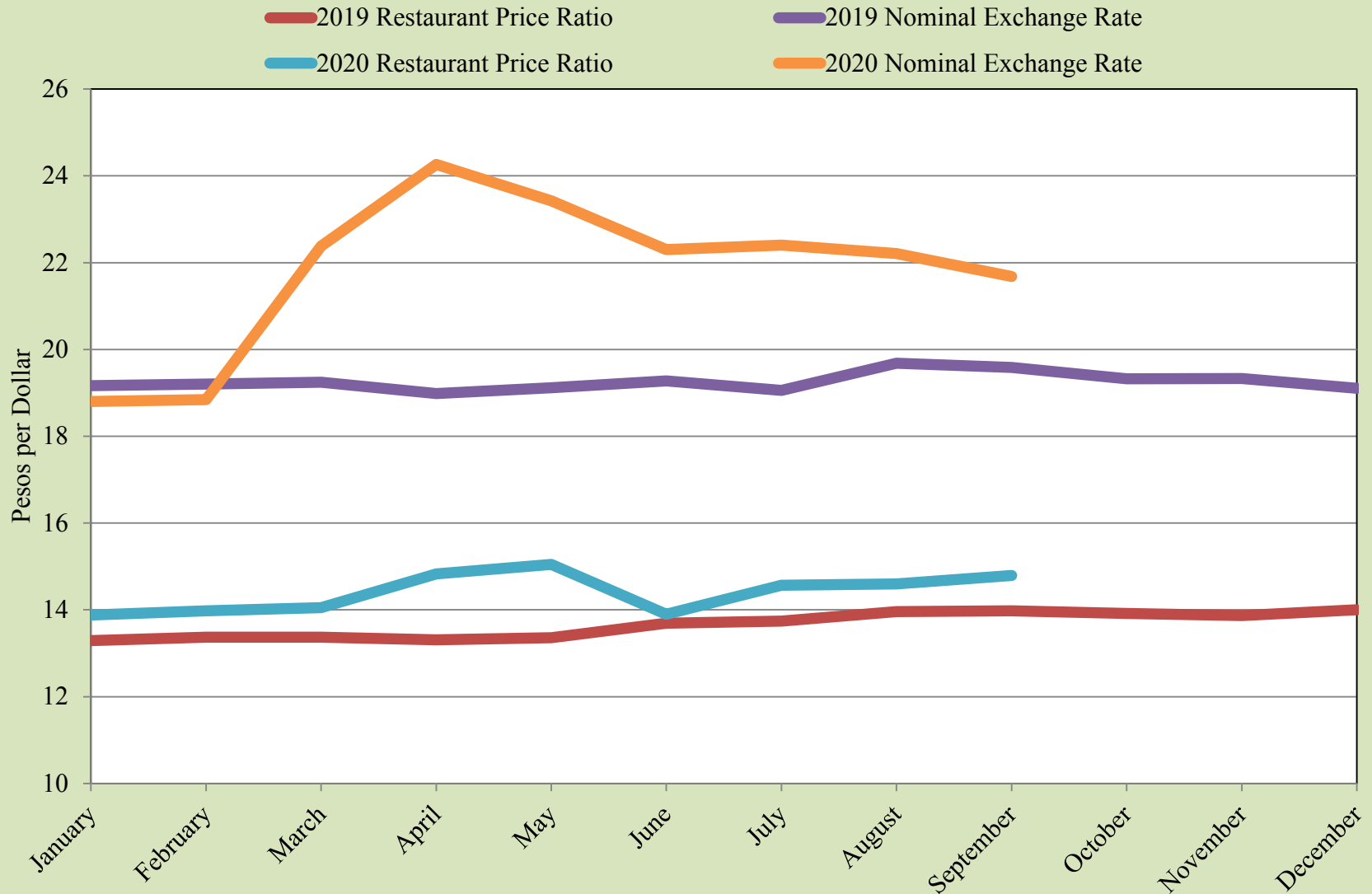
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

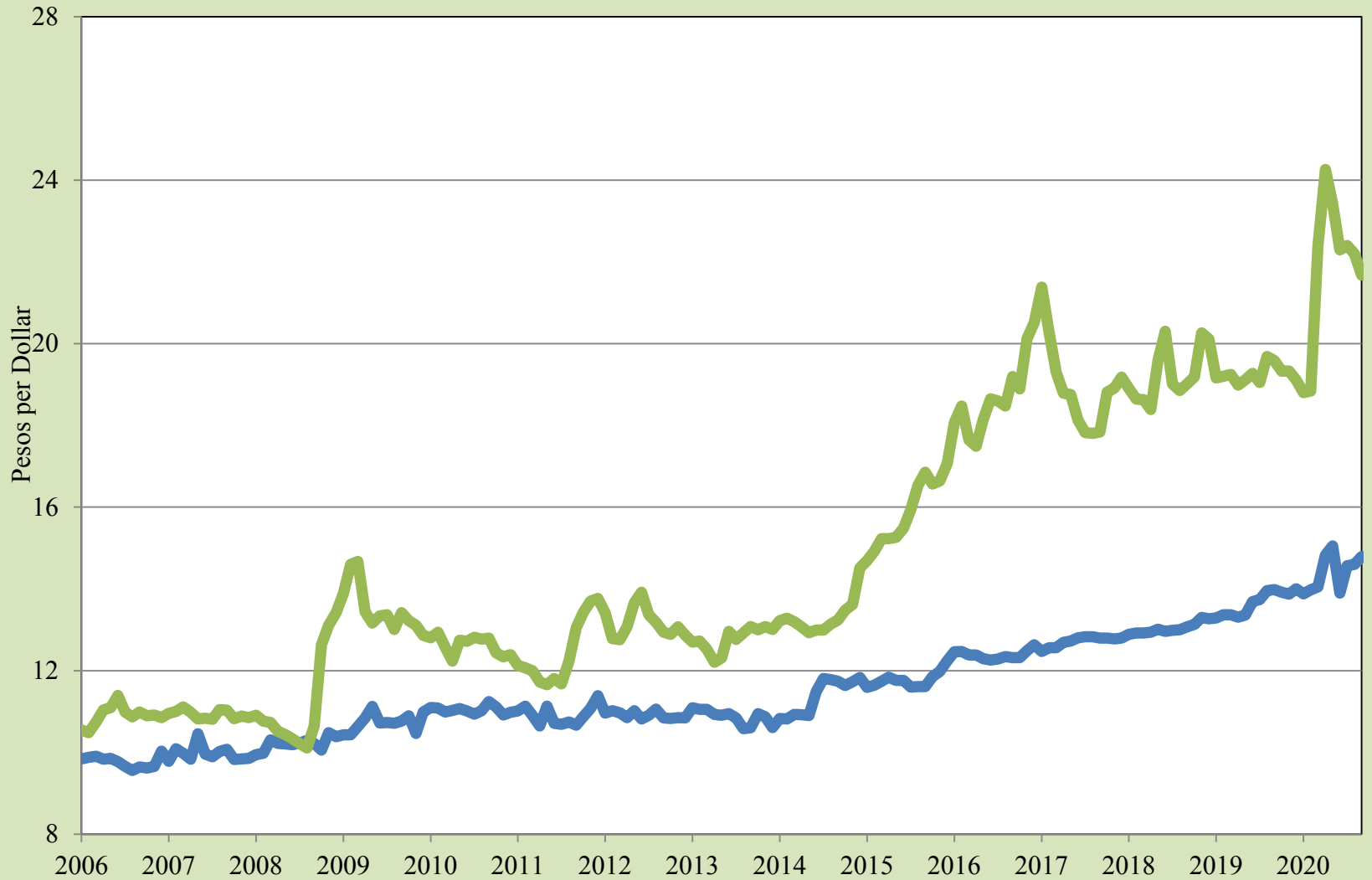
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

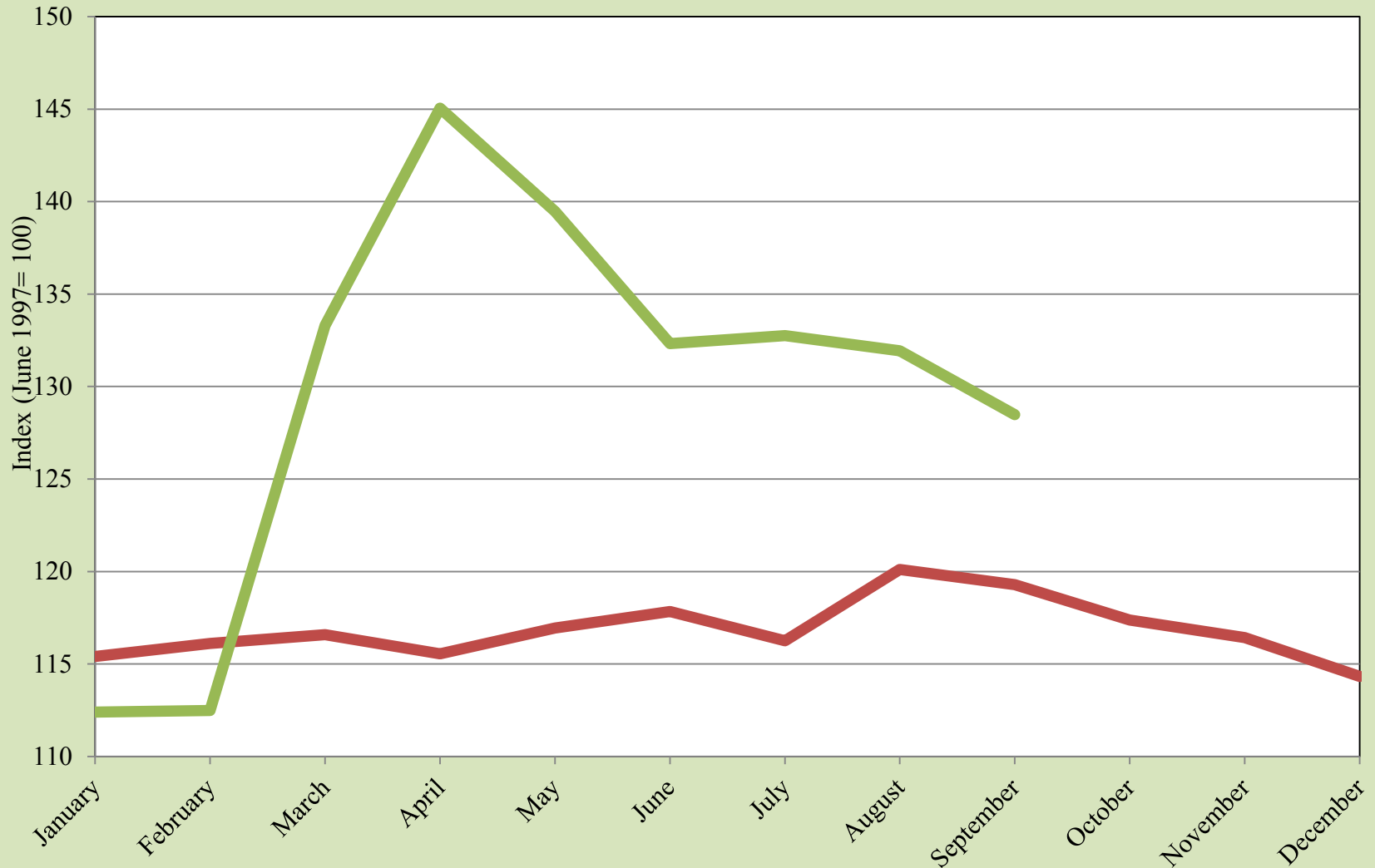
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2019 — 2020



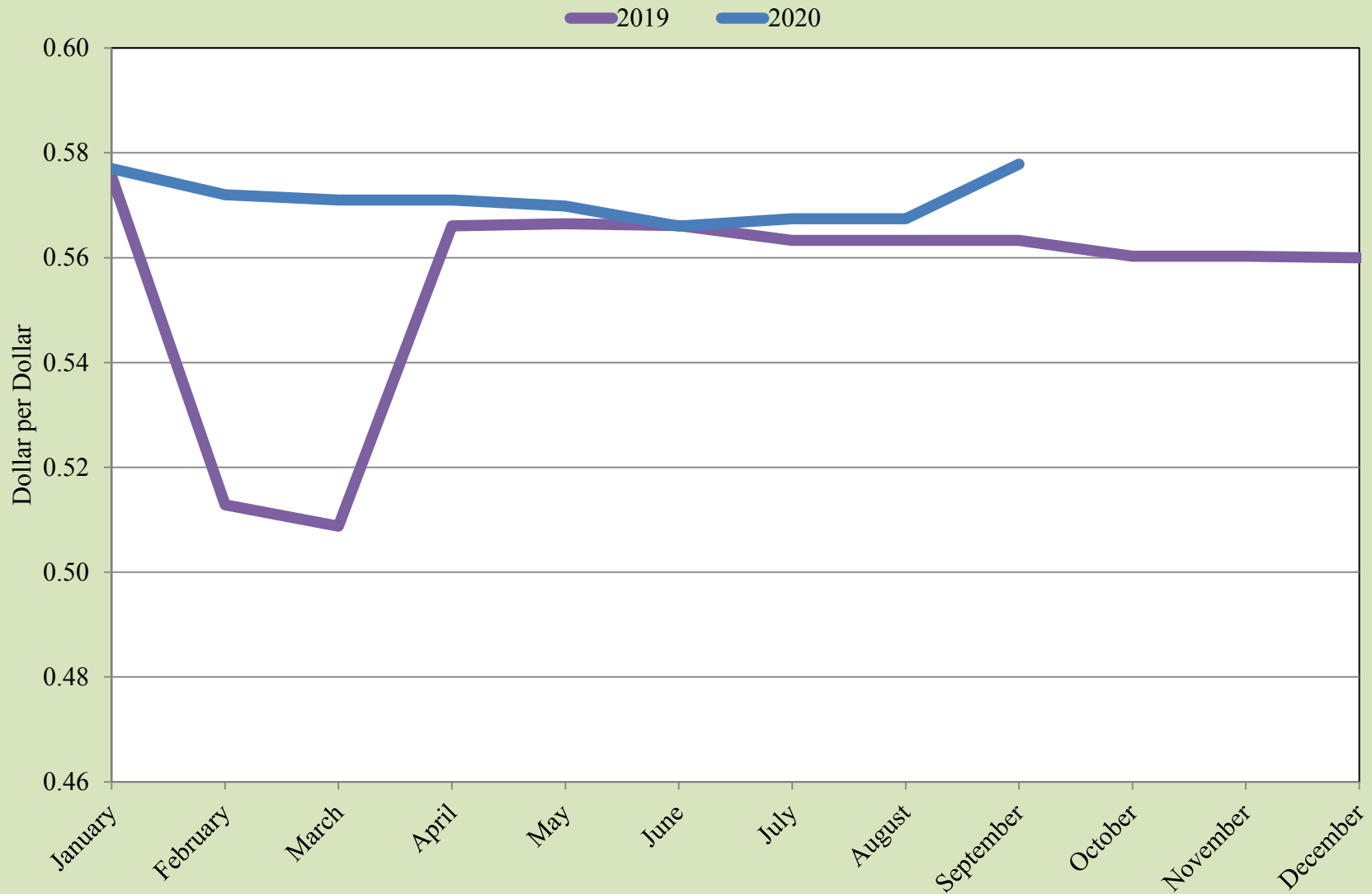
Source: UTEP Border Region Modeling Project

Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

Pharmaceutical Nominal Price Ratio in the USA and Mexico



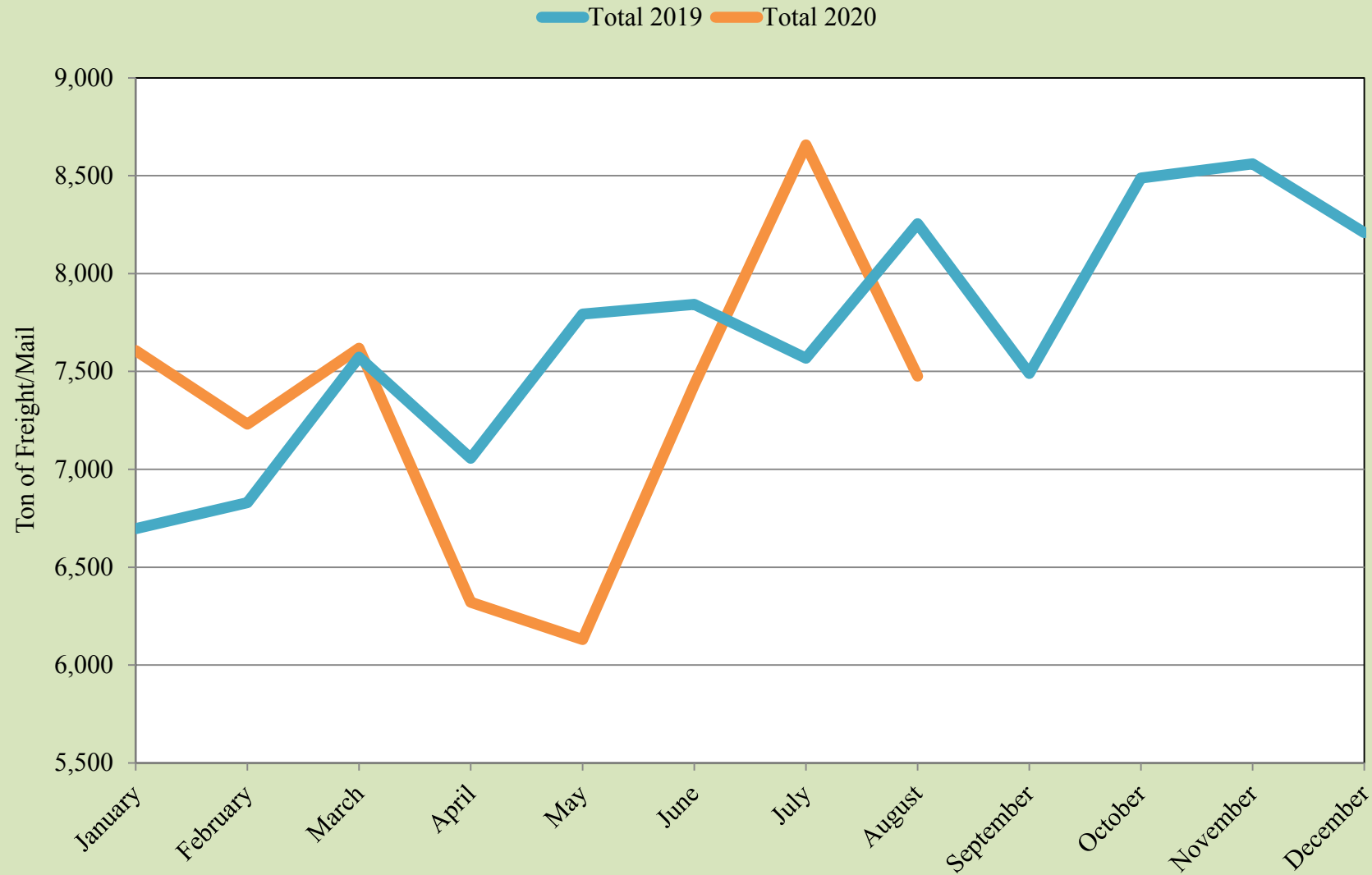
Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com

Pharmaceutical Nominal Price Ratio in the USA and Mexico



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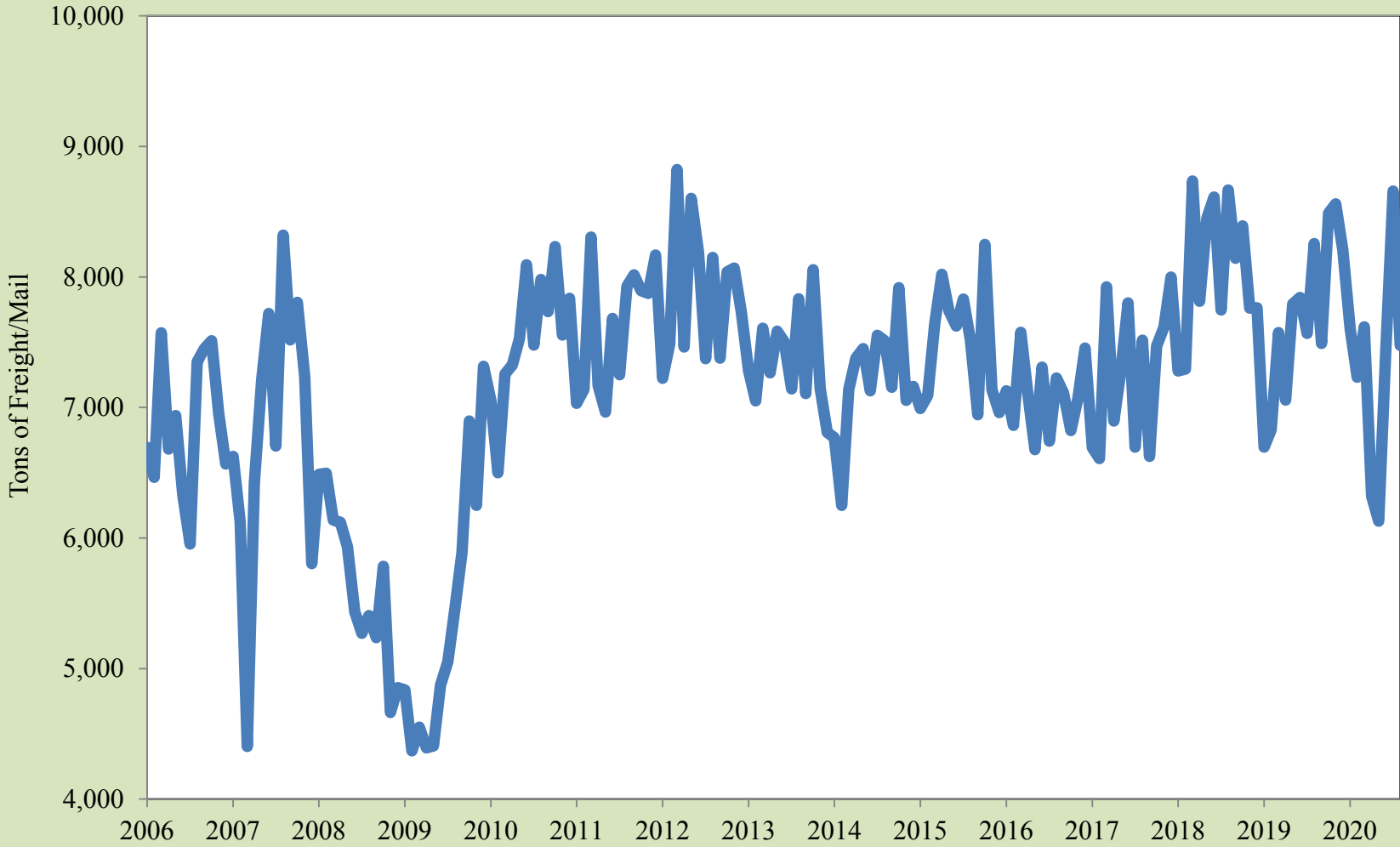
EPIA Freight and Mail



Source: EPIA Operations

EPIA Freight and Mail

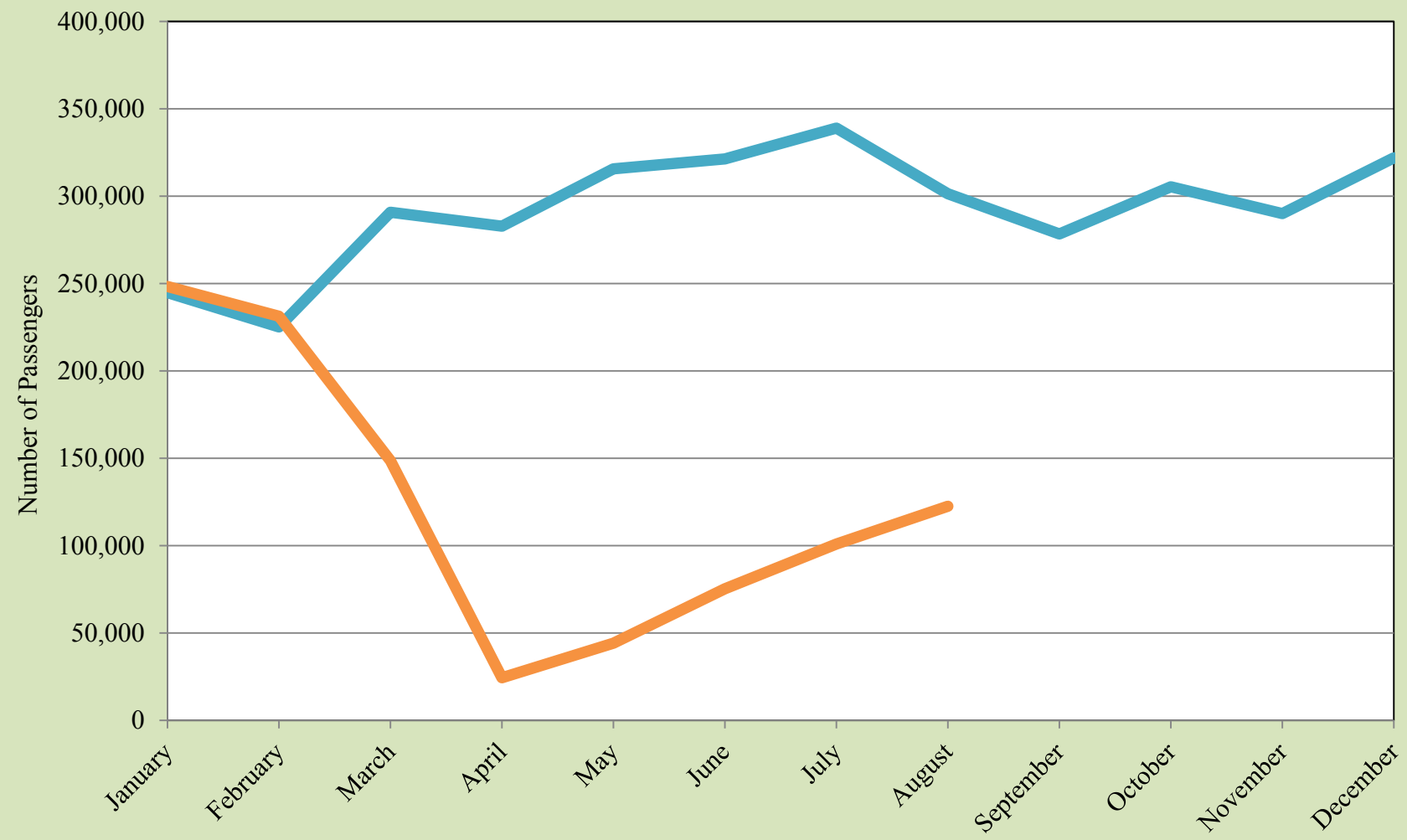
Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

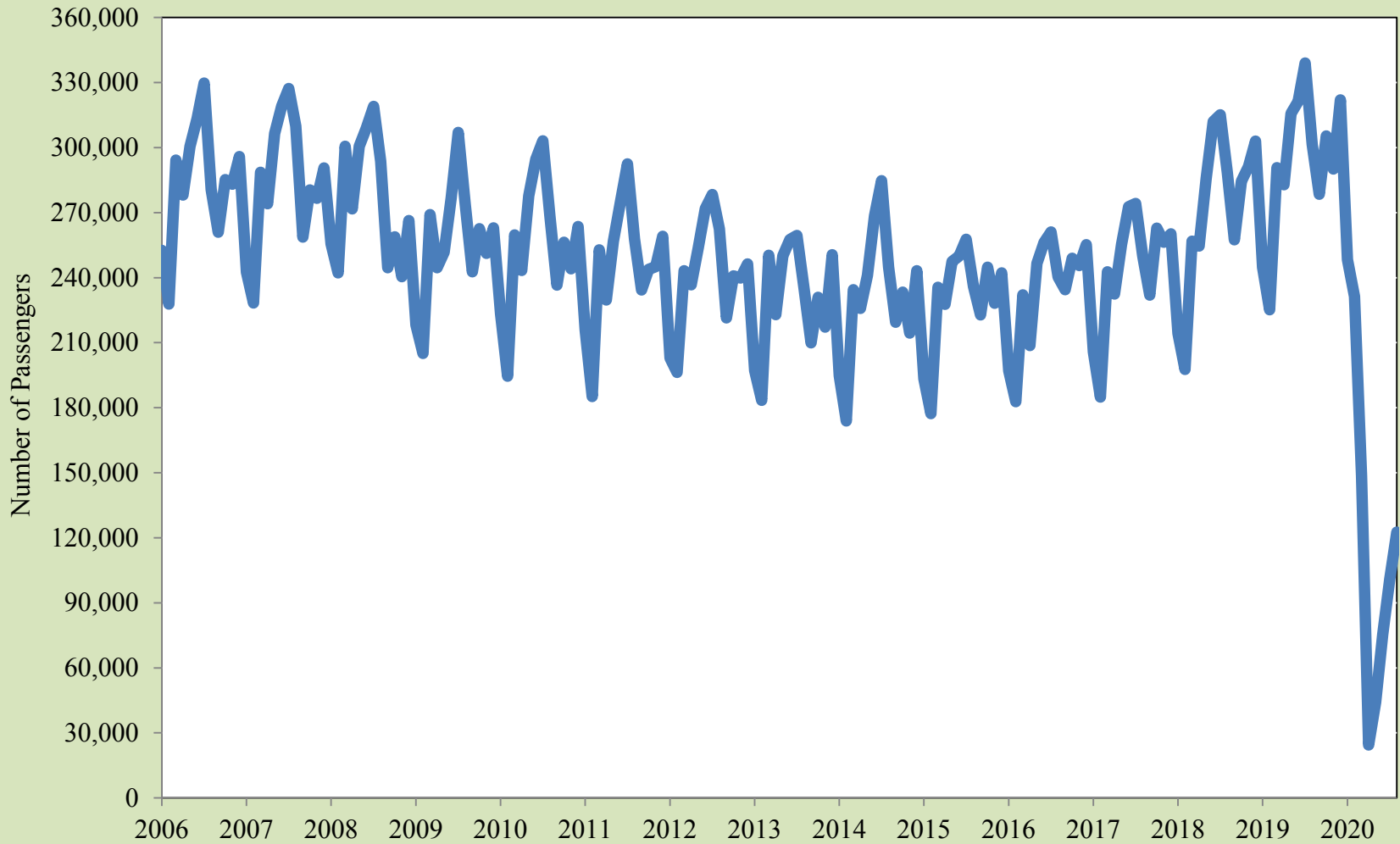
EPIA 2019 EPIA 2020



Source: EPIA Operations

EPIA Passengers

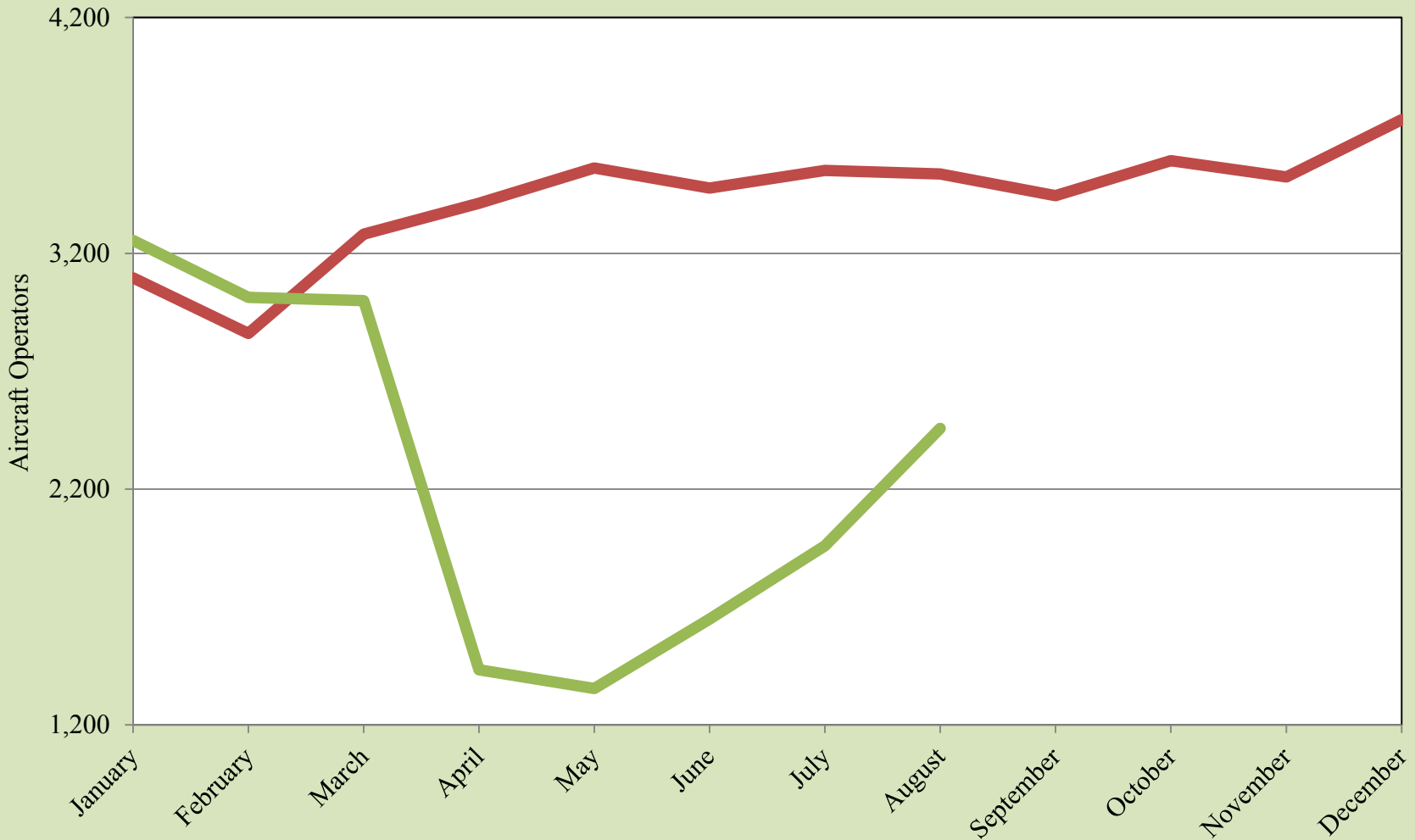
— Inbound+Outbound



Source: EPIA Operations

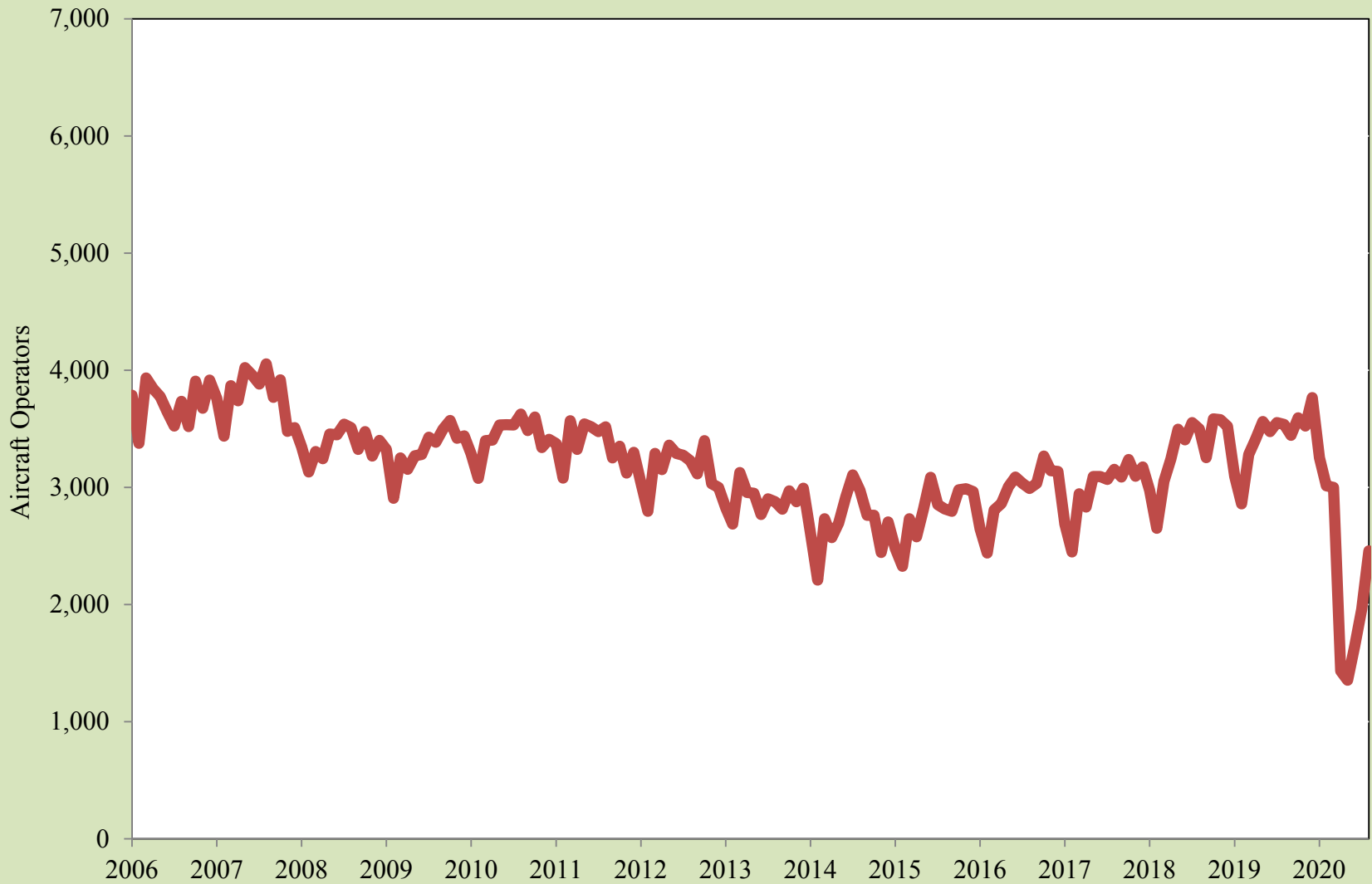
EPIA Air Carrier Operations

Air Carrier Operations 2019 Air Carrier Operations 2020



Source: EPIA Operations

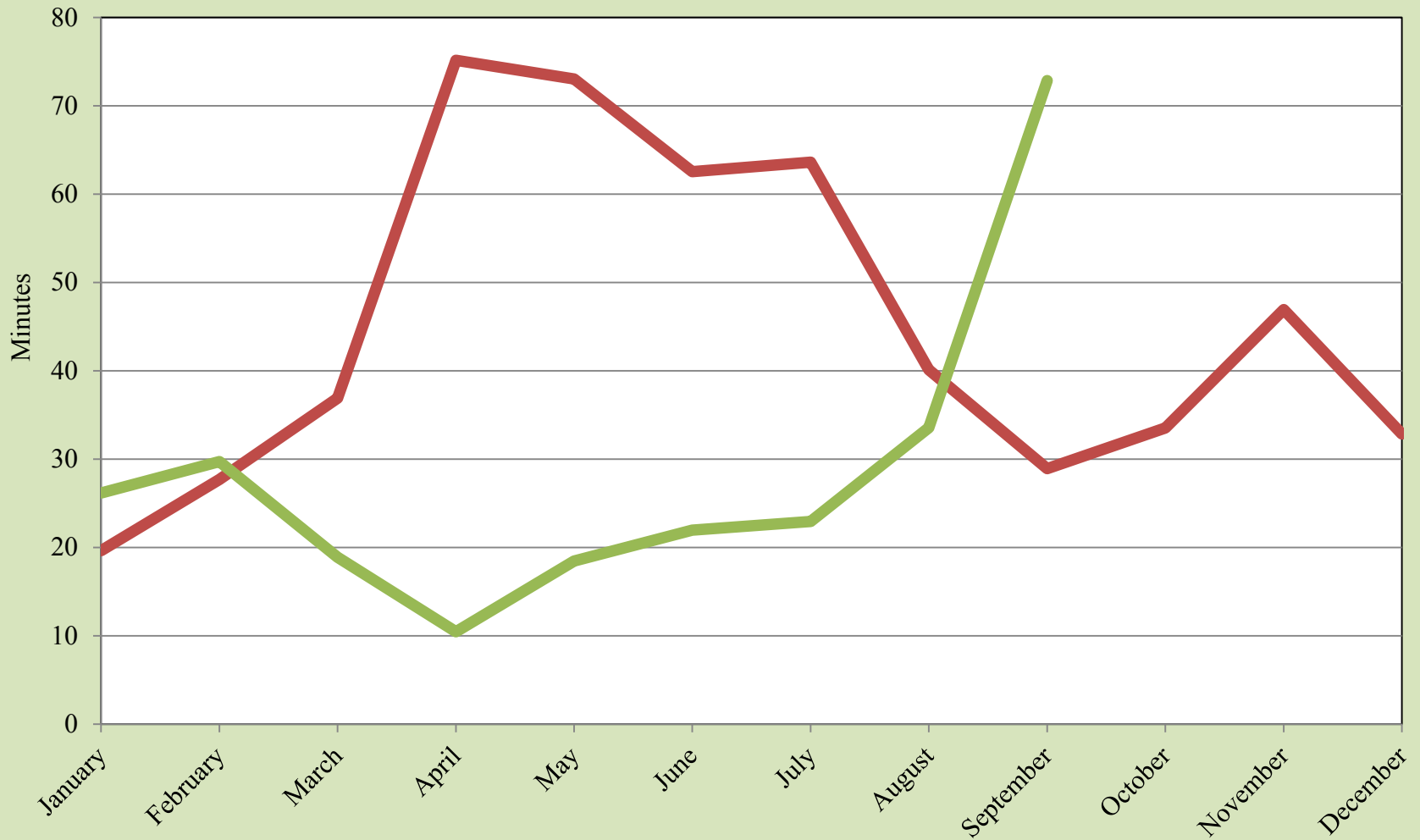
EPIA Air Carrier Operations



Source: EPIA Operations

Paso del Norte Monthly Wait Times

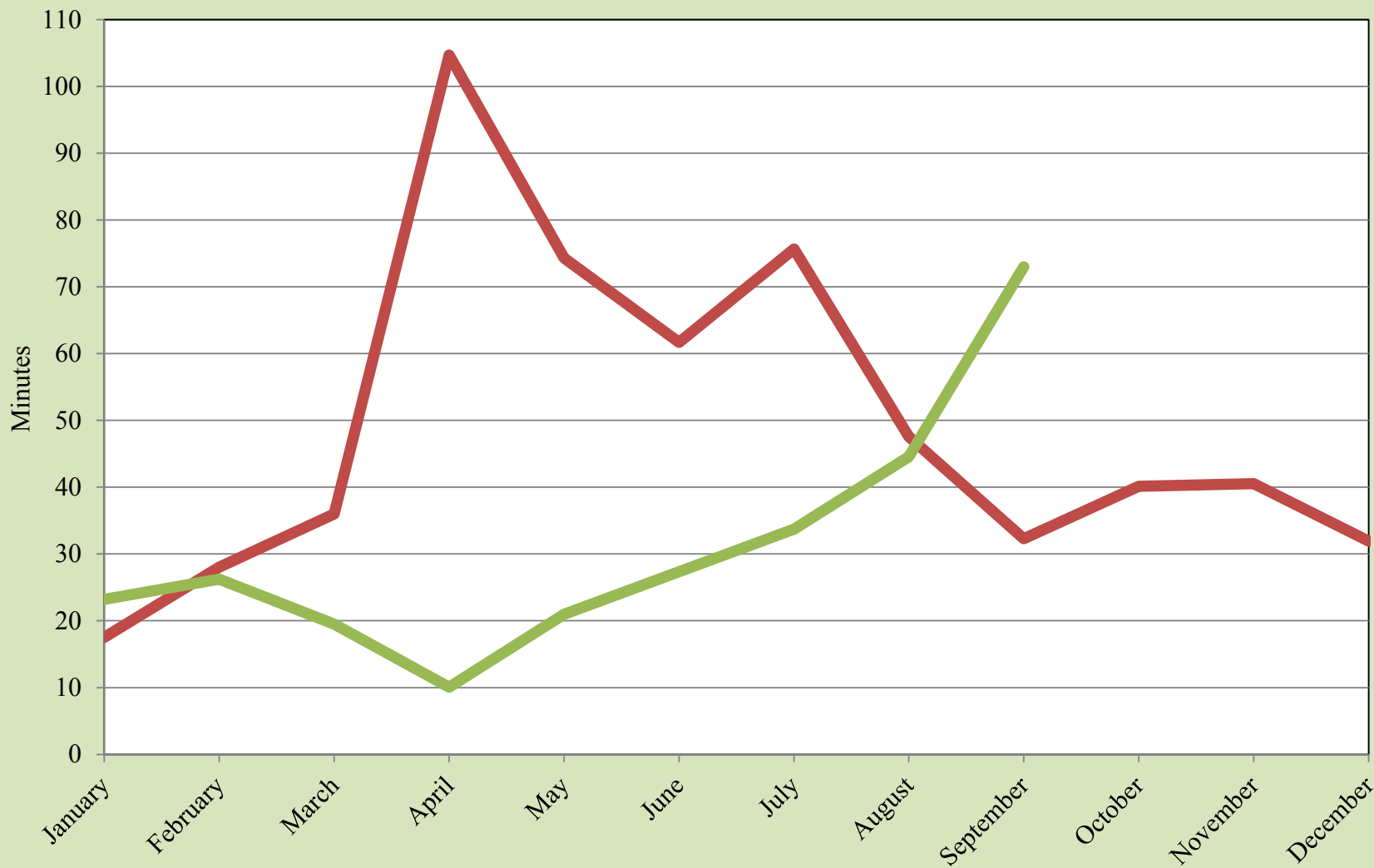
2019 2020



Source: UTEP Border Region Modeling Project

Ysleta Monthly Wait Times

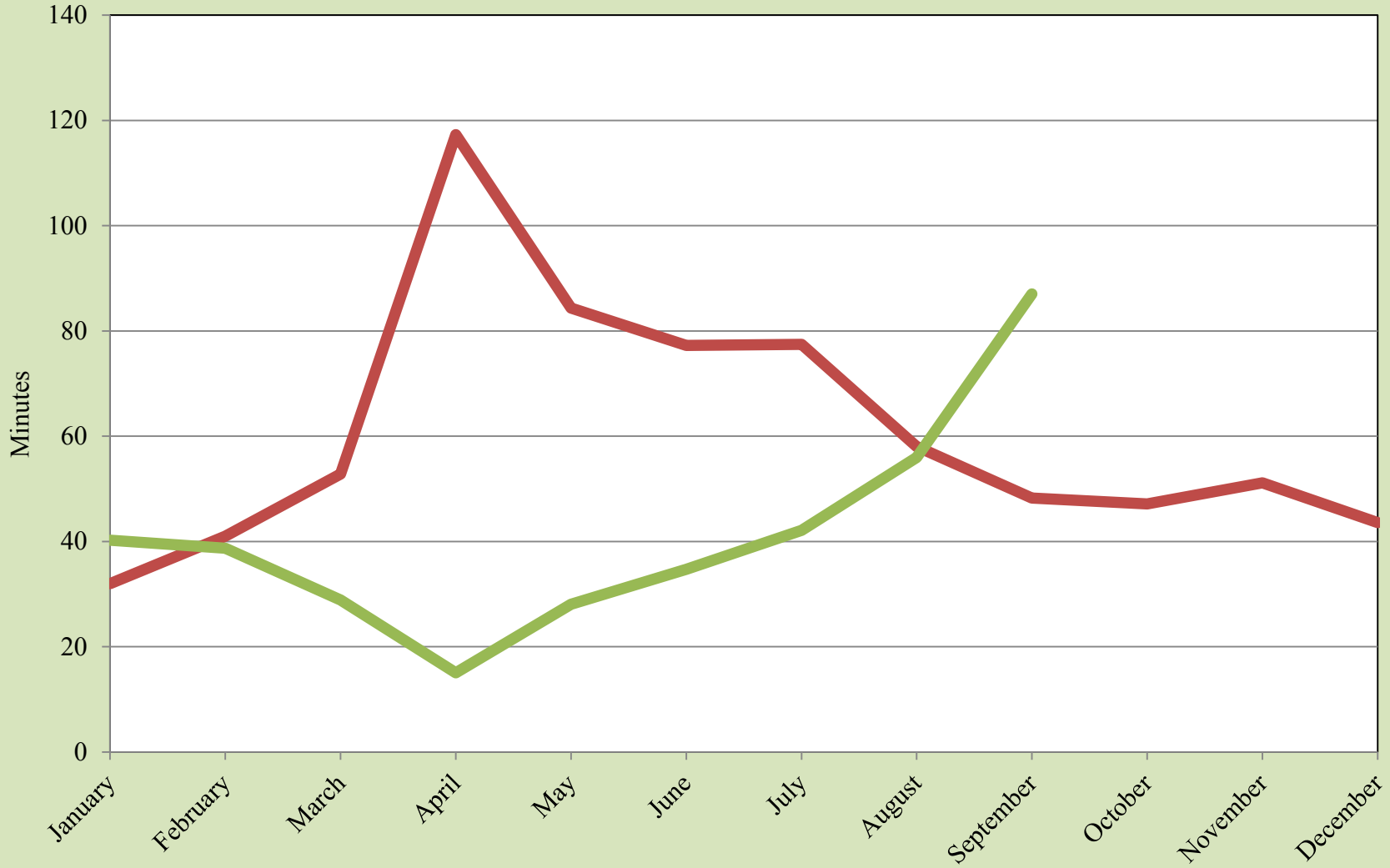
— 2019 — 2020



Source: UTEP Border Region Modeling Project

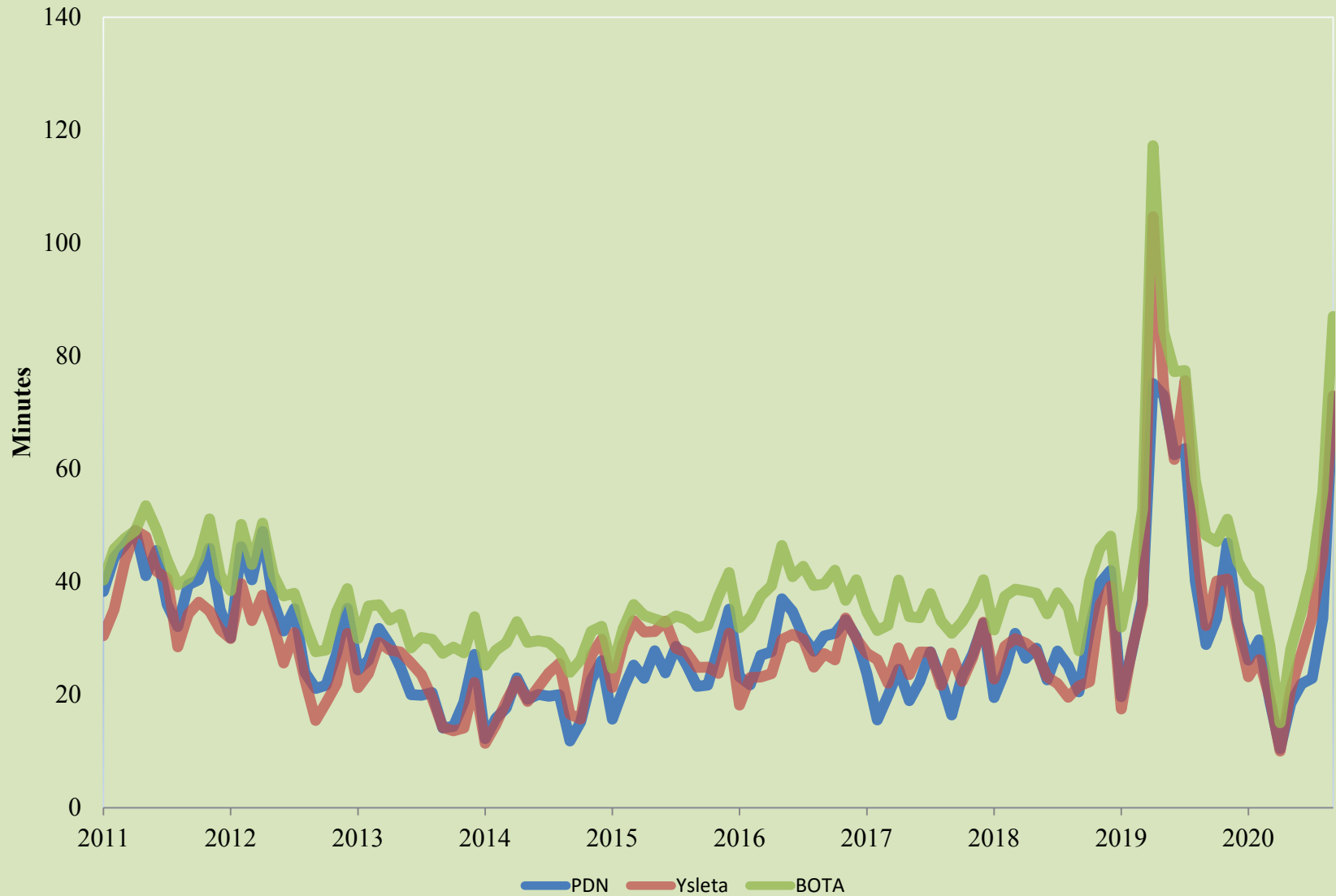
Bridge of the Americas Monthly Wait Times

2019 2020



Source: UTEP Border Region Modeling Project

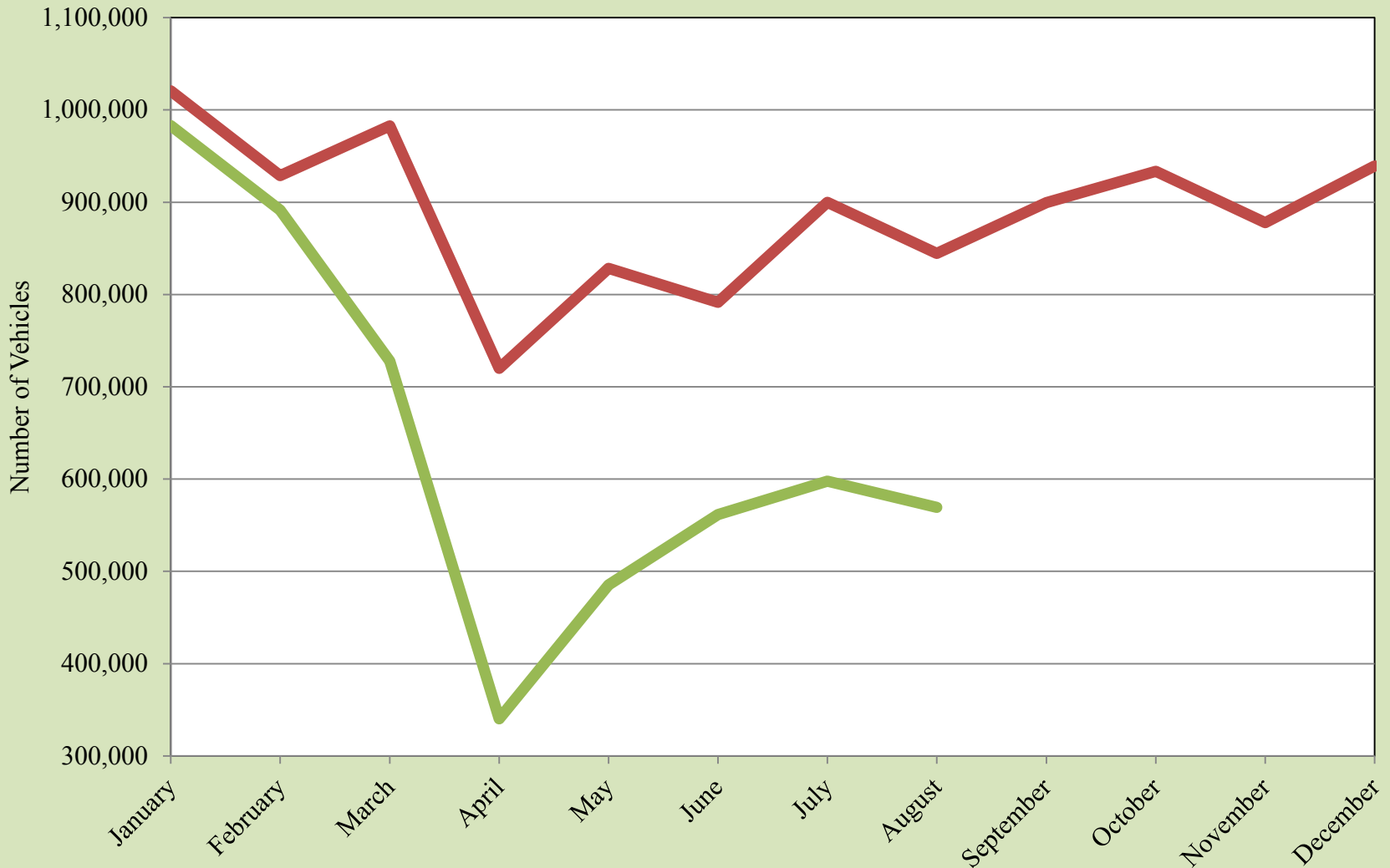
Monthly Border Wait Times



Source: UTEP Border Region Modeling Project

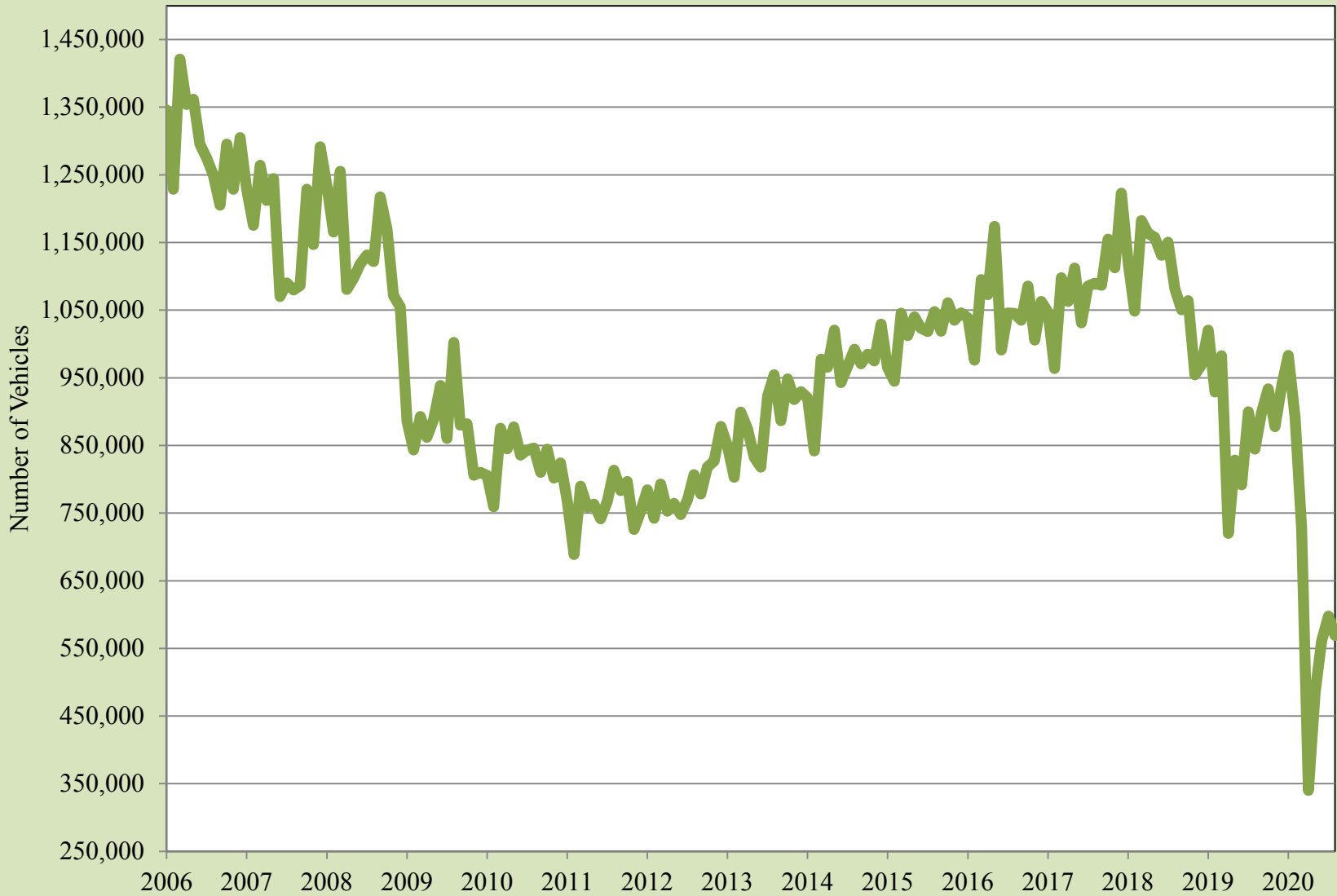
Personal Vehicle International Bridge Crossings to El Paso

2019 2020



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

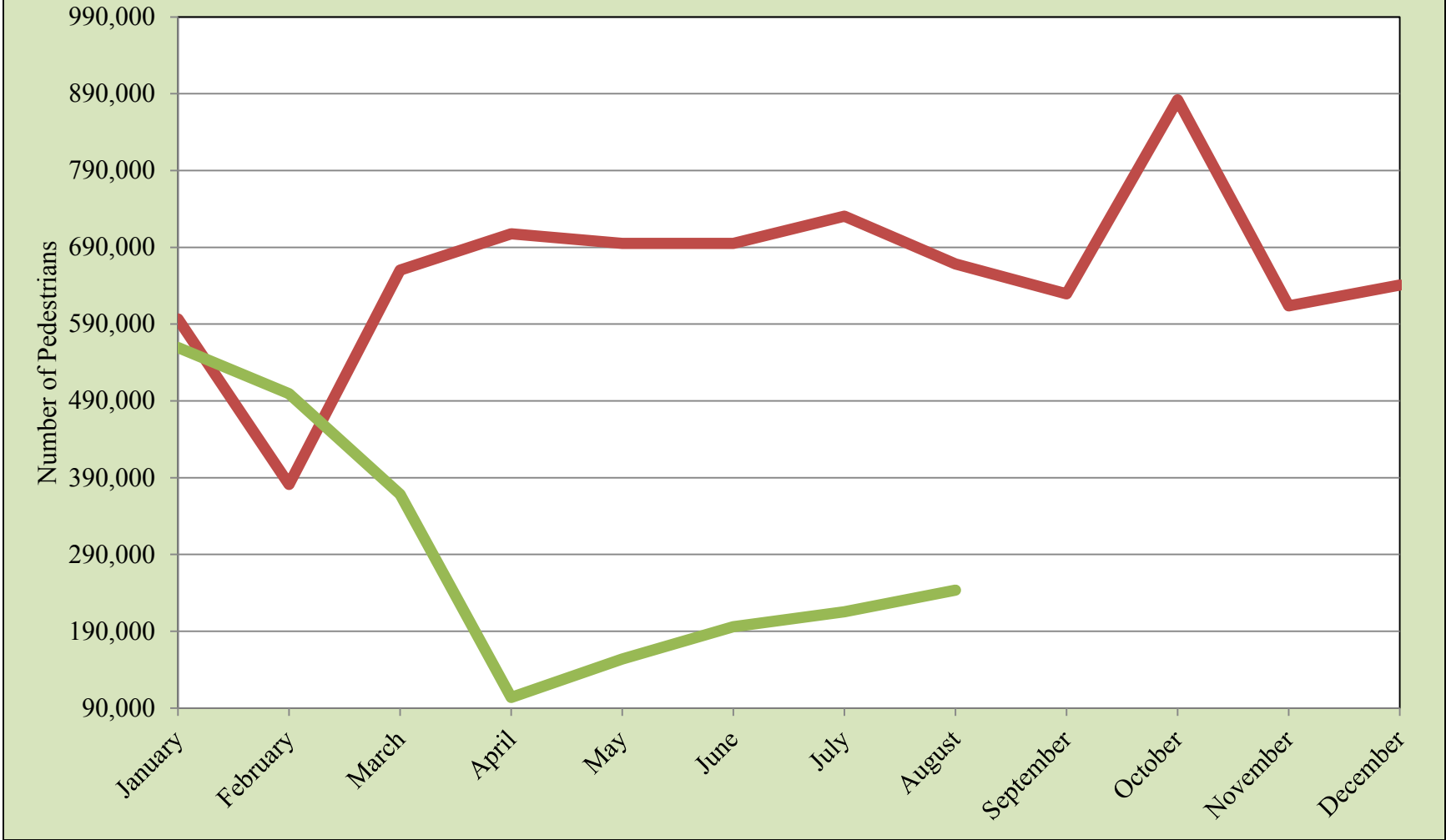
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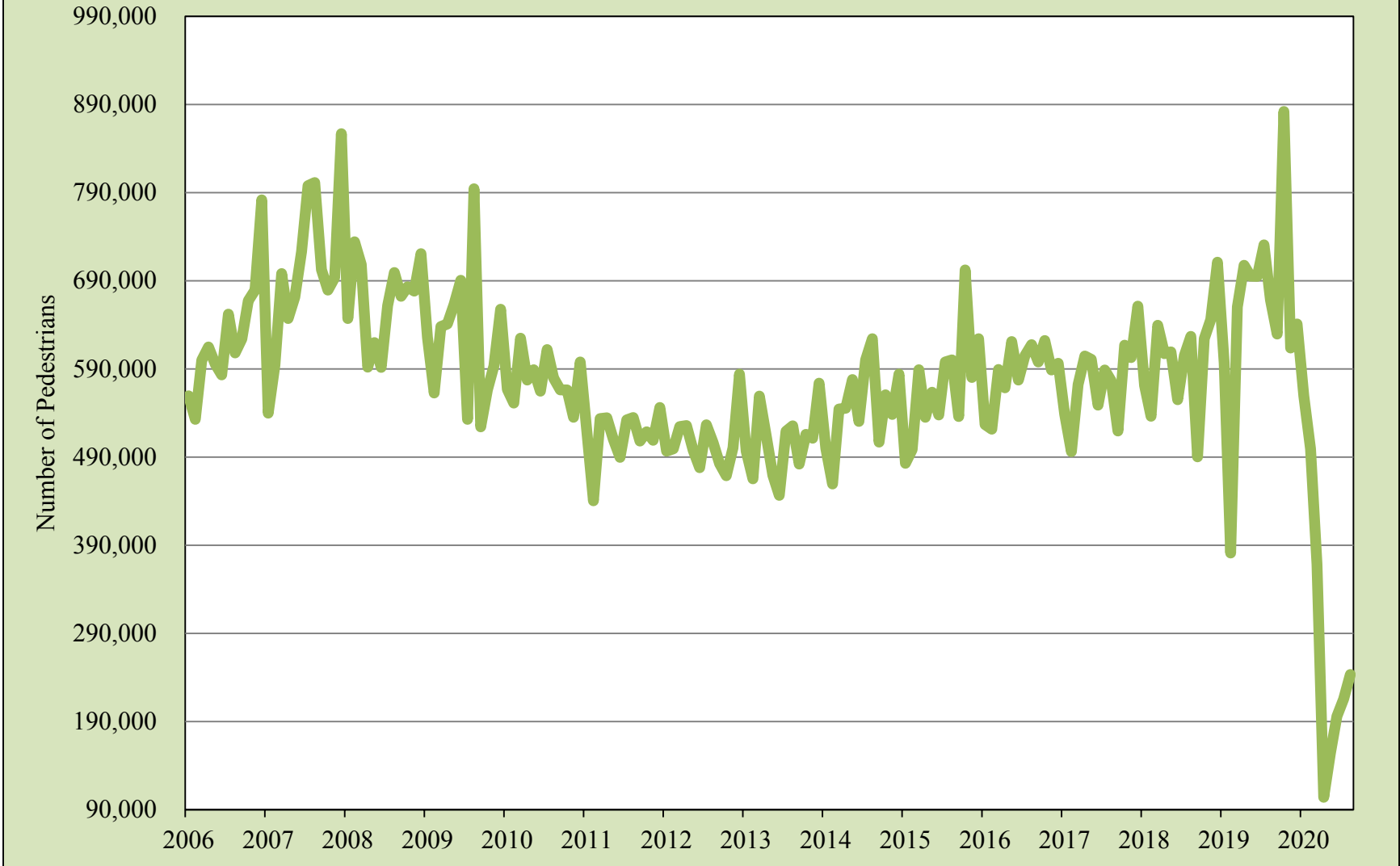
Pedestrian International Bridge Crossings to El Paso

2019 2020



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

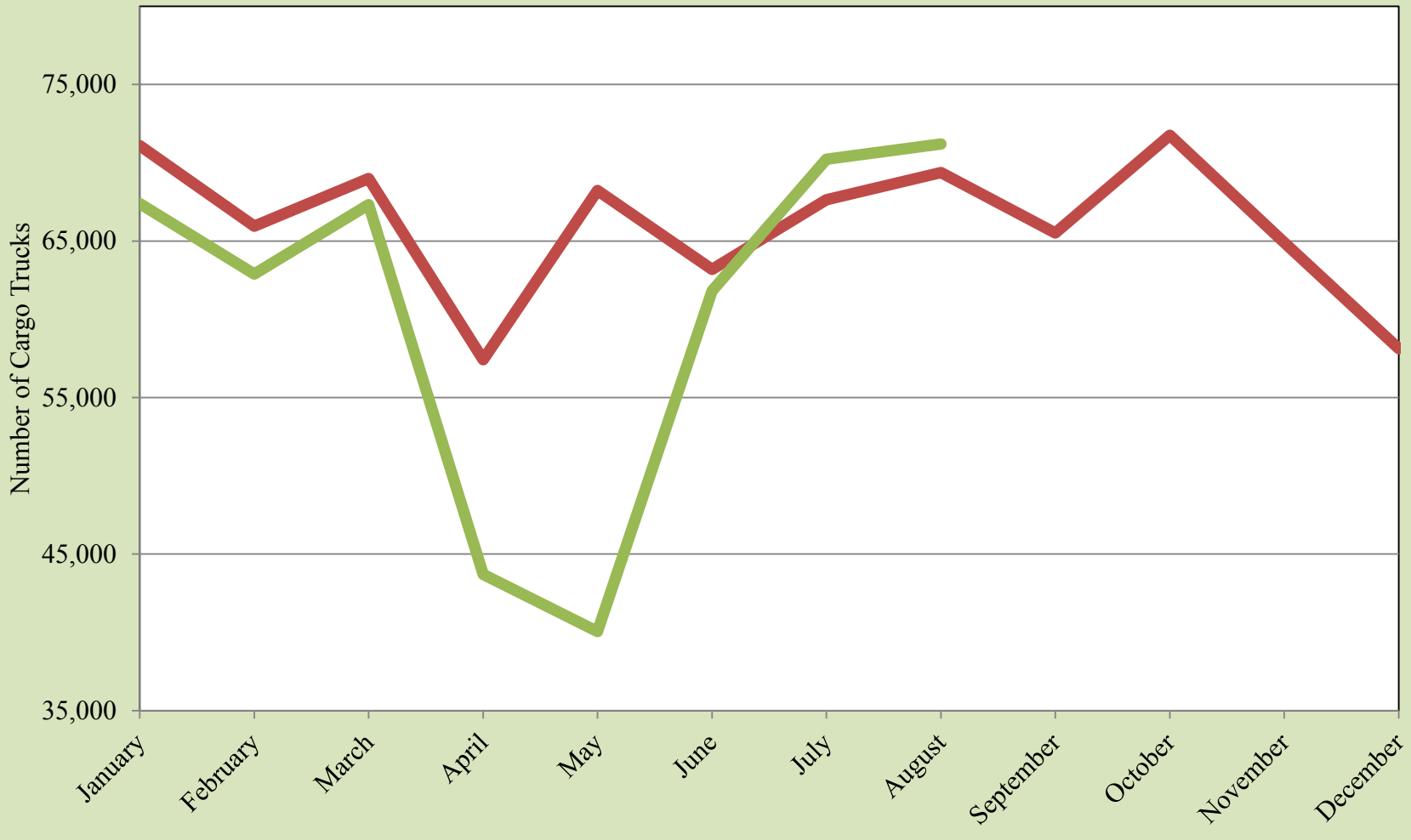
Pedestrian International Bridge Crossings to El Paso



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

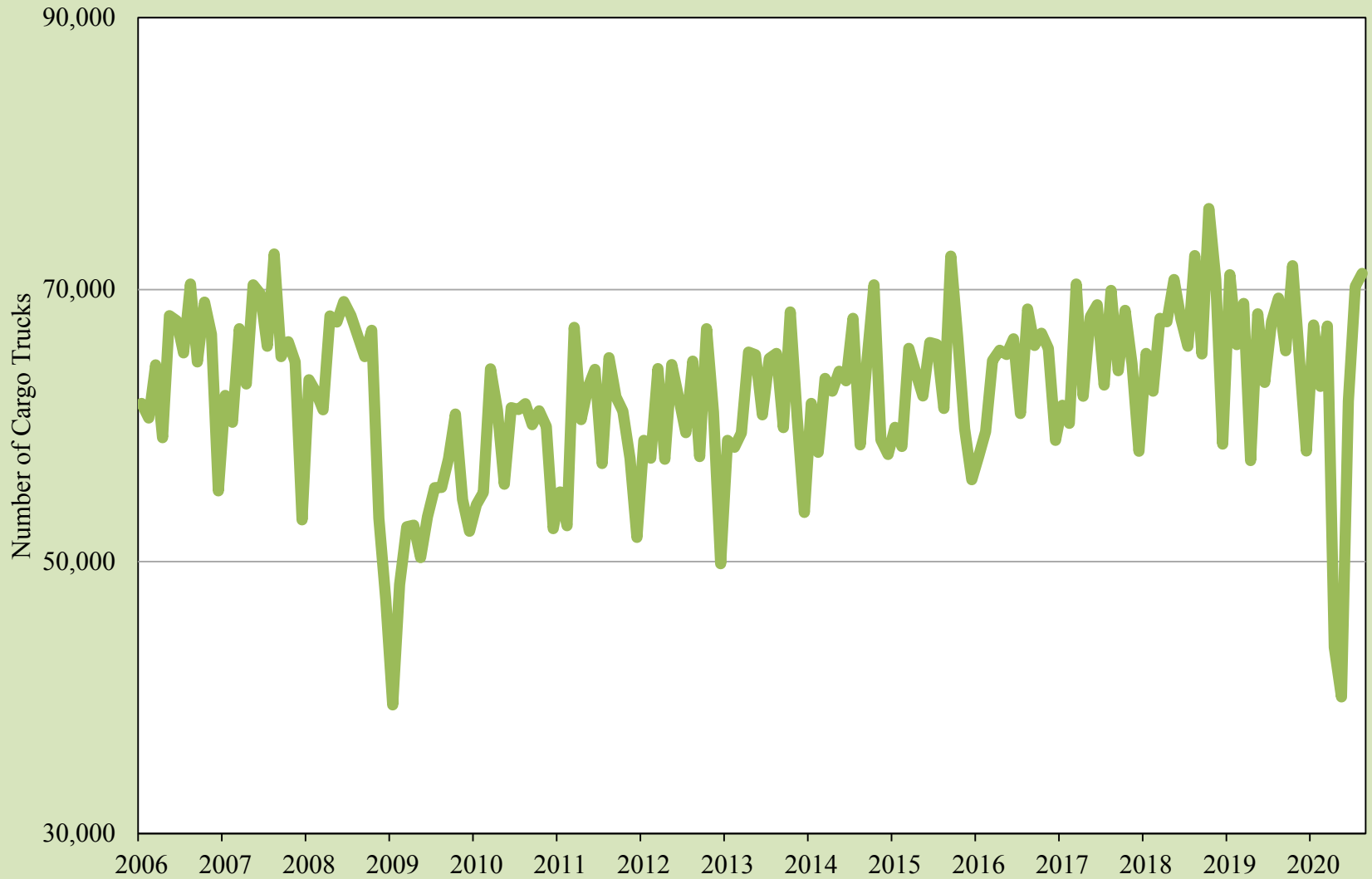
Cargo Truck International Bridge Crossings to El Paso

2019 2020



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

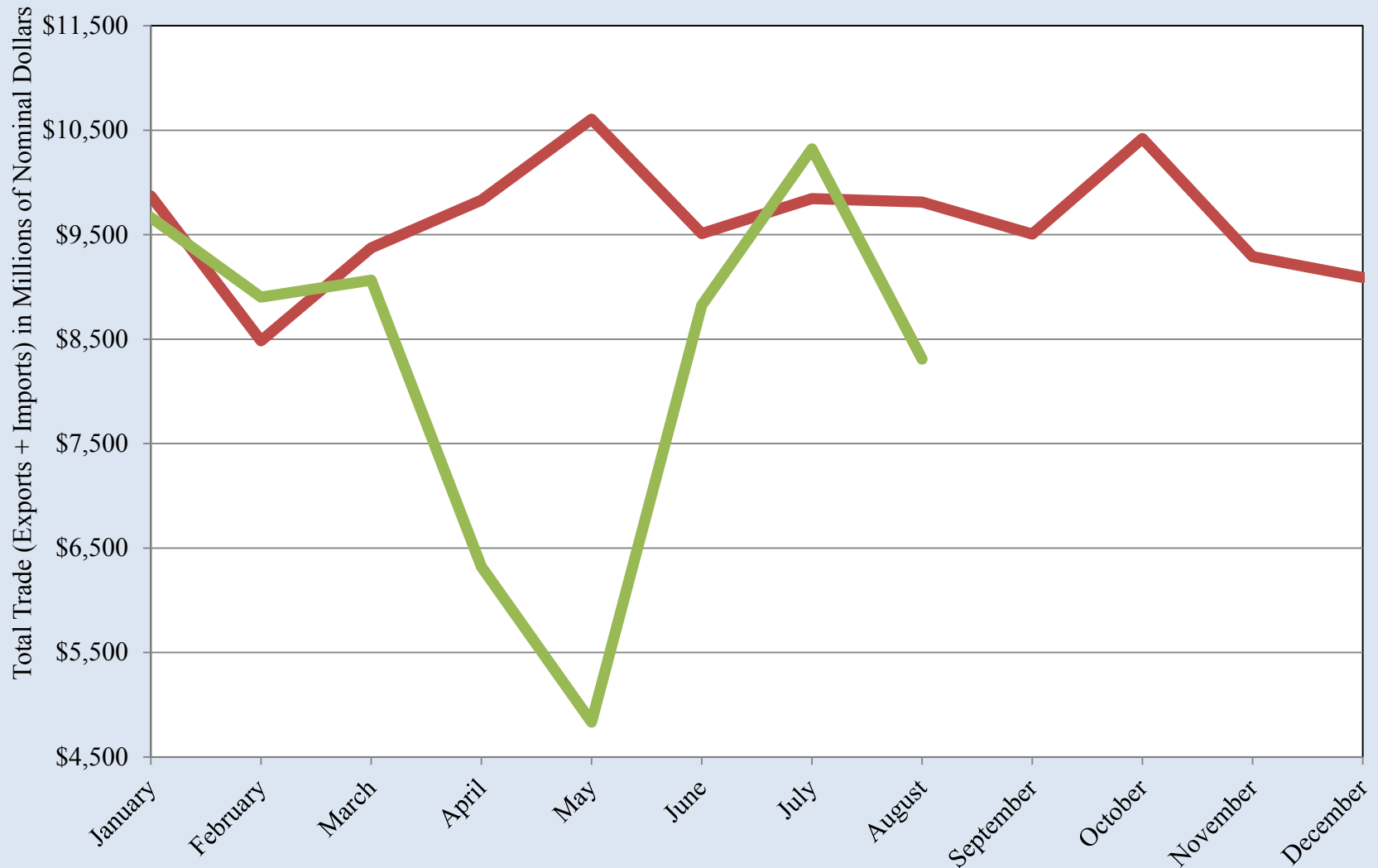
Cargo Truck International Bridge Crossings to El Paso



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

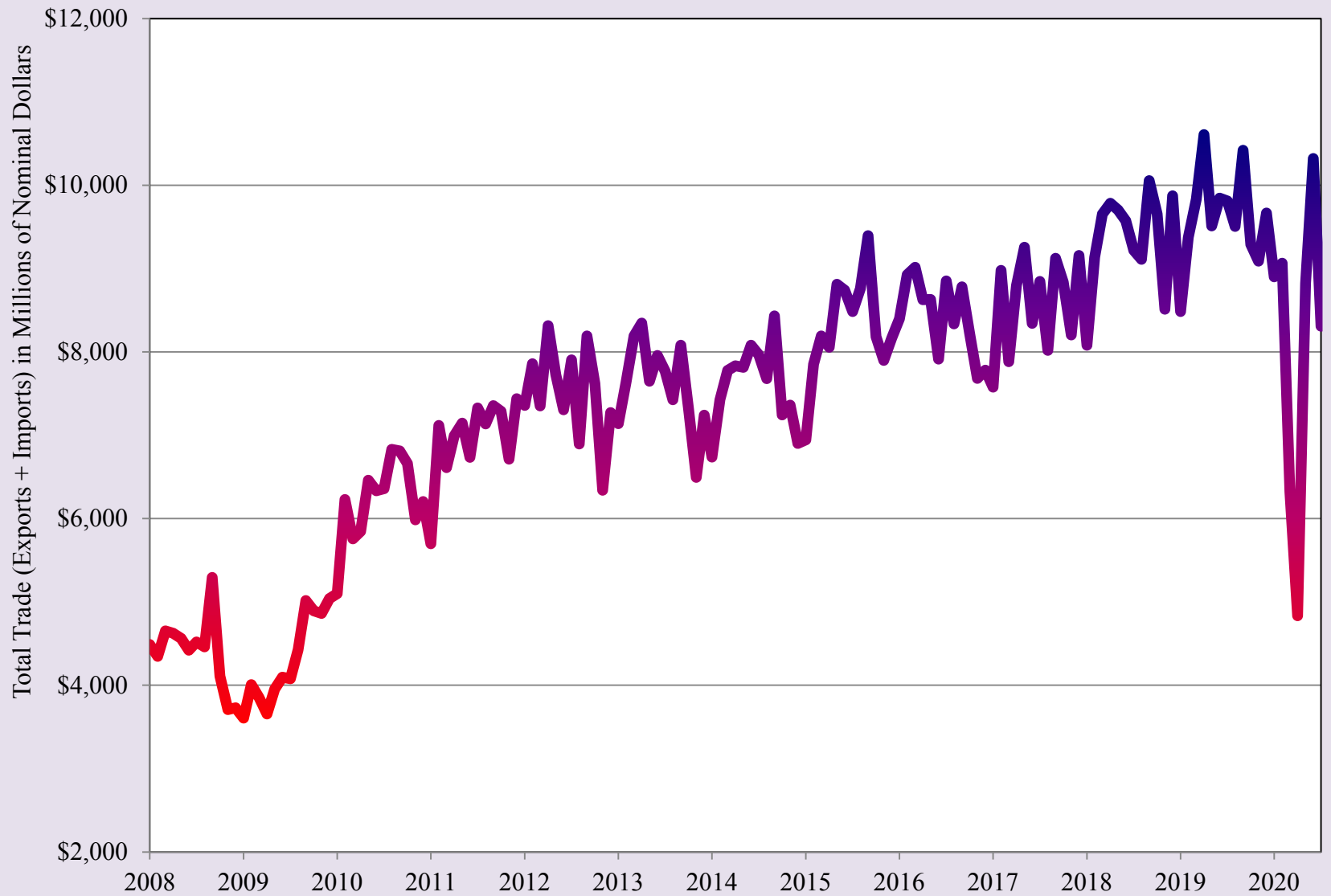
Total Trade through the El Paso Customs District

2019 2020



Source: U.S. International Trade Commission

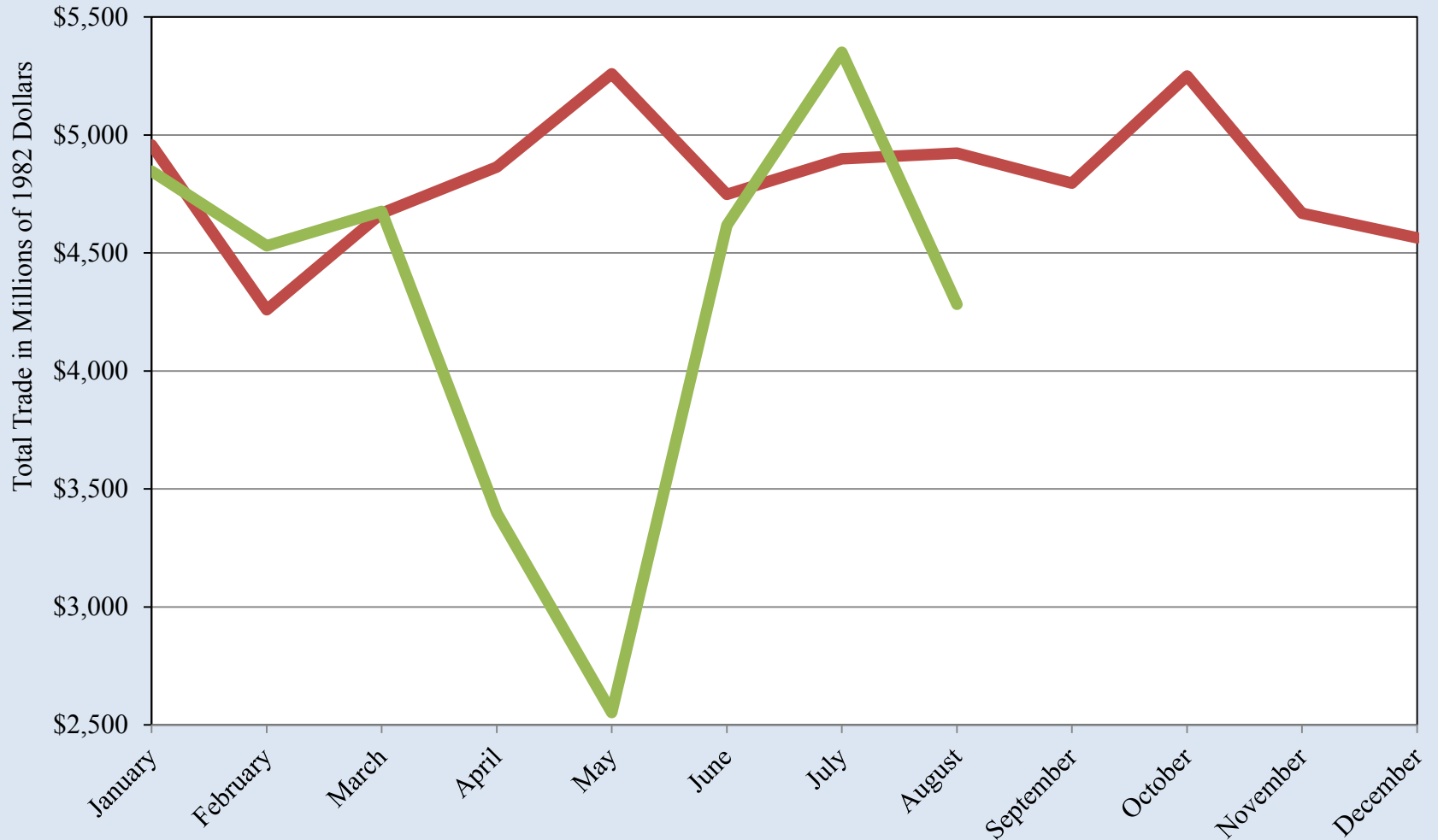
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

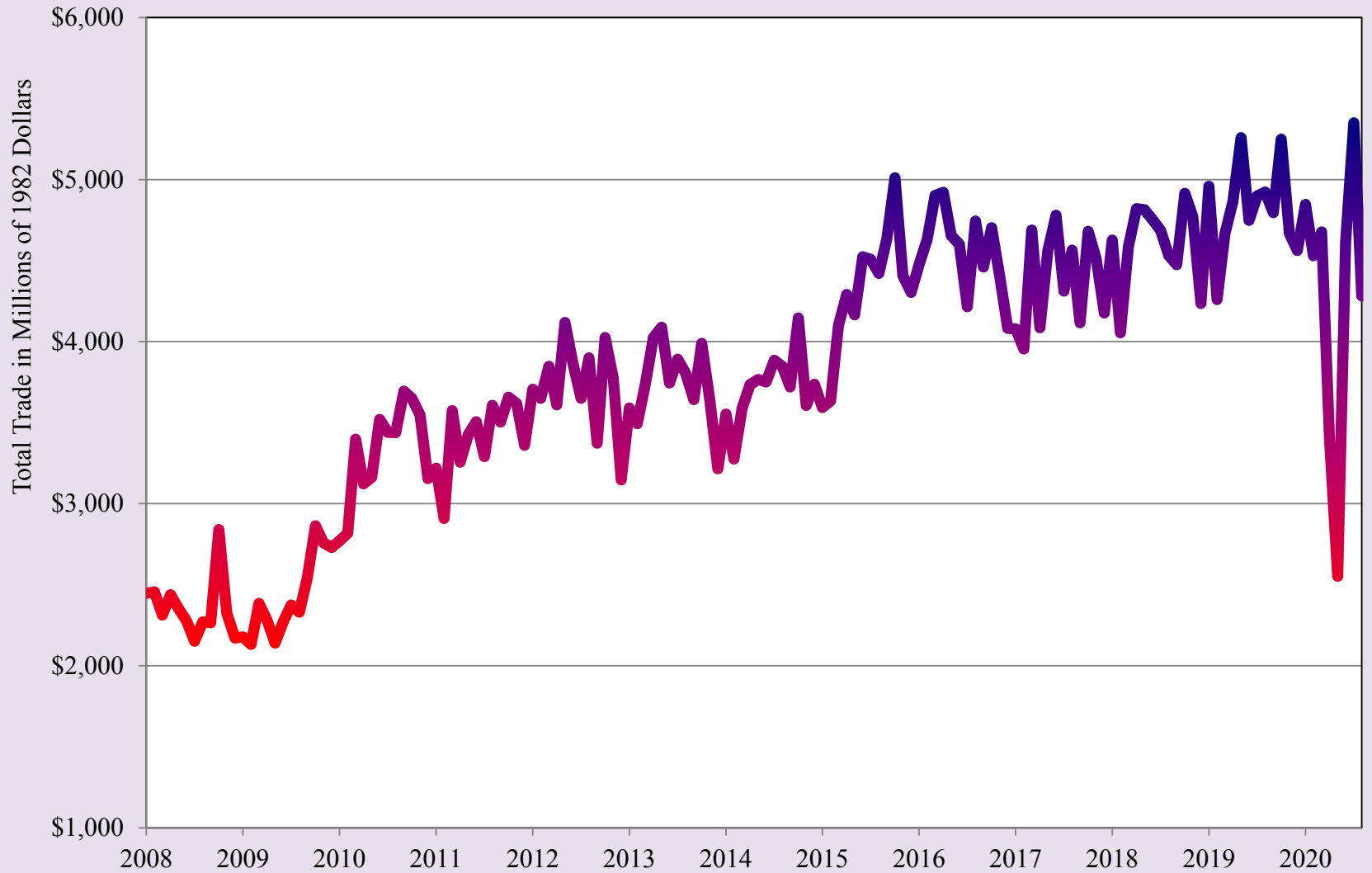
Real Total Trade through the El Paso Customs District

— 2019 — 2020



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

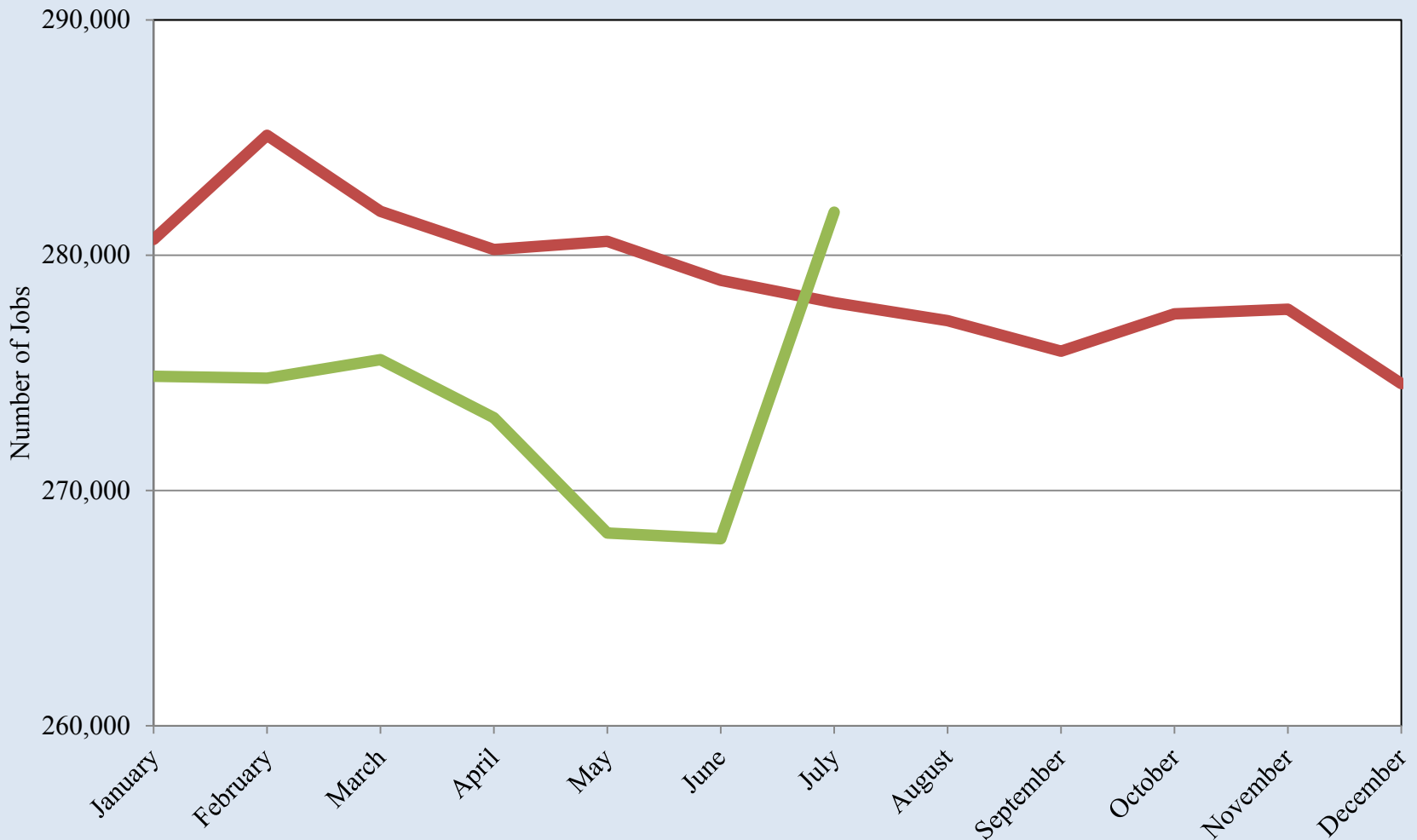
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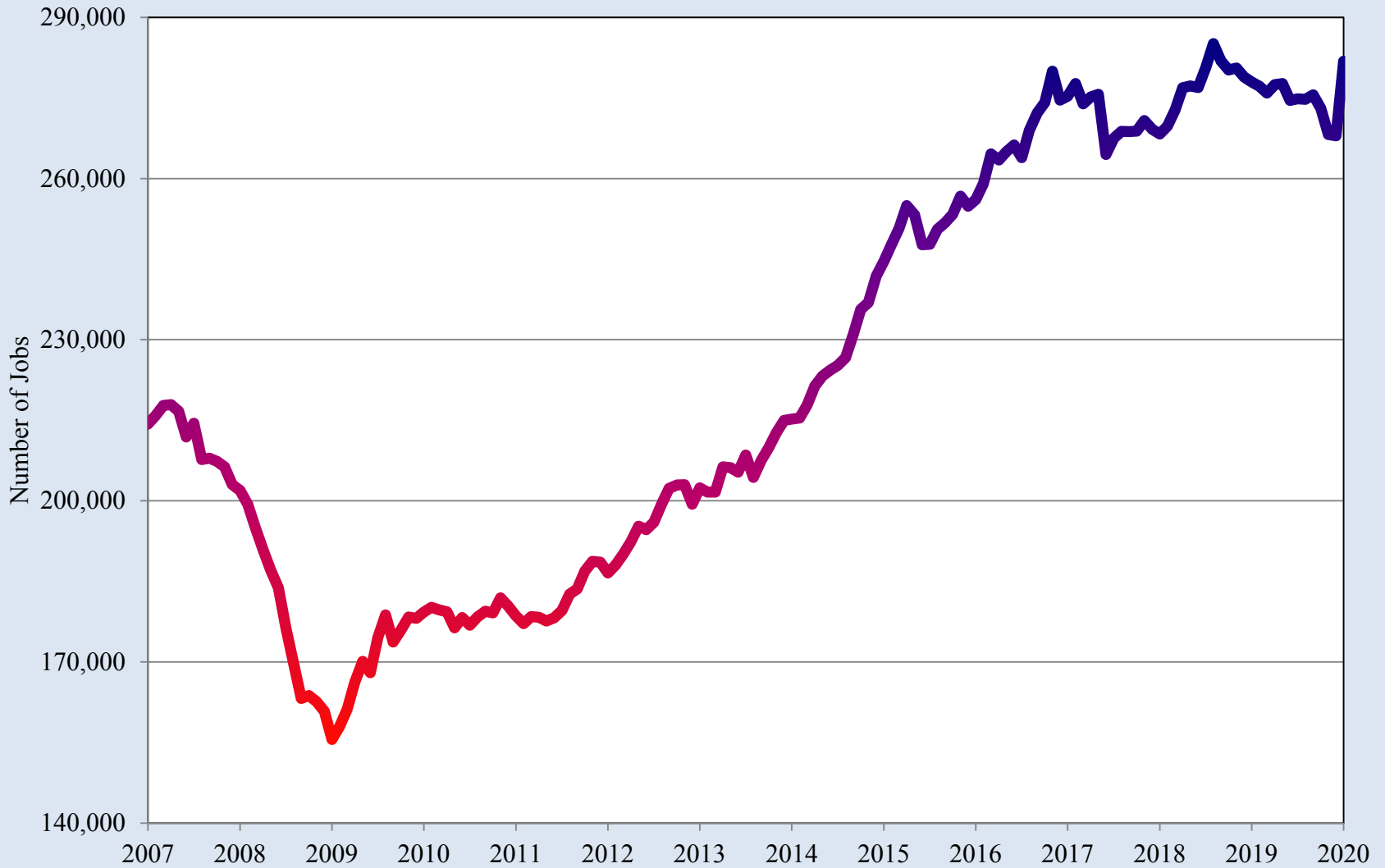
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020



Source: INEGI

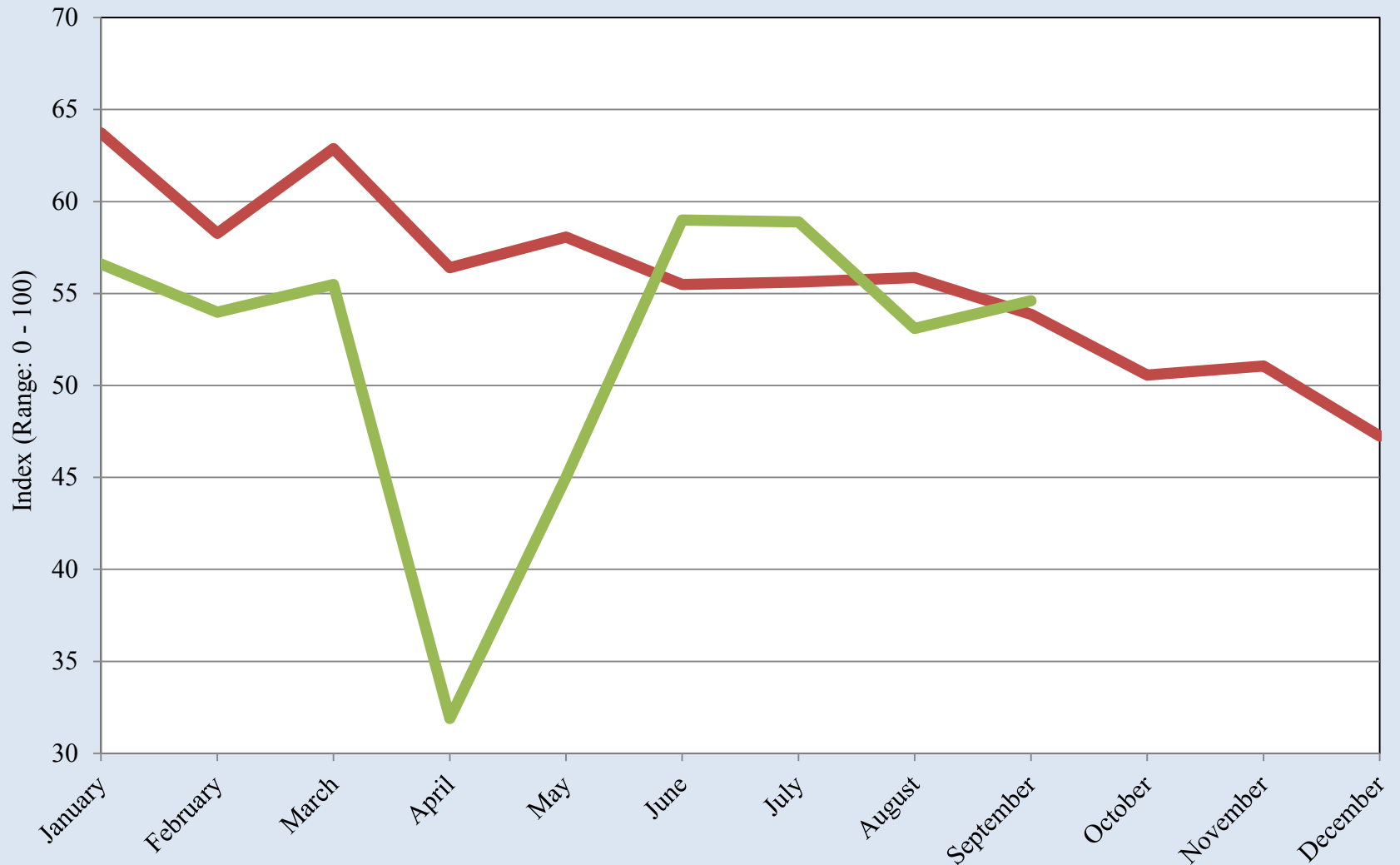
Export-Oriented Manufacturing Employment in Ciudad Juárez



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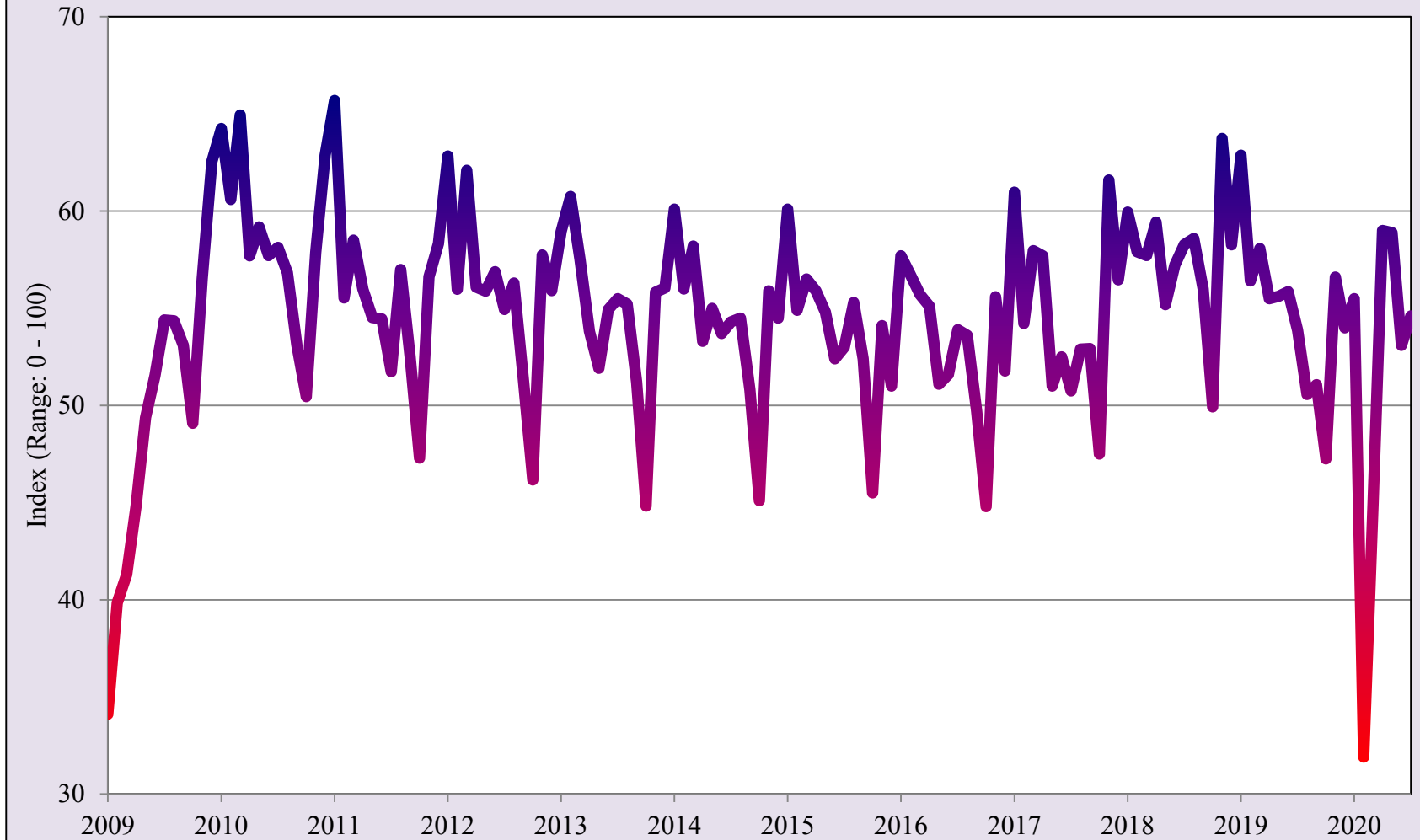
Northern Mexico Manufacturing Orders Index

2019 2020



Source: Banco de México

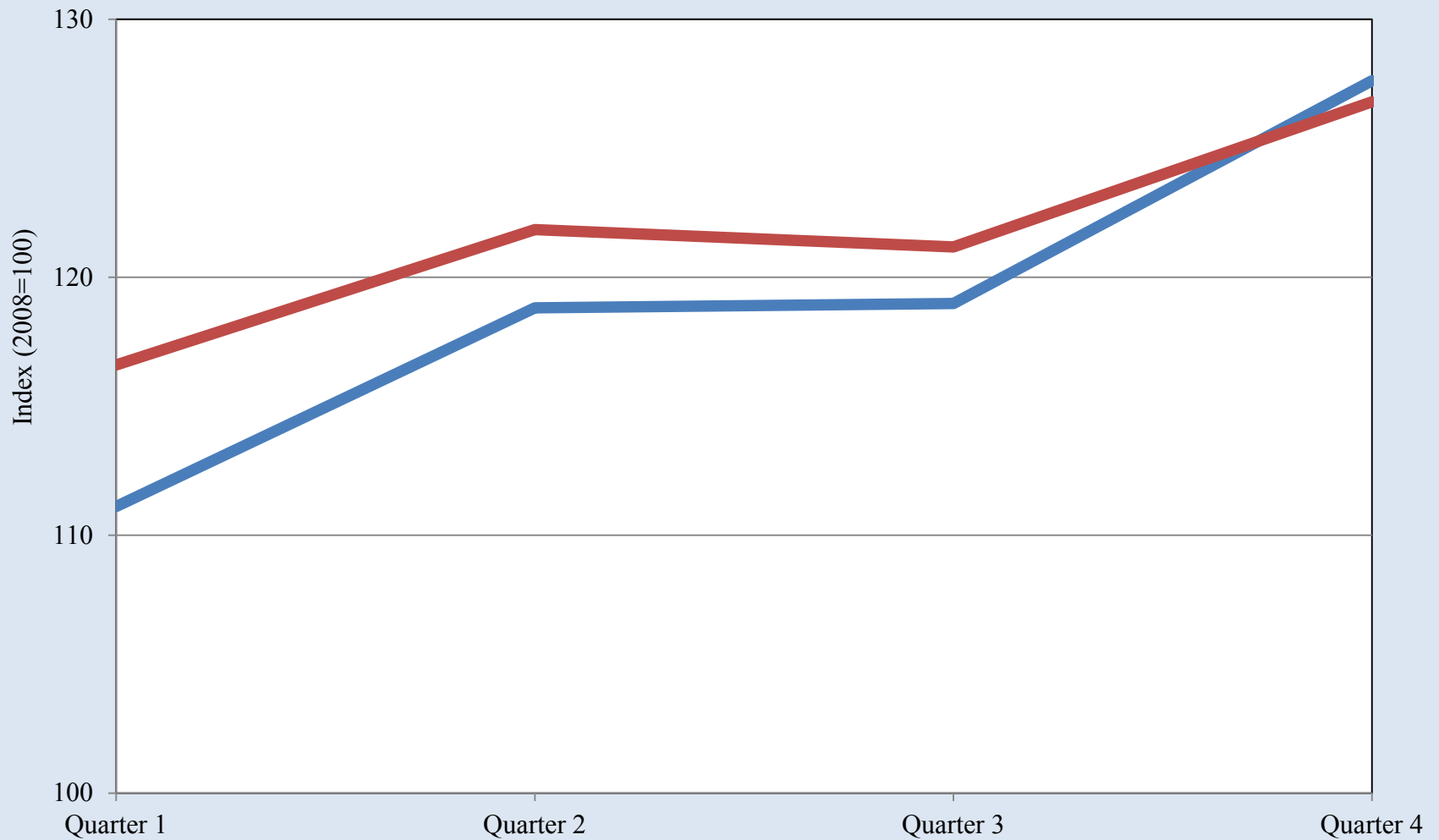
Northern Mexico Manufacturing Orders Index



Source: Banco de México

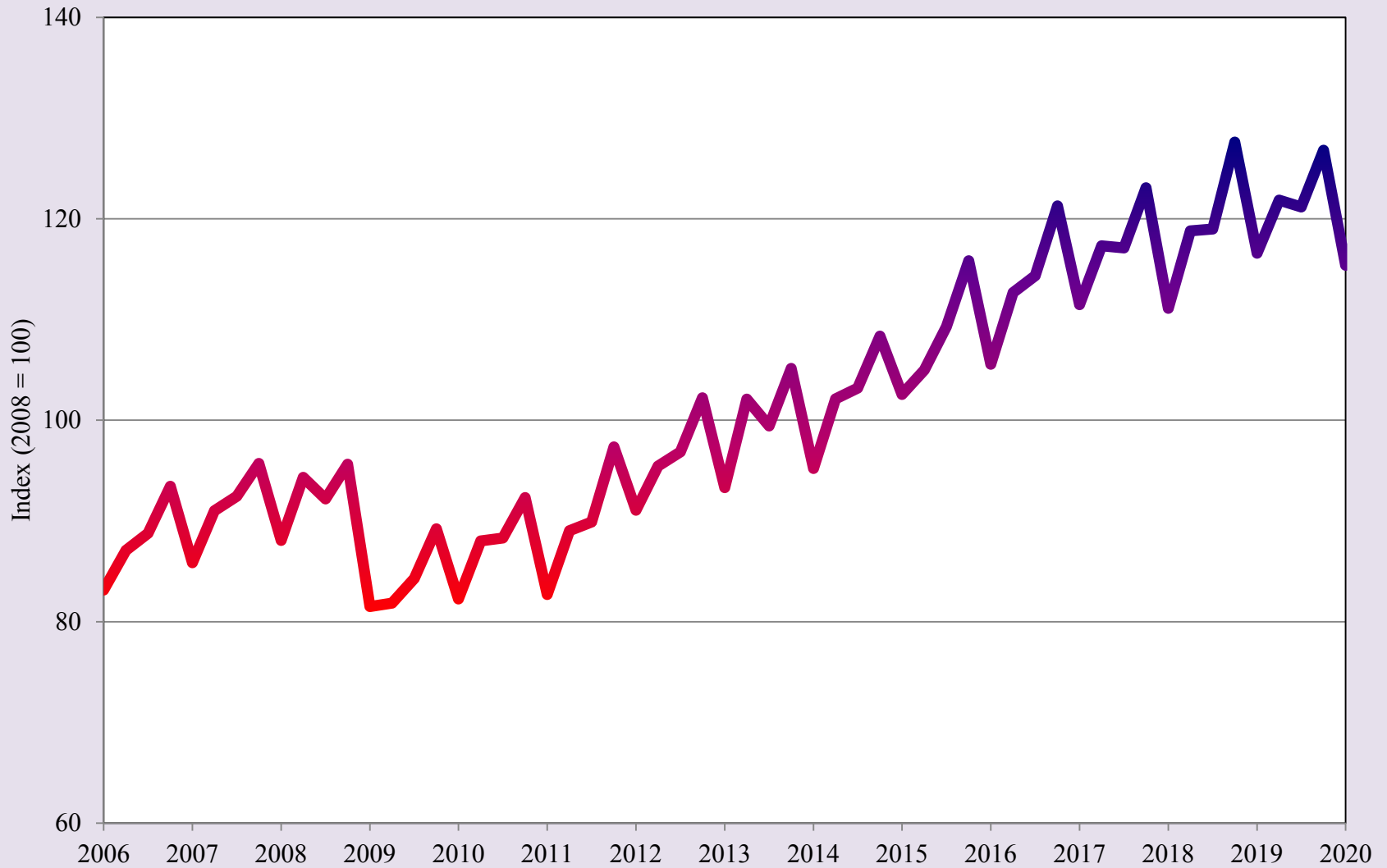
Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2018 — 2019



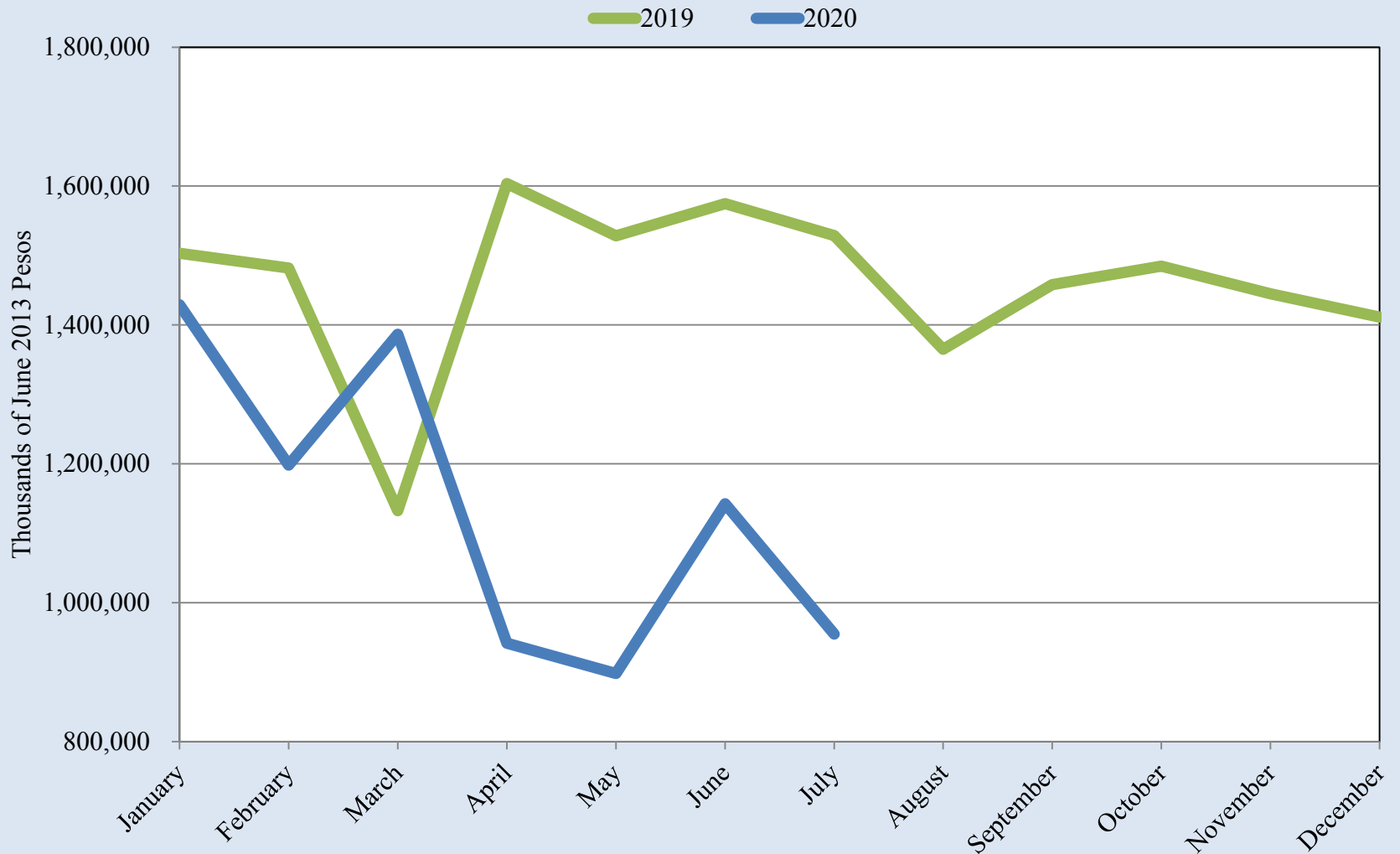
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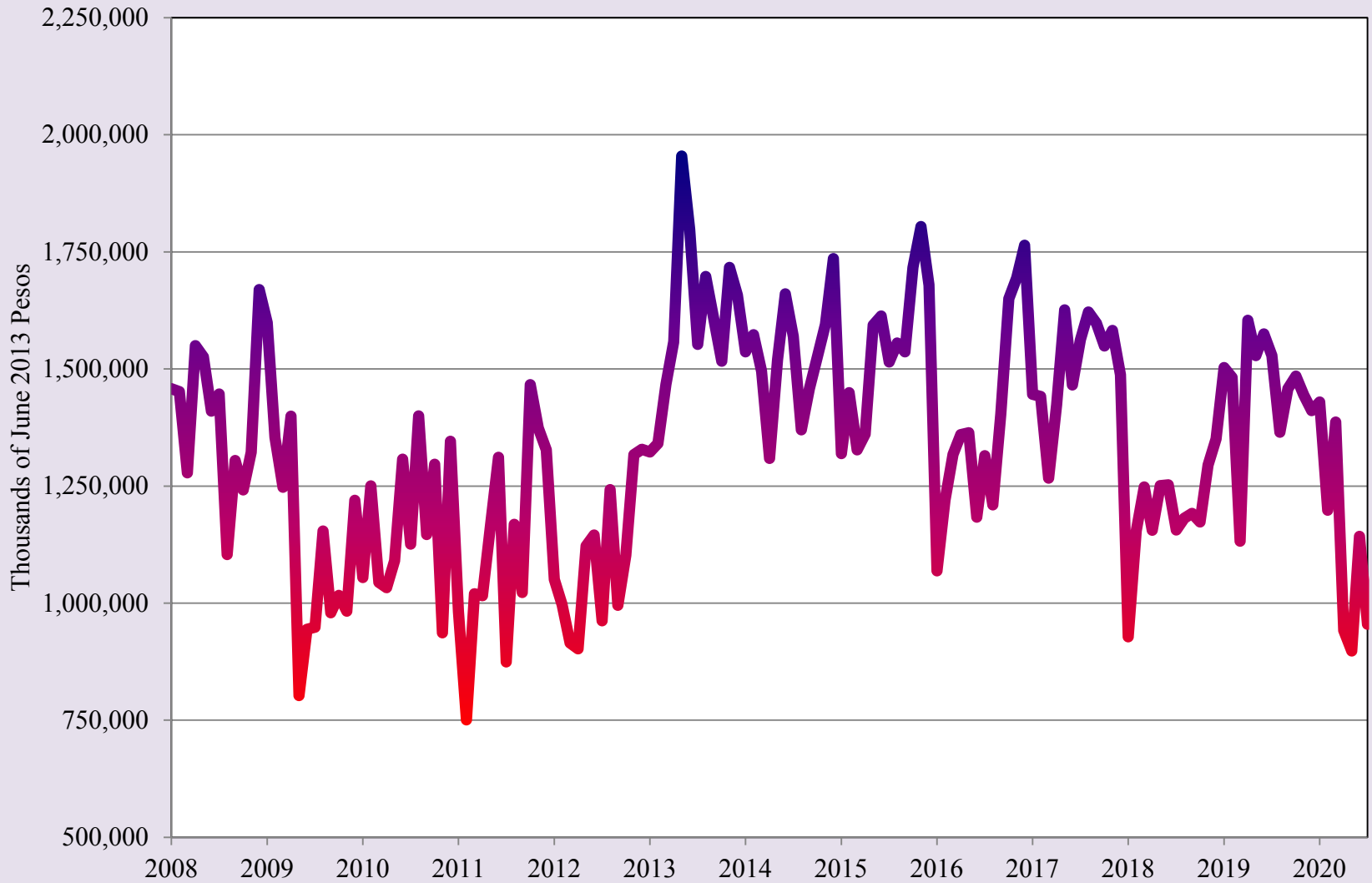
Source: INEGI

Total Value of Construction in the State of Chihuahua



Source: INEGI

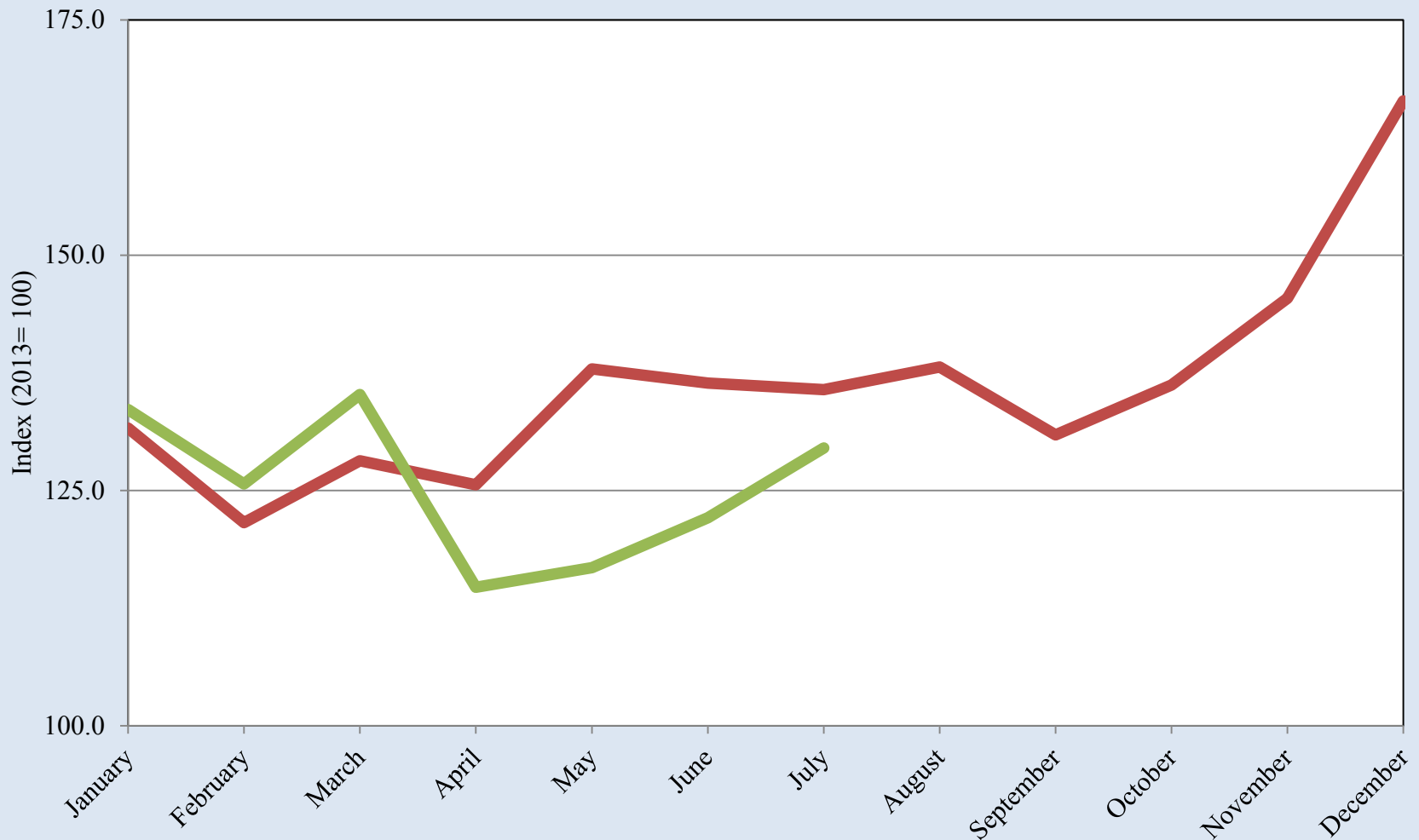
Total Value of Construction in the State of Chihuahua



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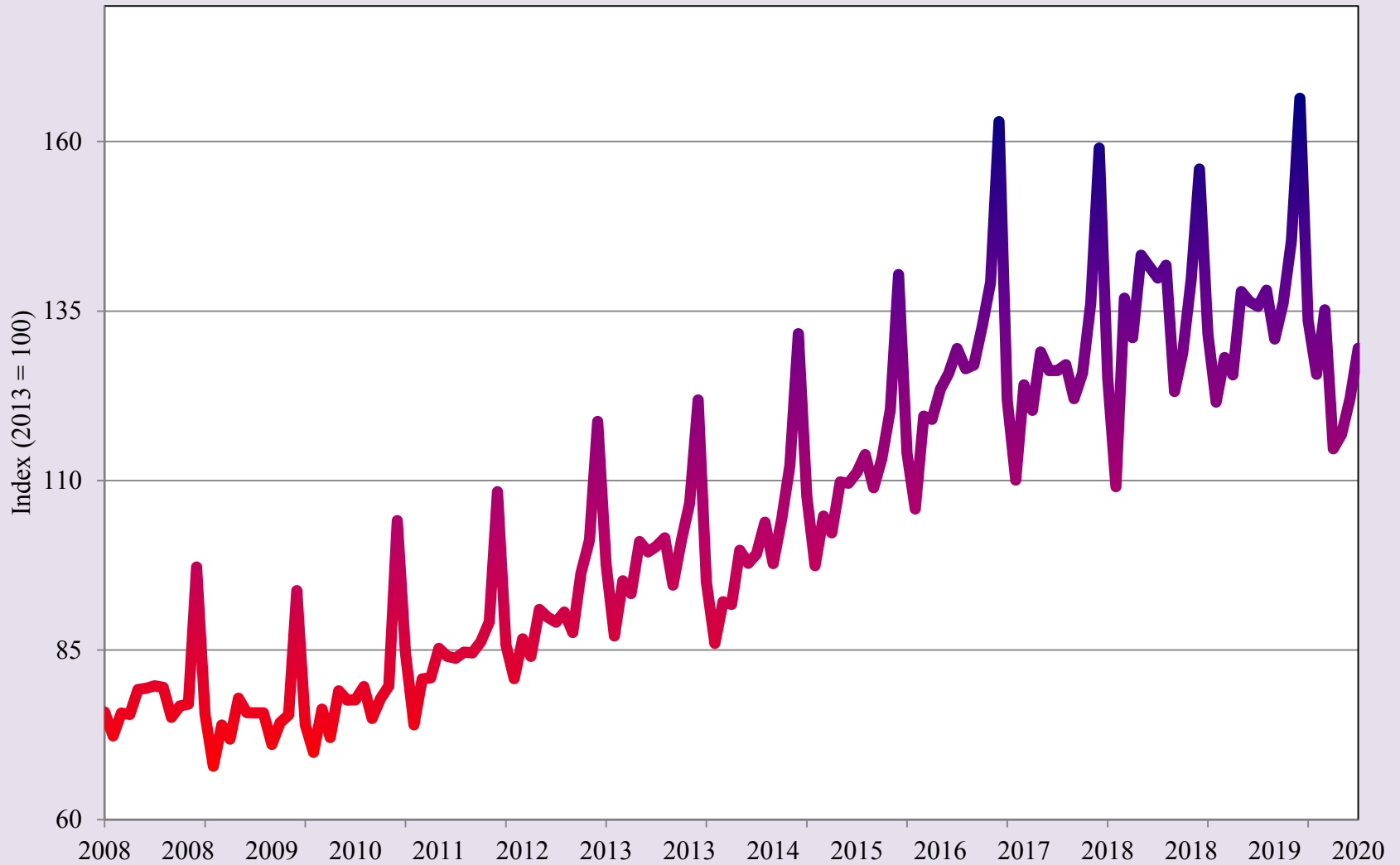
Real Retail Activity Index for the State of Chihuahua

— 2019 — 2020



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



BORDERPLEX BUSINESS BAROMETER

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