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Borderplex Business Barometer, Volume 5, Number 4

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BORDERPLEX BUSINESS BAROMETER

April 2021

Border Region Modeling Project

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Borderplex Business Barometer, Volume 5, Number 4

Slow Emergence from Economic Chaos

The Federal Reserve Bank of Dallas El Paso Metropolitan Business Cycle Index increased in March. The recent readings indicate that economic activity in El Paso has recovered to first quarter 2019 levels. In spite of that favorable development, the UTEP BRMP El Paso Household Economic Stress Index spiked in March. One source underlying the increase in the stress index was a jump in consumer price inflation. Also contributing to the household economic stress was joblessness. The El Paso unemployment rate remained at approximately 8 percent for the entire first quarter. El Paso is among the national leaders in the COVID-19 vaccination rollout, and that may encourage residents to return to work later this quarter. Eviction suspensions have helped suppress the number of supplemental nutrition assistance program (SNAP or food stamp) recipients in El Paso County. SNAP enrollments were below year-ago levels for a third consecutive month in March.

The national yield curve slope steepened in March. Average Treasury bill (maturities of 1 year or less) yields for March 2021 were all below 0.1 percent. Average Treasury note (maturities of 2 to 10 years) yields increased visibly, with the 7-year rate climbing above 1.0 percent for the first time in 13 months. At the longer end of the spectrum, even though still negative in real terms, 20- and 30-year Treasury bond rates were both above 2.0 percent for the first time in 14 months. The Federal Open Market Committee concluded a 2-day meeting this month by asserting that it will continue to hold steady on interest rates and asset purchases.

The El Paso real estate market remained tight in March. The median price for single-family housing units in March was \$15 thousand above its year-ago level. Very few houses are being offered for sale as owners remain reluctant to allow potential buyers to visit on-site and remain wary of acquisition prospects elsewhere should they try to relocate. In another industry affected by COVID-19, passenger traffic at El Paso International Airport (EPIA) remains dormant so far in 2021 at less than half the volumes tallied in January and February 2020. In contrast, car travel has surged, causing unleaded gasoline prices to rise to \$2.89 per gallon in March, a 96 cent increase from the same month in 2020.

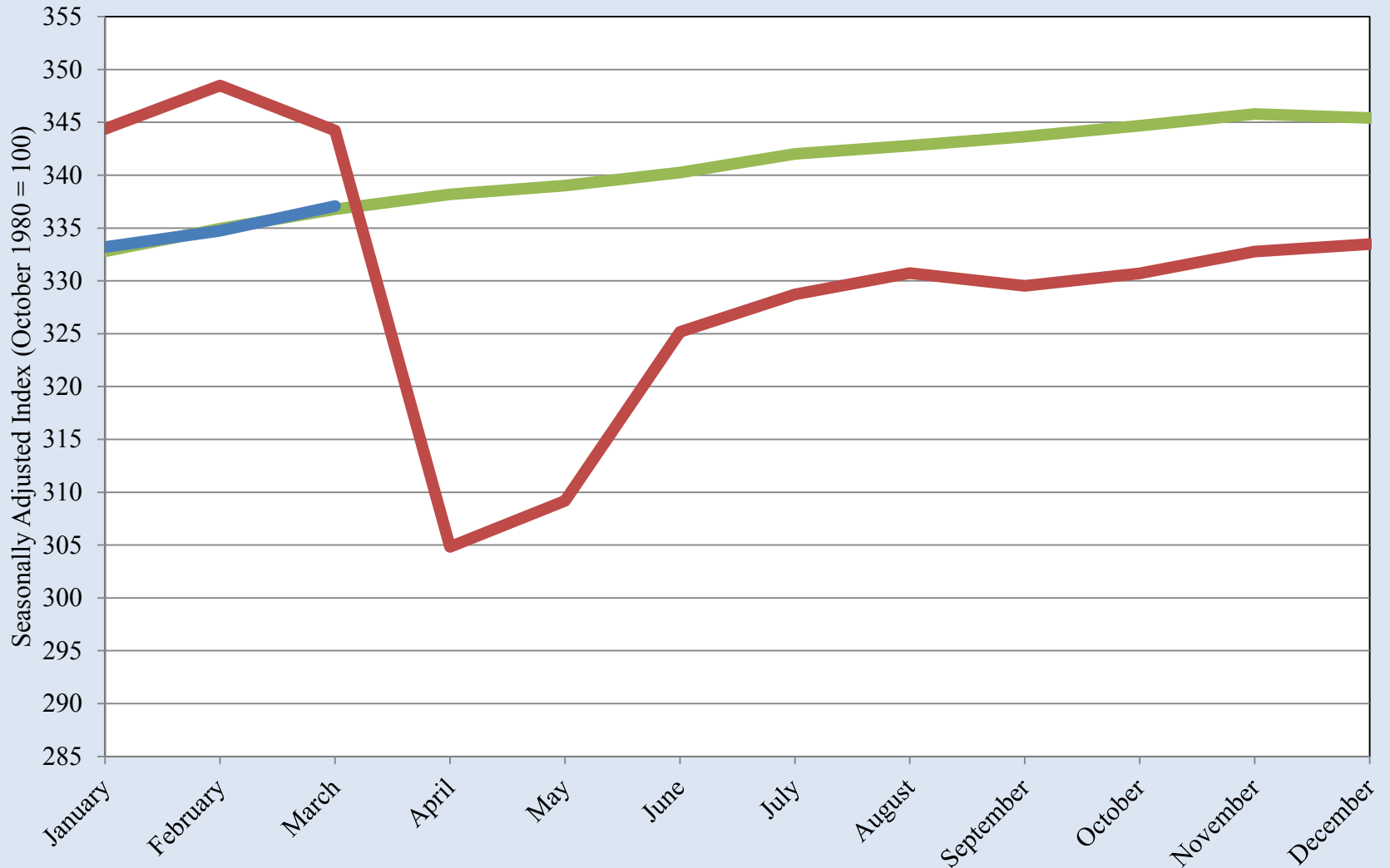
The March unemployment rate for Doña Ana County was 8 percent. Nonfarm employment was 5.9 percent below its level from twelve months earlier; the only sector to posts year-over-year payroll gains was manufacturing. Business services may be starting to turn the corner, as well. Reflective of weak labor market conditions, Las Cruces SNAP cases remained above 30 thousand for a third

consecutive month in March.

The peso per dollar exchange rate increased slightly as the peso weakened somewhat in March. Northbound automobile traffic rose above 700 thousand cars in March for the first time in a year. Foot traffic at the international ports of entry also increased noticeably in March, almost reaching 300 thousand. Cargo traffic across the bridges also spiked in March as manufacturing accelerated in Ciudad Juarez. The upsurge in cargo traffic probably means total trade through the El Paso Customs District will easily surpass \$9 billion in March.

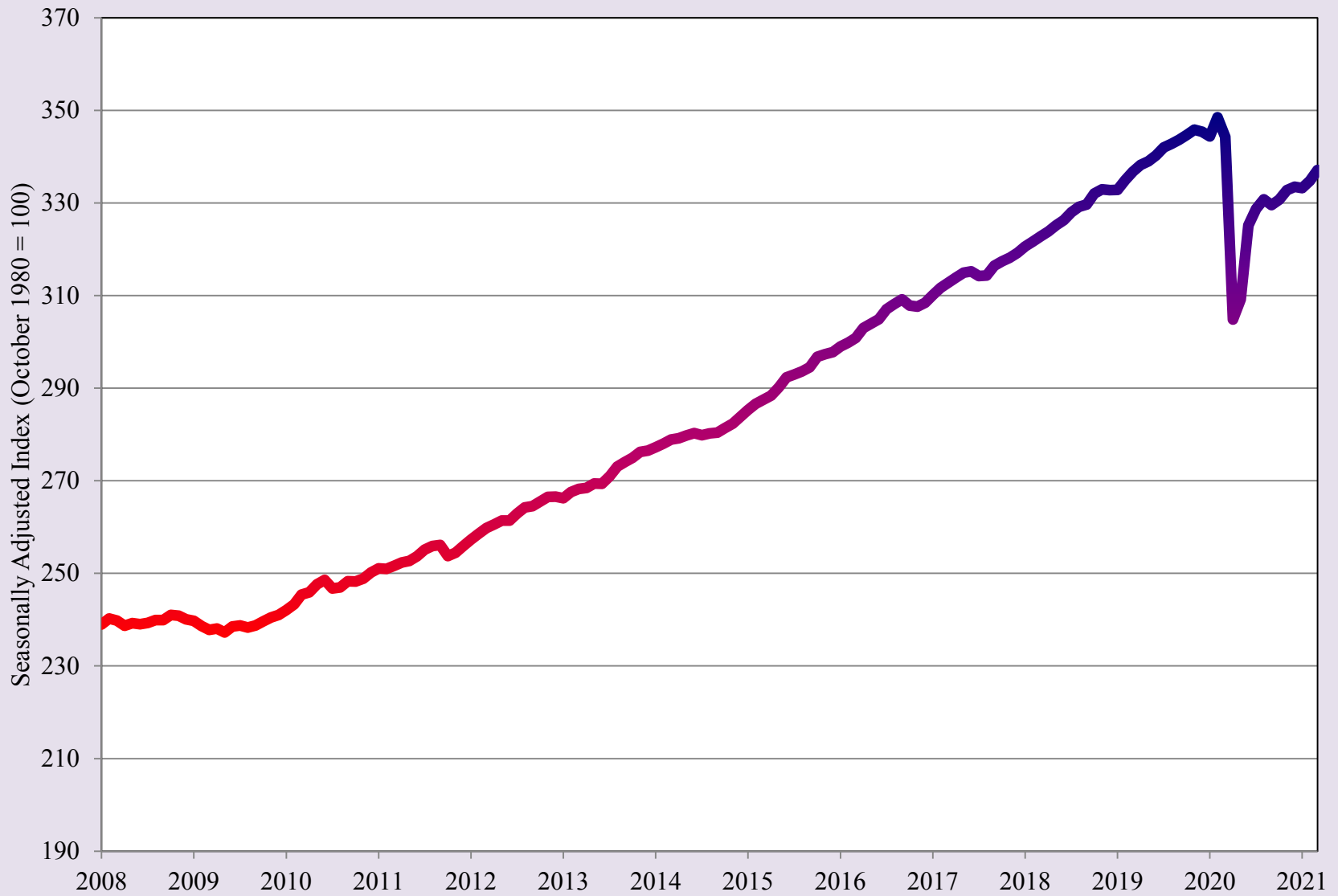
El Paso Metropolitan Business Cycle Index

2019 2020 2021



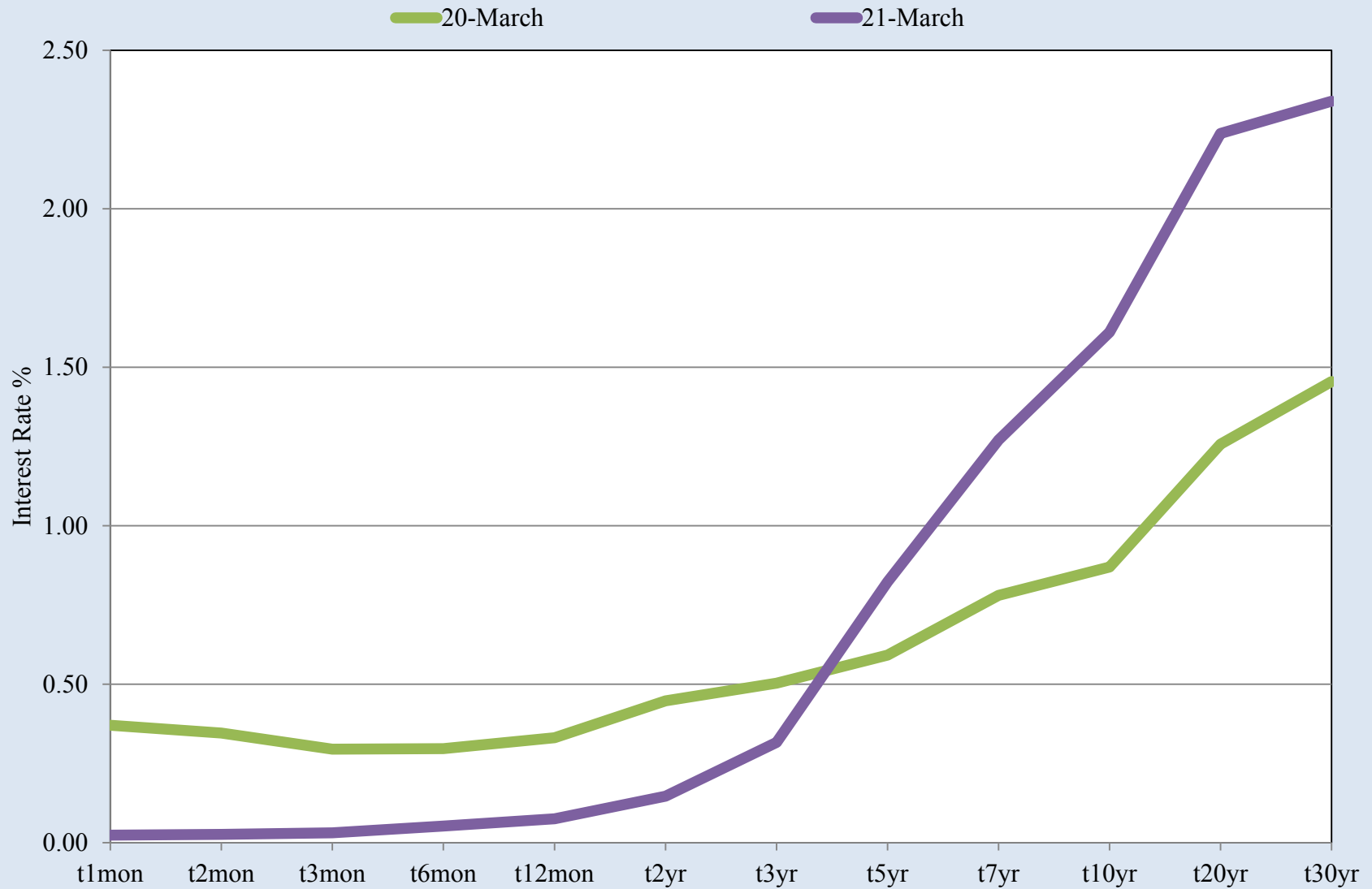
Source: Federal Reserve Bank of Dallas

El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

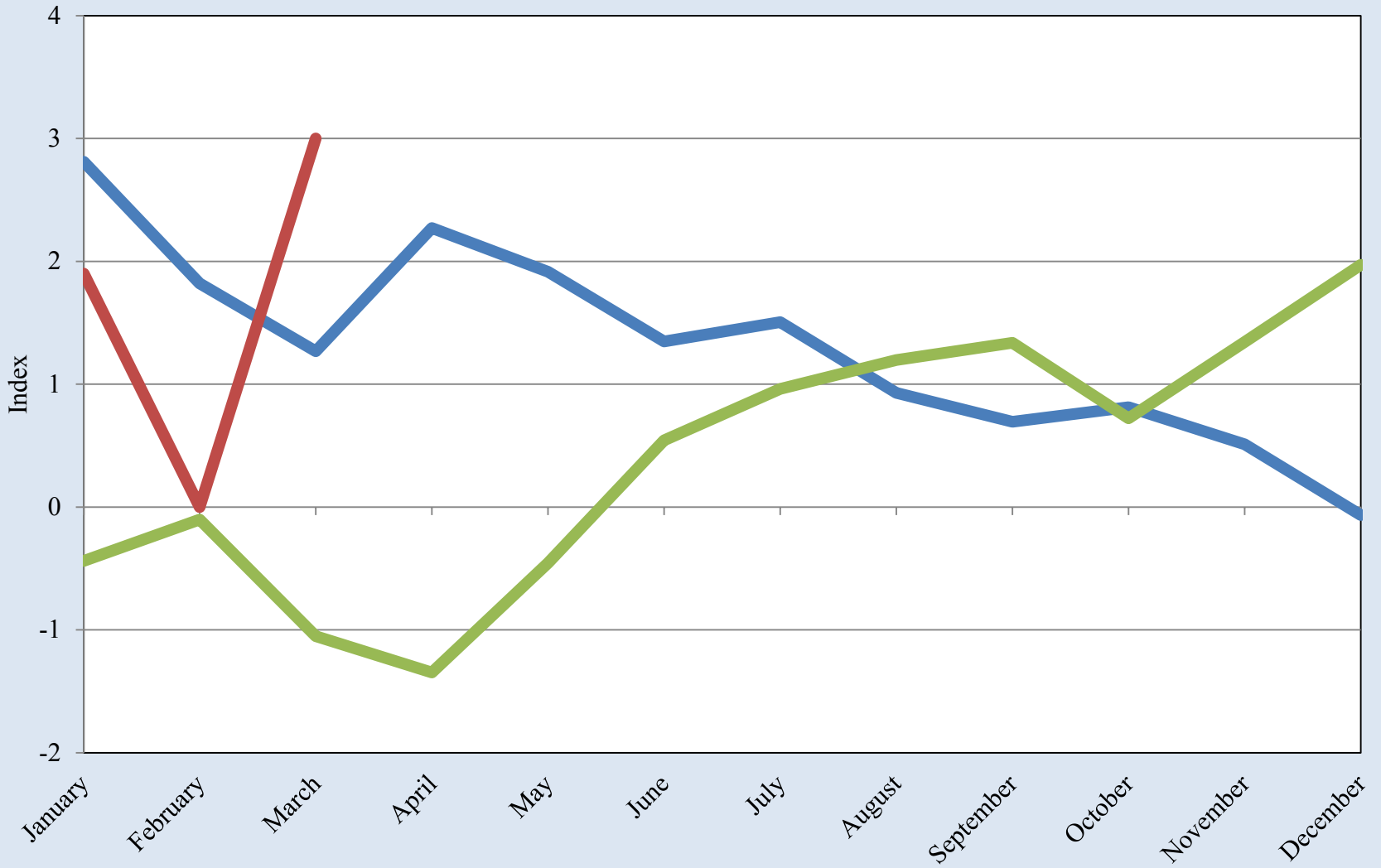
Average Treasury Yield Curve Rates



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

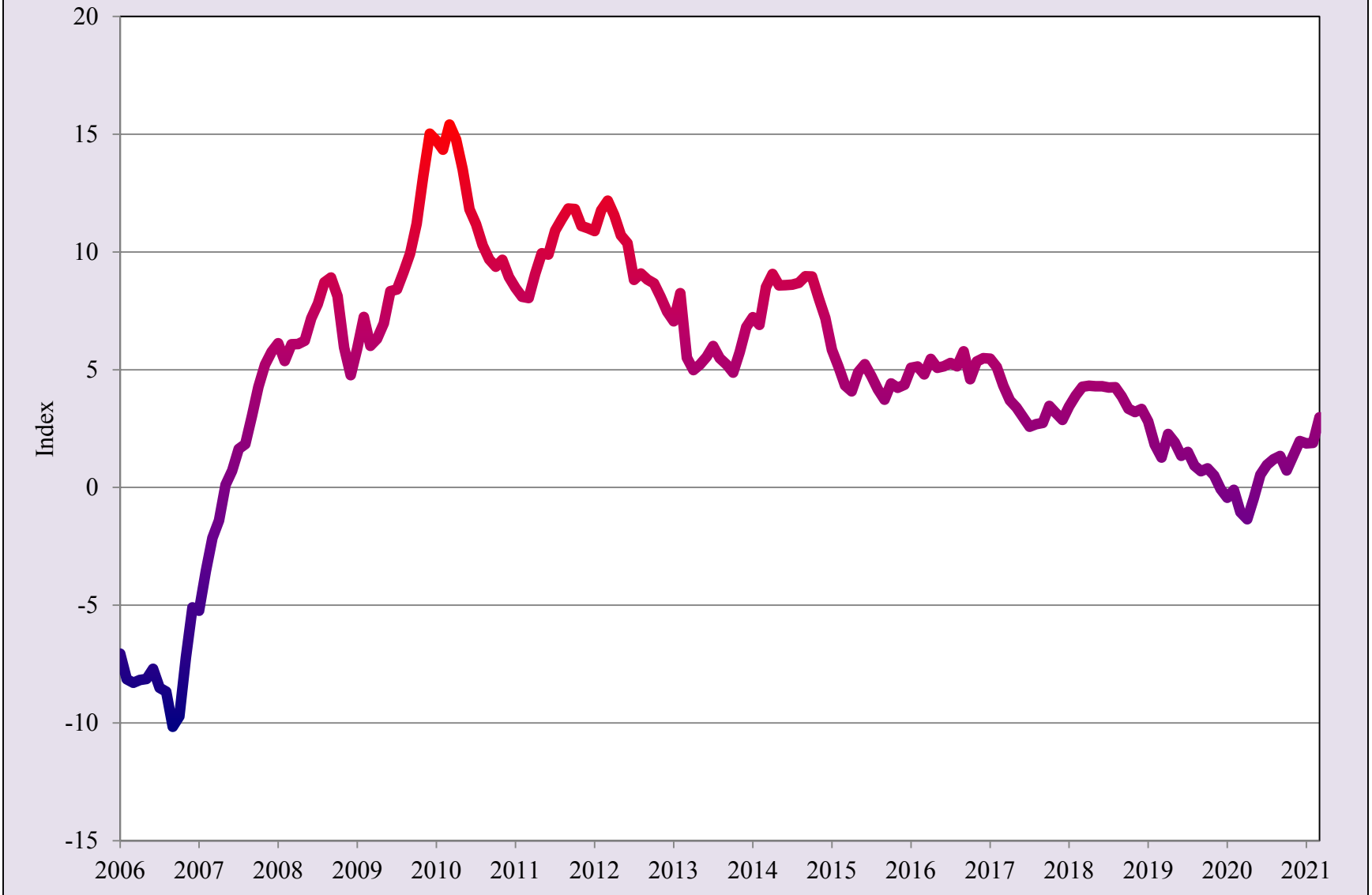
El Paso Household Economic Stress Index

2019 2020 2021



Source: UTEP Border Region Modeling Project

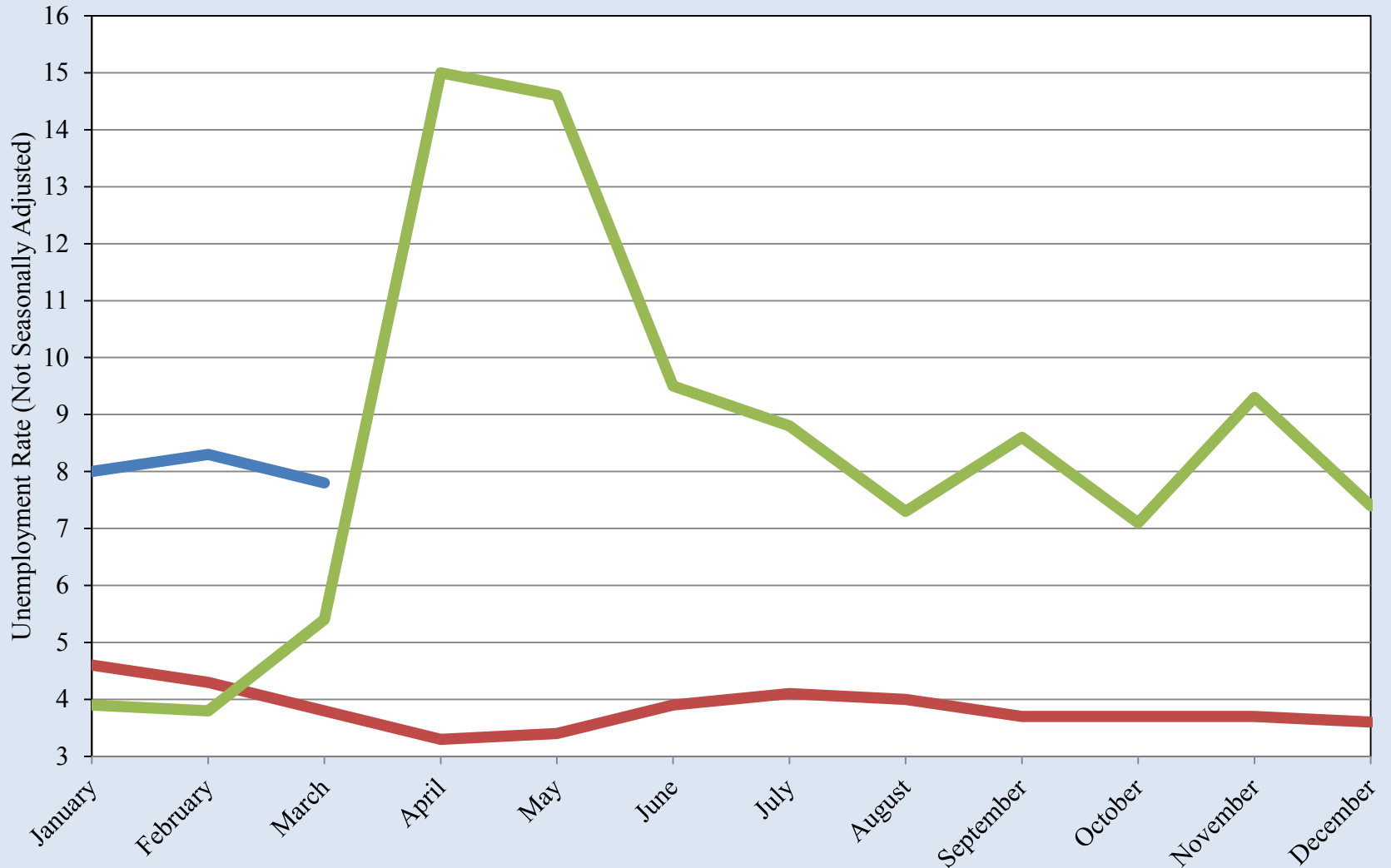
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

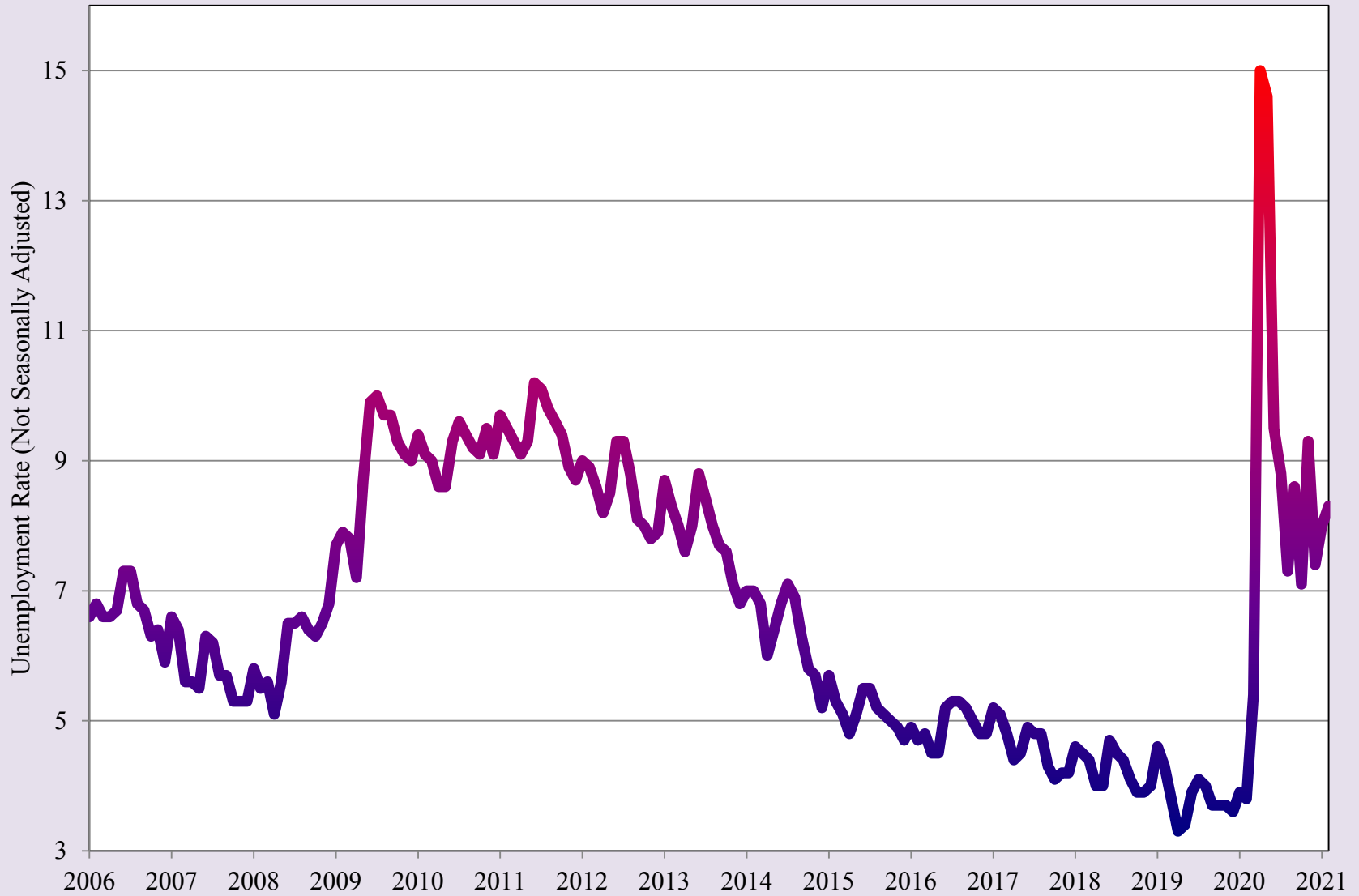
El Paso County Unemployment Rate

2019 2020 2021



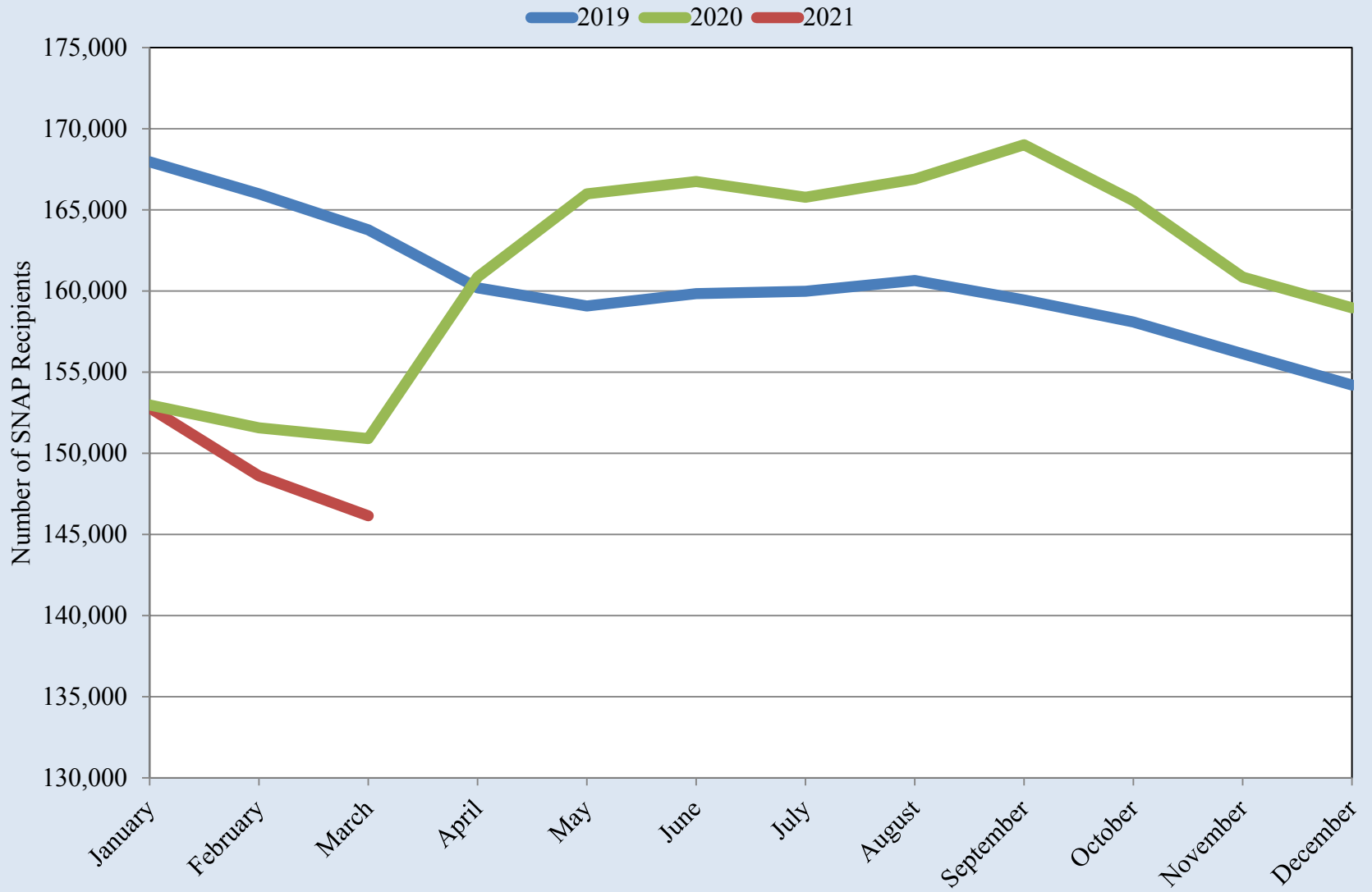
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



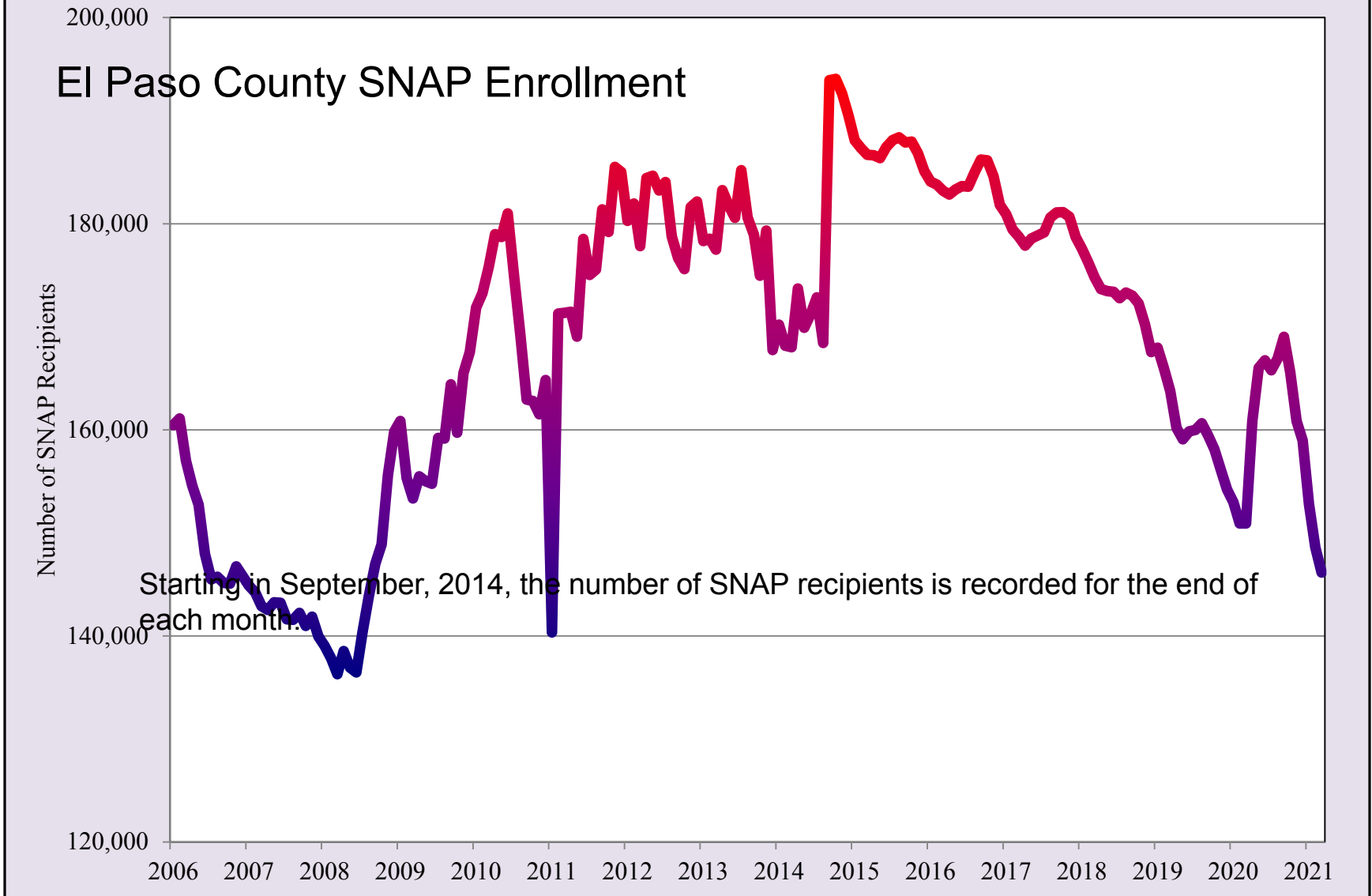
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

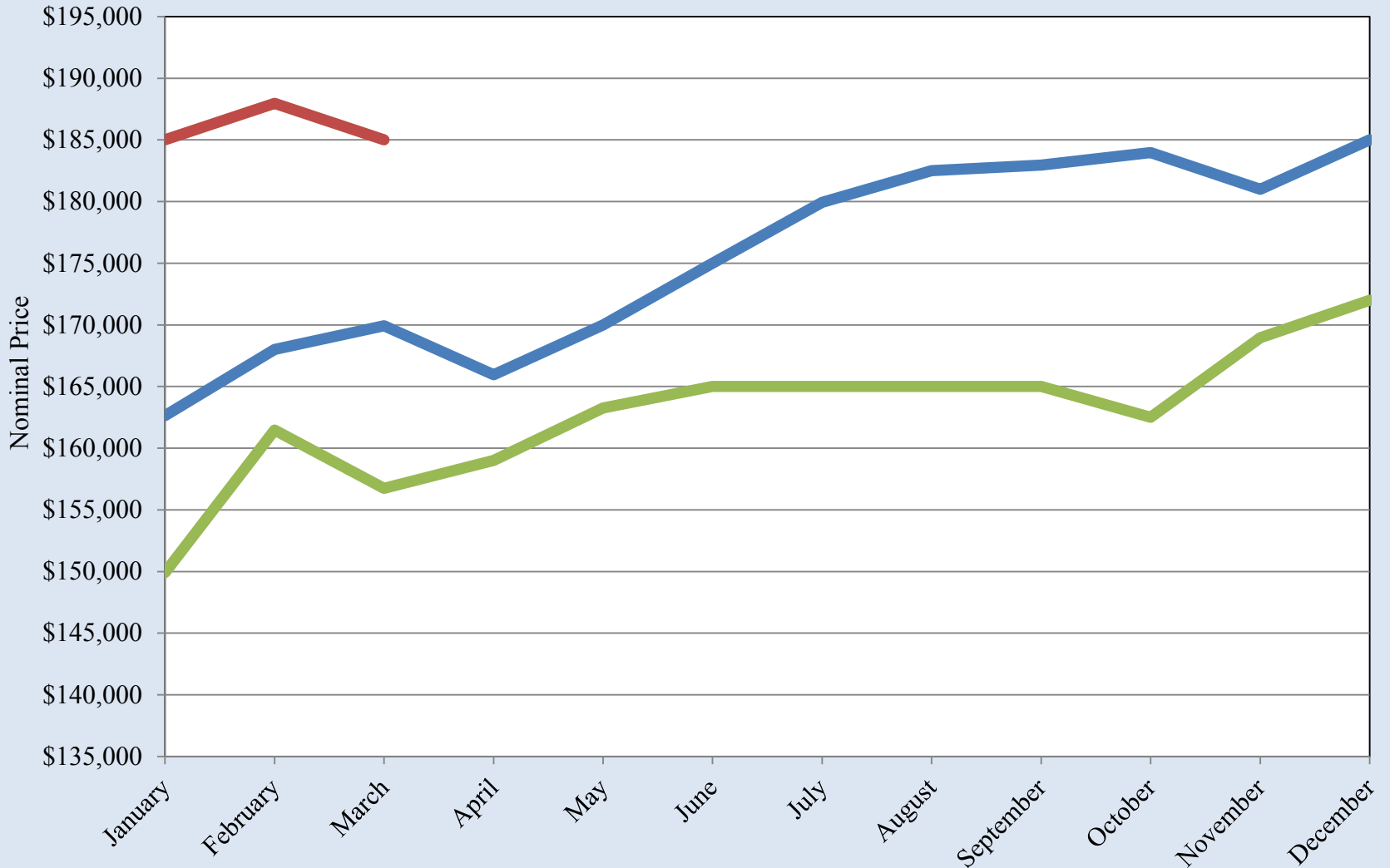
El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

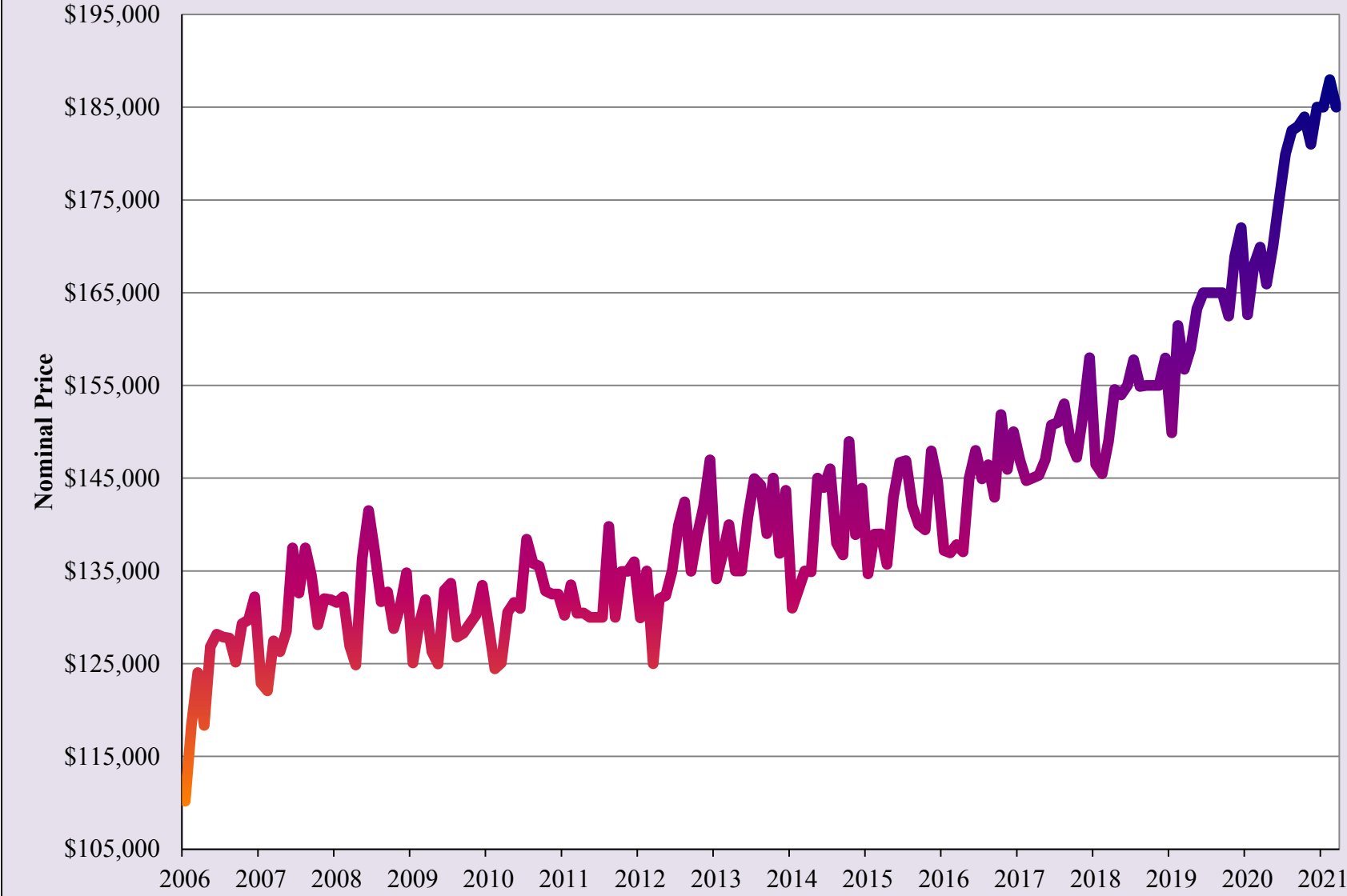
El Paso Median Housing Prices

2019 2020 2021



Source: Texas A&M Real Estate Center

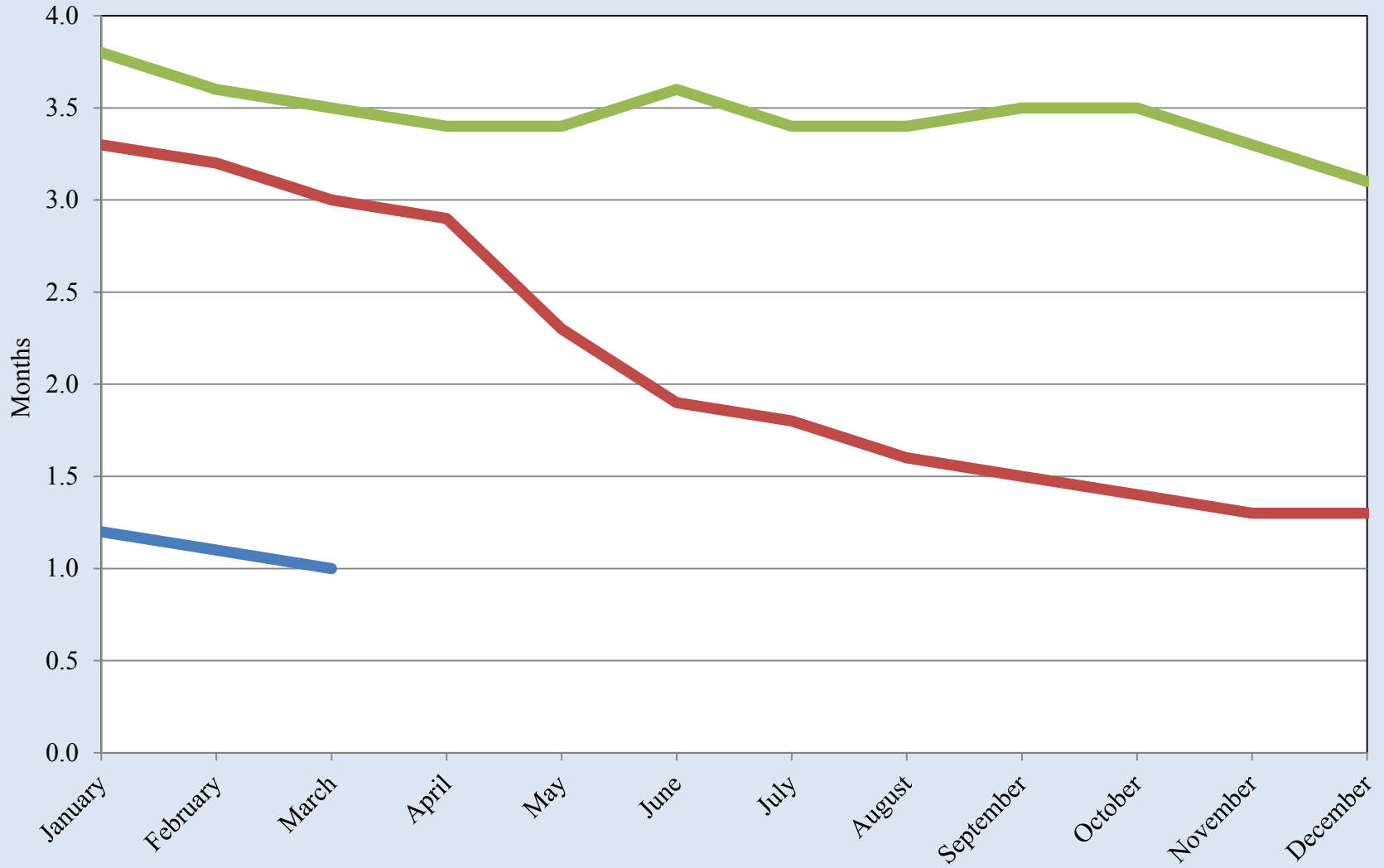
El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

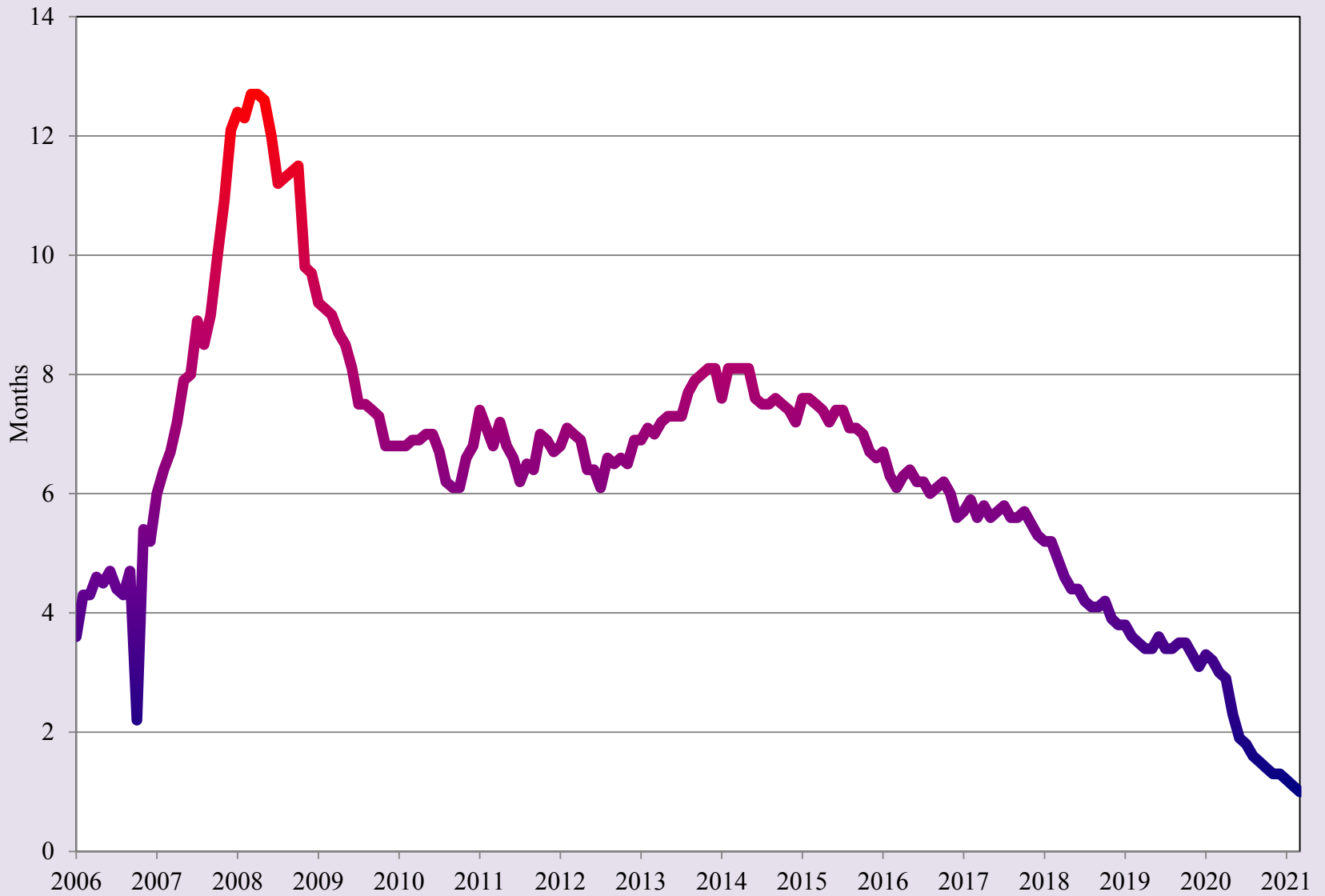
Months of Housing Inventory for El Paso

2019 2020 2021



Source: Texas A&M Real Estate Center

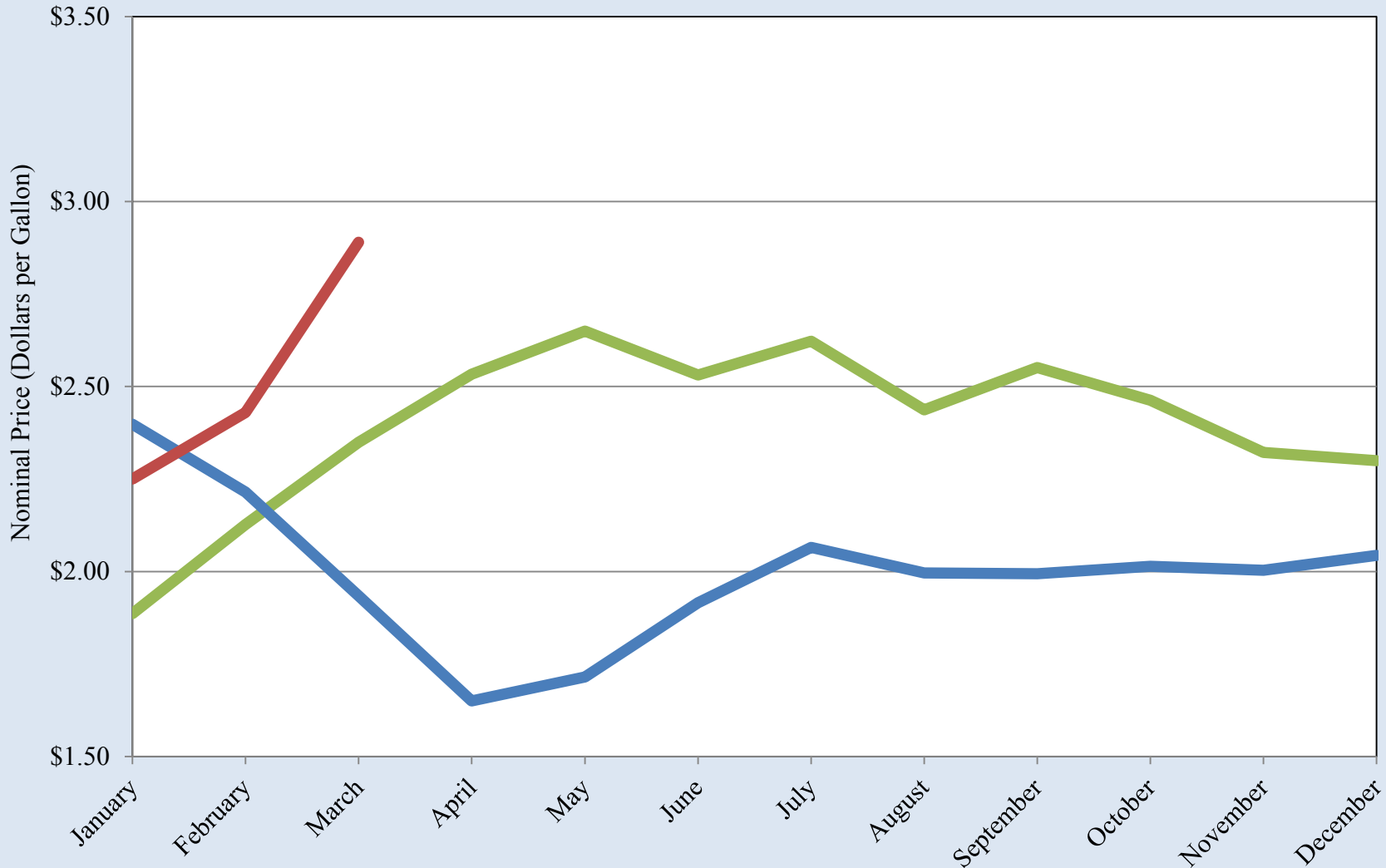
Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

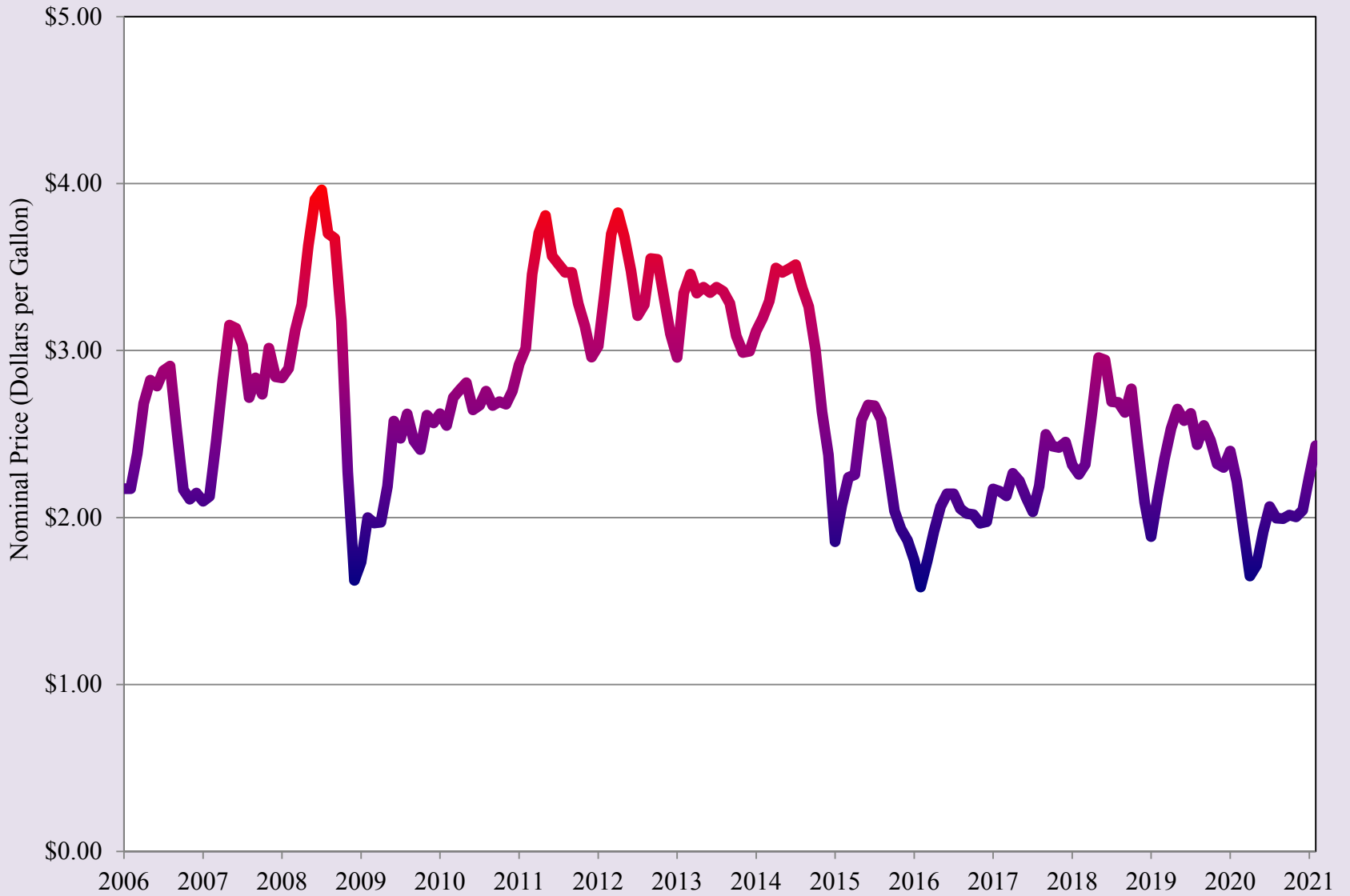
El Paso Gasoline Prices

2019 2020 2021



Source: GasBuddy.com

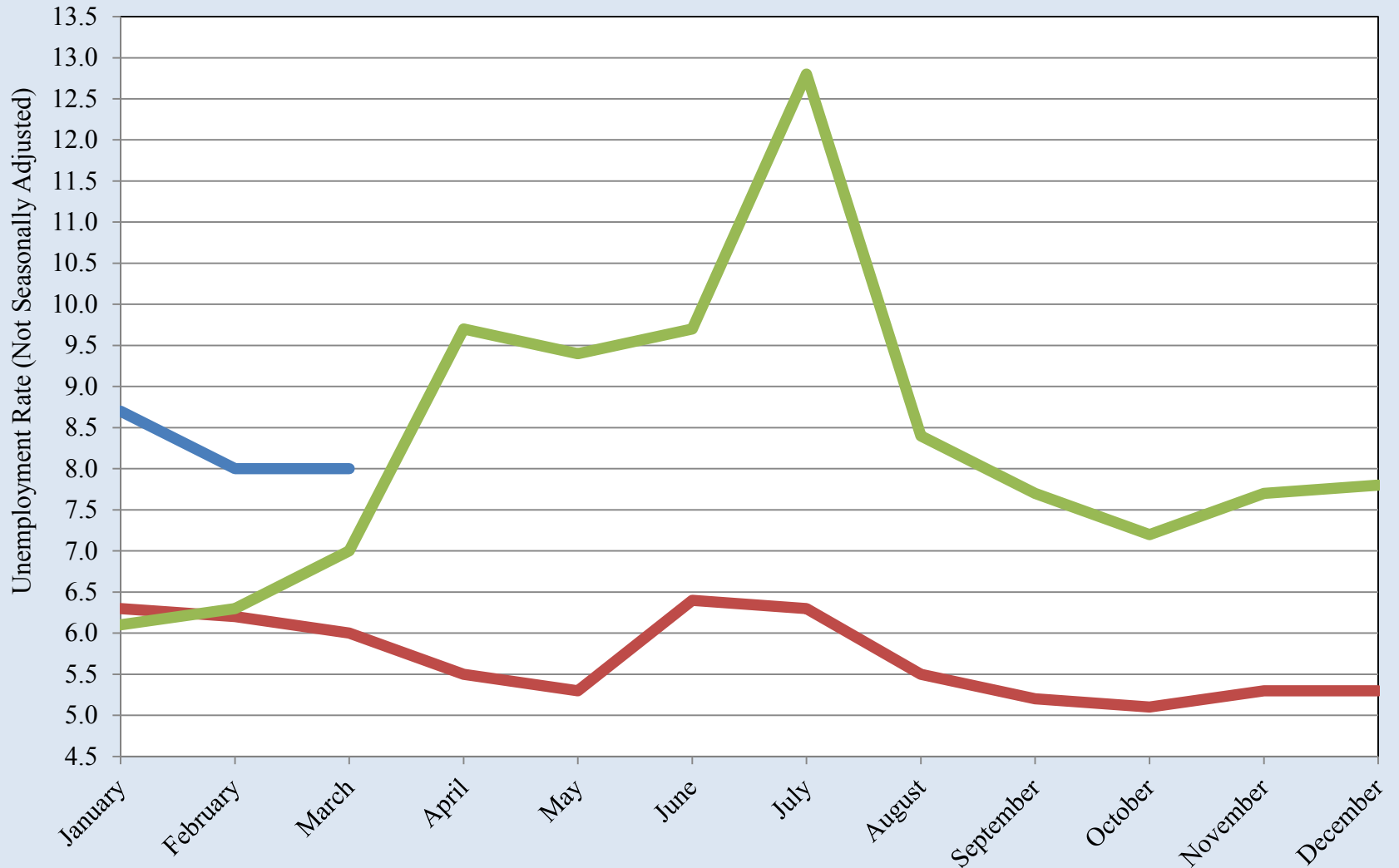
El Paso Gasoline Prices



Source: GasBuddy.com

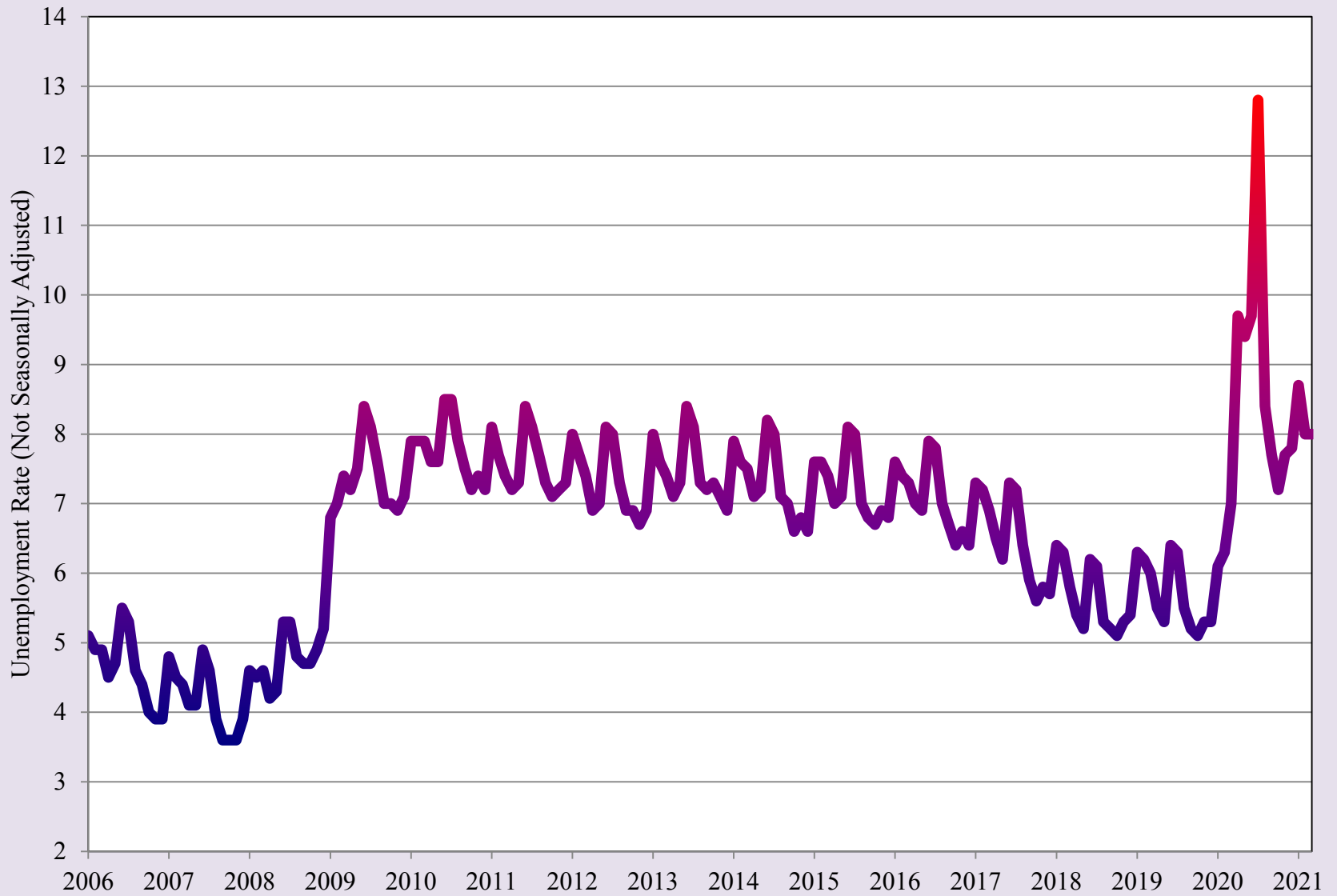
Doña Ana County Unemployment Rate

2019 2020 2021



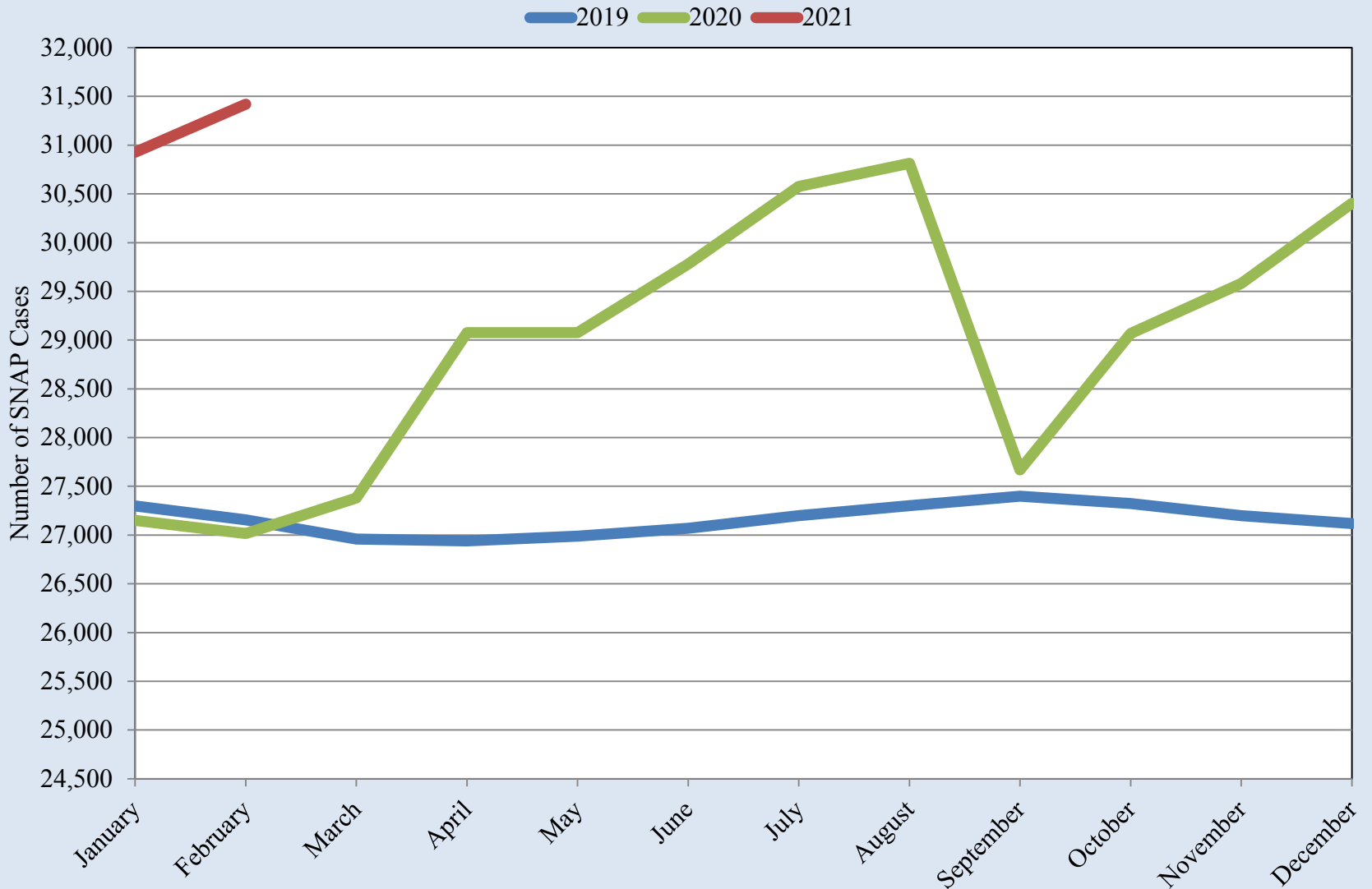
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



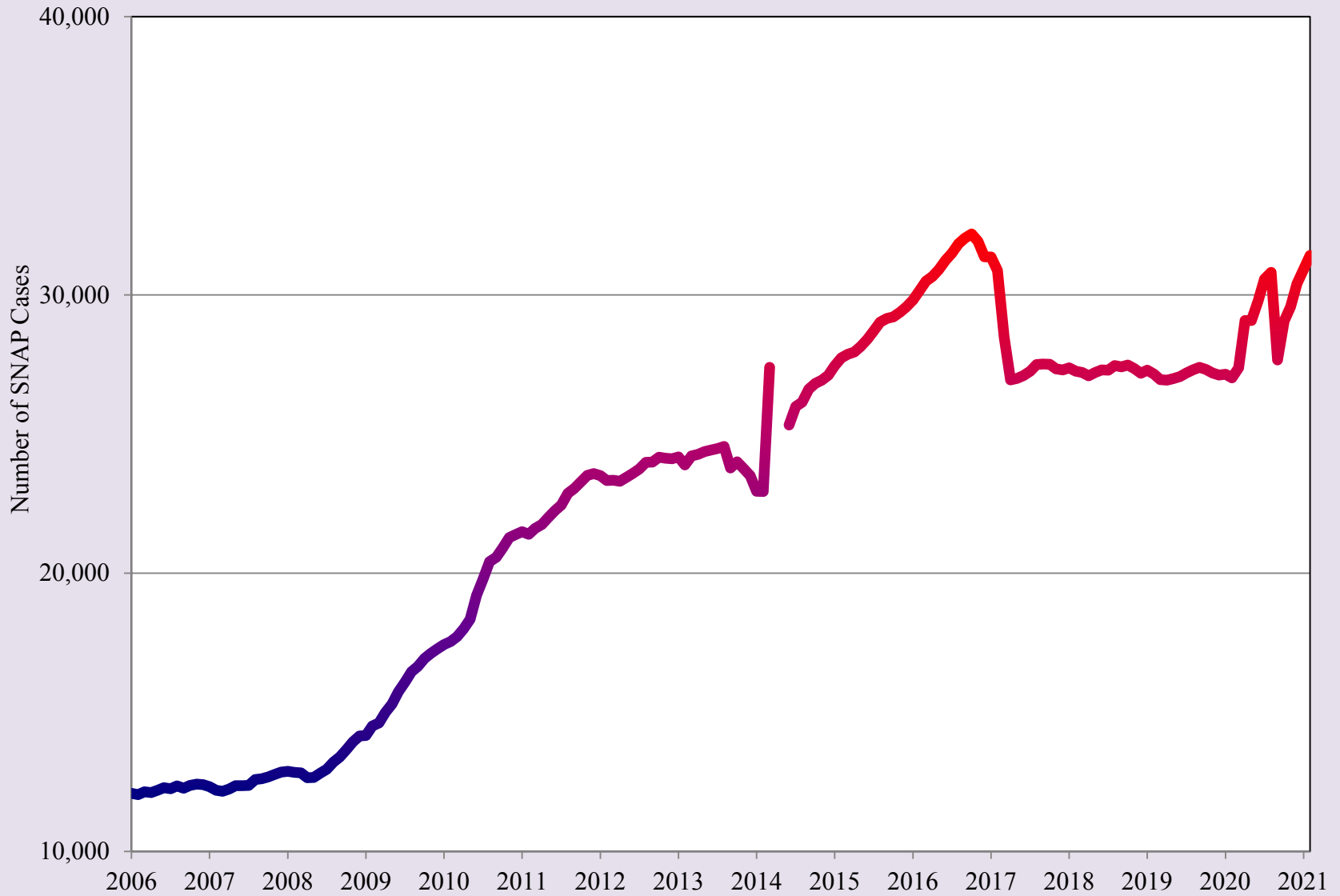
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



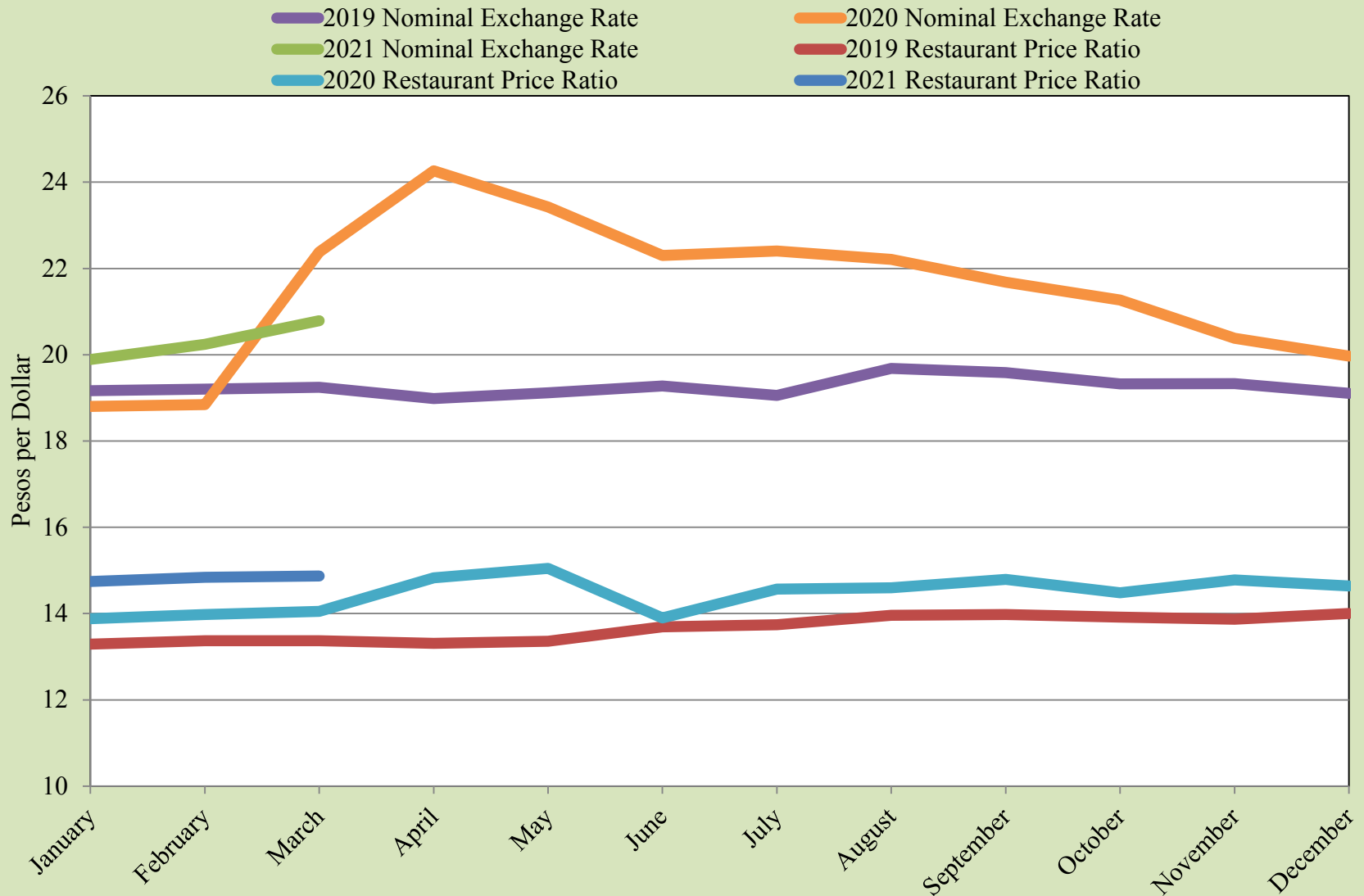
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



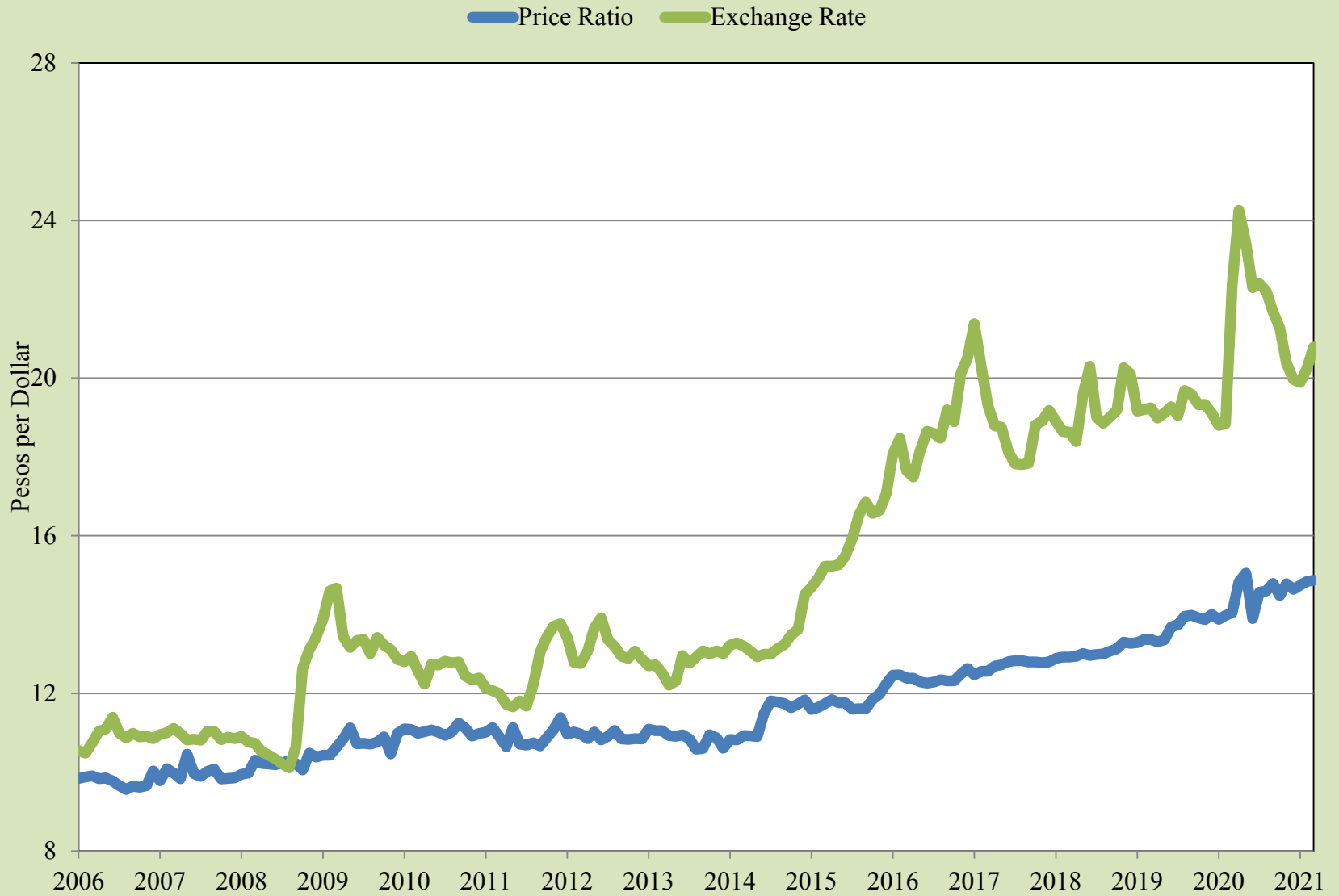
Source: New Mexico Human Services Department

Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

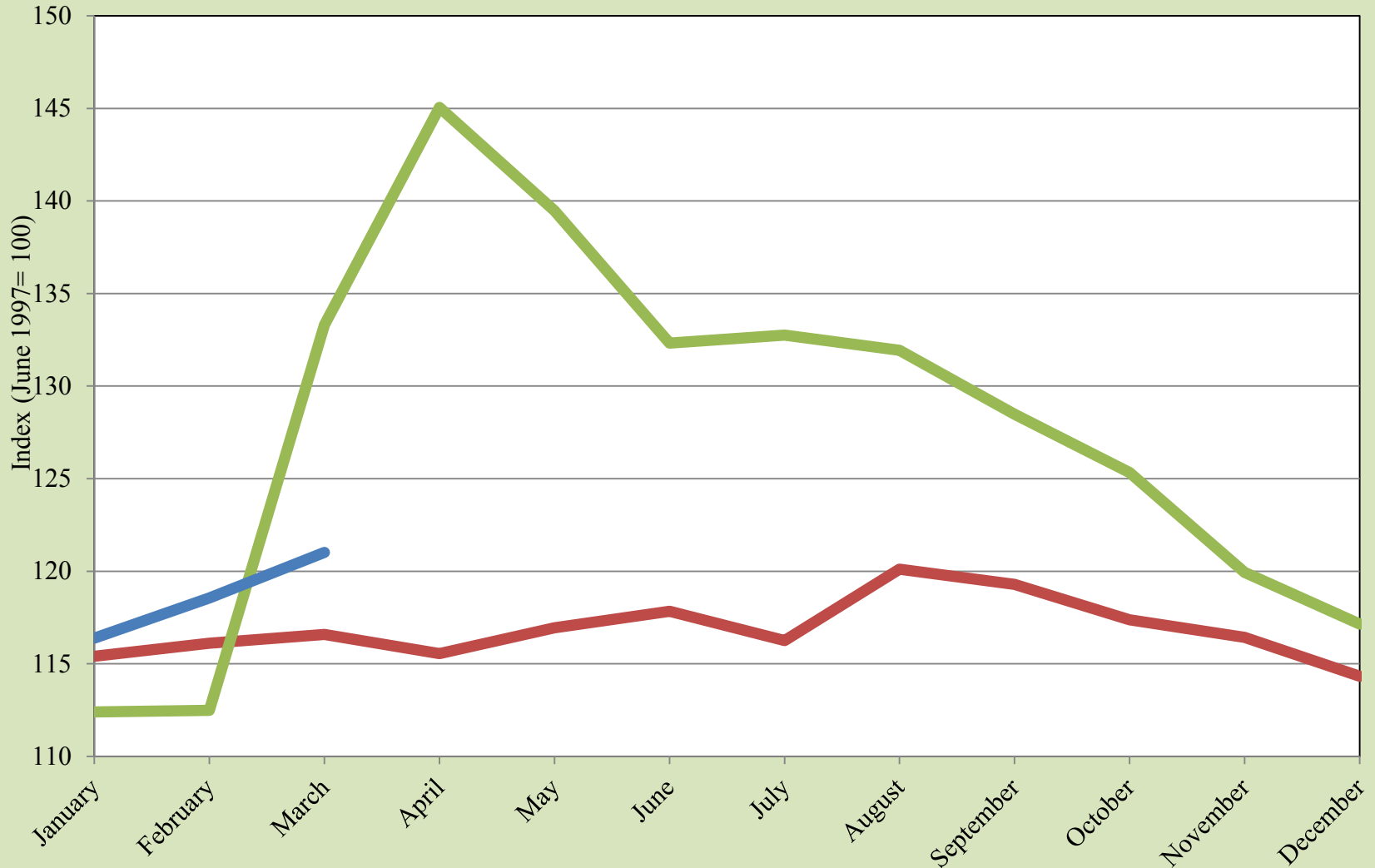
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso-per-Dollar Exchange Rate Index

— 2019 — 2020 — 2021



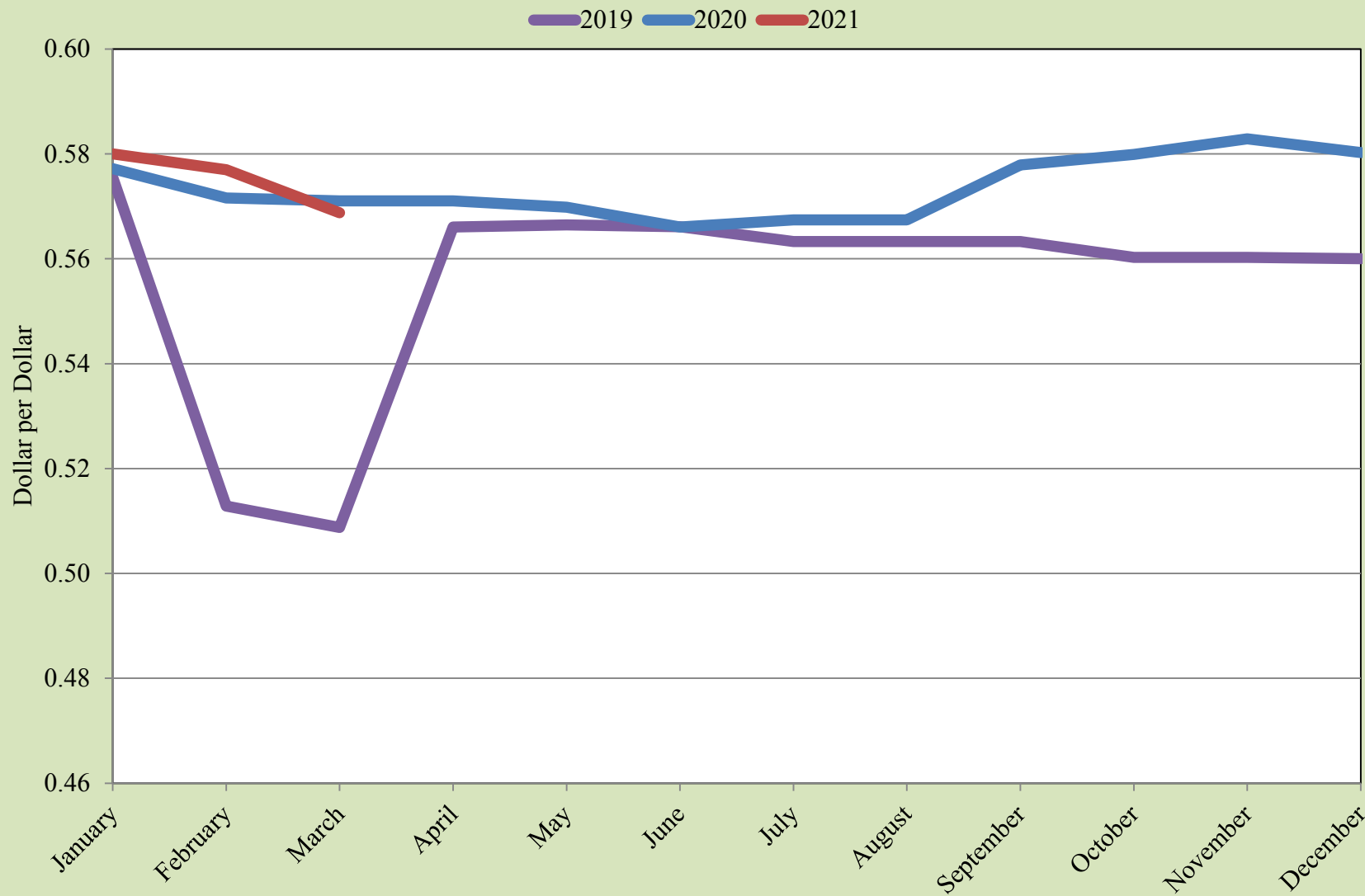
Source: UTEP Border Region Modeling Project

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

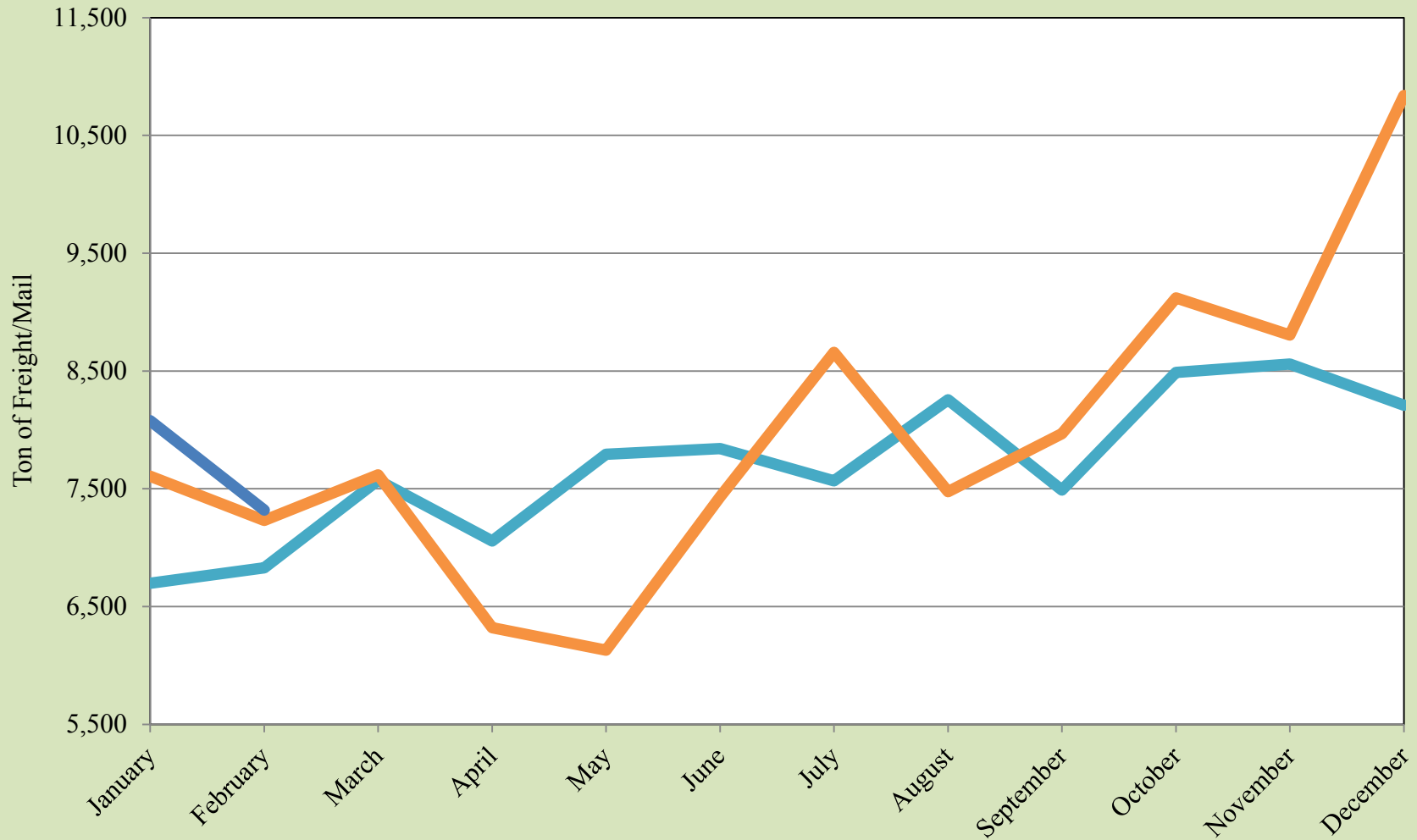
Pharmaceutical Nominal Price Ratio in the USA and Mexico



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EPIA Freight and Mail

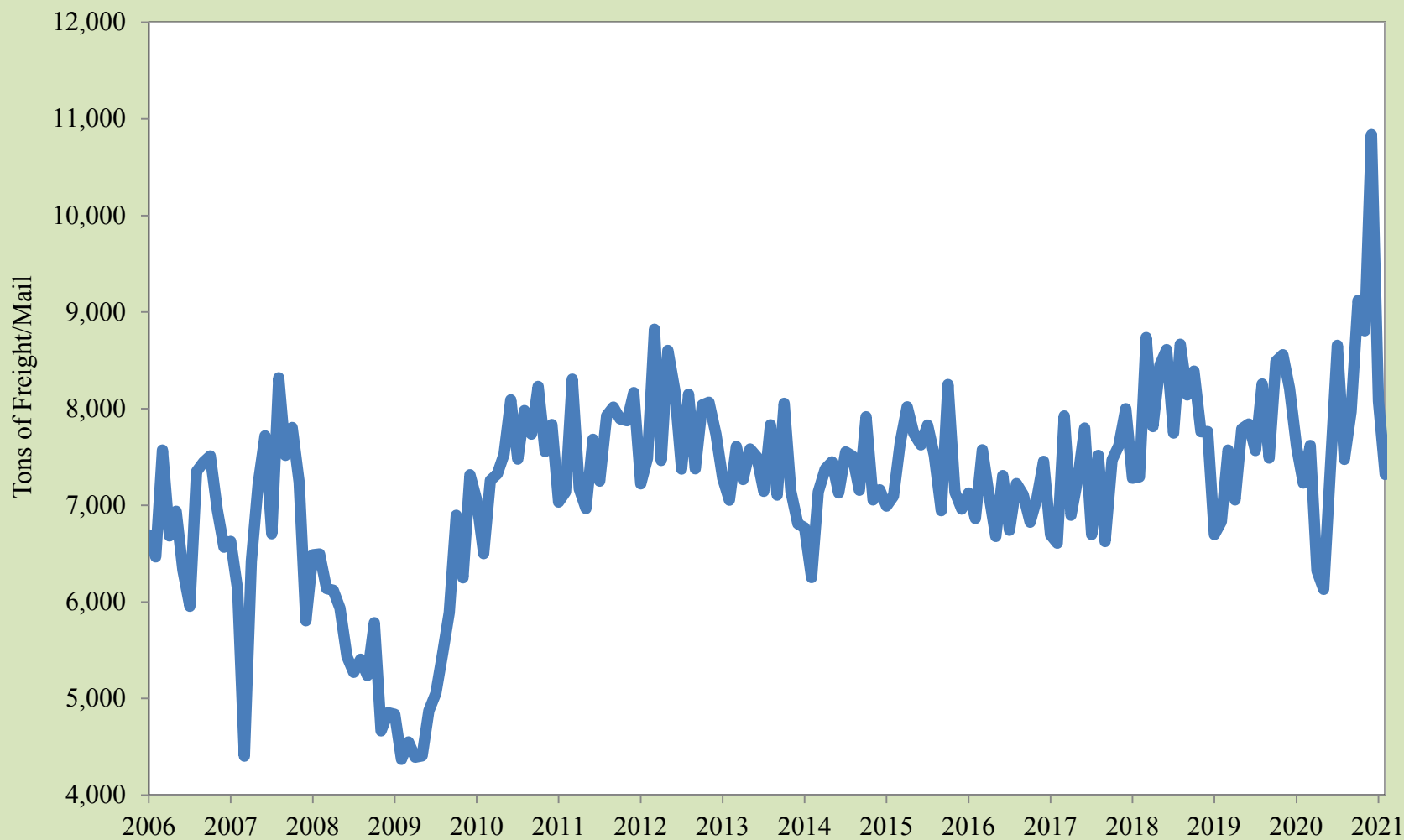
Total 2019 Total 2020 Total 2021



Source: EPIA Operations

EPIA Freight and Mail

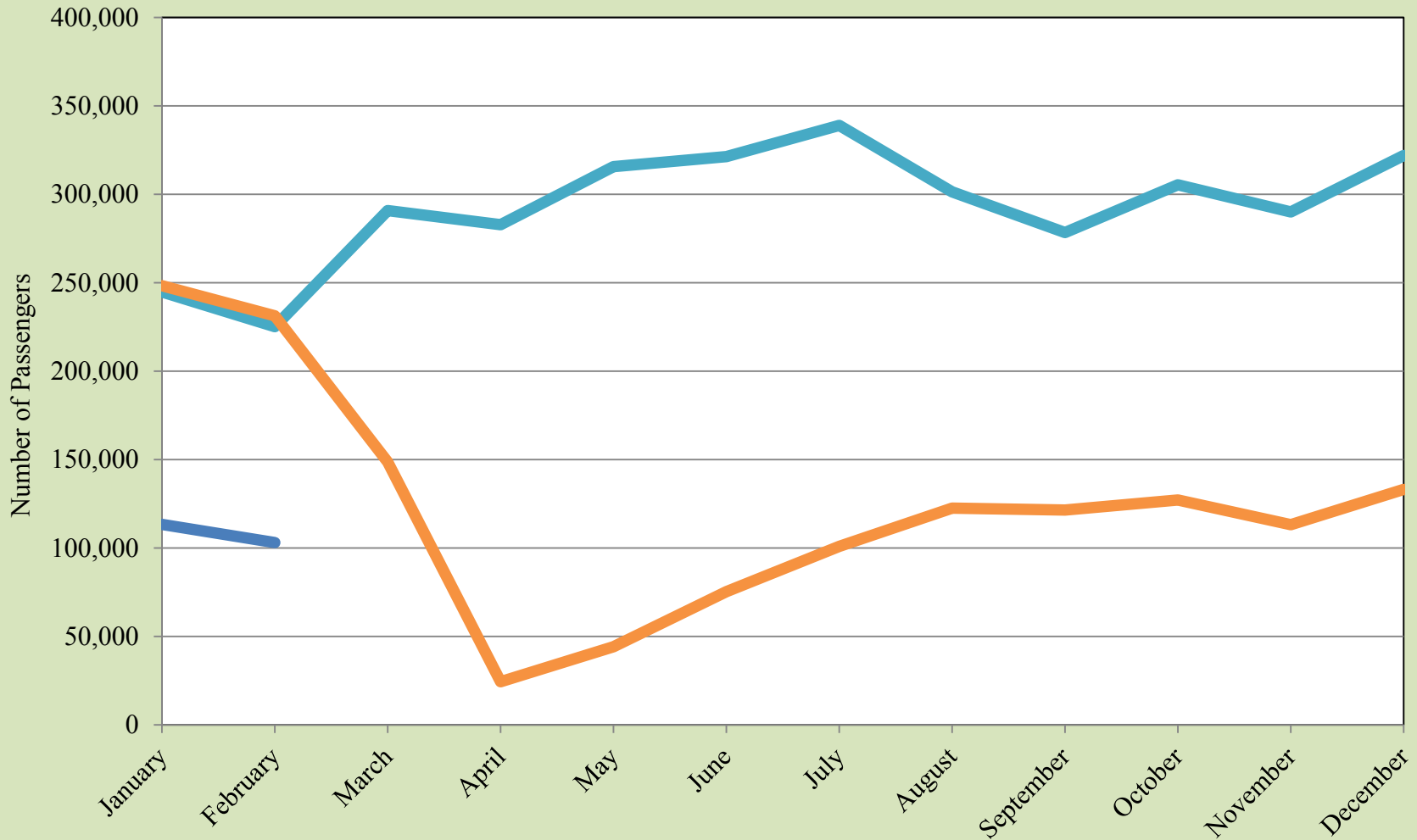
Inbound+Outbound



Source: EPIA Operations

EPIA Passengers

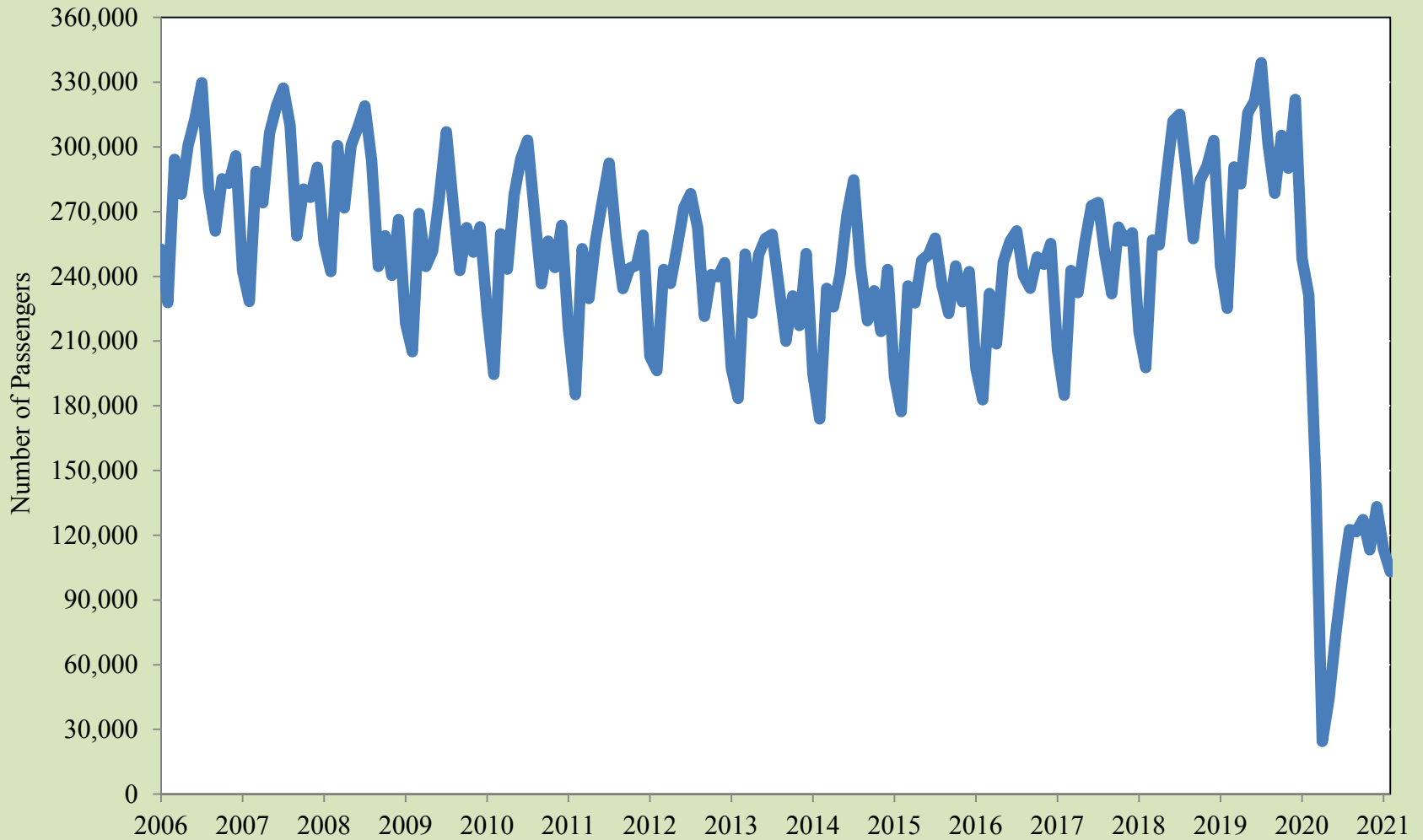
Total 2019 Total 2020 Total 2021



Source: EPIA Operations

EPIA Passengers

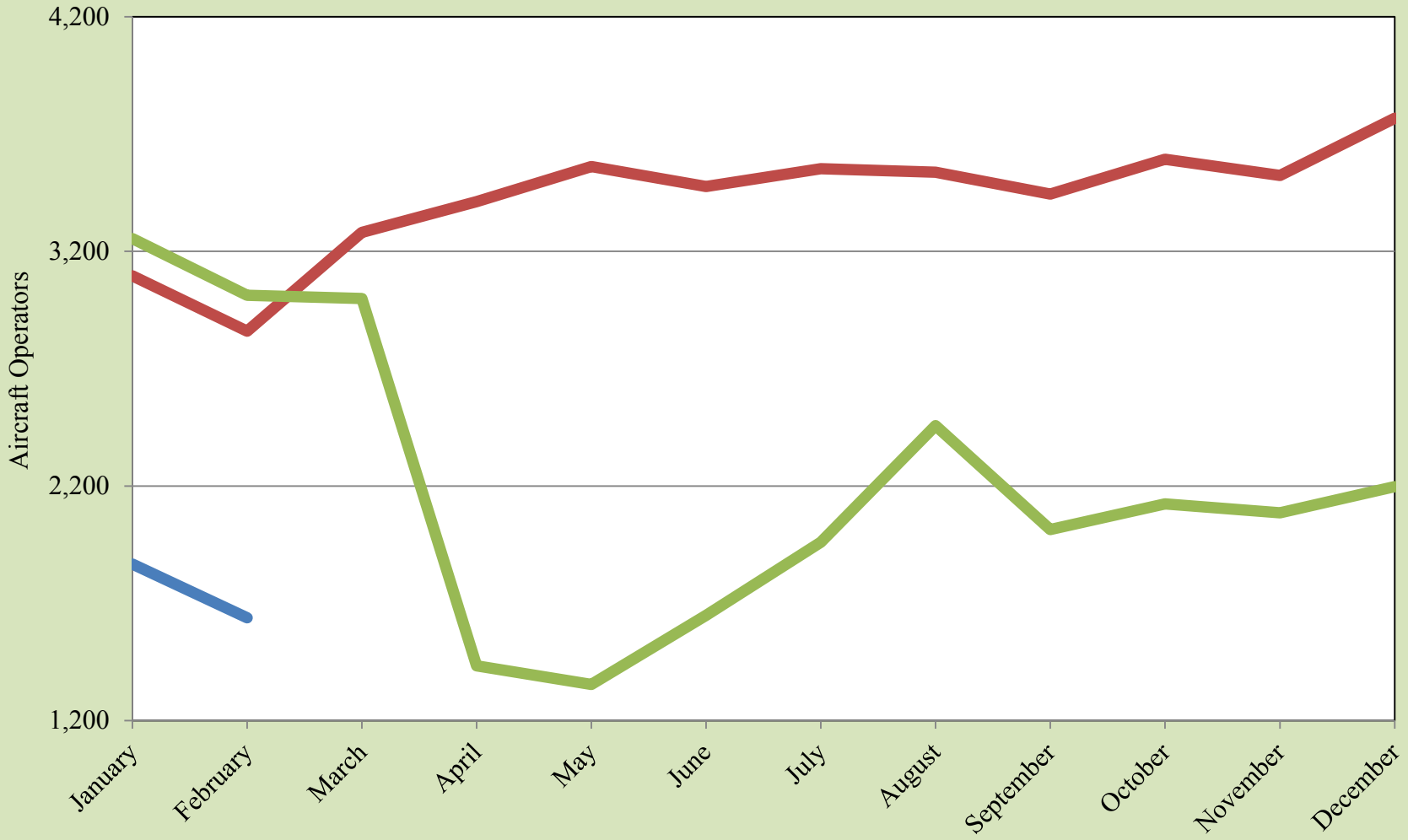
— Inbound+Outbound



Source: EPIA Operations

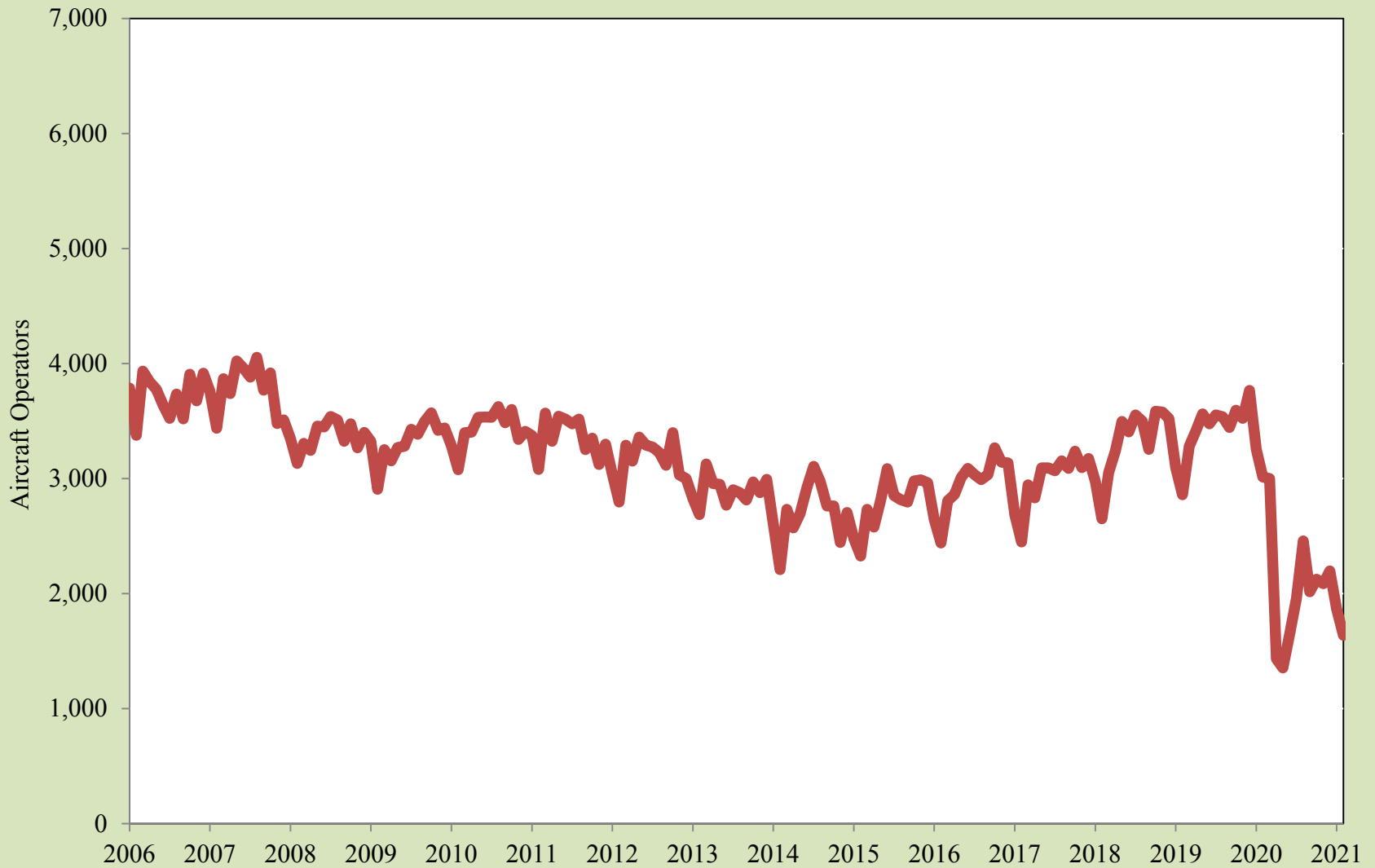
EPIA Air Carrier Operations

19-Air Carriers 20-Air Carriers 21-Air Carriers



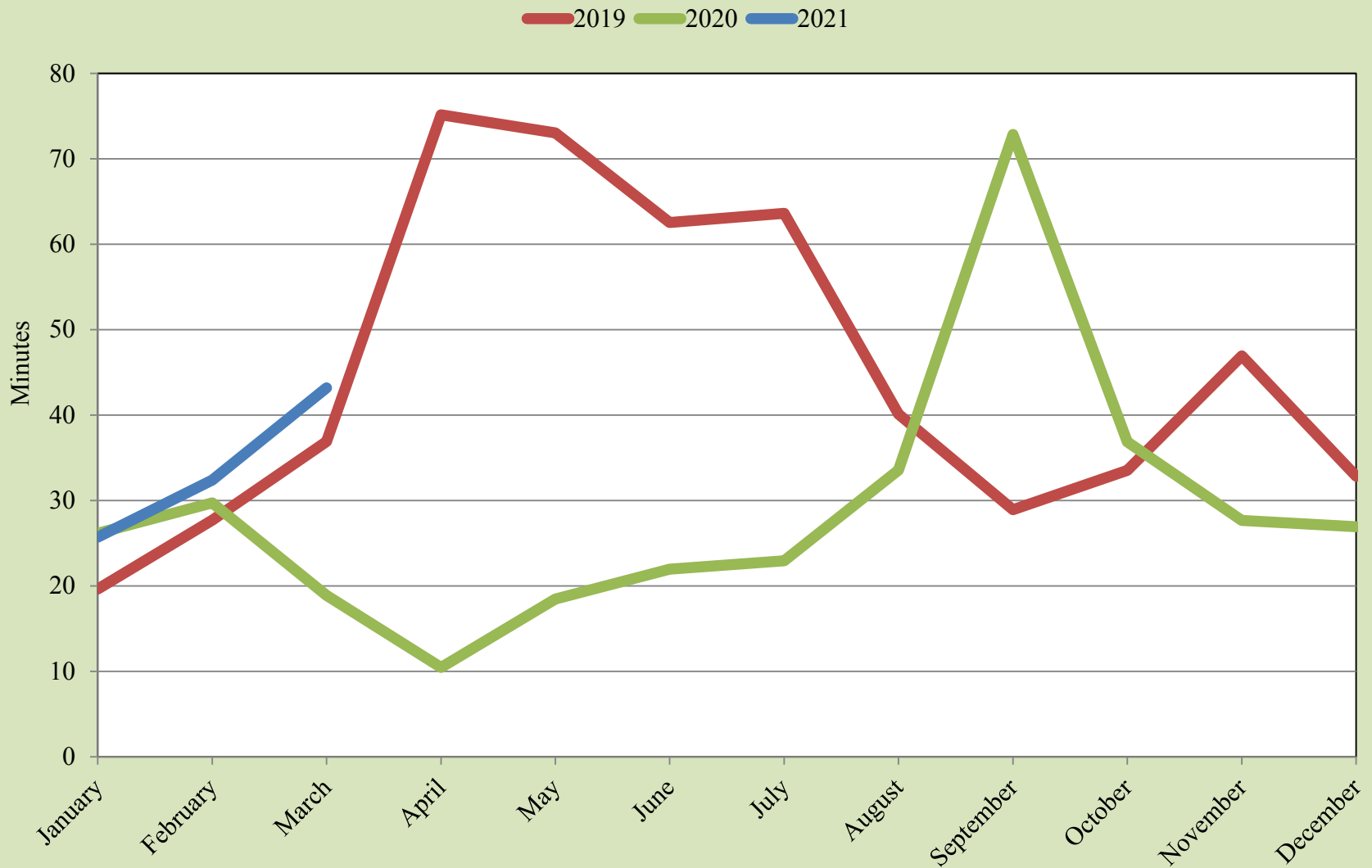
Source: EPIA Operations

EPIA Air Carrier Operations



Source: EPIA Operations

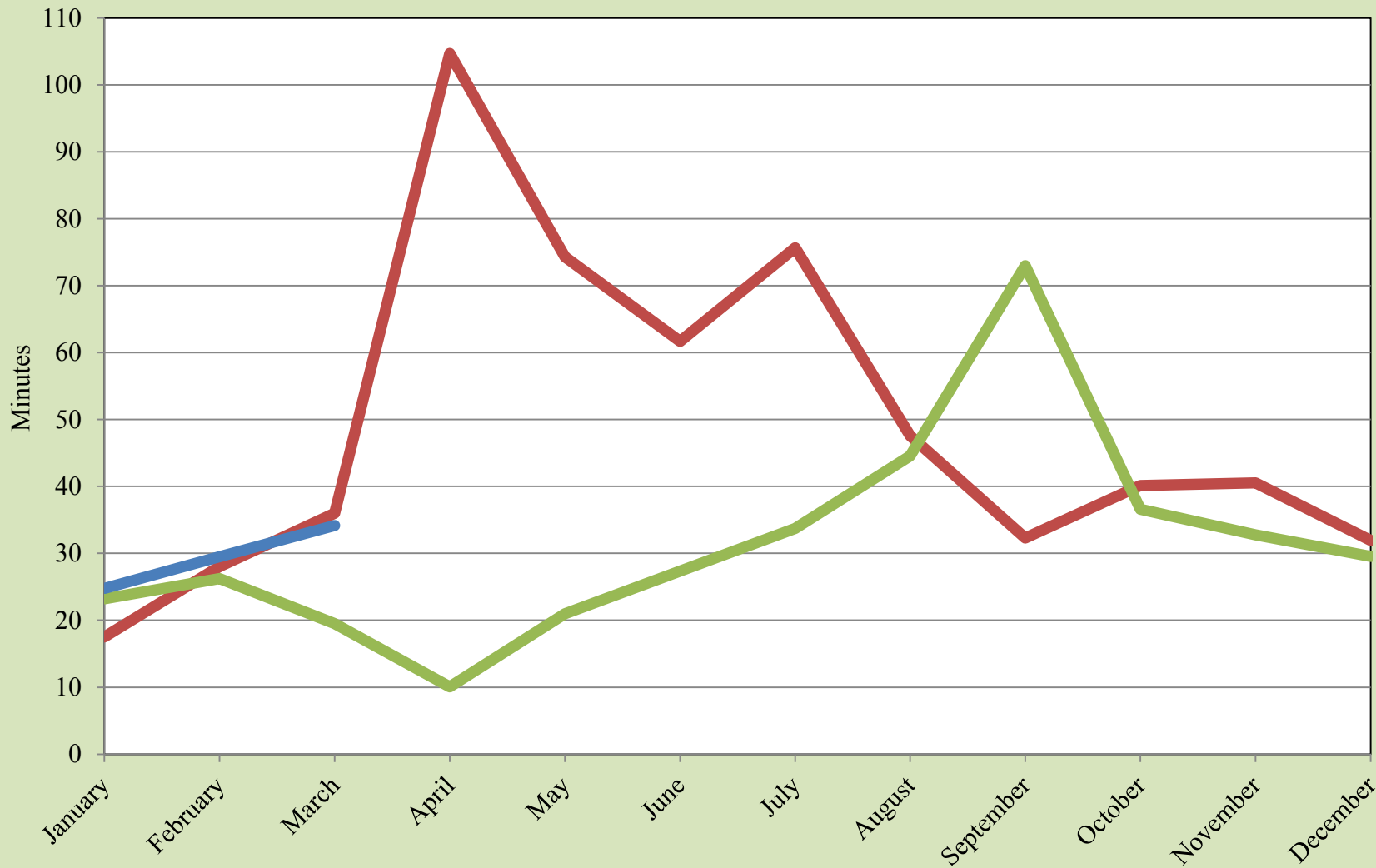
Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

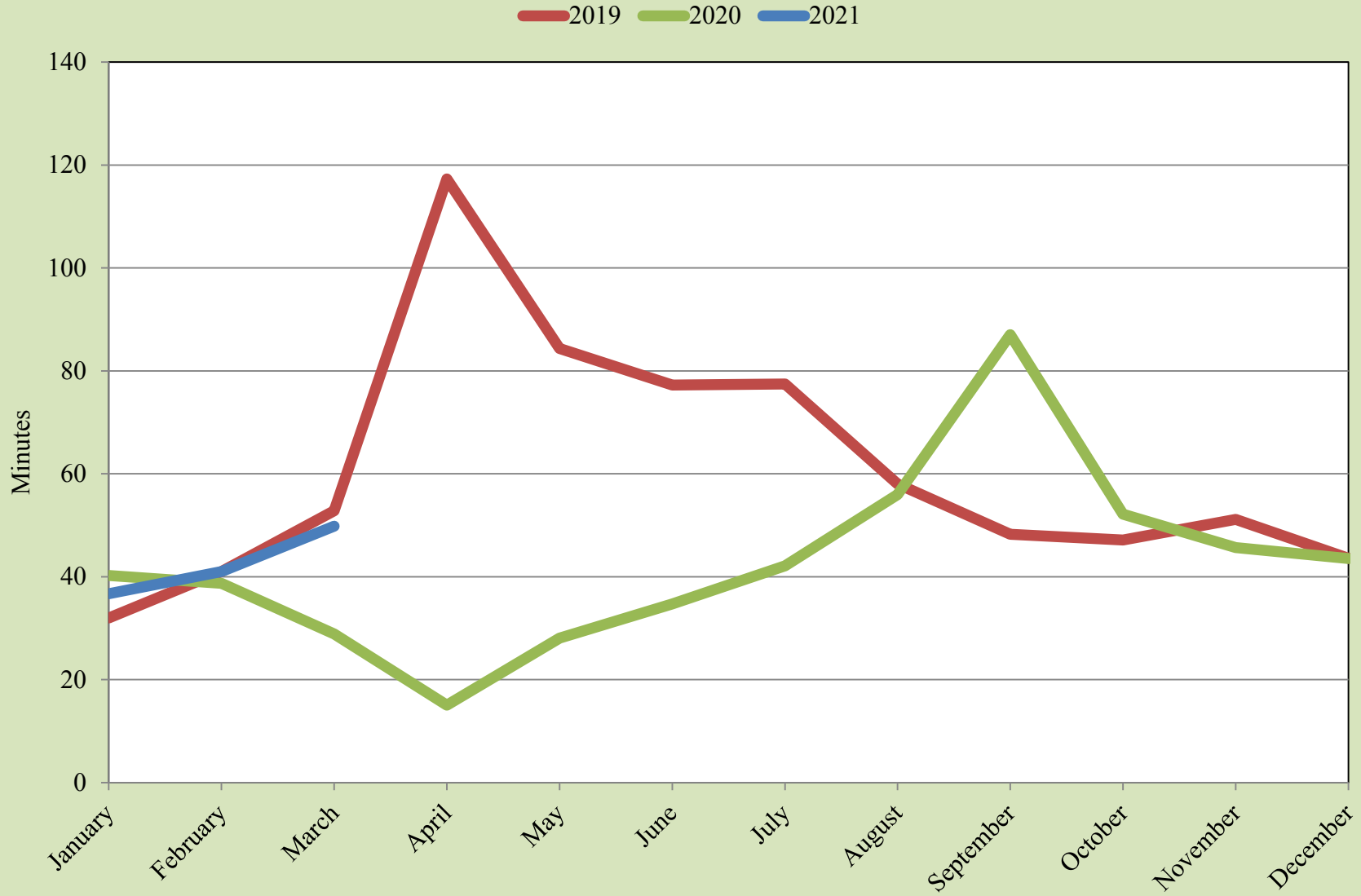
Ysleta Monthly Wait Times

— 2019 — 2020 — 2021



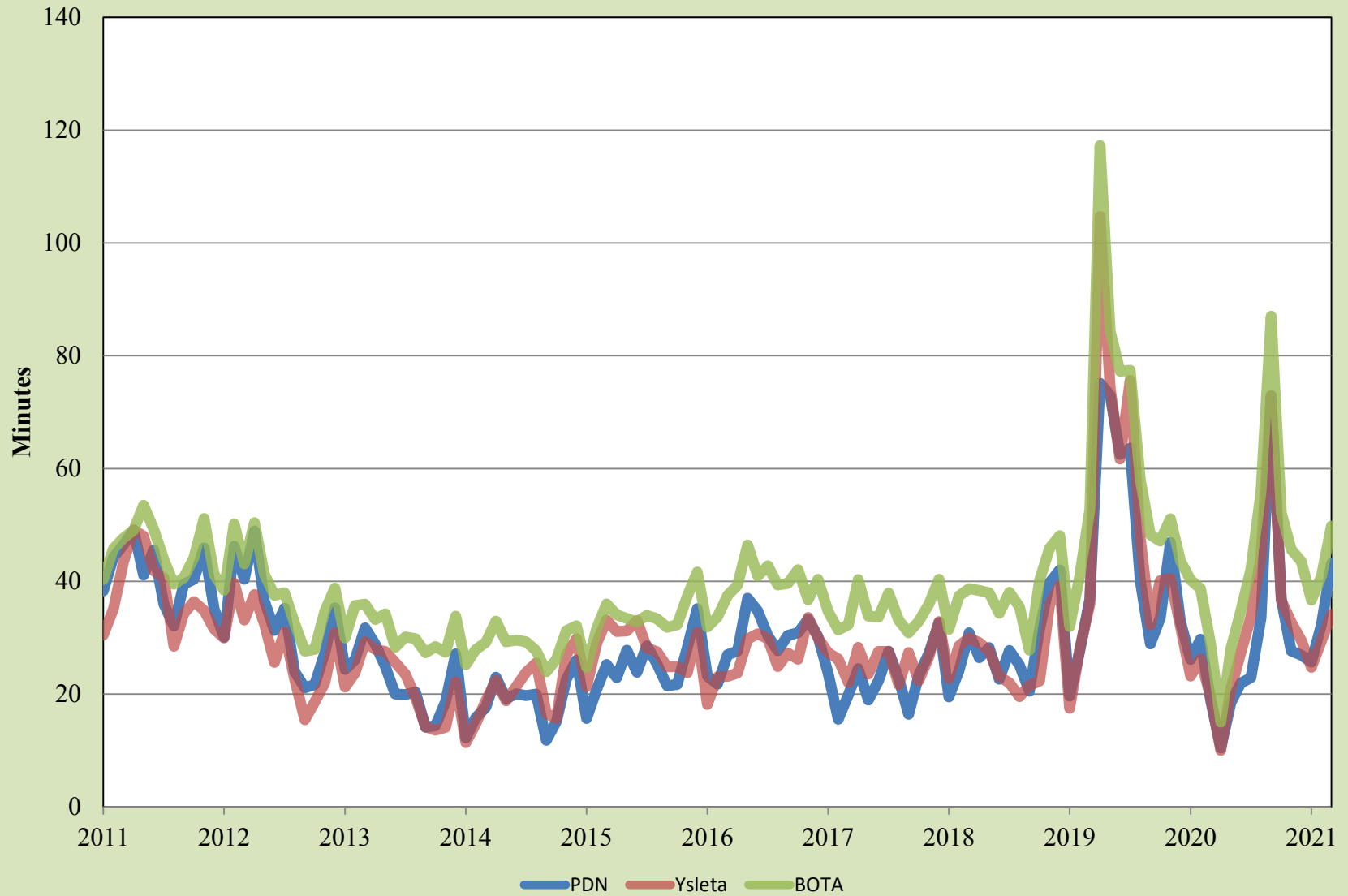
Source: UTEP Border Region Modeling Project

Bridge of the Americas Monthly Wait Times



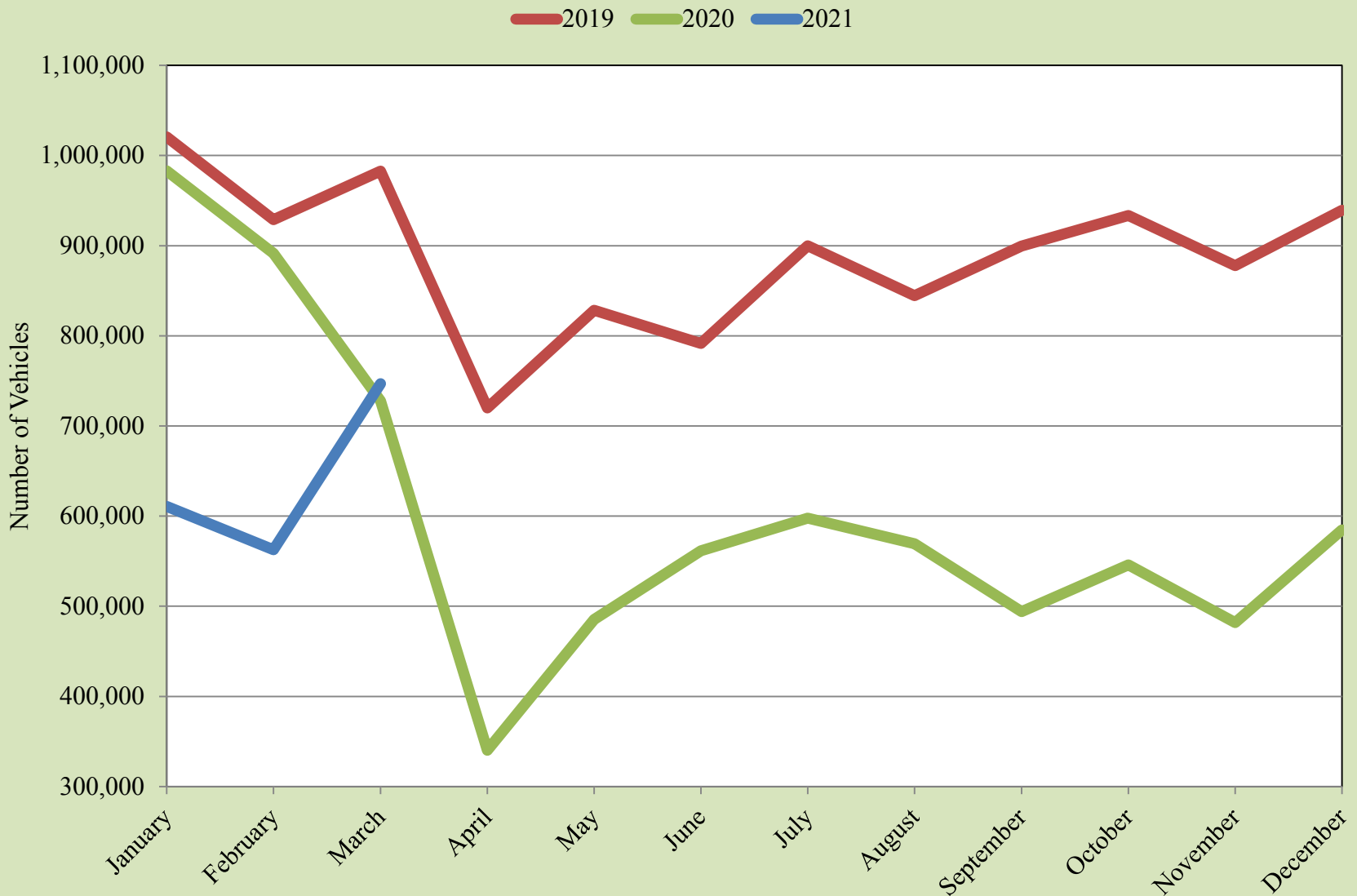
Source: UTEP Border Region Modeling Project

Monthly Border Wait Times



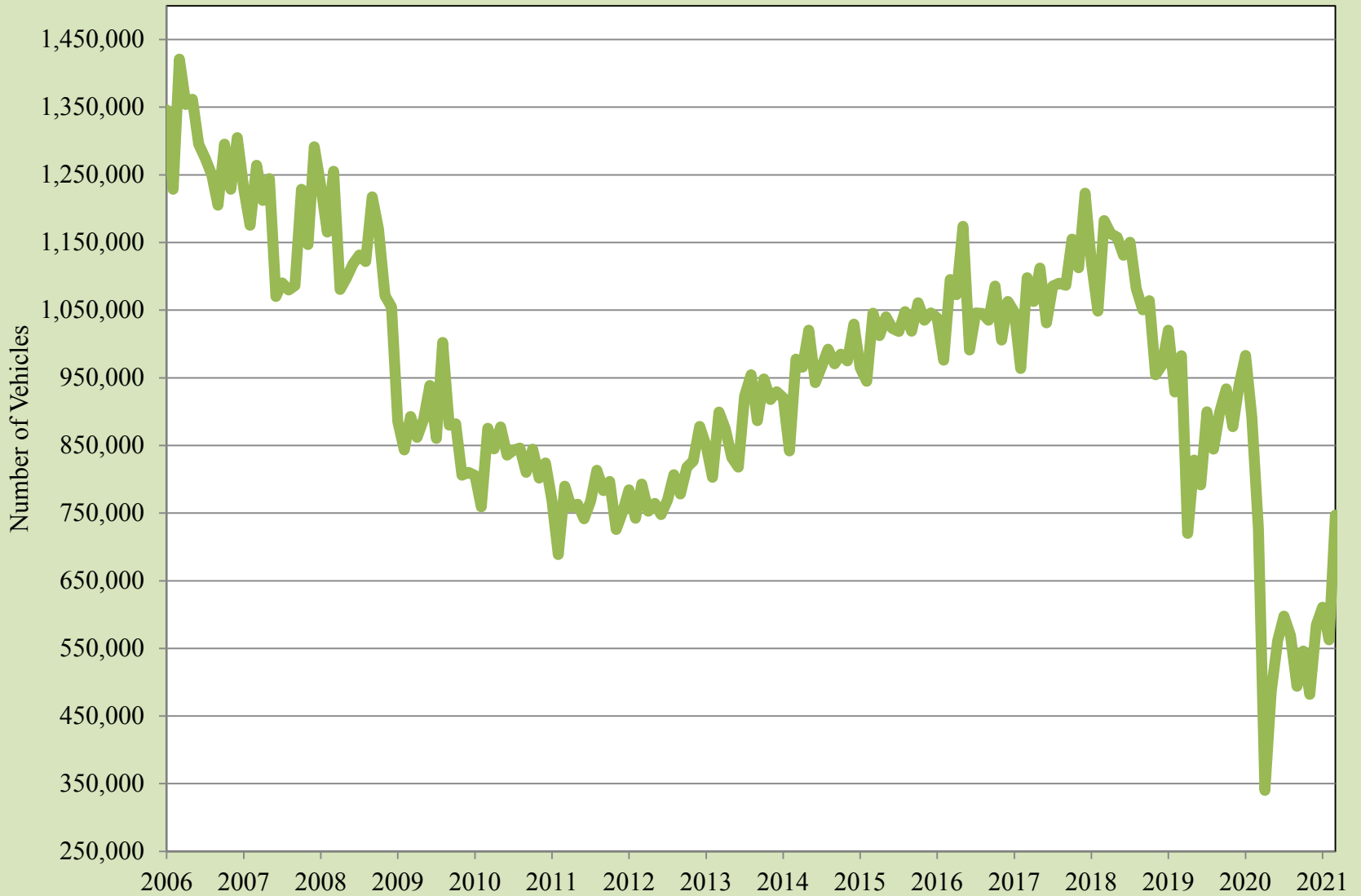
Source: UTEP Border Region Modeling Project

Personal Vehicle International Bridge Crossings to El Paso



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

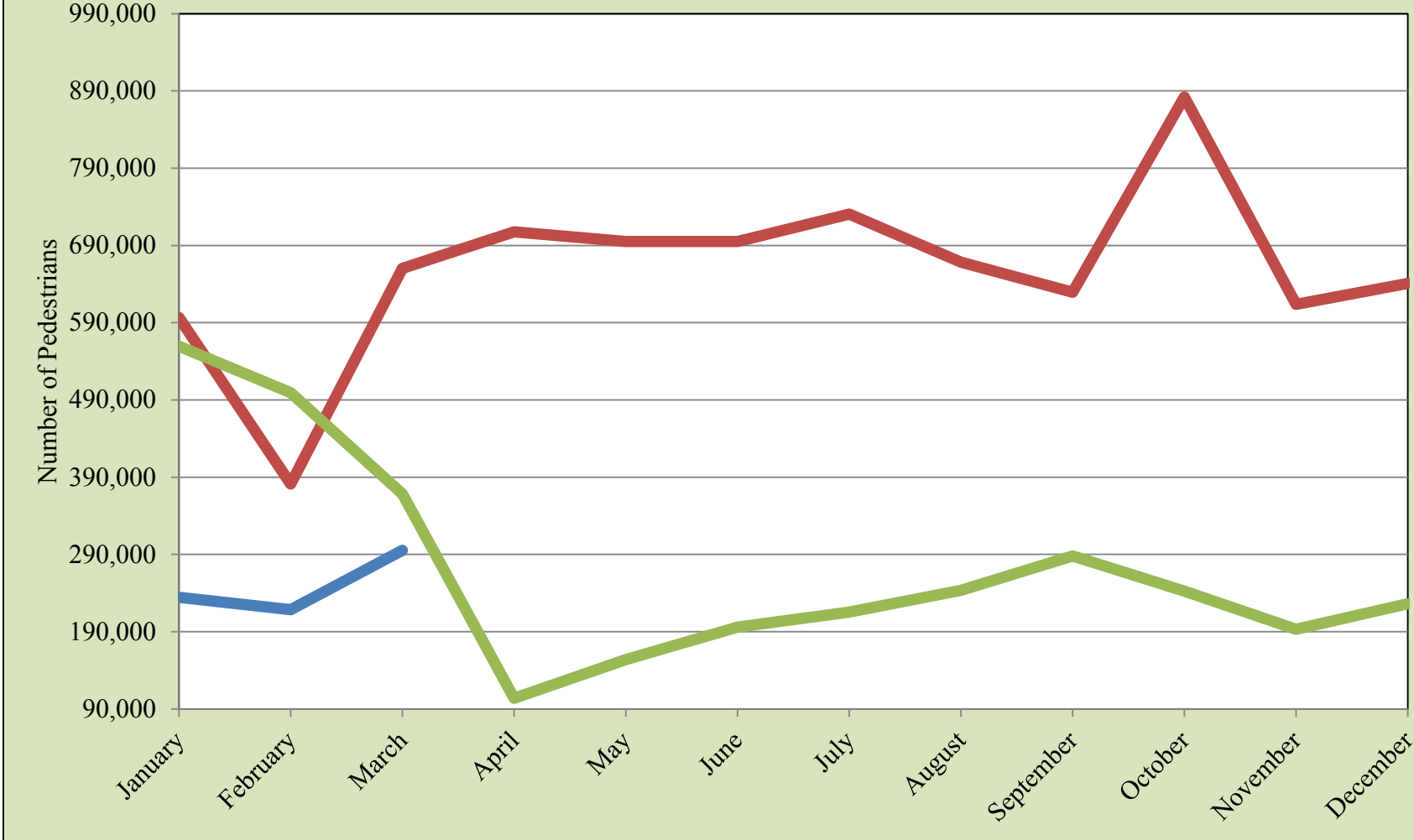
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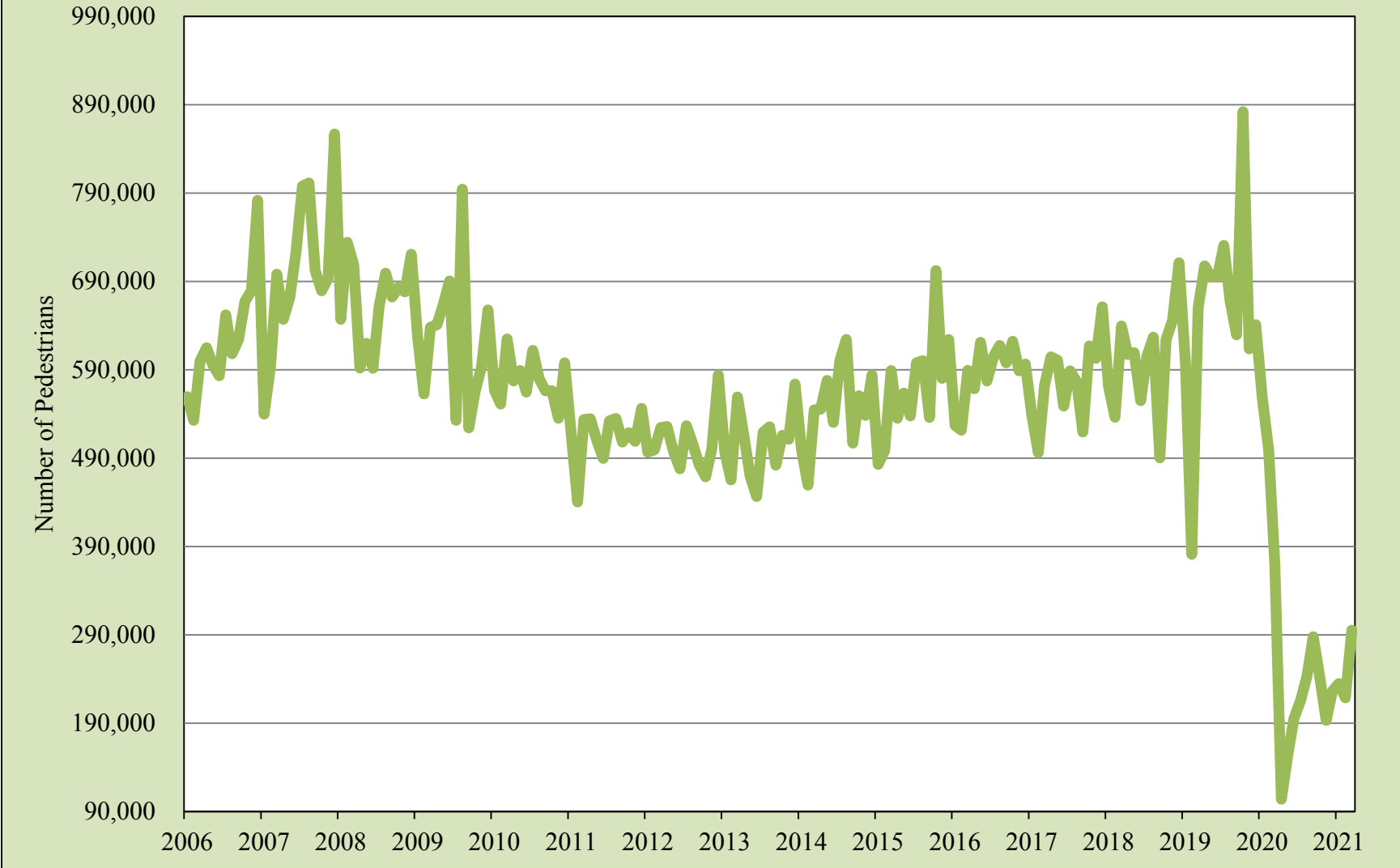
Pedestrian International Bridge Crossings to El Paso

2019 2020 2021



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

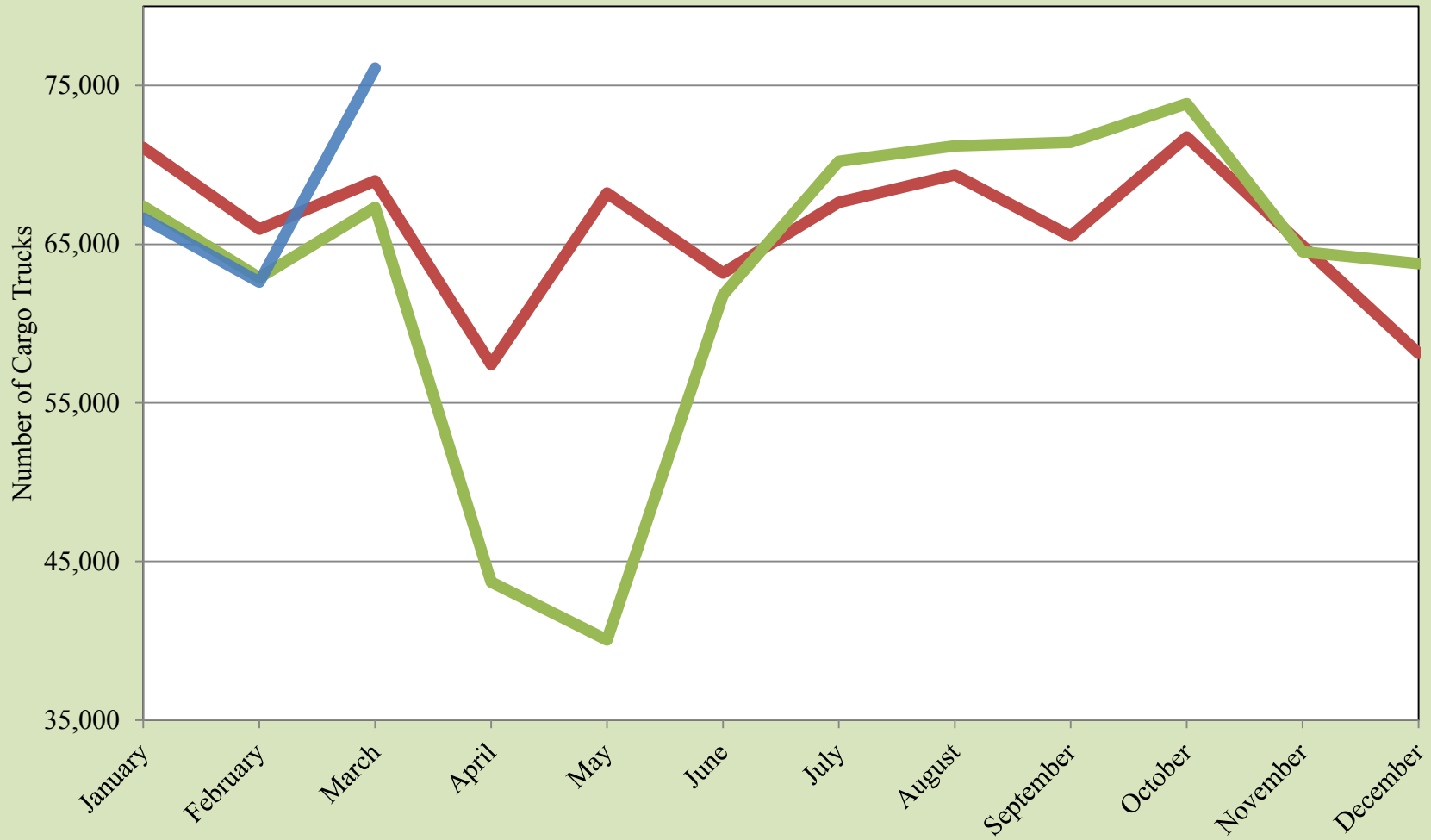
Pedestrian International Bridge Crossings to El Paso



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

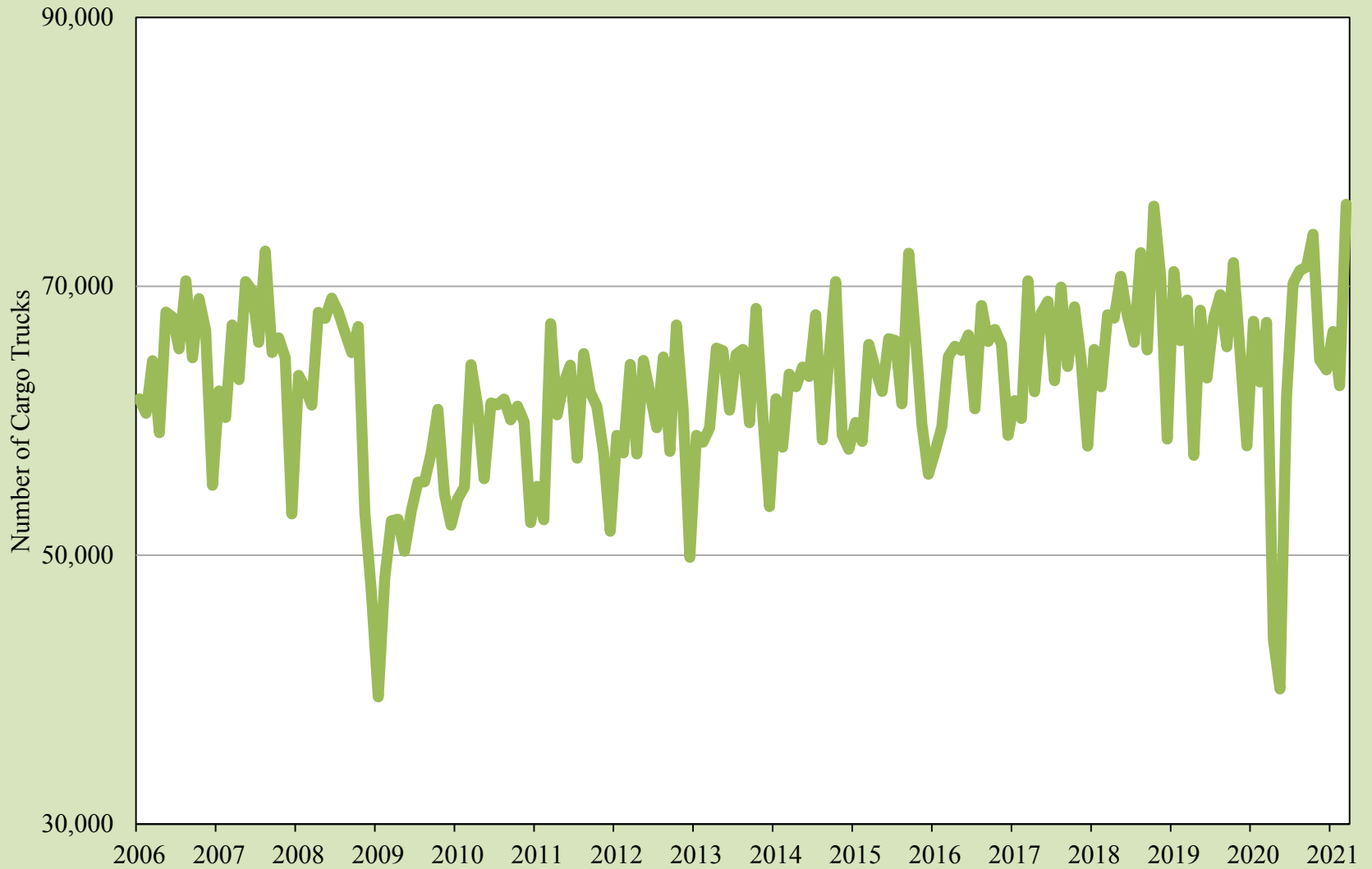
Cargo Truck International Bridge Crossings to El Paso

2019 2020 2021



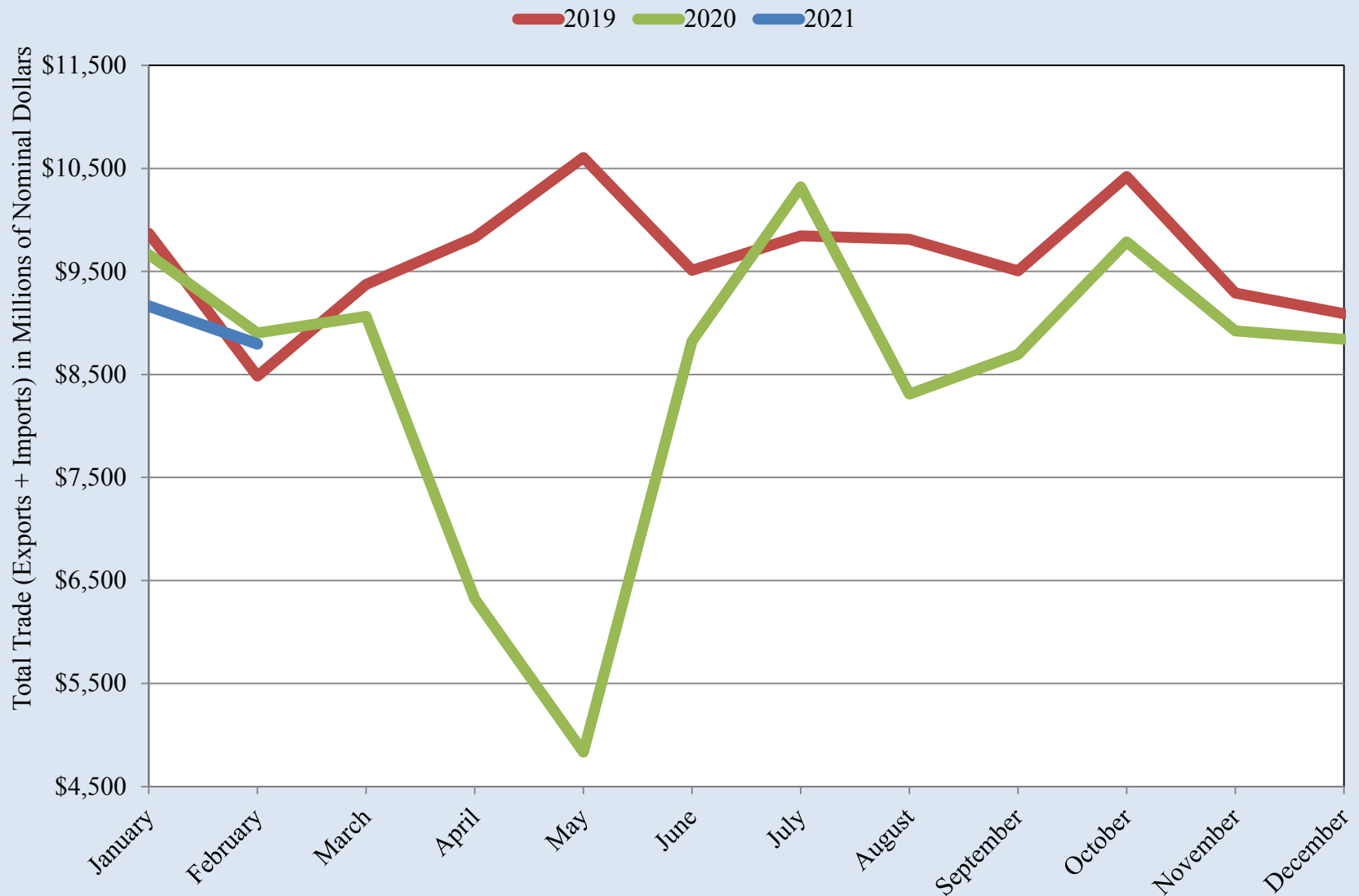
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



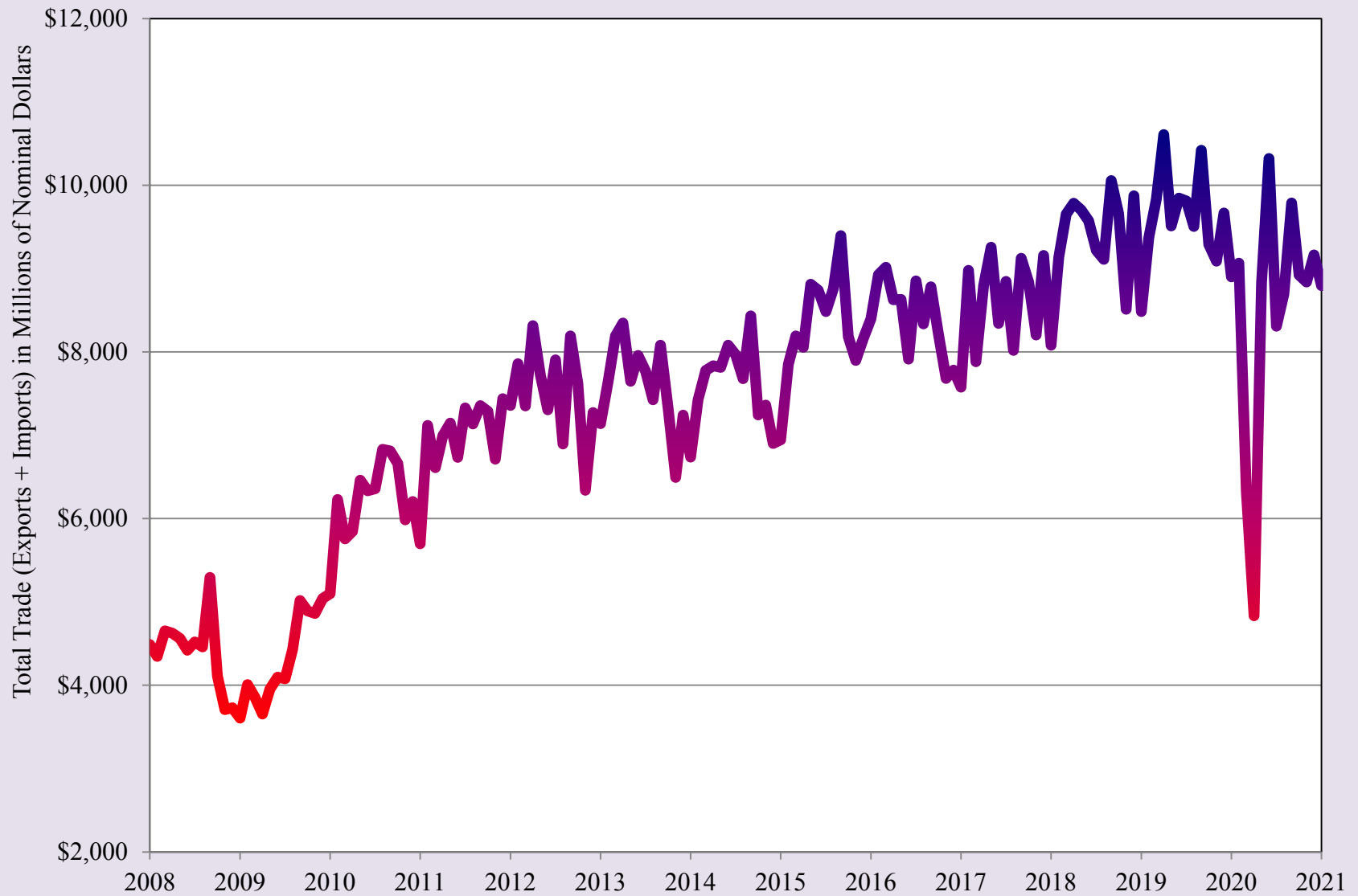
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District



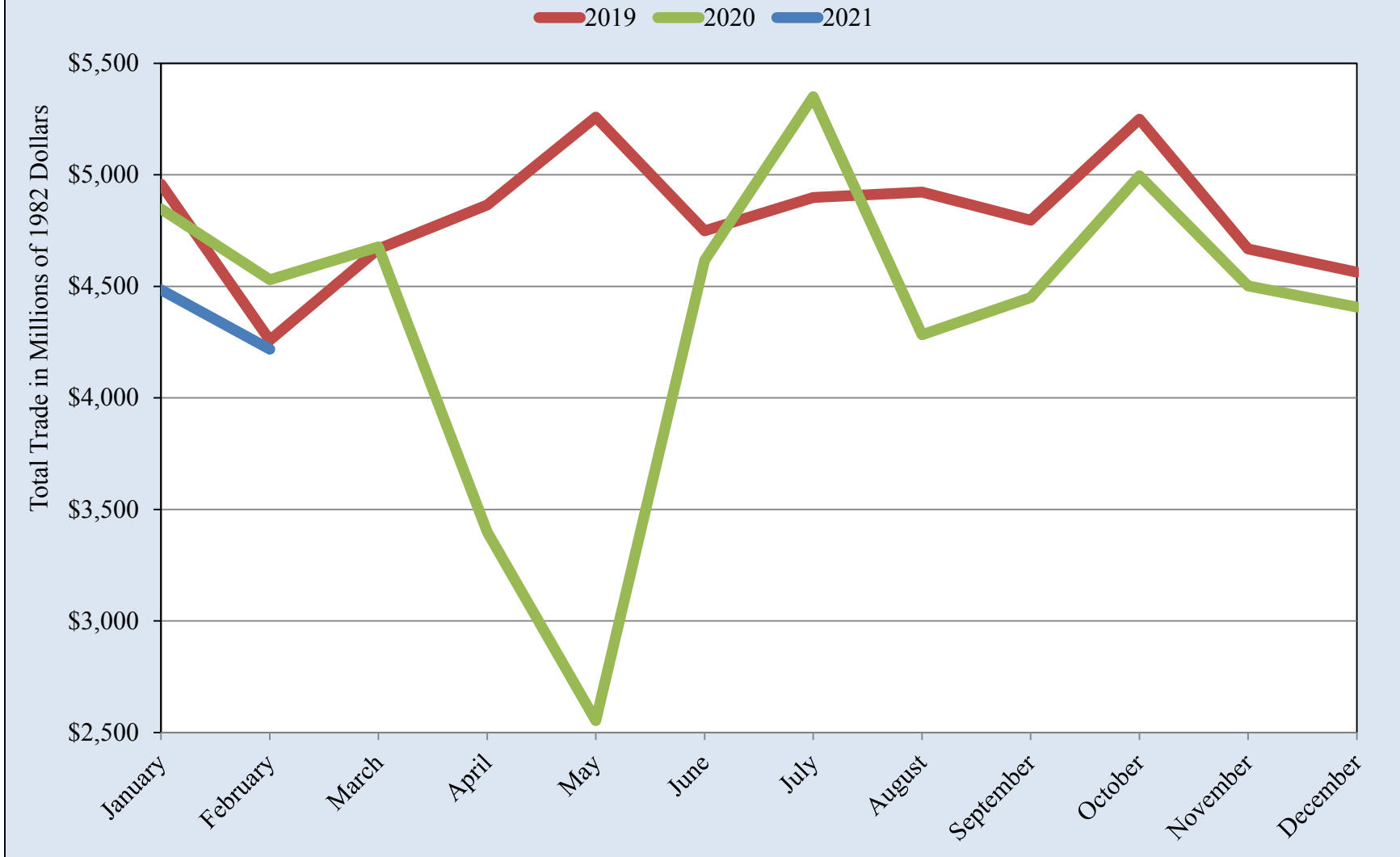
Source: U.S. International Trade Commission

Total Trade through the El Paso Customs District



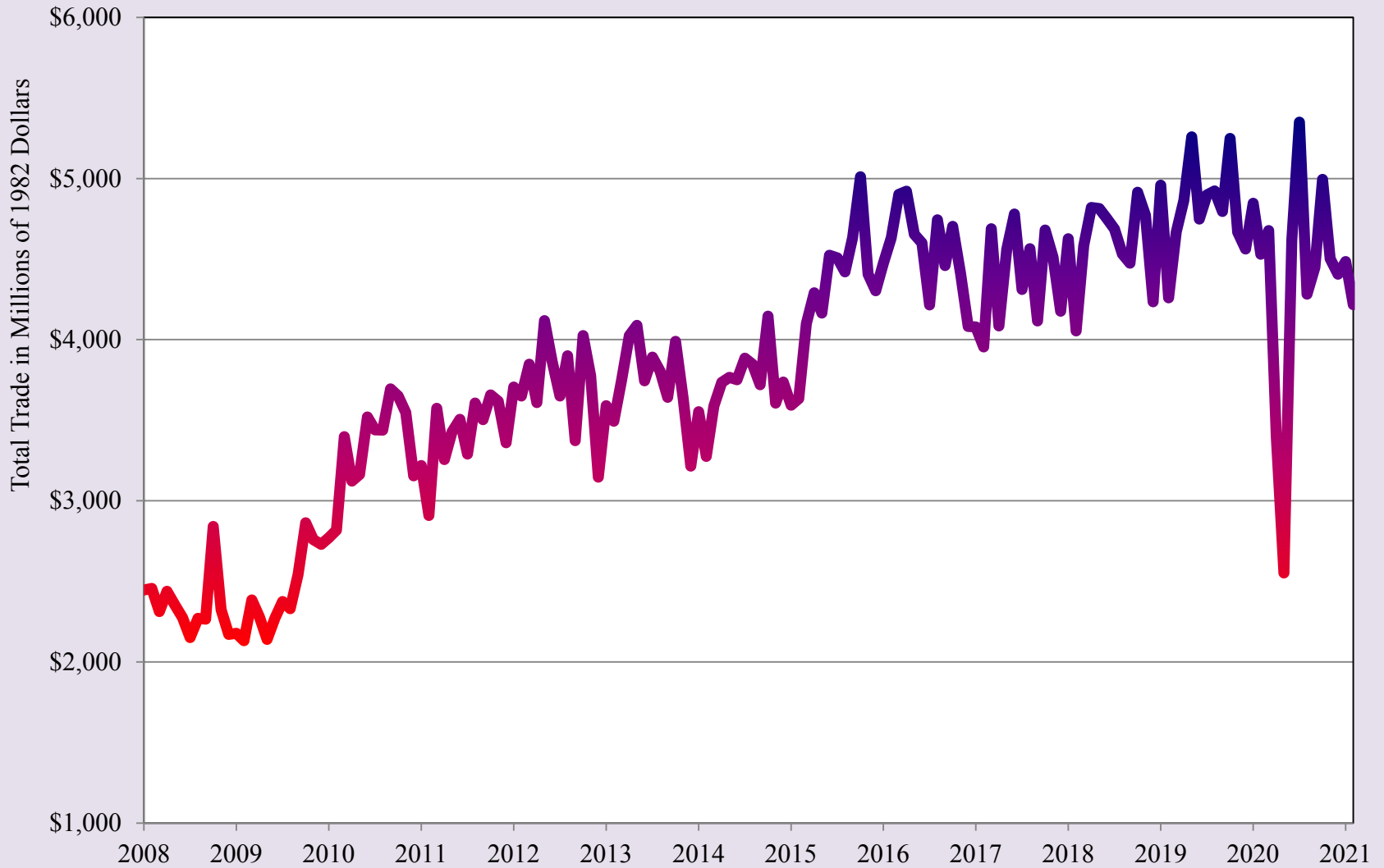
Source: U.S. International Trade Commission

Real Total Trade through the El Paso Customs District



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

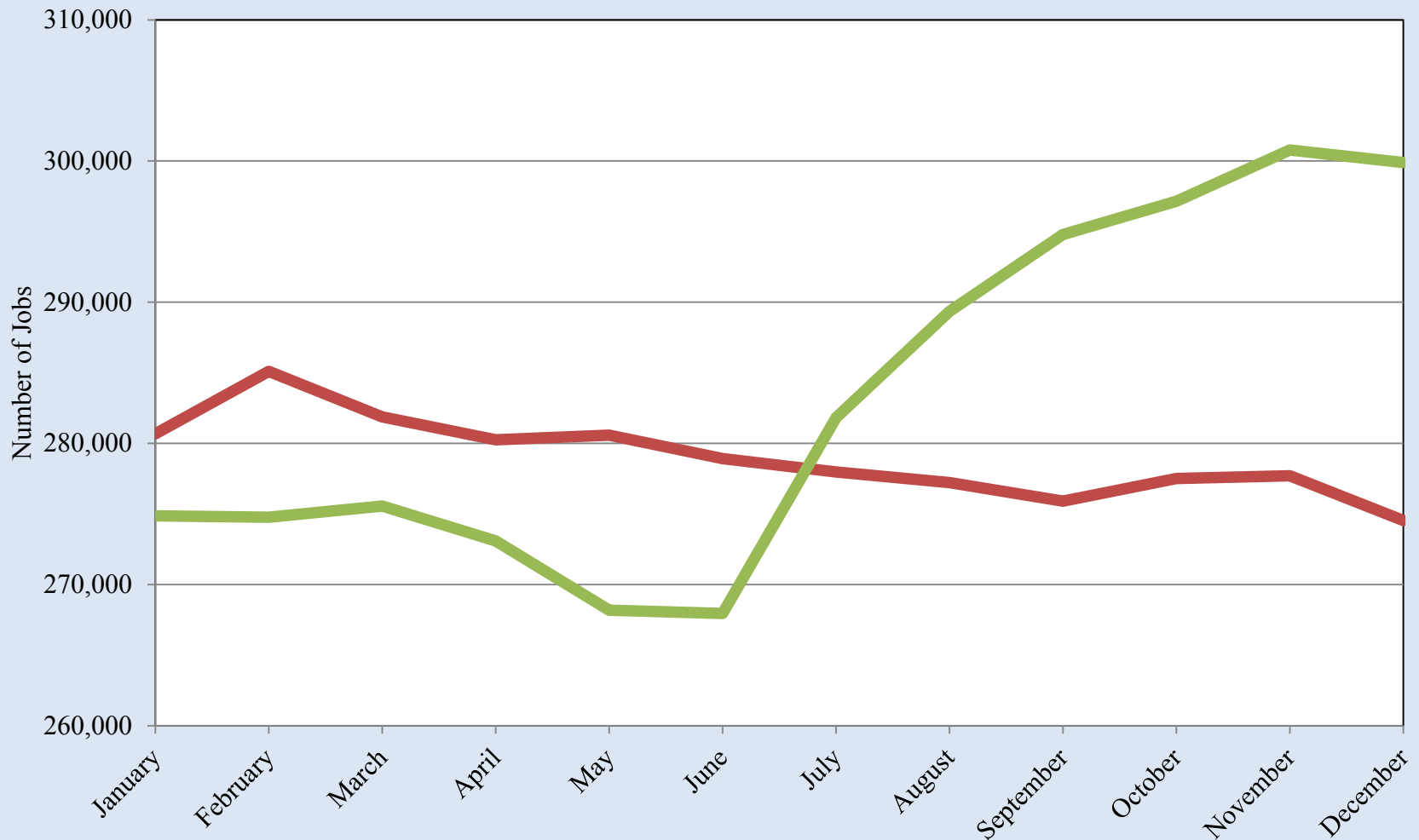
Real Total Trade through the El Paso Customs District



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

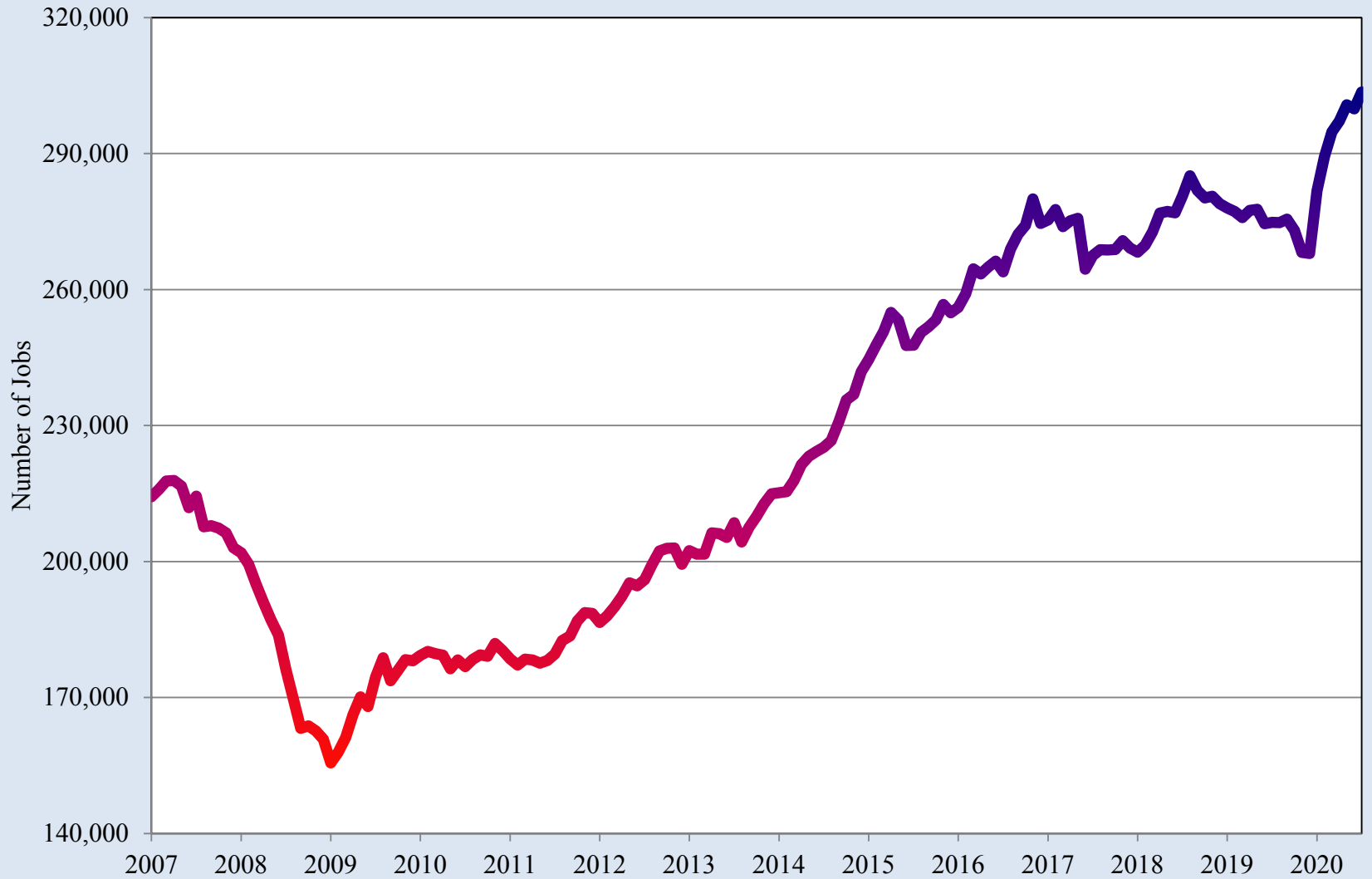
Export-Oriented Manufacturing Employment in Ciudad Juárez

2019 2020



Source: INEGI

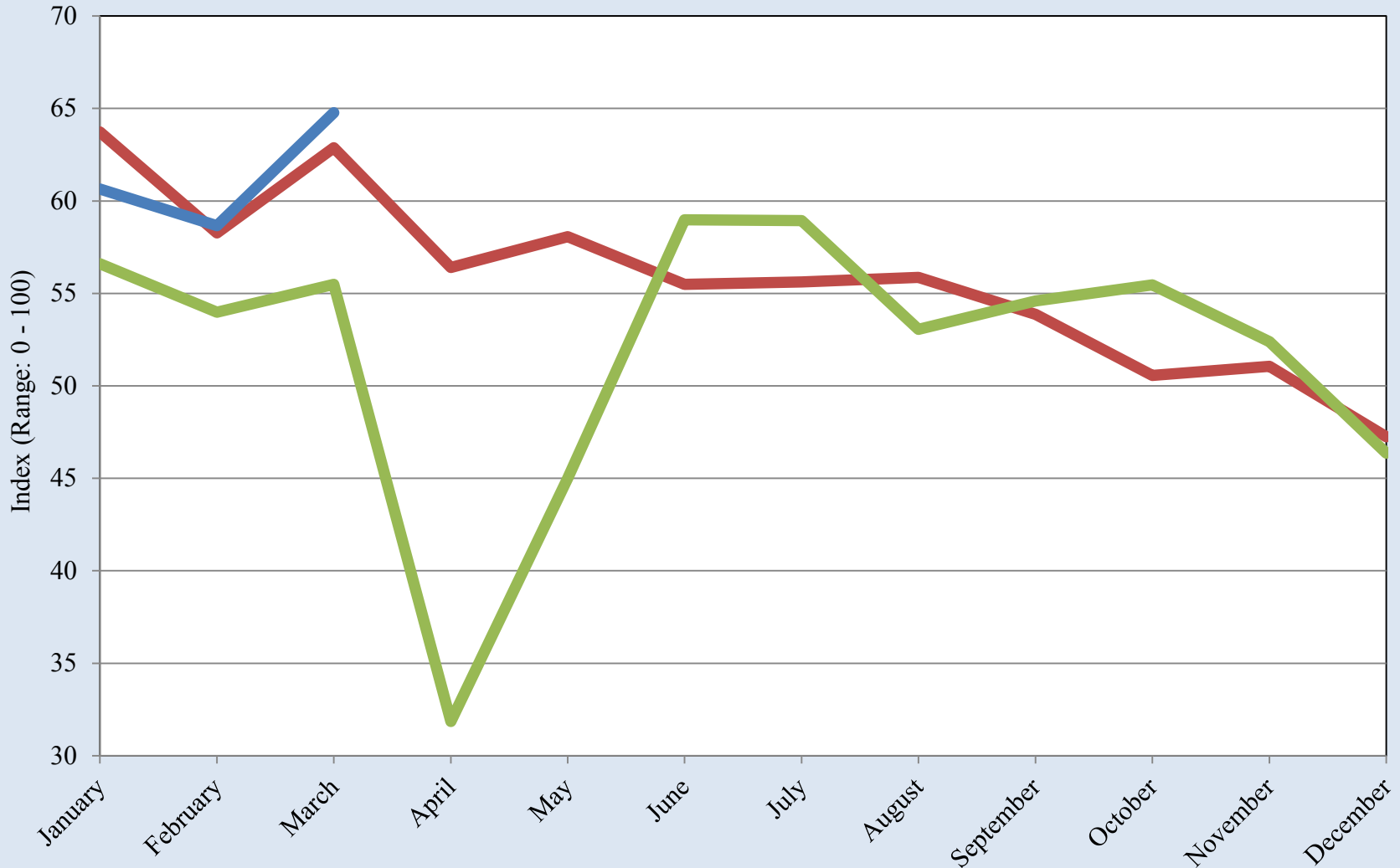
Export-Oriented Manufacturing Employment in Ciudad Juárez



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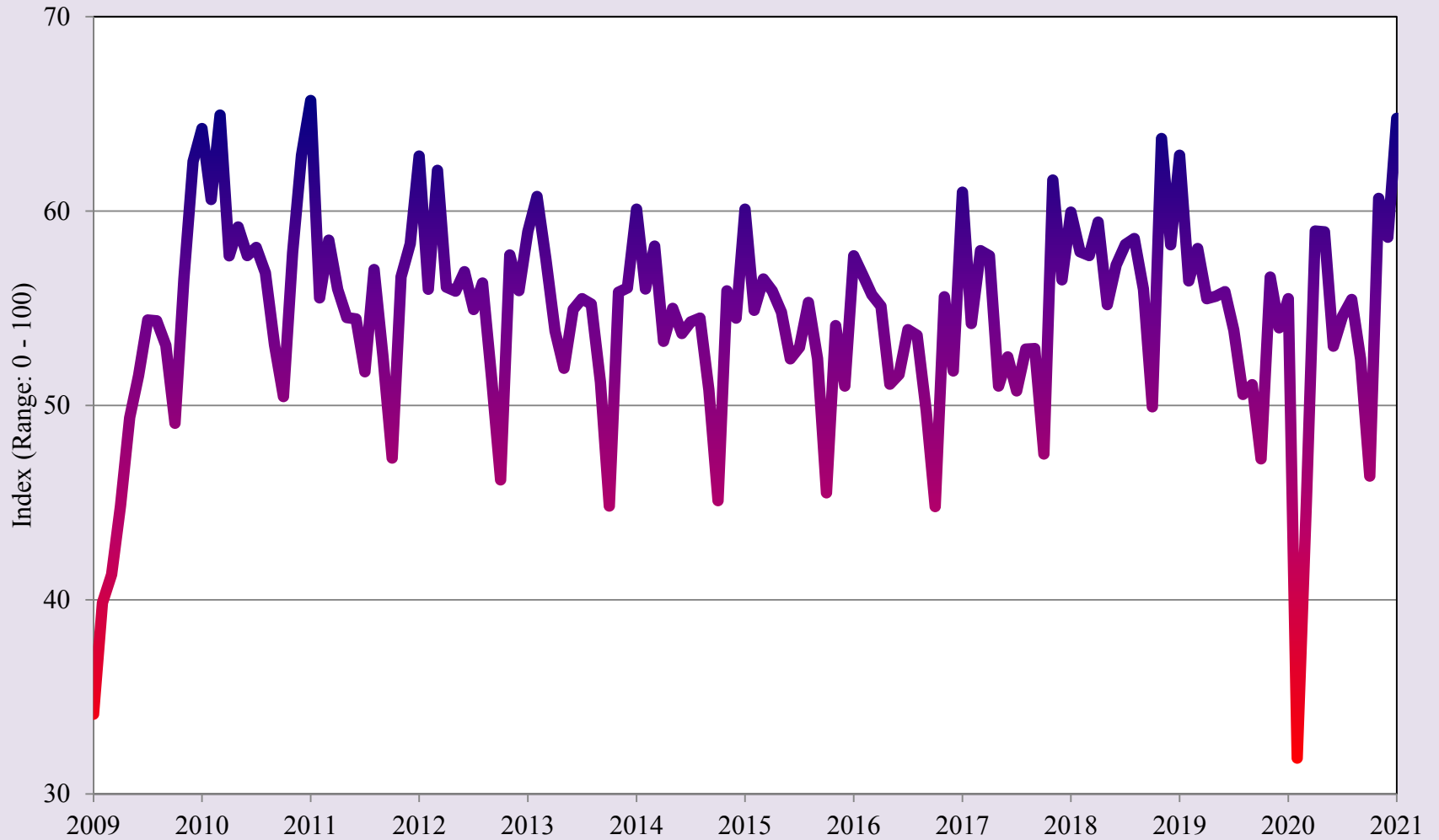
Northern Mexico Manufacturing Orders Index

— 2019 — 2020 — 2021



Source: Banco de México

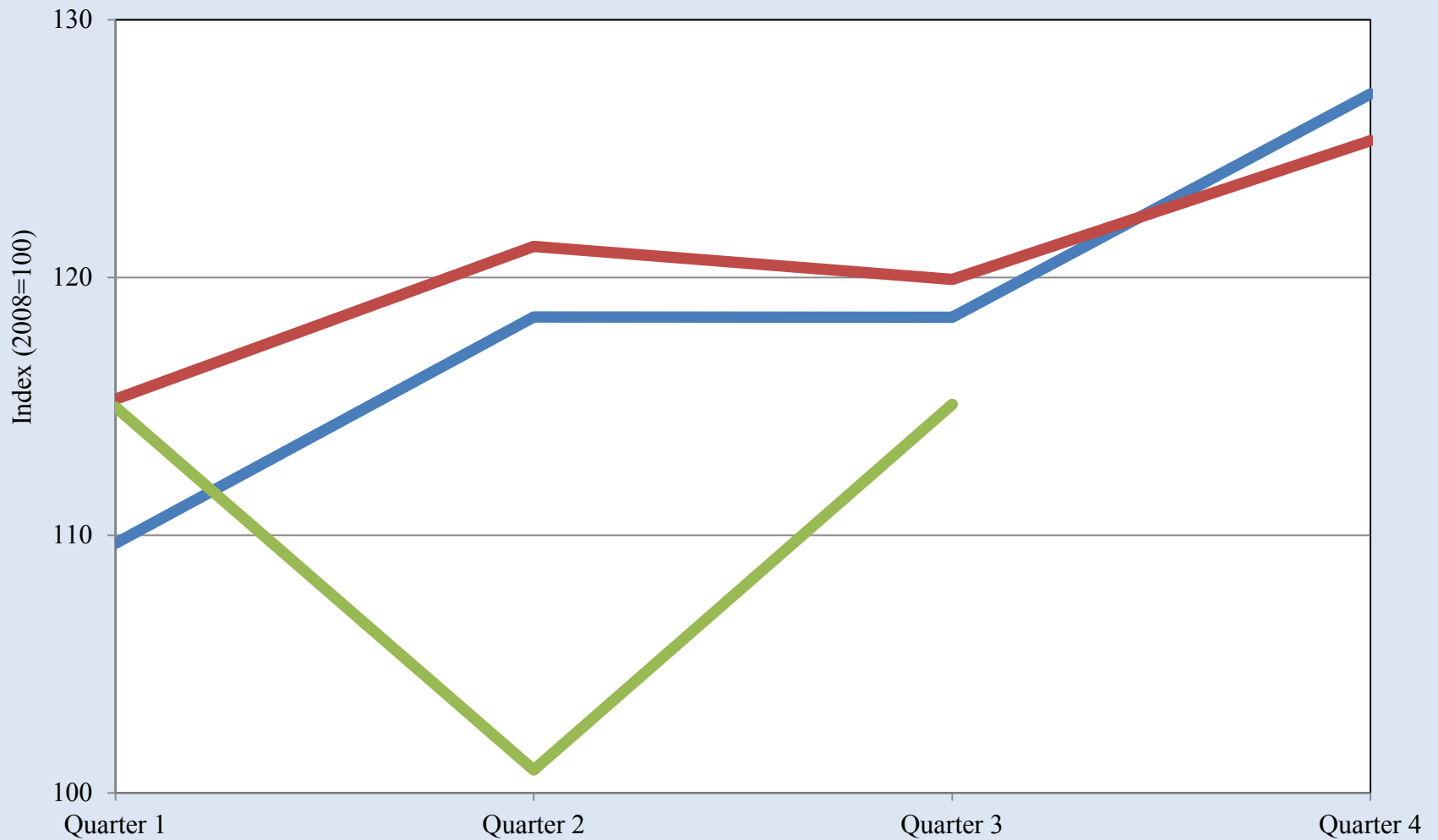
Northern Mexico Manufacturing Orders Index



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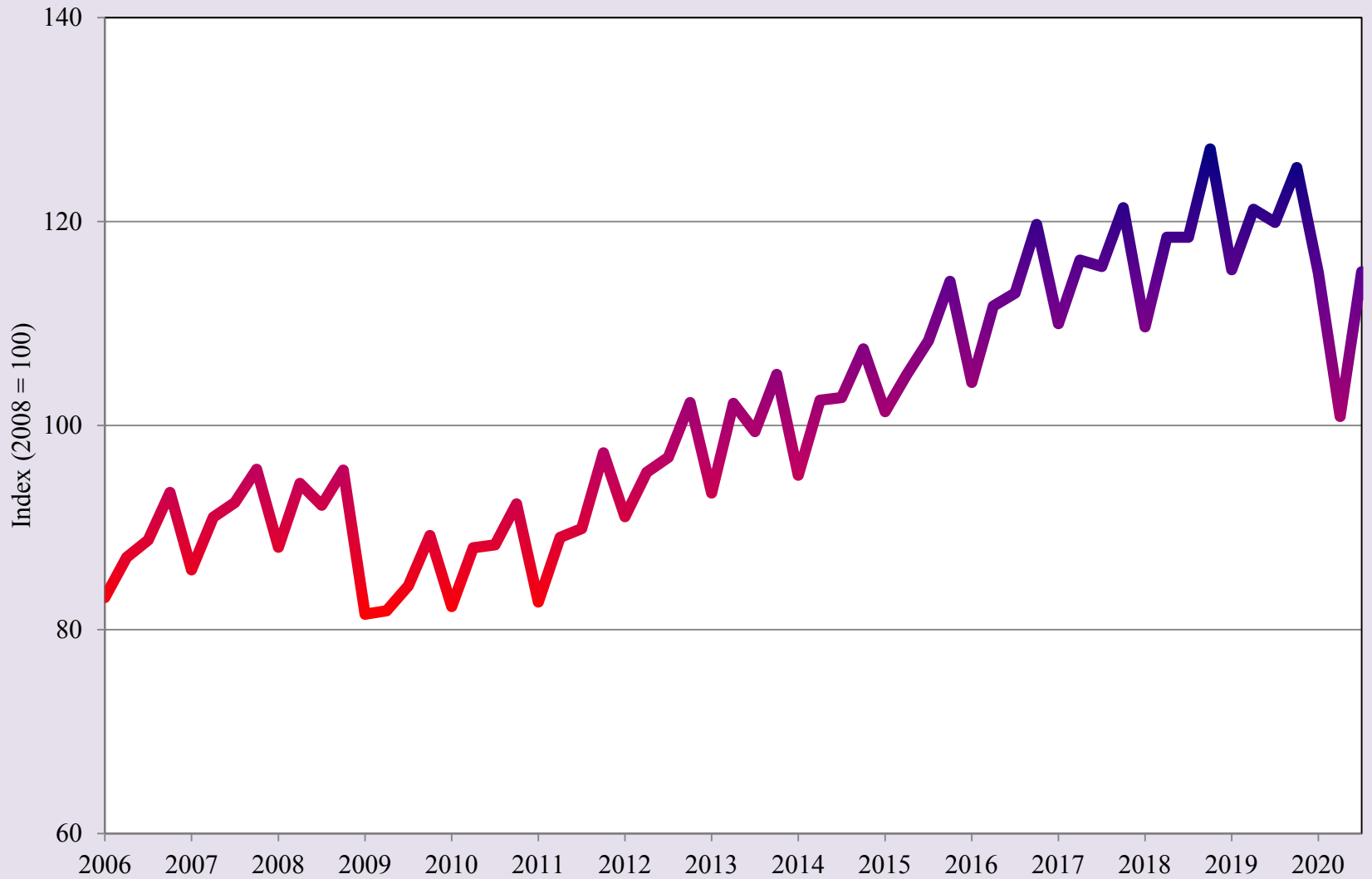
Quarterly Indicator of Economic Activity for the State of Chihuahua

2018 2019 2020



Source: INEGI

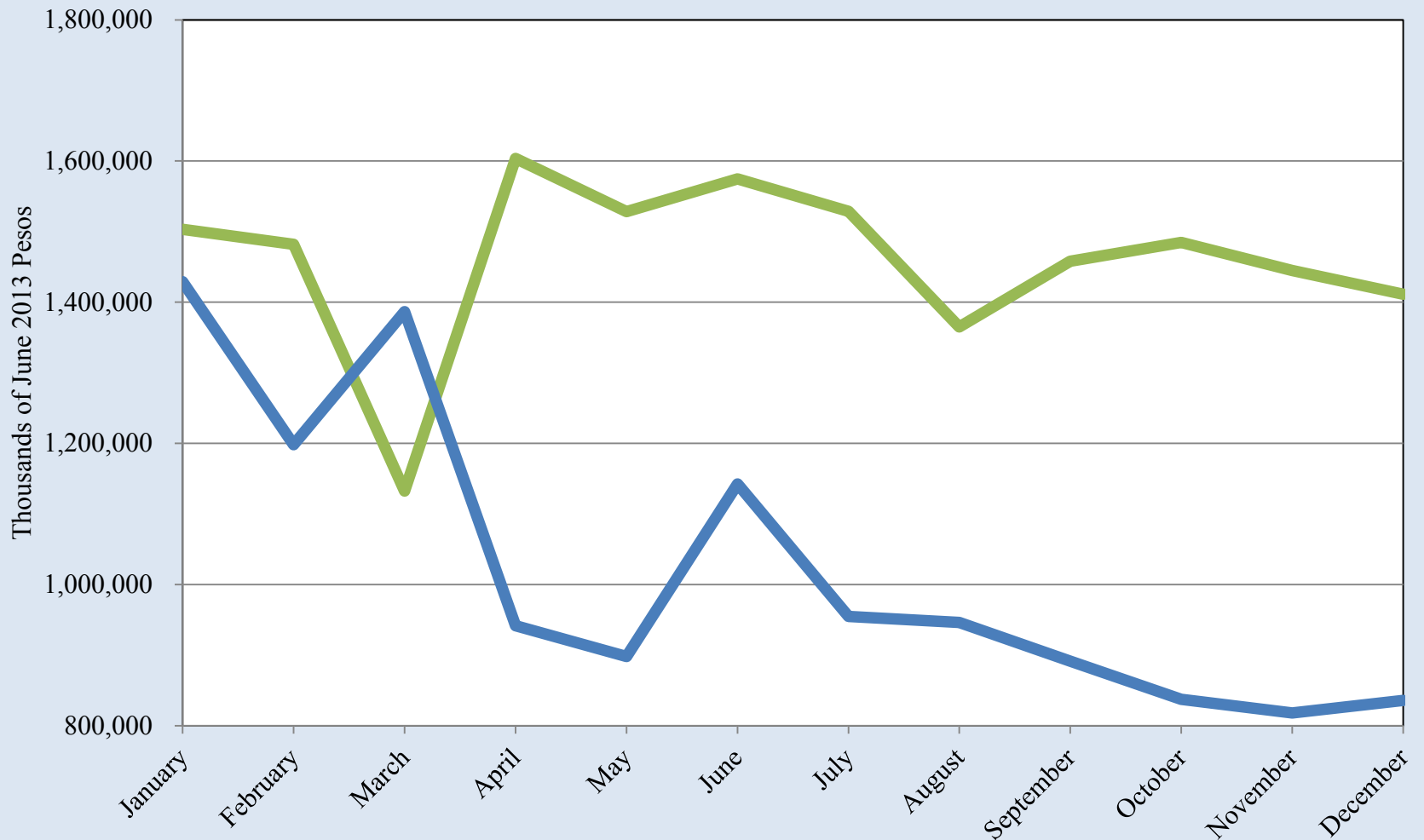
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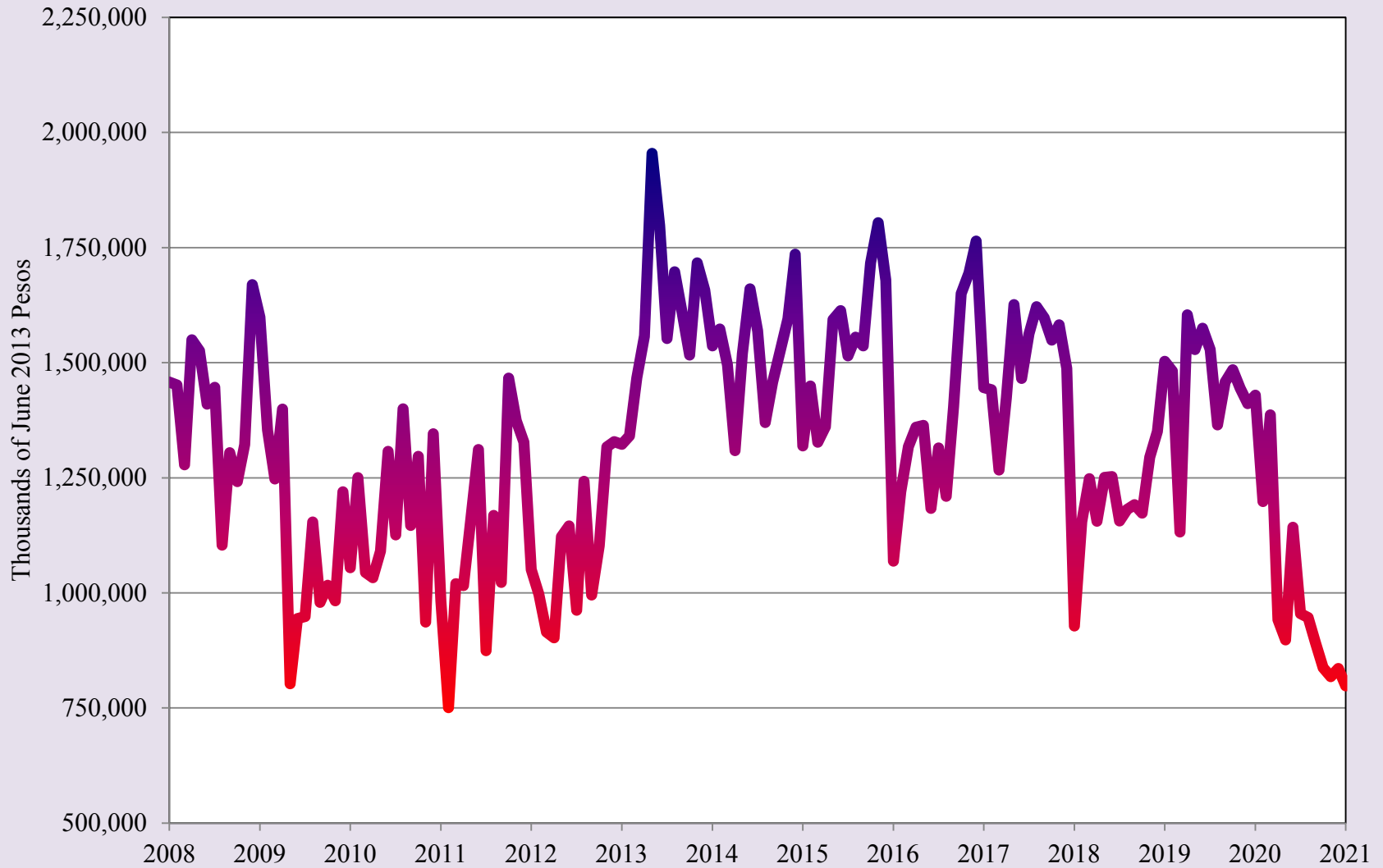
Total Value of Construction in the State of Chihuahua

2019 2020



Source: INEGI

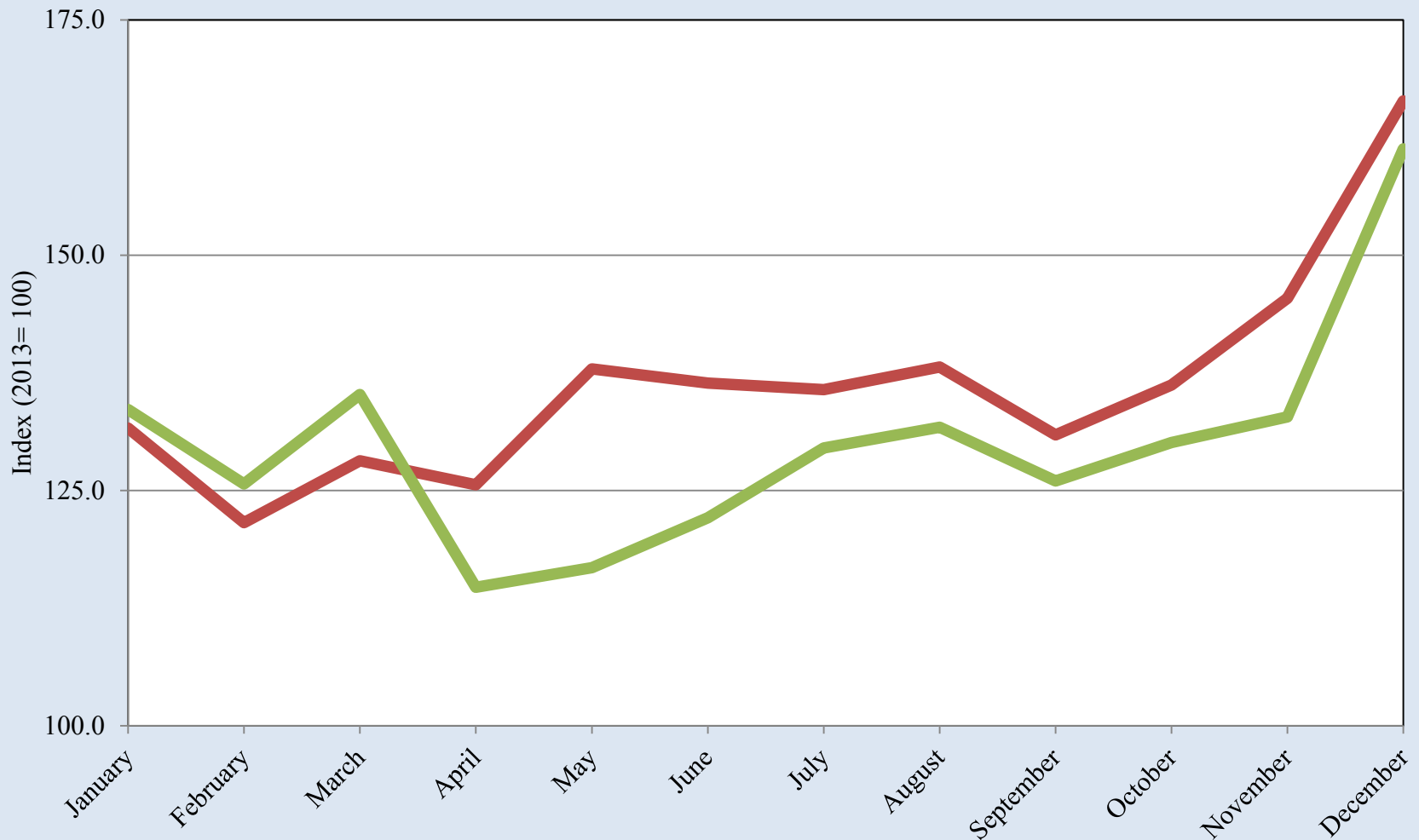
Total Value of Construction in the State of Chihuahua



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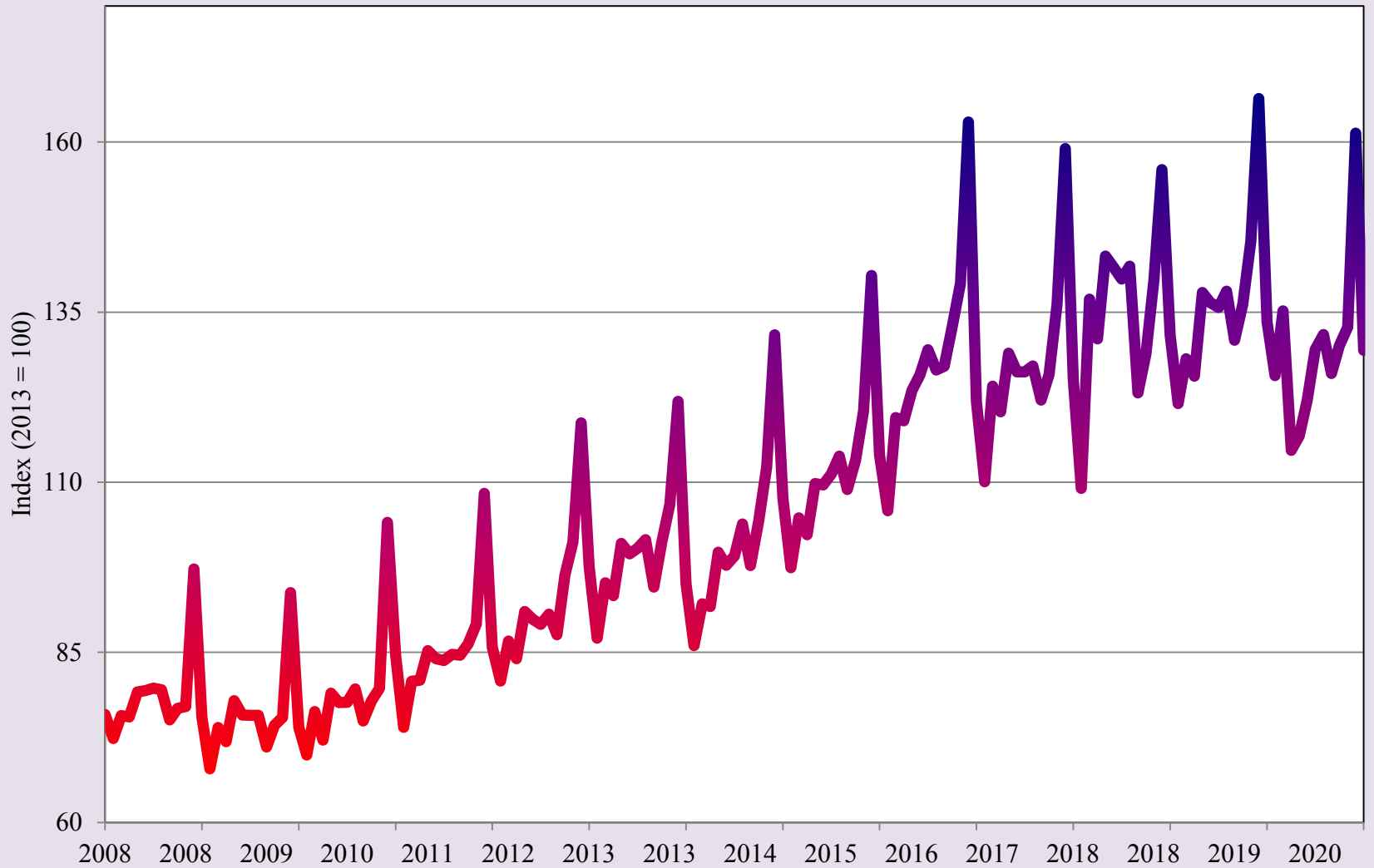
Real Retail Activity Index for the State of Chihuahua

2019 2020



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



Short-Term
Outlook to
2022



BORDERPLEX BUSINESS BAROMETER

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