

4-2022

## **Borderplex Business Barometer, Volume 6, Number 4**

Thomas M. Fullerton Jr.

Steven L. Fullerton

Follow this and additional works at: [https://scholarworks.utep.edu/border\\_region](https://scholarworks.utep.edu/border_region)



Part of the [Regional Economics Commons](#)

Comments:

T.M. Fullerton, Jr., and S.L. Fullerton, 2022, "Prices, Interest Rates, and the Borderplex," *Borderplex Business Barometer* 6(4), 1-66.

---



# BORDERPLEX BUSINESS BAROMETER

**April 2022**

**Border Region Modeling Project**

Thomas M. Fullerton, Jr.  
Steven L. Fullerton

Department of Economics & Finance  
College of Business Administration  
University of Texas at El Paso

**Mailing Address**

Border Region Modeling Project - CBA 236  
UTEP Department of Economics & Finance  
500 West University Avenue  
El Paso, TX 79968-0543

**Physical Address**

College of Business Administration, Room 325  
University of Texas at El Paso

**Email**

[tomf@utep.edu](mailto:tomf@utep.edu)  
[sfullerton@utep.edu](mailto:sfullerton@utep.edu)

**Telephone**

915-747-7747  
915-747-7775

**UTEP Miner Shoppe**

[Click Here](#)

**Border Region Modeling Project Website**

[Click here](#)

*Border Commerce & Economics*

## **Borderplex Business Barometer, Volume 6, Number 4**

### **Prices, Interest Rates, and the Borderplex**

Consumer prices are estimated to have increased 8.5 percent between March 2021 and March 2022. Following similarly high rates of inflation in prior months, the Federal Open Market Committee (FOMC) policy arm of the Federal Reserve System increased its target rate for overnight loans between commercial banks by 50 basis points. Beyond that, the FOMC also announced that it would begin a sequence of quantitative tightening moves by selling mortgage backed equities and long-term Treasury bonds.

As shown on Page 4, interest rates have started to increase across the entire term structure spectrum. That has several implications for loan demand and investment alternatives. Because interest rates are rising faster than personal incomes, qualified borrower pools are shrinking and loan demand should diminish. Interest payment burdens will soon increase for short-term debt such as credit cards and any types of loans that carry variable interest rates. From an investment angle, equity prices may level off as fixed payment alternatives such as bonds now offer higher yields. Because real interest rates are still negative, there is ample room for them to move higher this year.

Up to this point, the Borderplex regional economy is doing well. The Federal Reserve Bank of Dallas El Paso Metropolitan Business Index advanced for a sixth consecutive month in March (Pages 2 and 3). The UTEP Border Region Modeling Project El Paso Household Economic Stress Index also declined in March, as did the El Paso County jobless rate (Pages 5-8). Supplemental Nutrition Assistance program enrollments have remained below 153 thousand in El Paso for 15 consecutive months (Pages 9 and 10), while in Las Cruces, they dropped in both January and February (Pages 19 and 20).

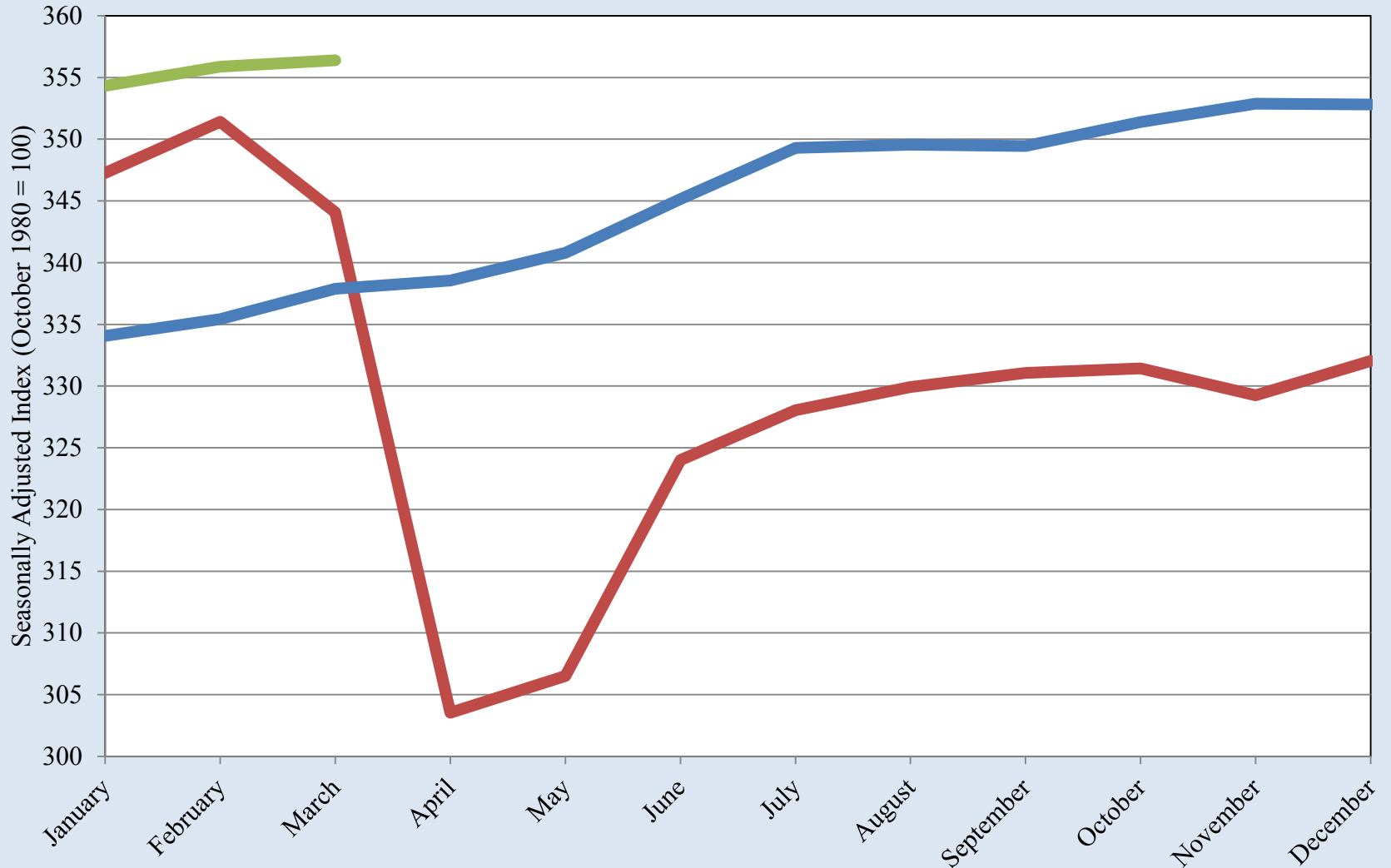
Similar to many other regions, residential real estate demand has outstripped supplies across the Borderplex. In El Paso, the single-family months of housing inventory of houses for sales to houses sold has remained under 2.0 for 22 straight months (Pages 13 and 14). That, combined with low mortgage rates, tight labor market conditions, and high construction materials prices, has

pushed the median price for stand-alone housing units above \$220 thousand in recent months (Pages 11 and 12). Prices have also risen notably in both Las Cruces and Ciudad Juarez, with some investors moving south from El Paso into the latter market.

El Paso unleaded regular gasoline prices averaged \$3.98 per gallon in March (Pages 15 and 16). In real terms, that is still 23 percent lower than the historical all-time peak that was reached in June 2008. On an annual basis, the highest inflation adjusted regular gasoline price occurred in both 2011 and 2012. Unless the war in Ukraine finishes and Russian military forces withdraw, supply constraints may cause new regional fuel price records to be set in real terms during 2022.

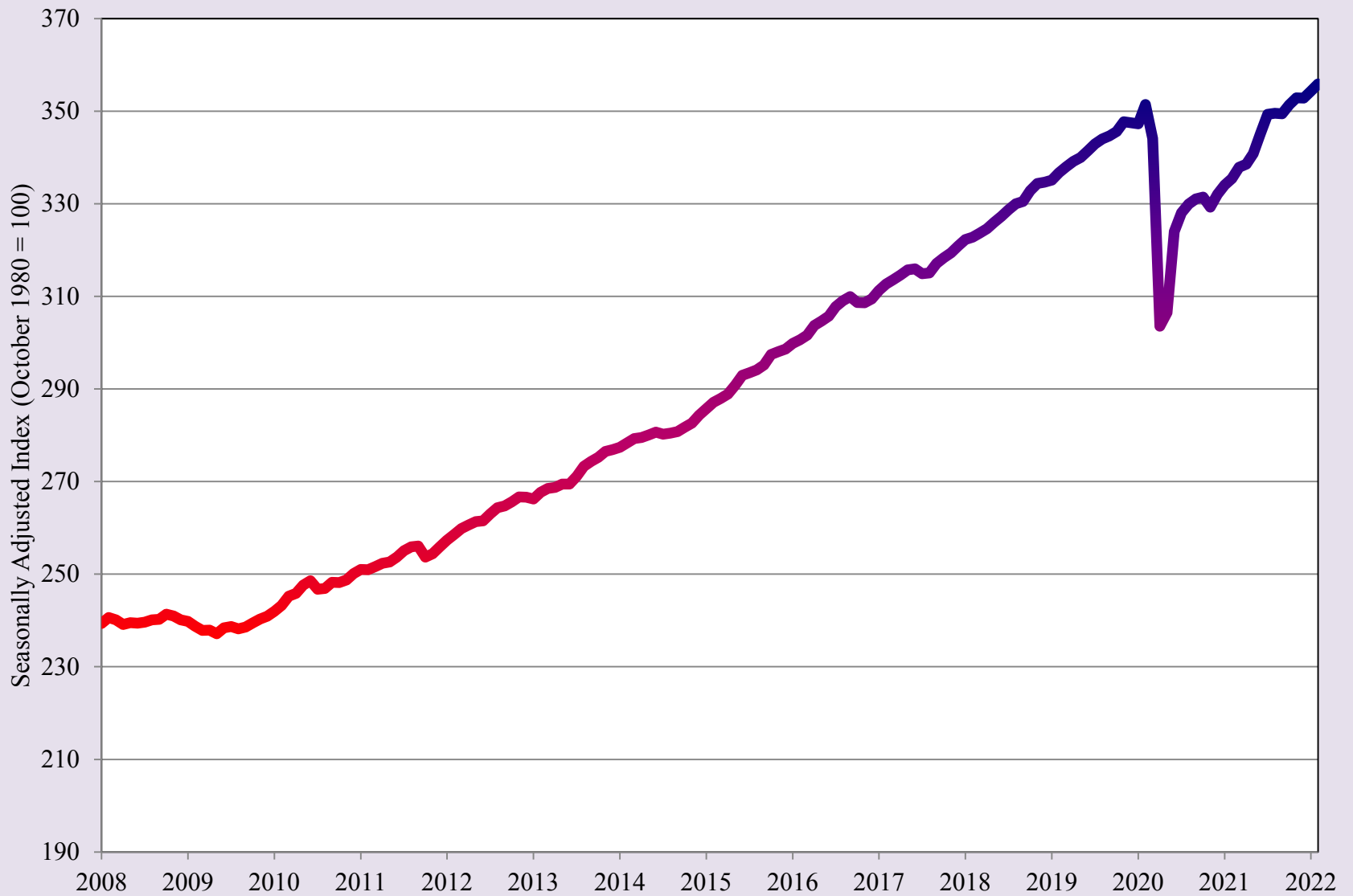
# El Paso Metropolitan Business Cycle Index

2020 2021 2022



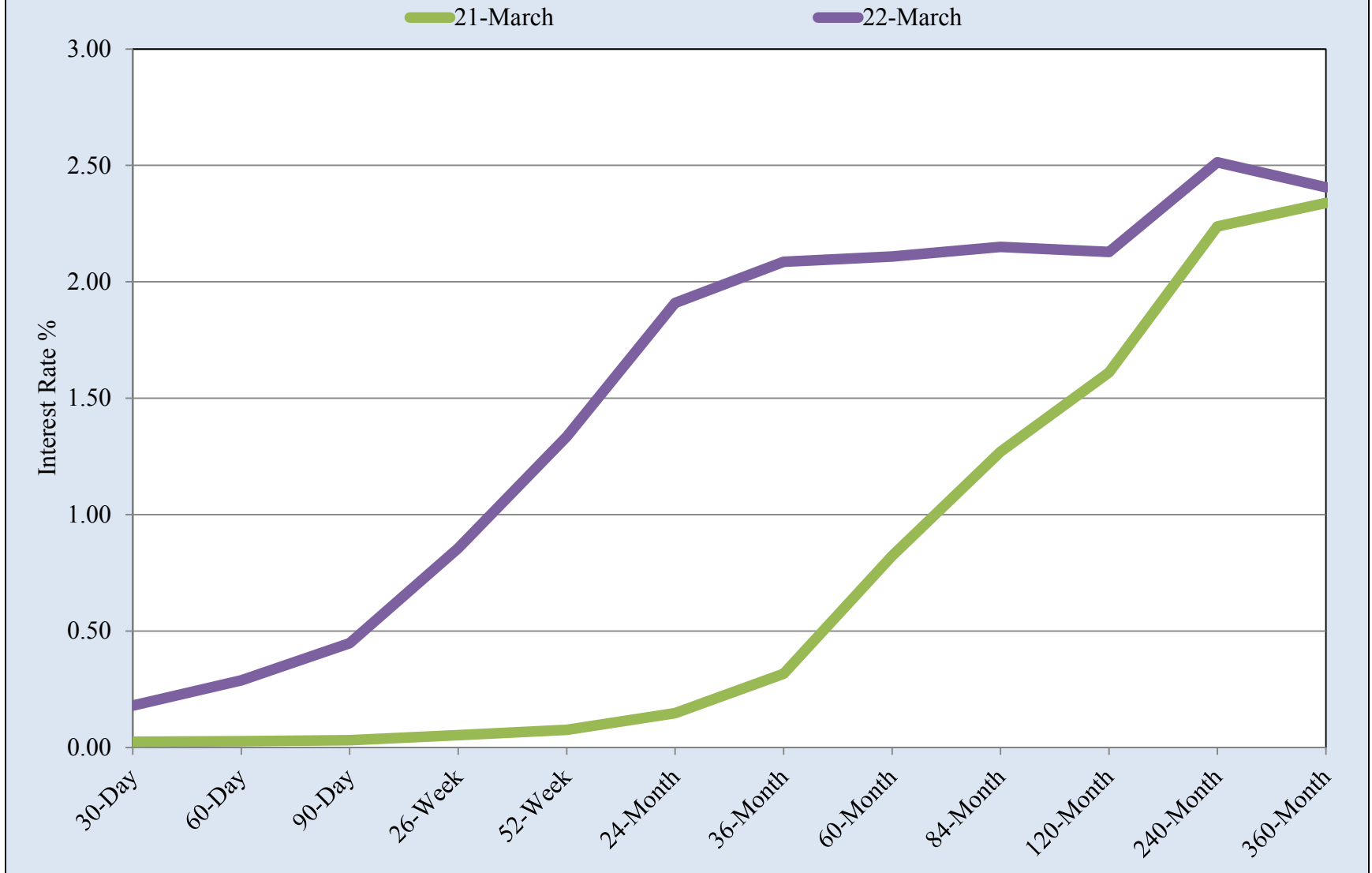
Source: Federal Reserve Bank of Dallas

## El Paso Metropolitan Business Cycle Index



Source: Federal Reserve Bank of Dallas

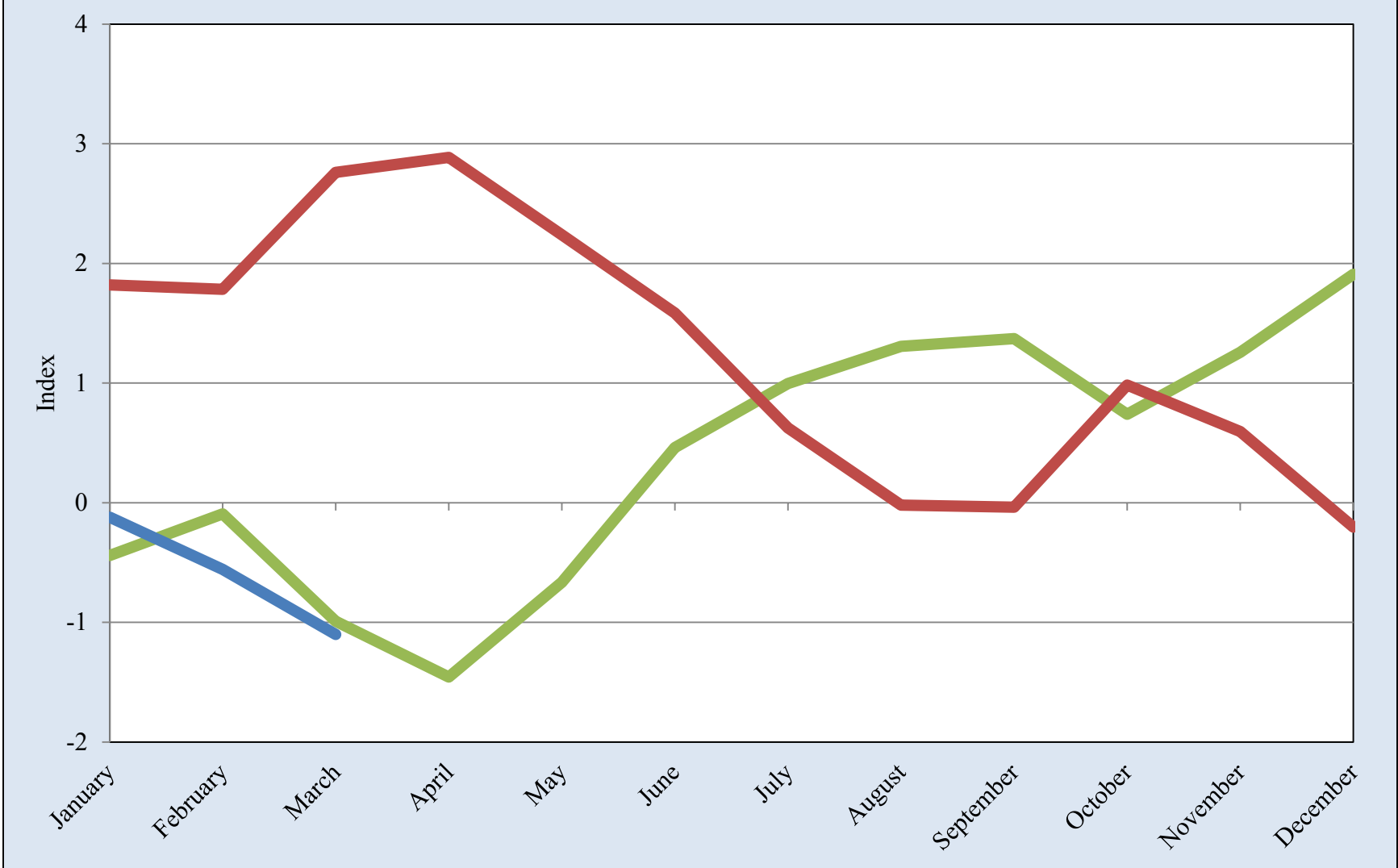
## Average Treasury Yield Curve Rates



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

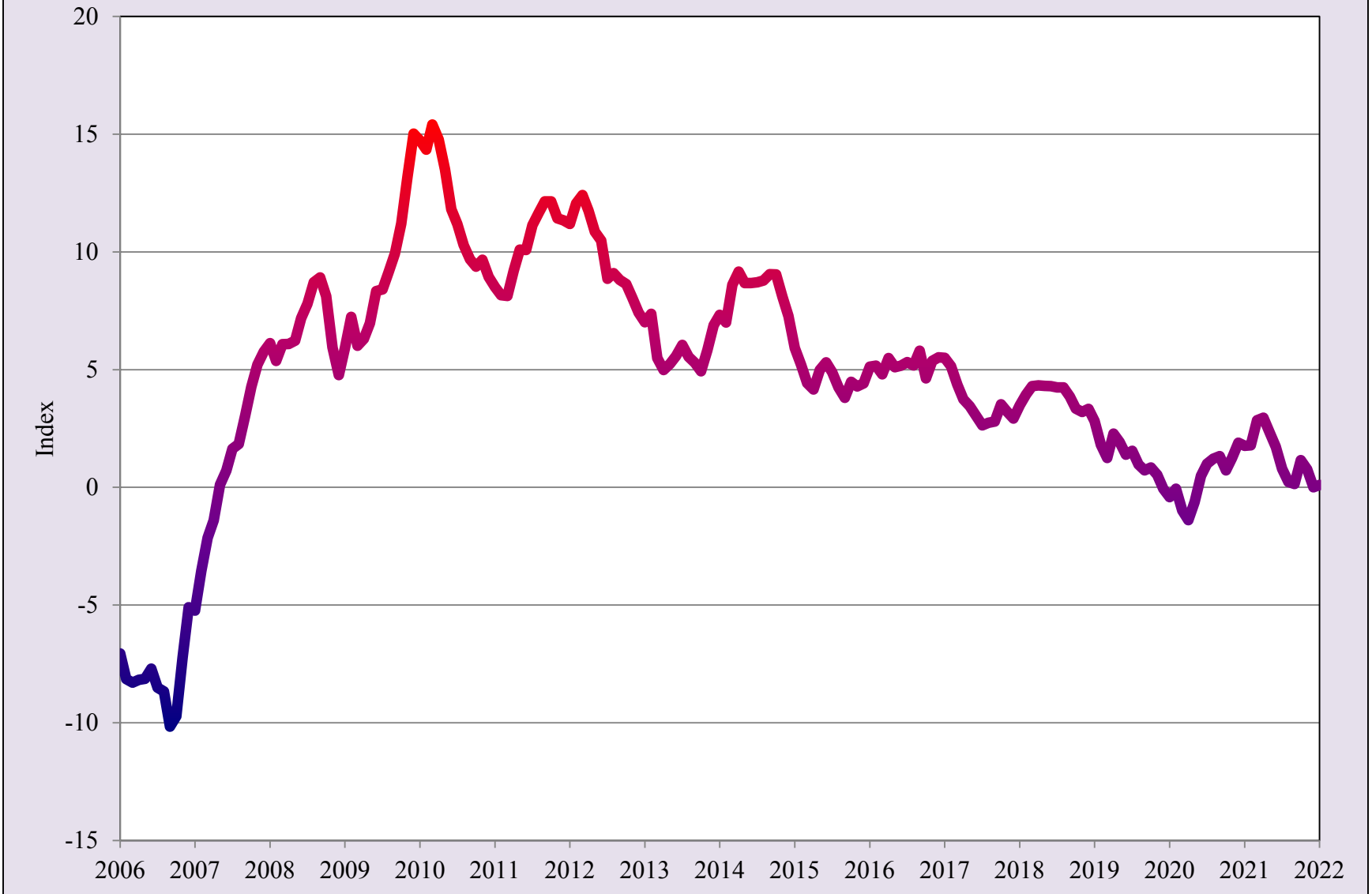
# El Paso Household Economic Stress Index

2020 2021 2022



Source: UTEP Border Region Modeling Project

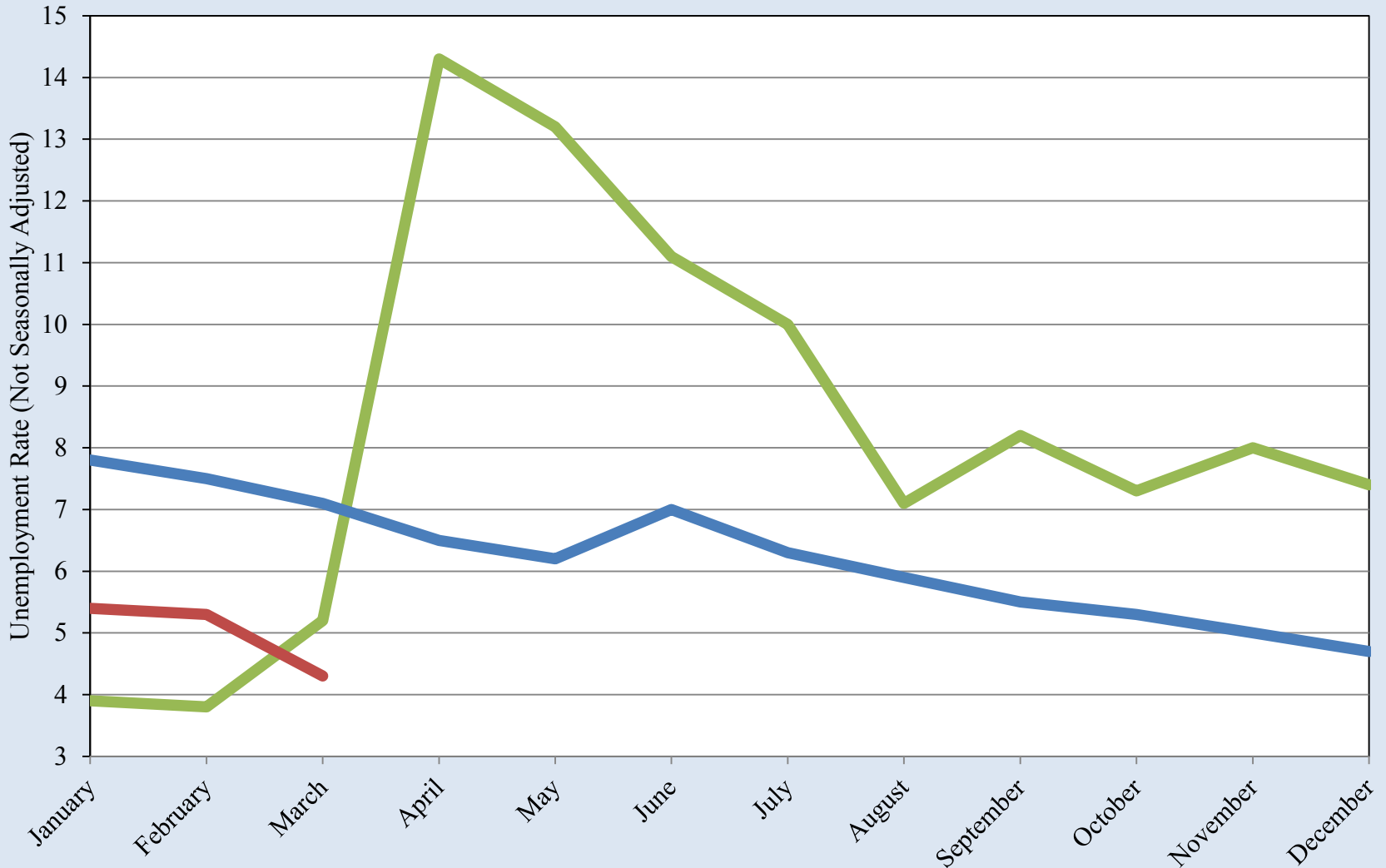
## El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

# El Paso County Unemployment Rate

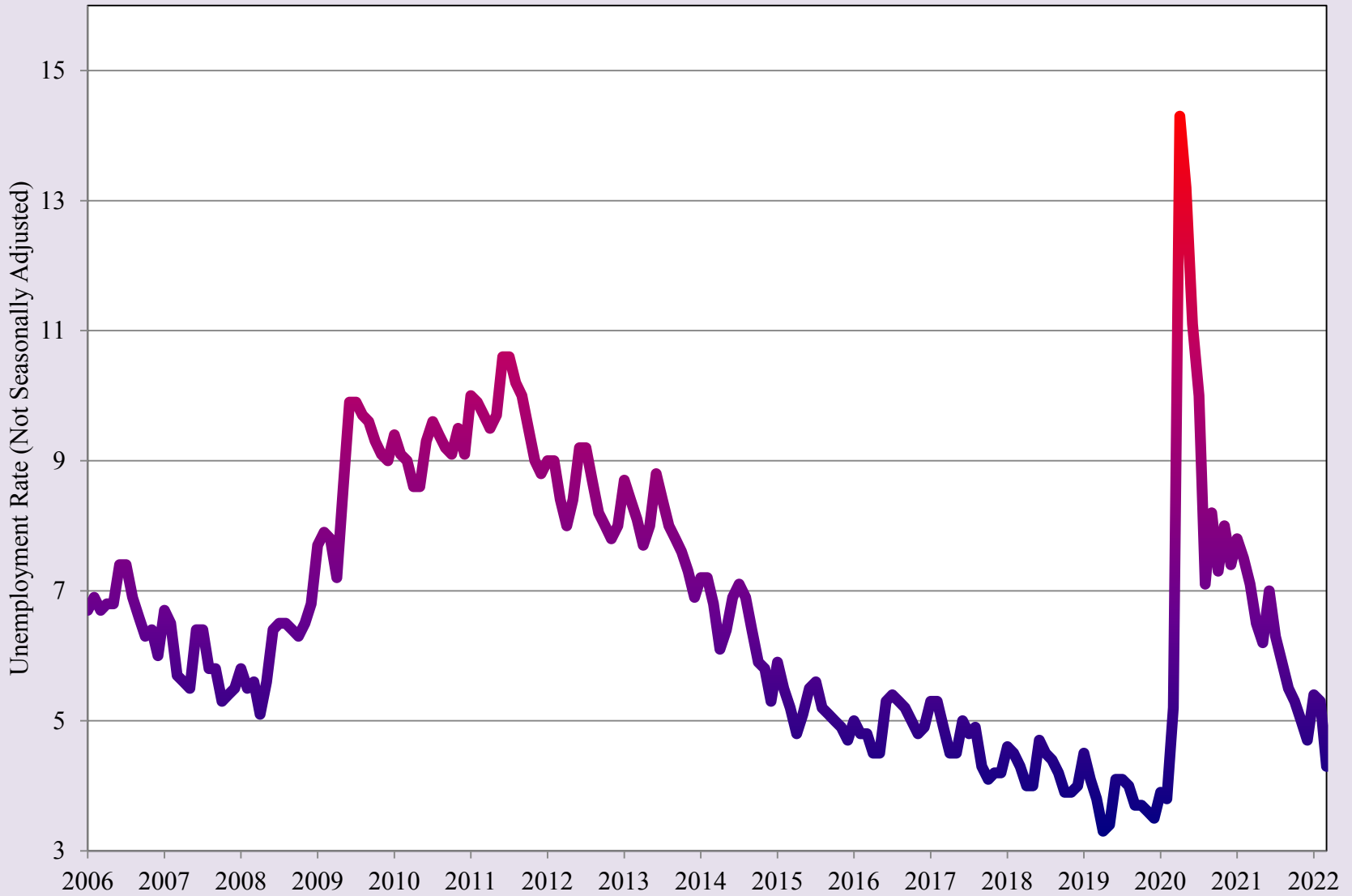
2020 2021 2022



Source: Bureau of Labor Statistics

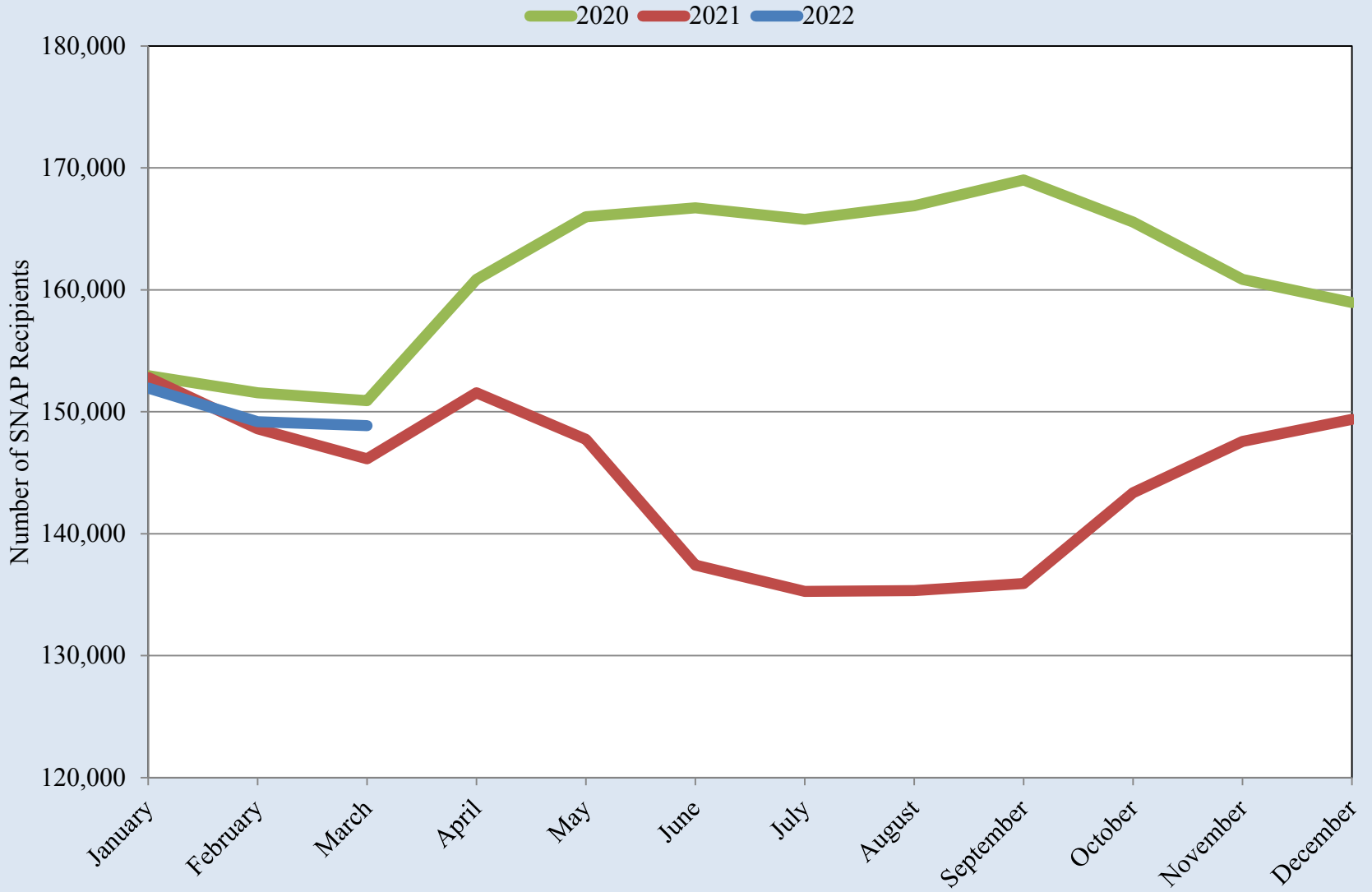


## El Paso County Unemployment Rate



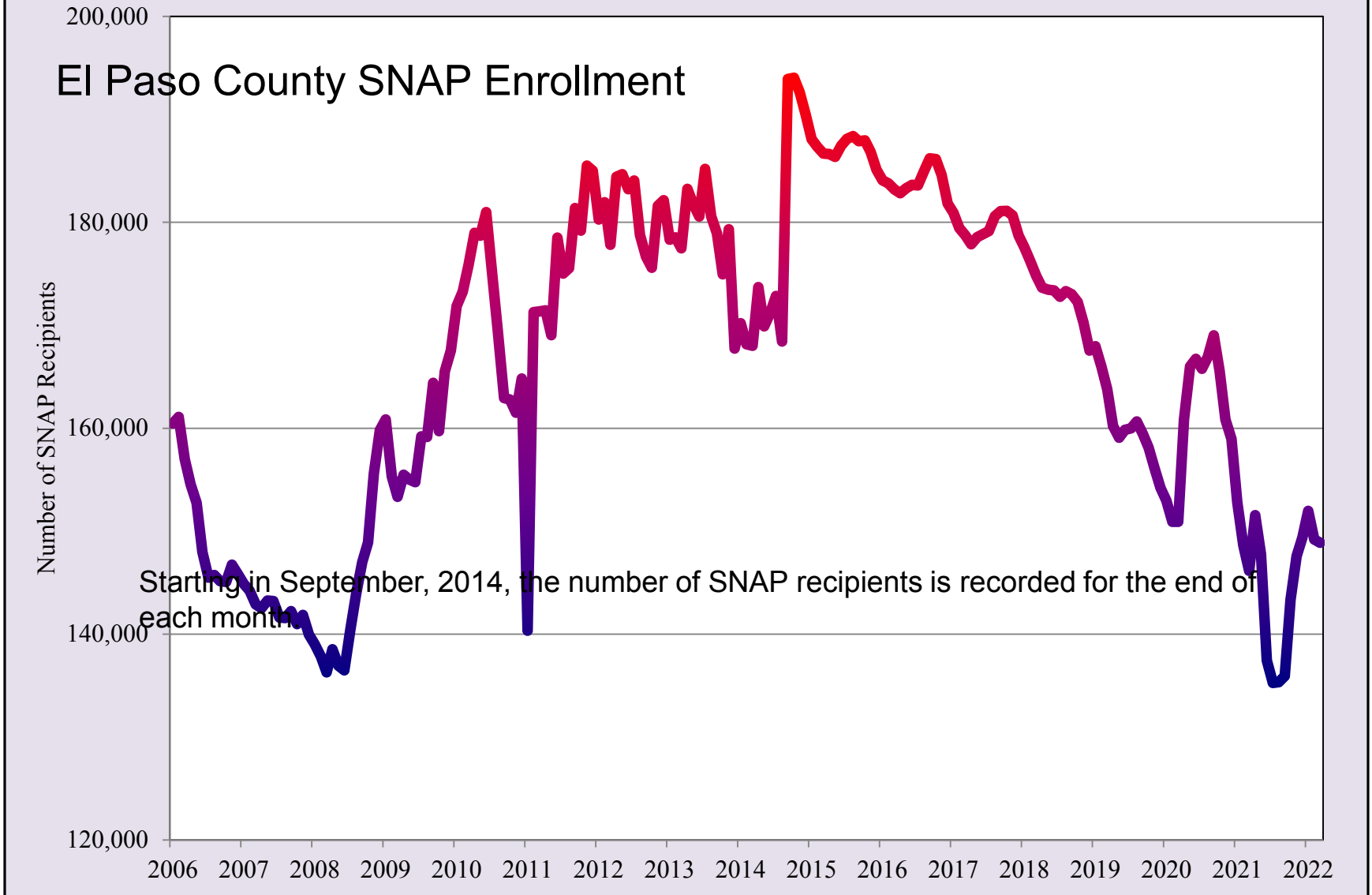
Source: Bureau of Labor Statistics

## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

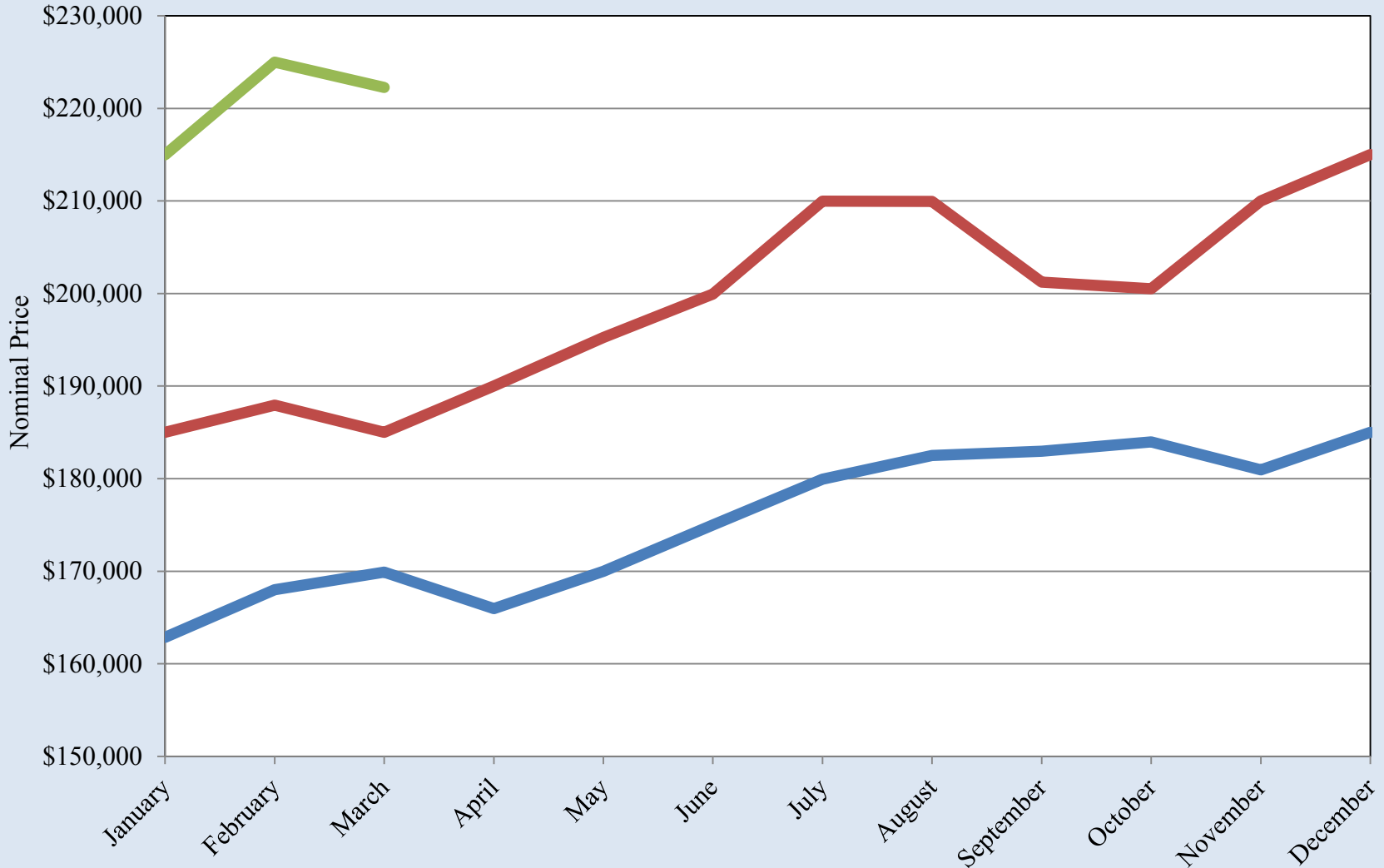
## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

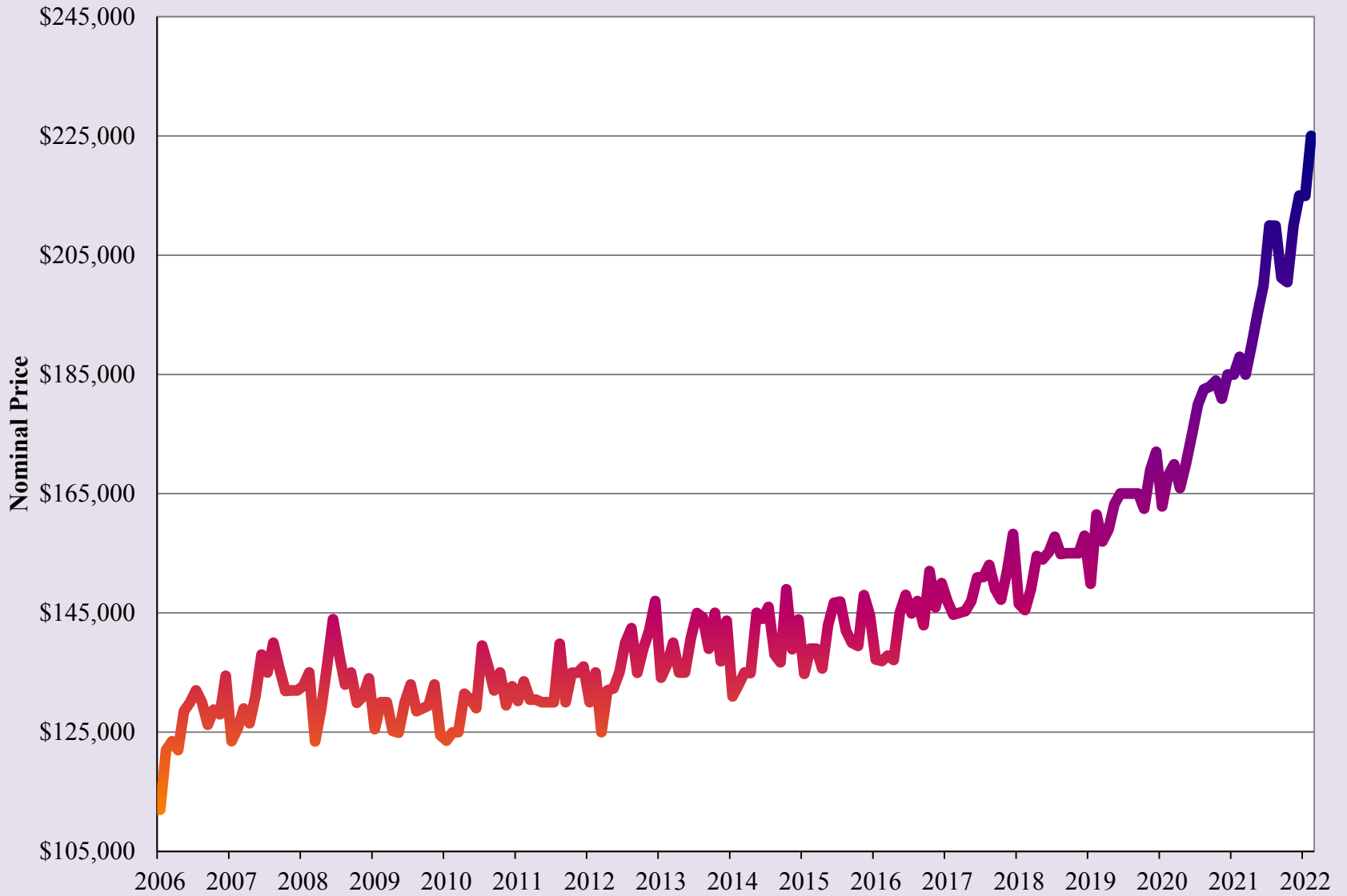
## El Paso Median Housing Prices

2020 2021 2022



Source: Texas A&M Real Estate Center

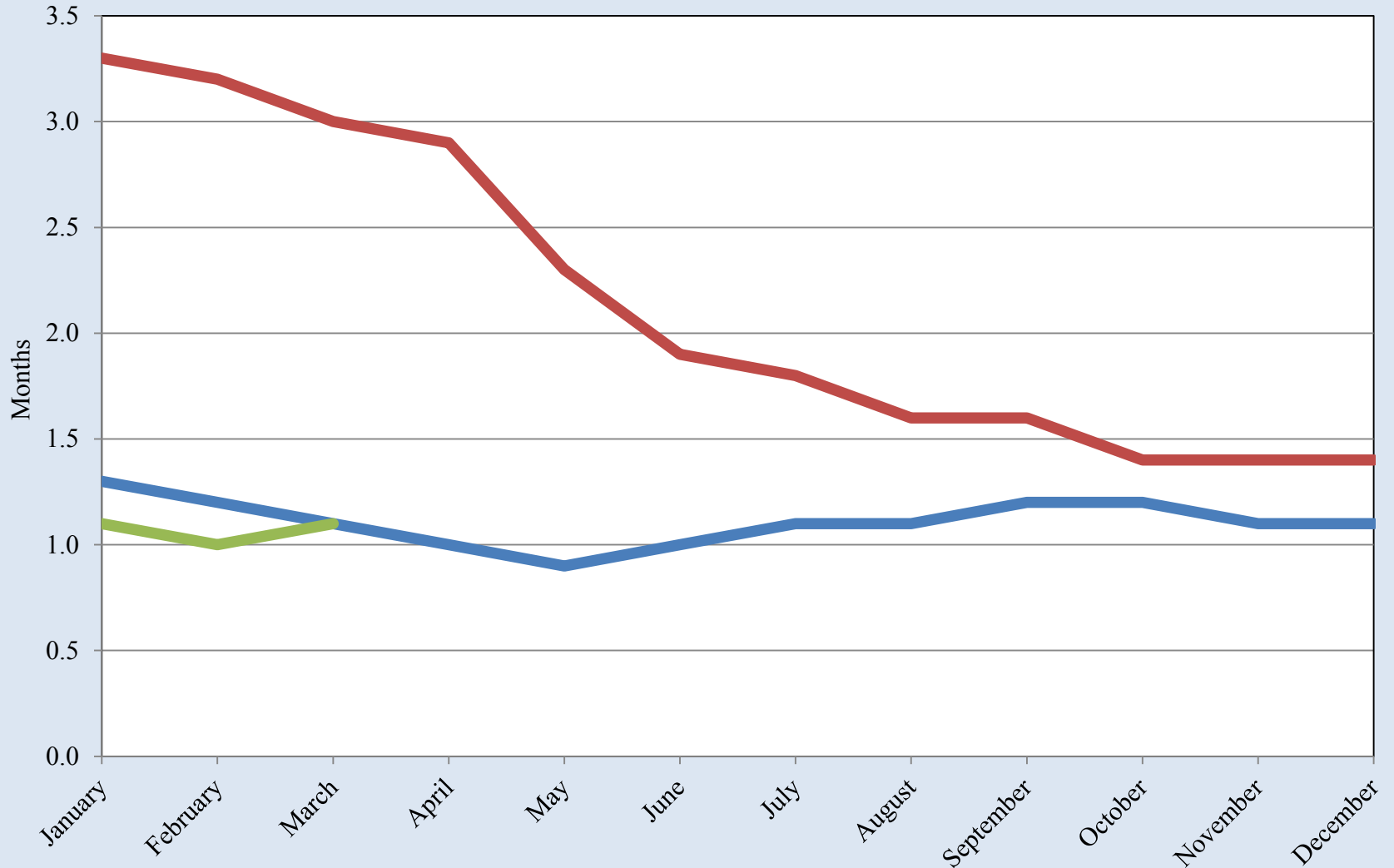
## El Paso Median Housing Prices



Source: Texas A&M Real Estate Center

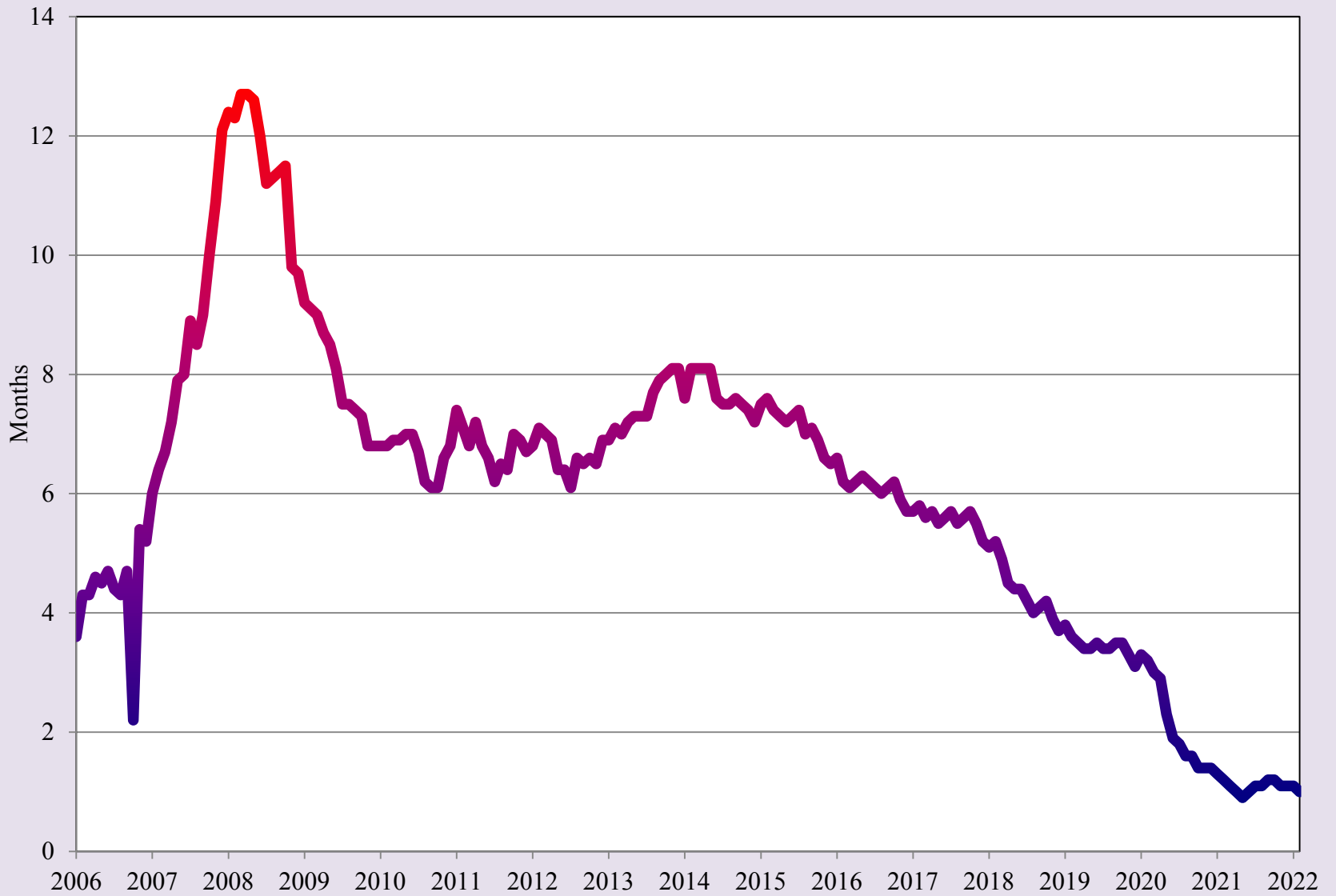
## Months of Housing Inventory for El Paso

2020 2021 2022



Source: Texas A&M Real Estate Center

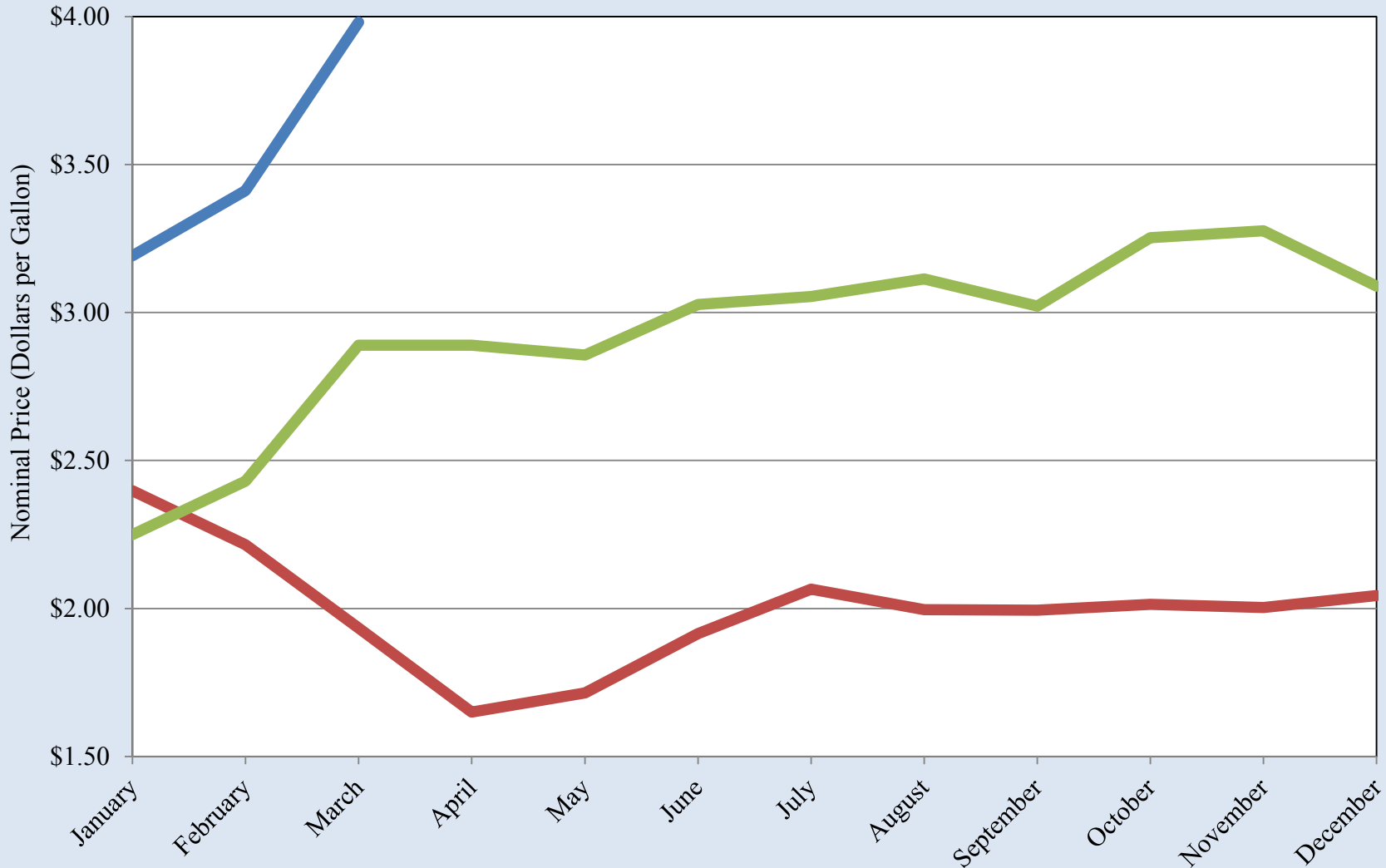
## Months of Housing Inventory for El Paso



Source: Texas A&M Real Estate Center

# El Paso Gasoline Prices

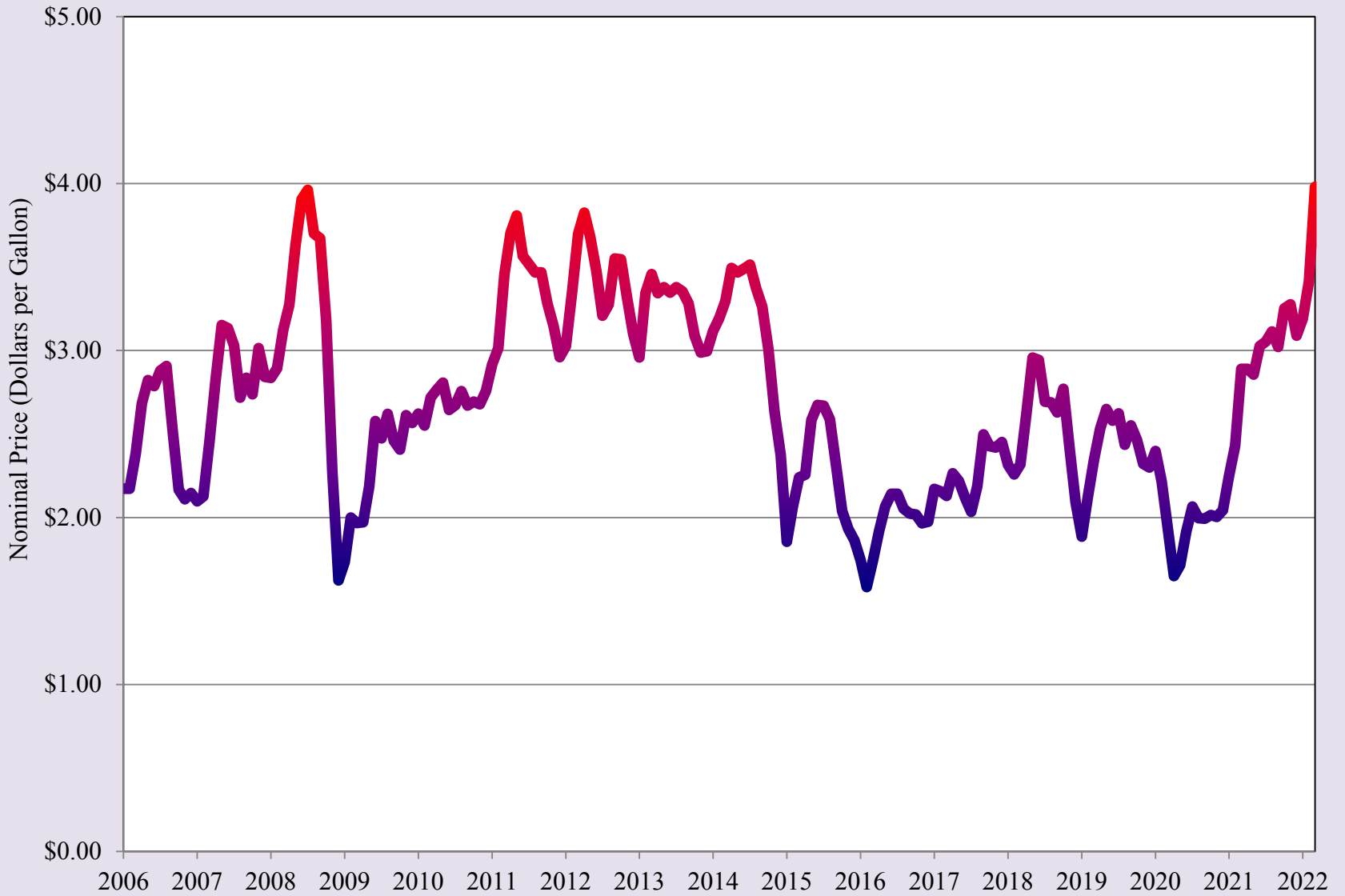
2020 2021 2022



Source: GasBuddy.com



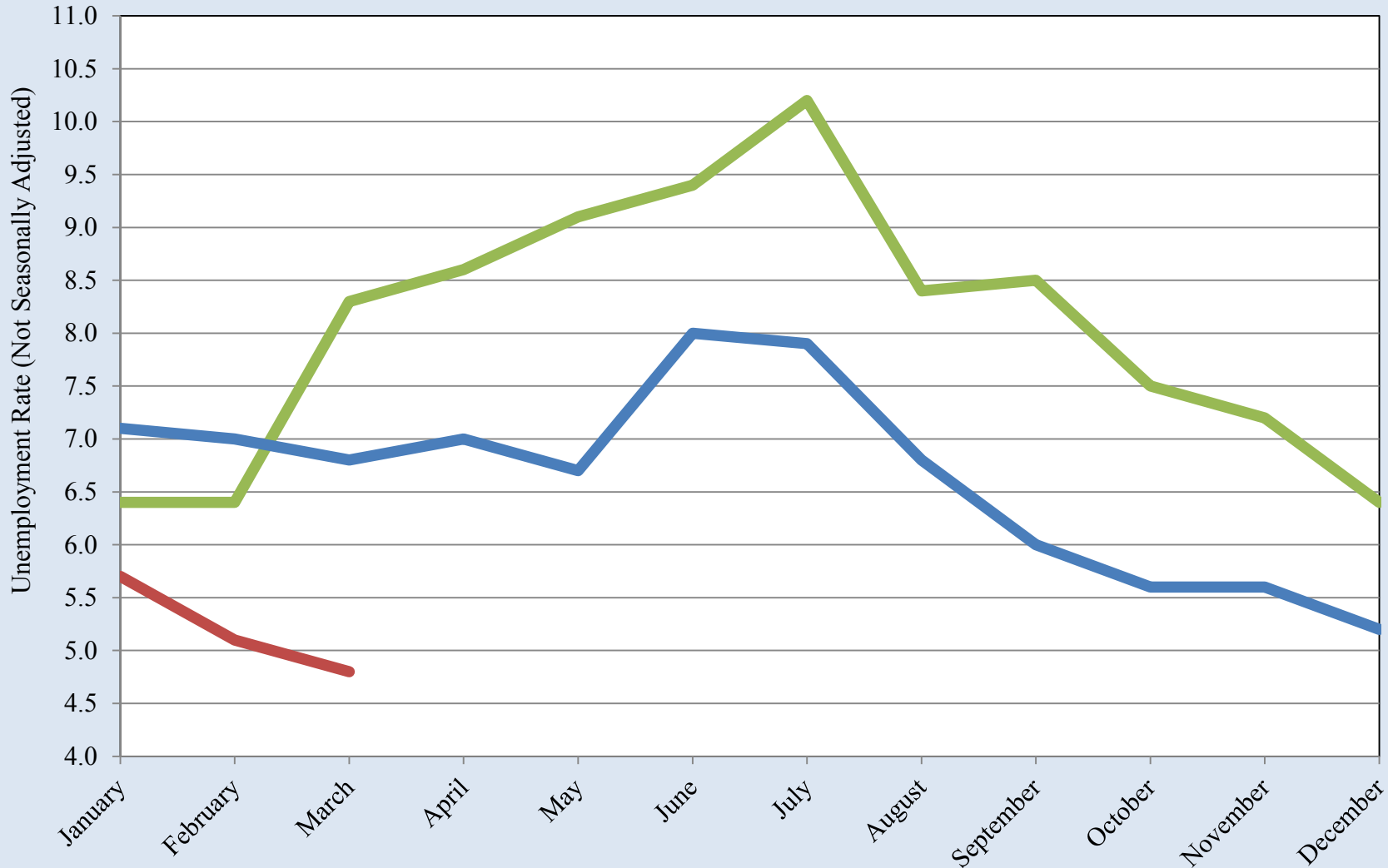
## El Paso Gasoline Prices



Source: GasBuddy.com

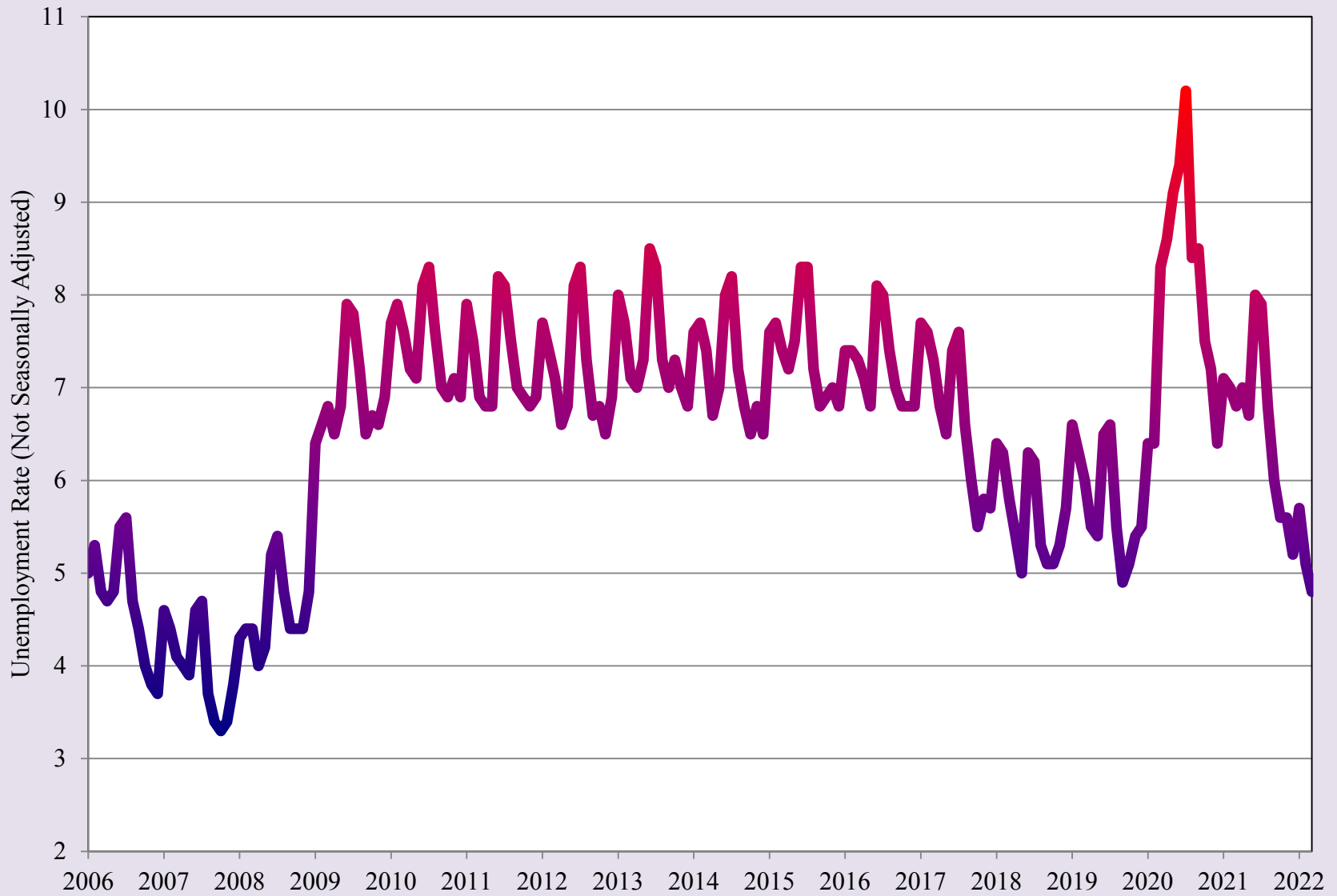
# Doña Ana County Unemployment Rate

2020 2021 2022



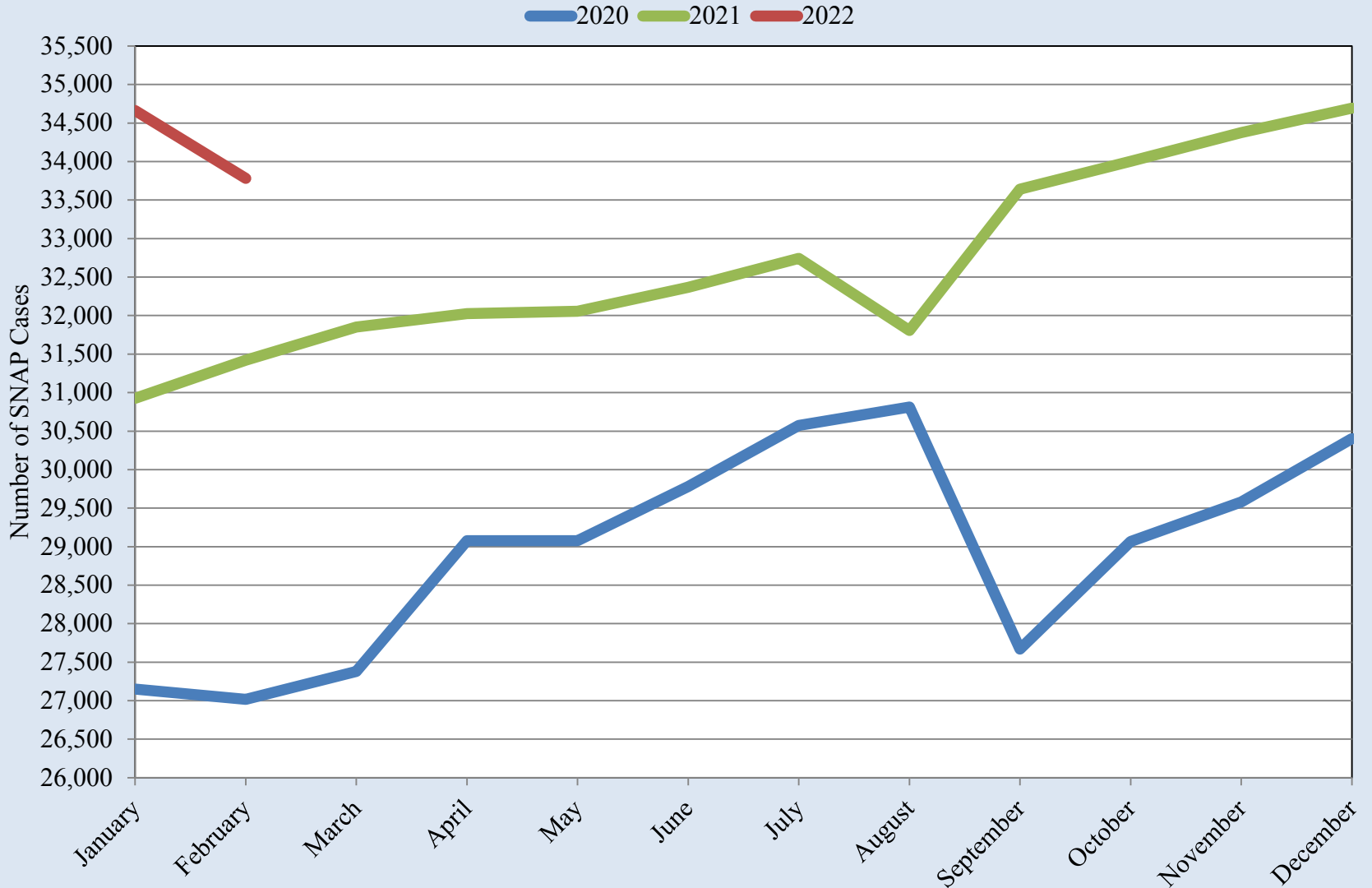
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



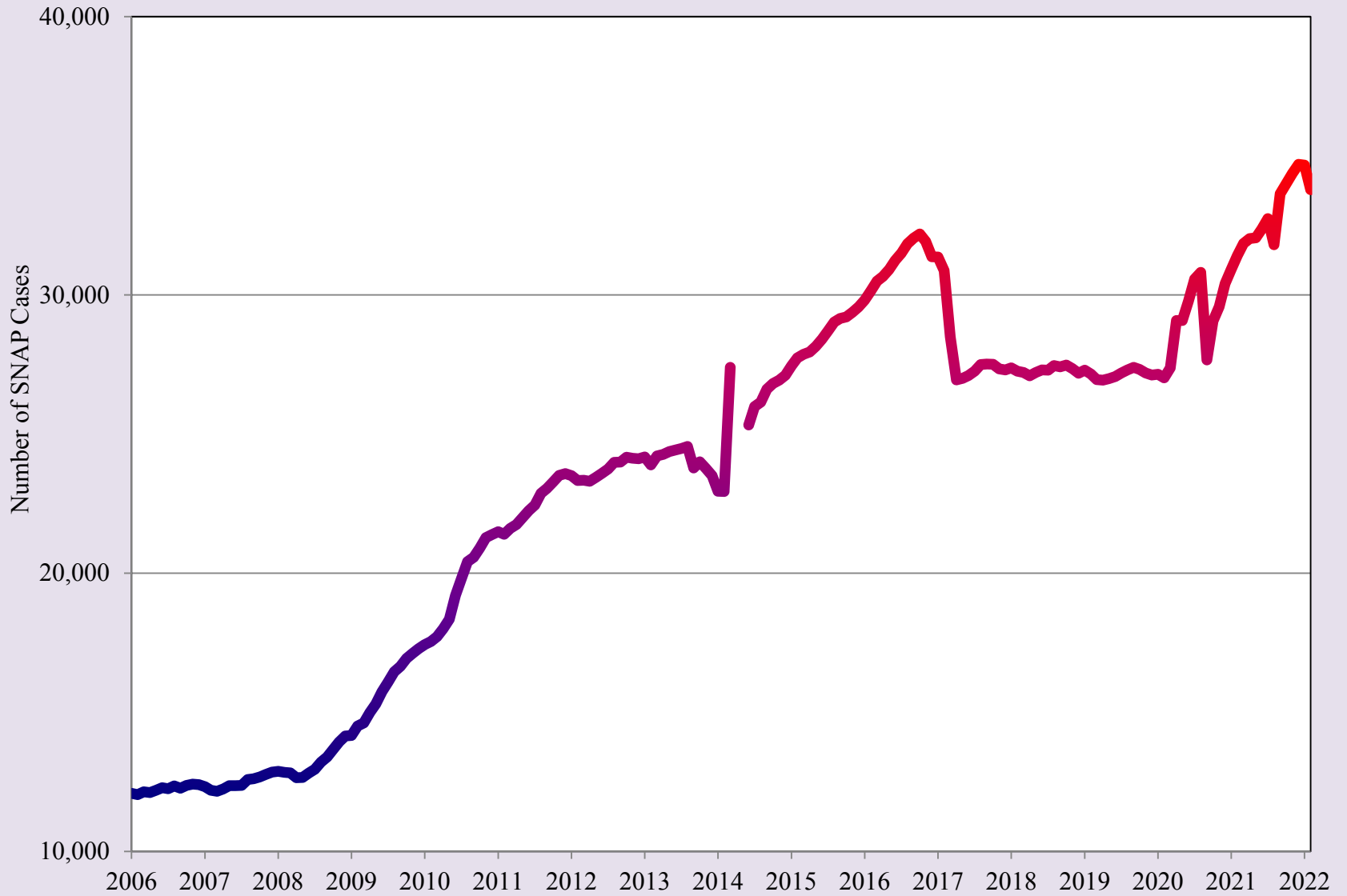
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



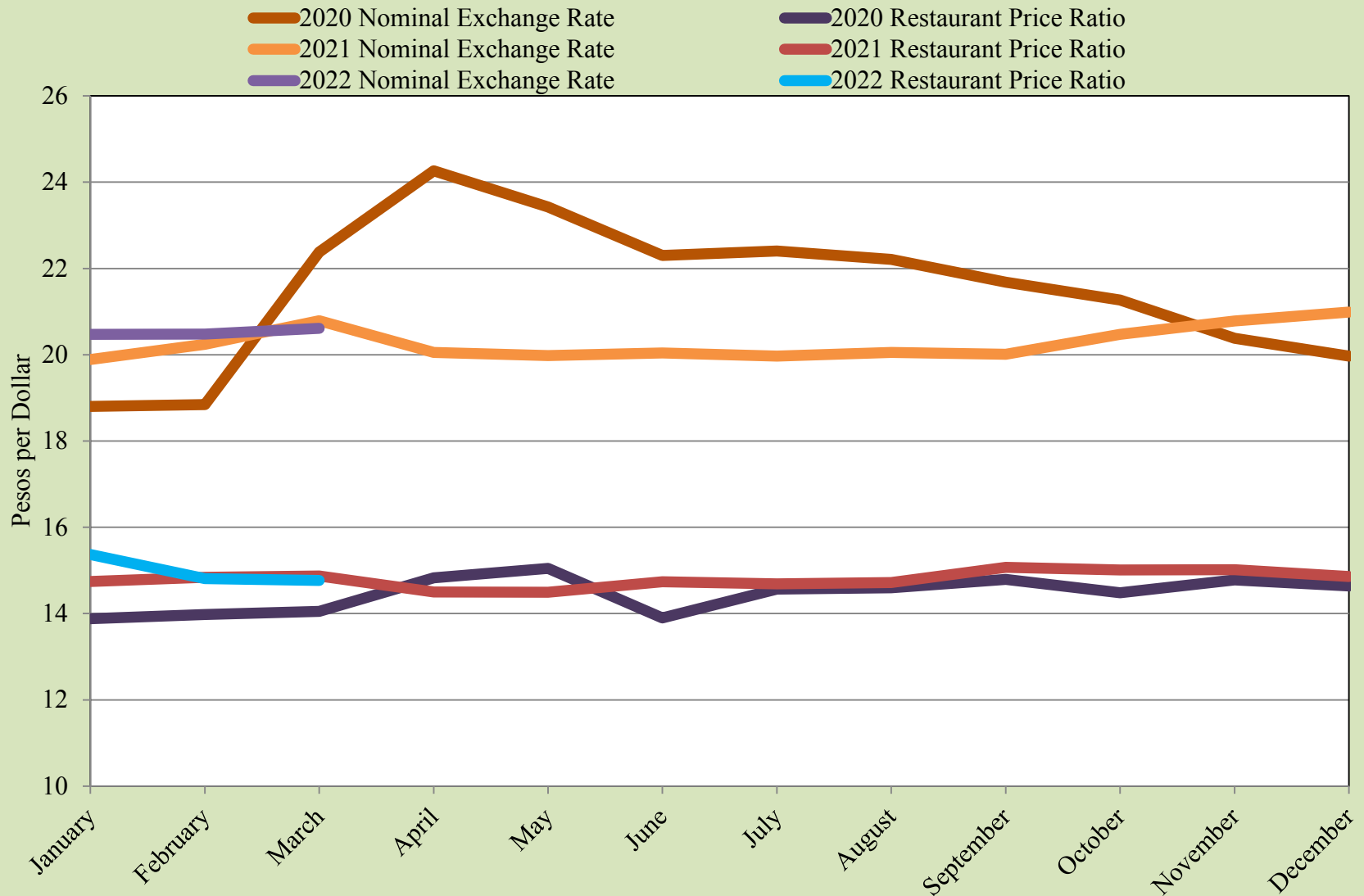
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

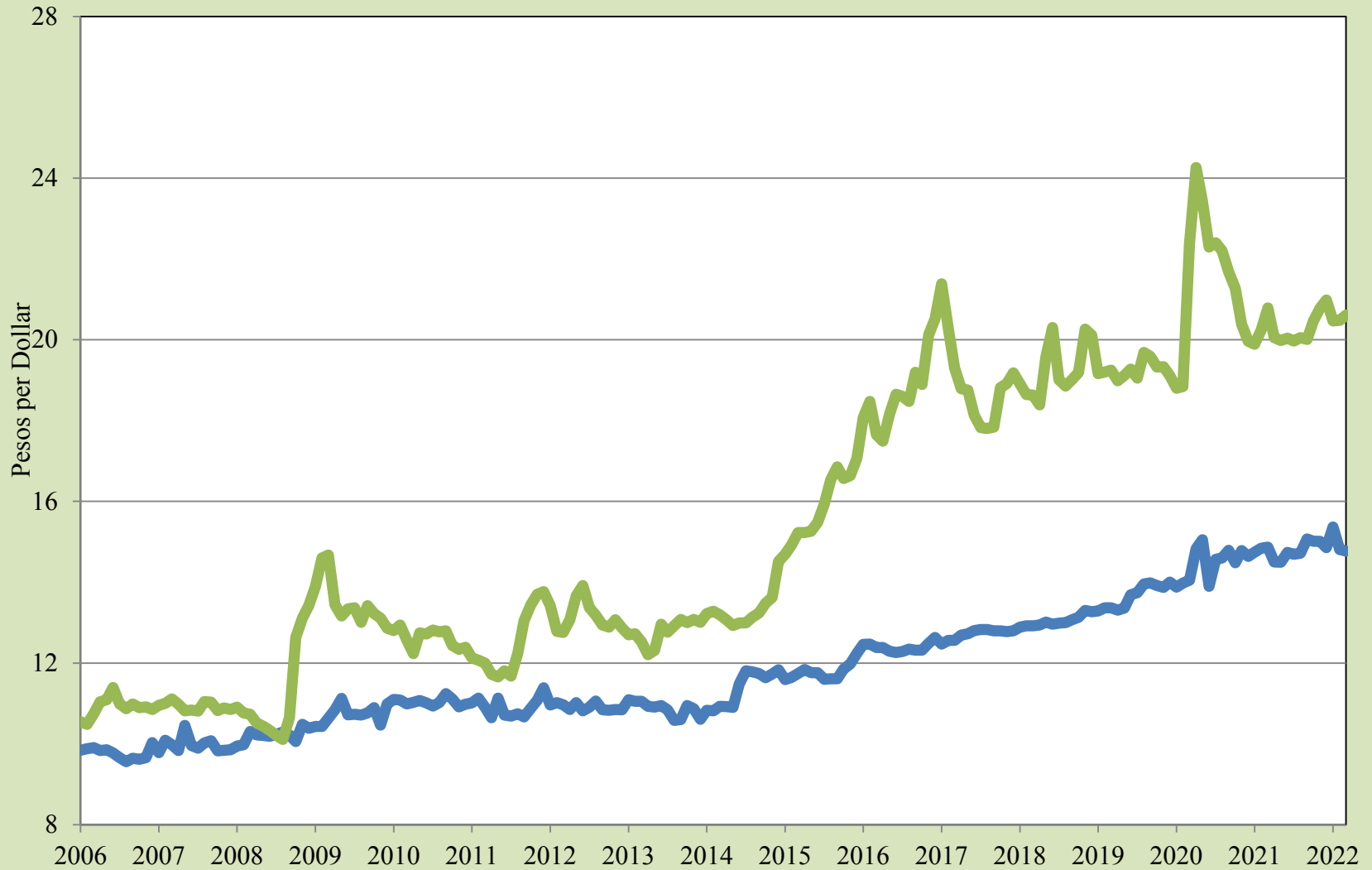
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

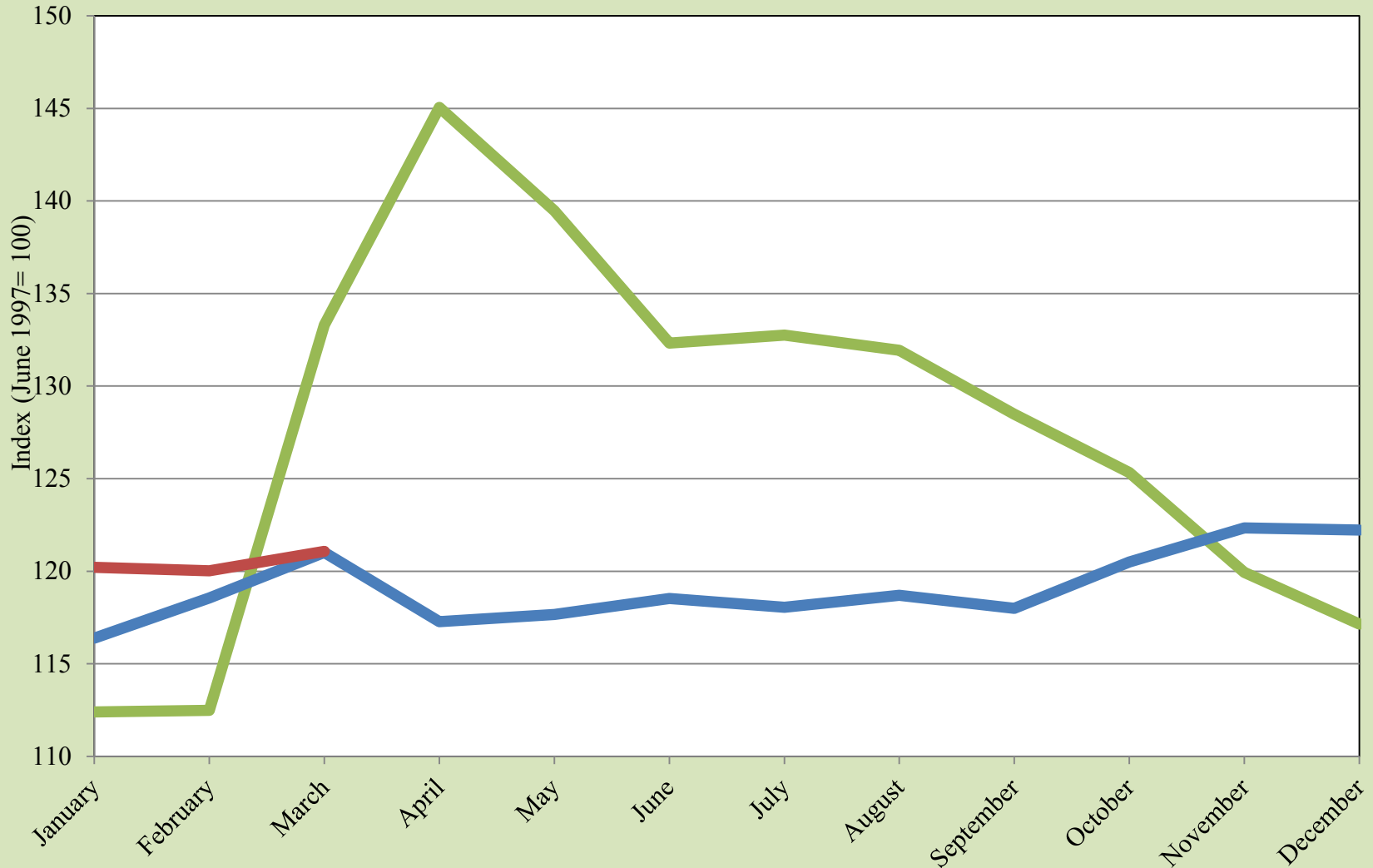
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

# Real Peso-per-Dollar Exchange Rate Index

— 2020 — 2021 — 2022



Source: UTEP Border Region Modeling Project

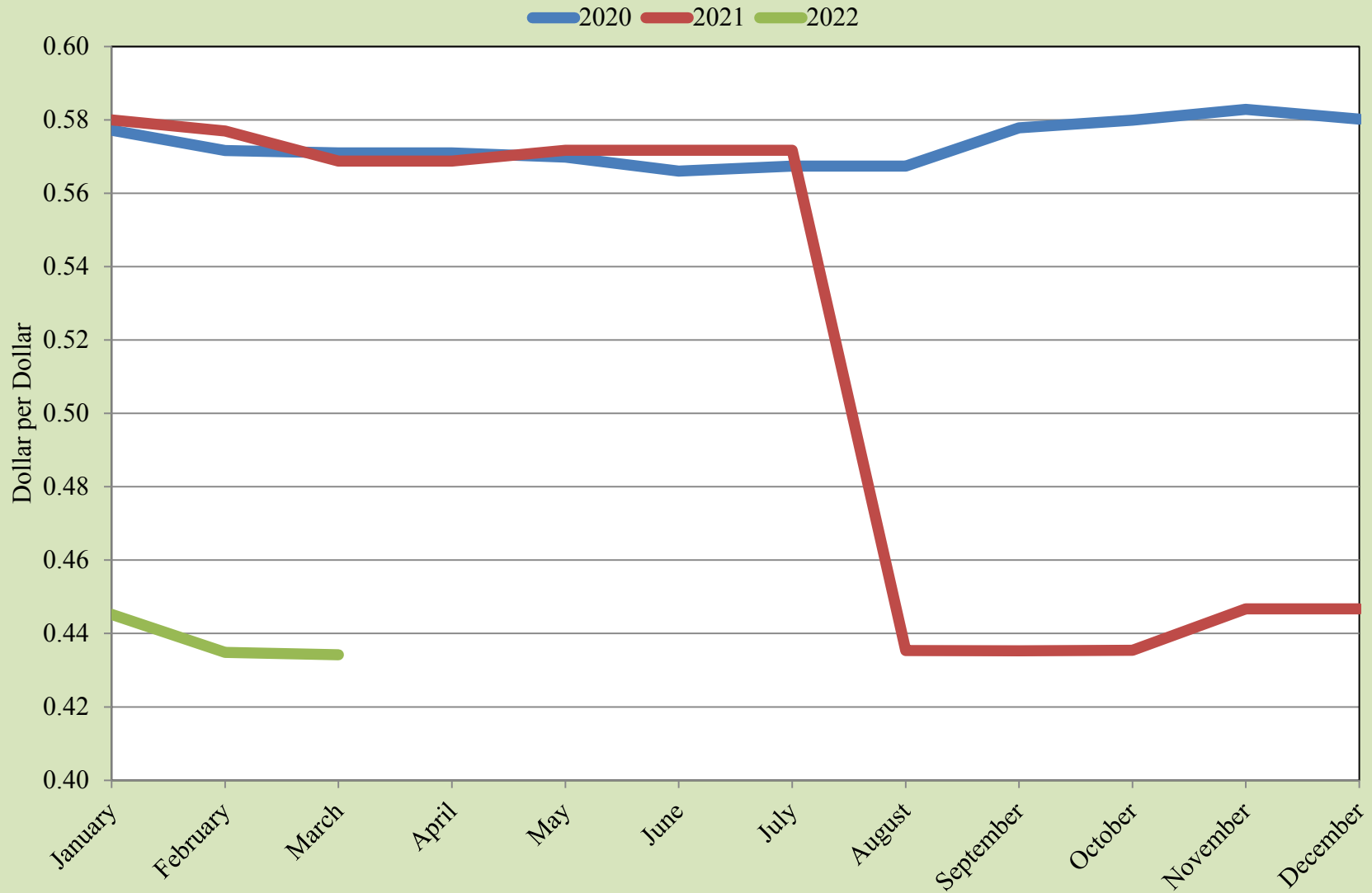


## Real Peso-per-Dollar Exchange Rate Index



Source: UTEP Border Region Modeling Project

## Pharmaceutical Nominal Price Ratio in the USA and Mexico



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

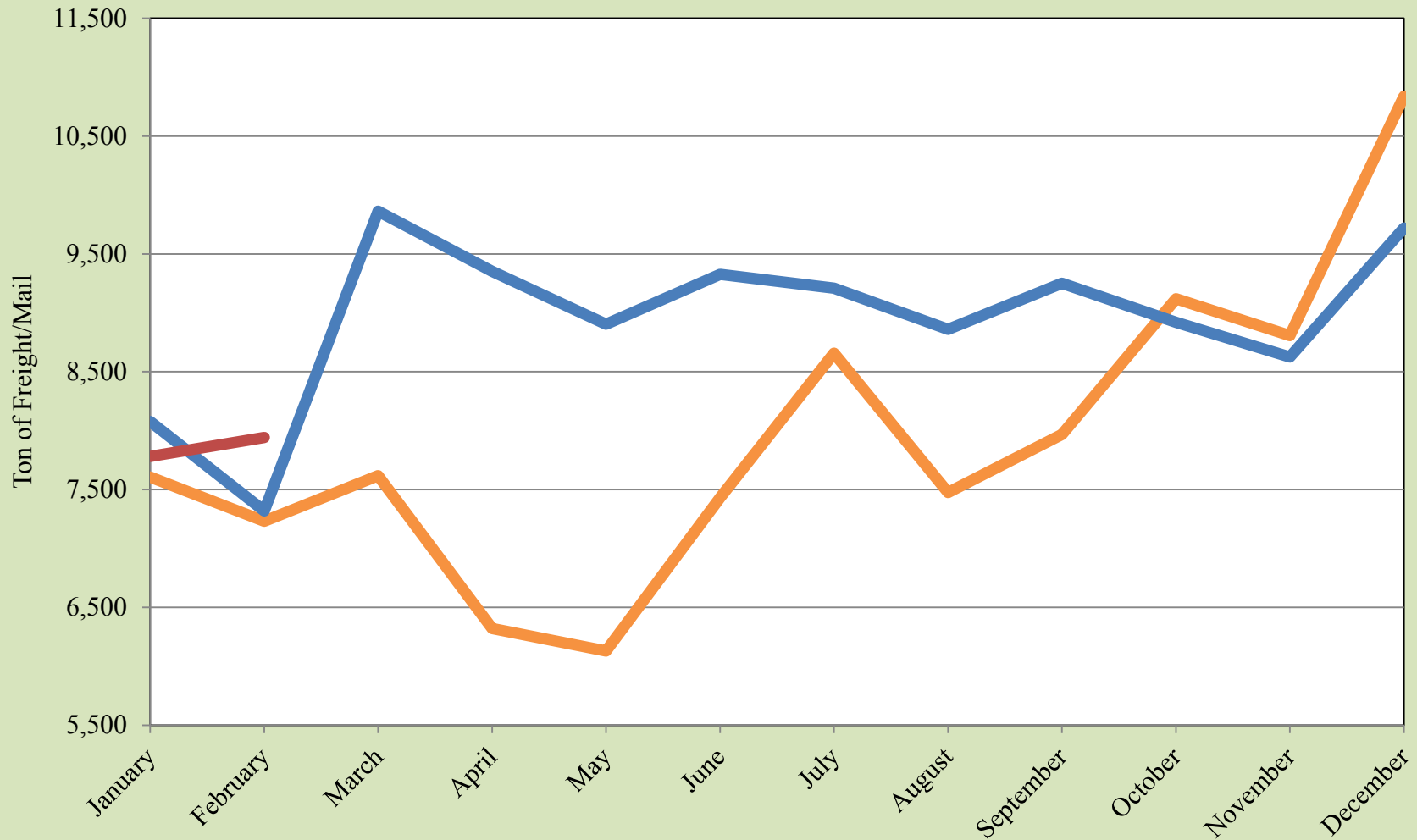
## Pharmaceutical Nominal Price Ratio in the USA and Mexico



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

## EPIA Freight and Mail

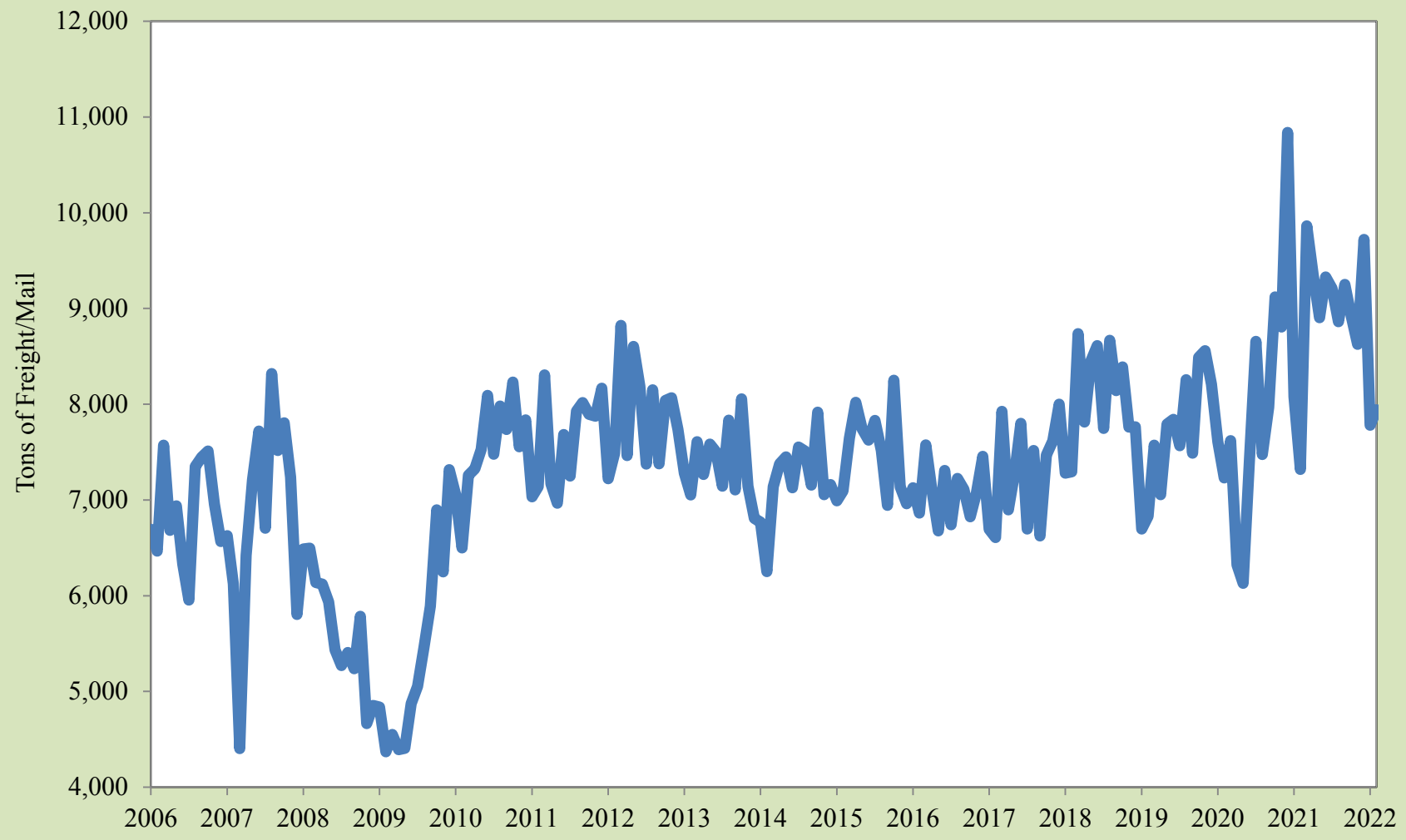
— Total 2020 — Total 2021 — Total 2022



Source: EPIA Operations

# EPIA Freight and Mail

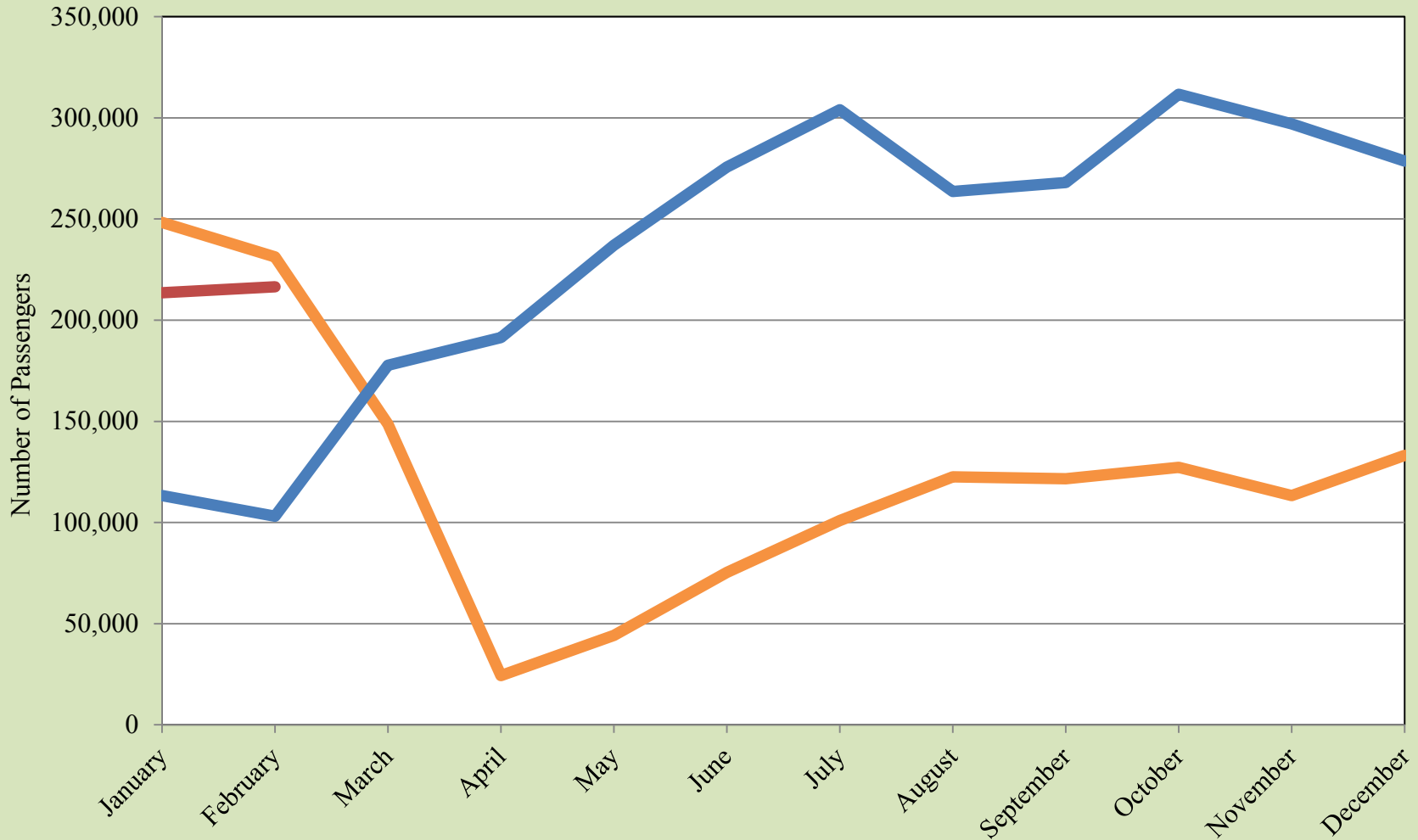
Inbound+Outbound



Source: EPIA Operations

# EPIA Passengers

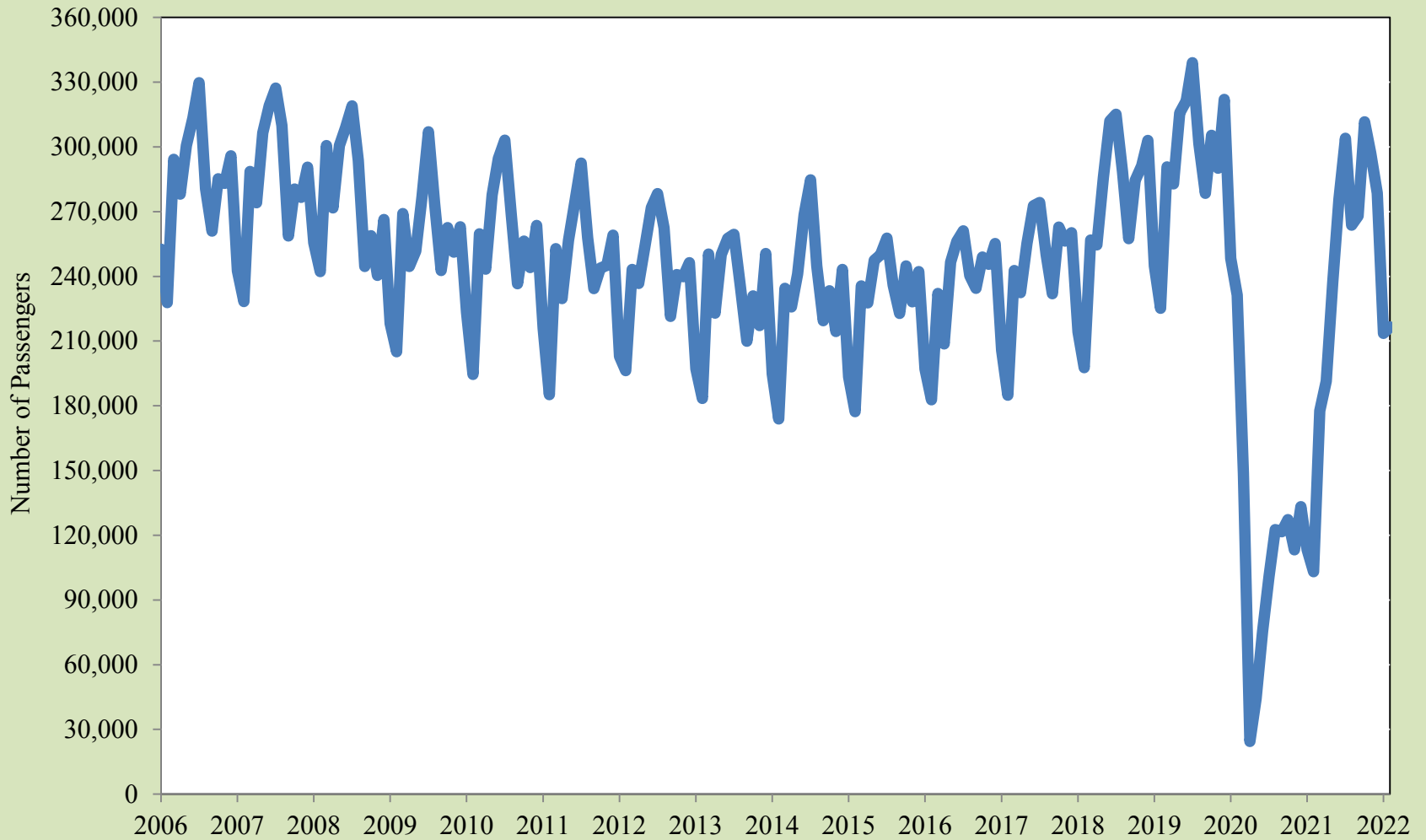
Total 2020 Total 2021 Total 2022



Source: EPIA Operations

# EPIA Passengers

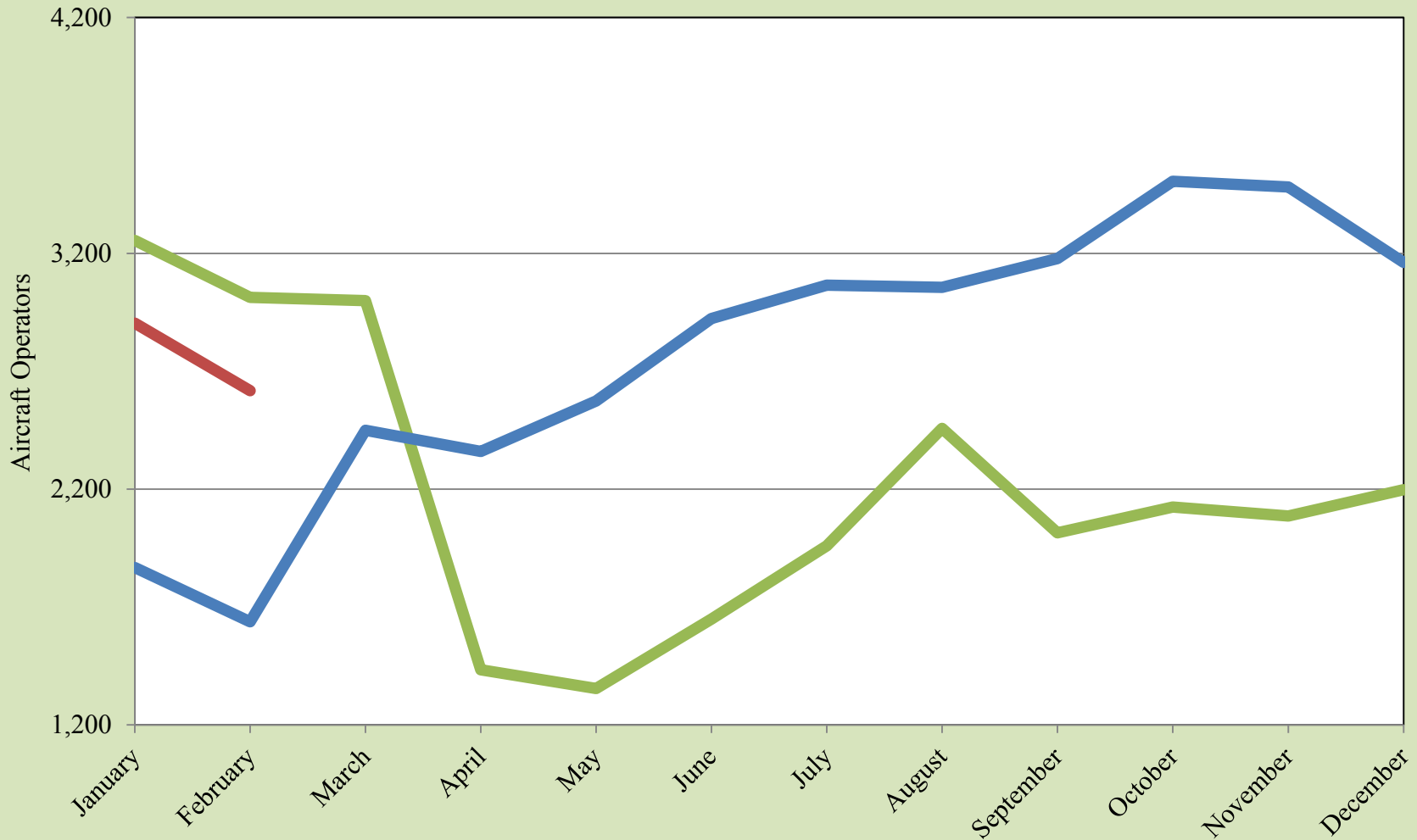
— Inbound+Outbound



Source: EPIA Operations

# EPIA Air Carrier Operations

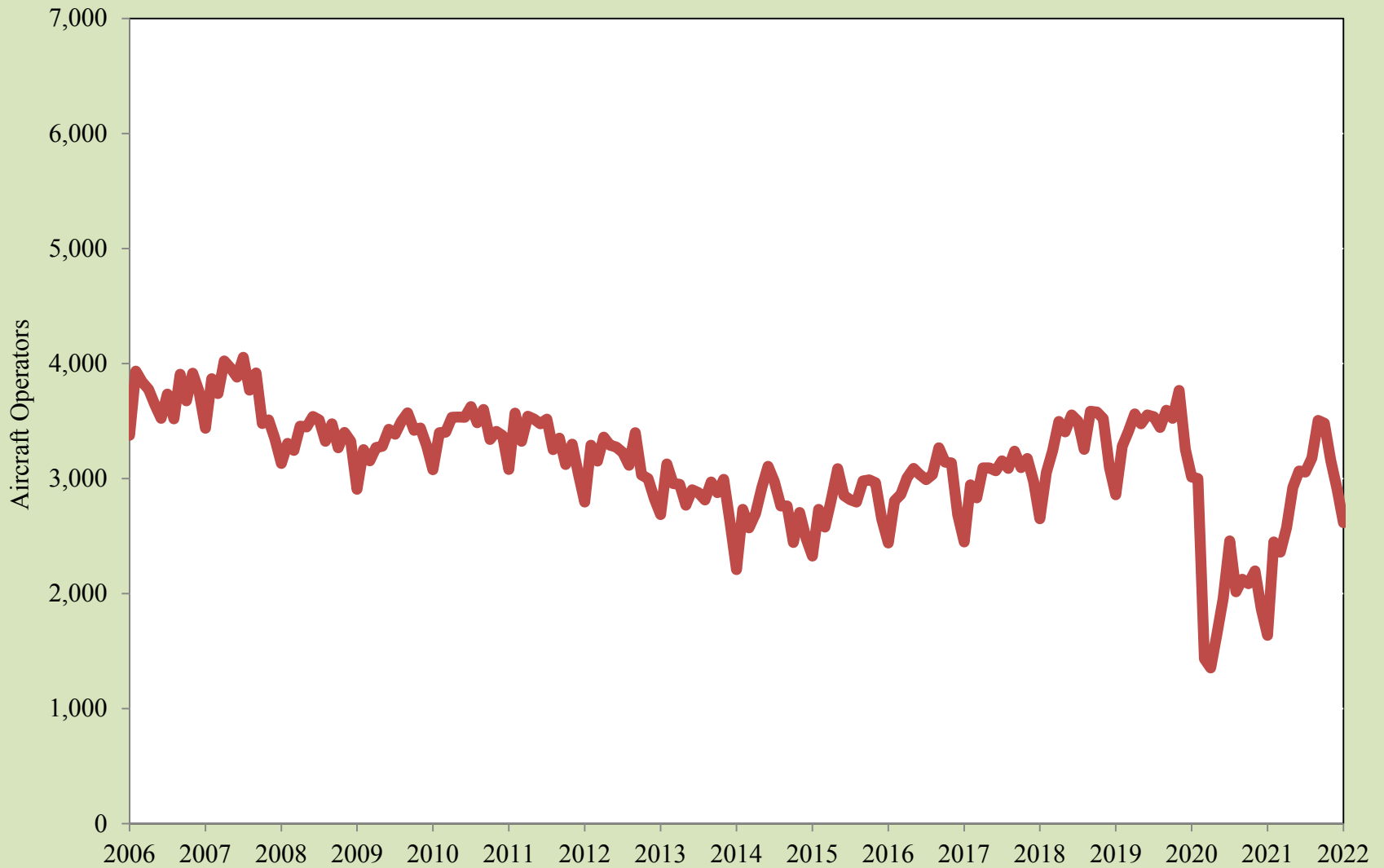
20-Air Carriers 21-Air Carriers 22-Air Carriers



Source: EPIA Operations

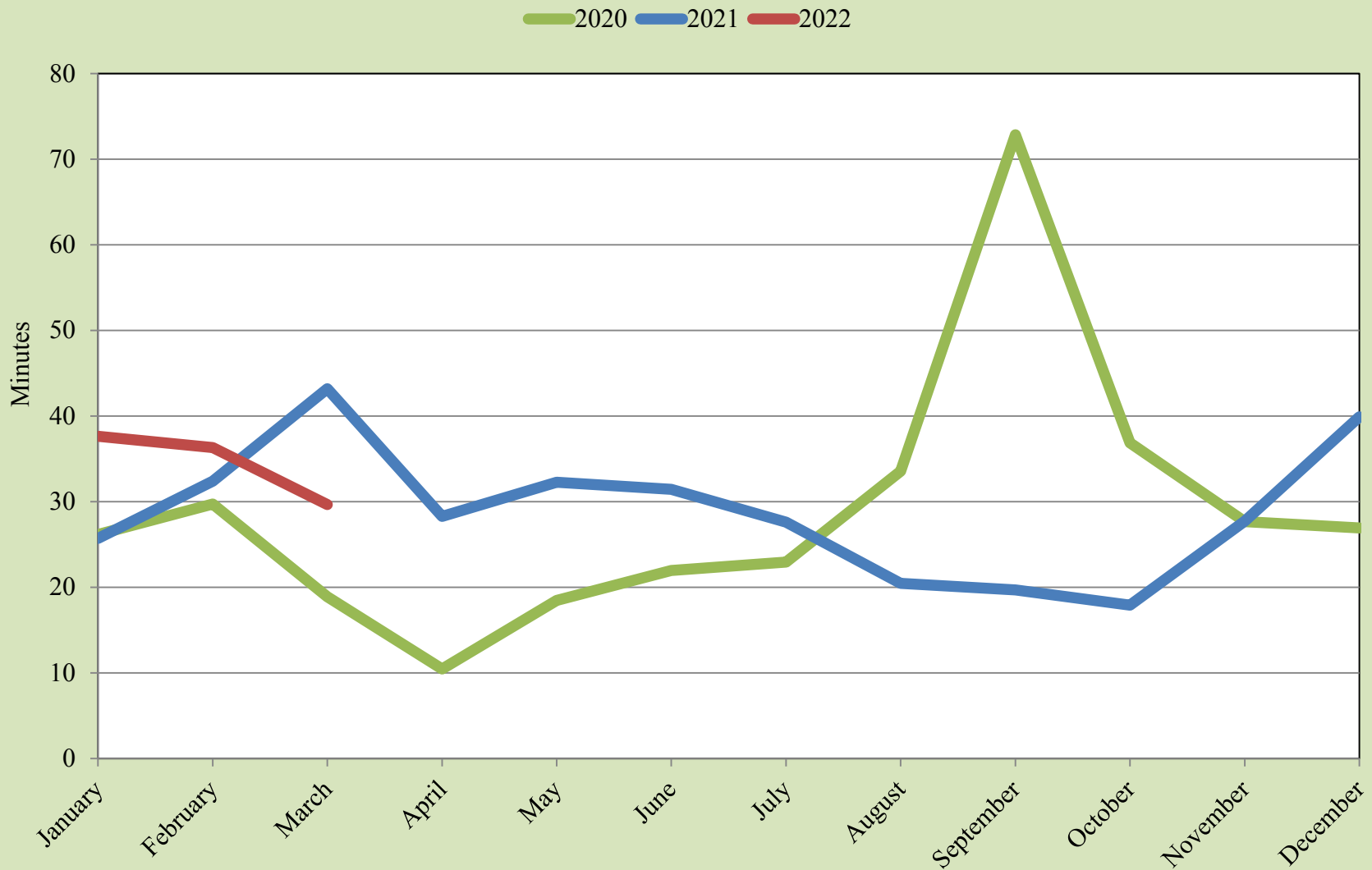


## EPIA Air Carrier Operations



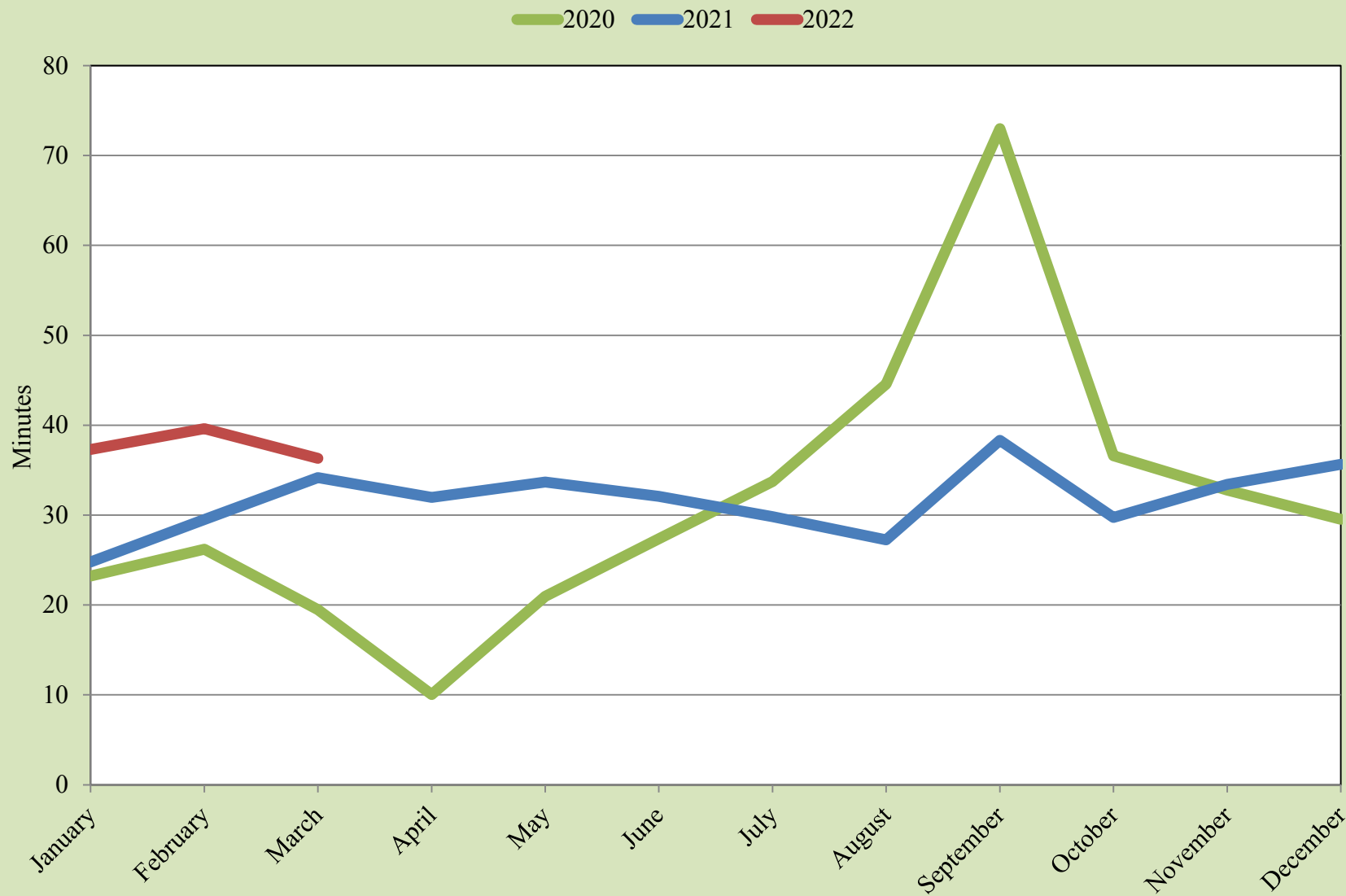
Source: EPIA Operations

## Paso del Norte Monthly Wait Times



Source: UTEP Border Region Modeling Project

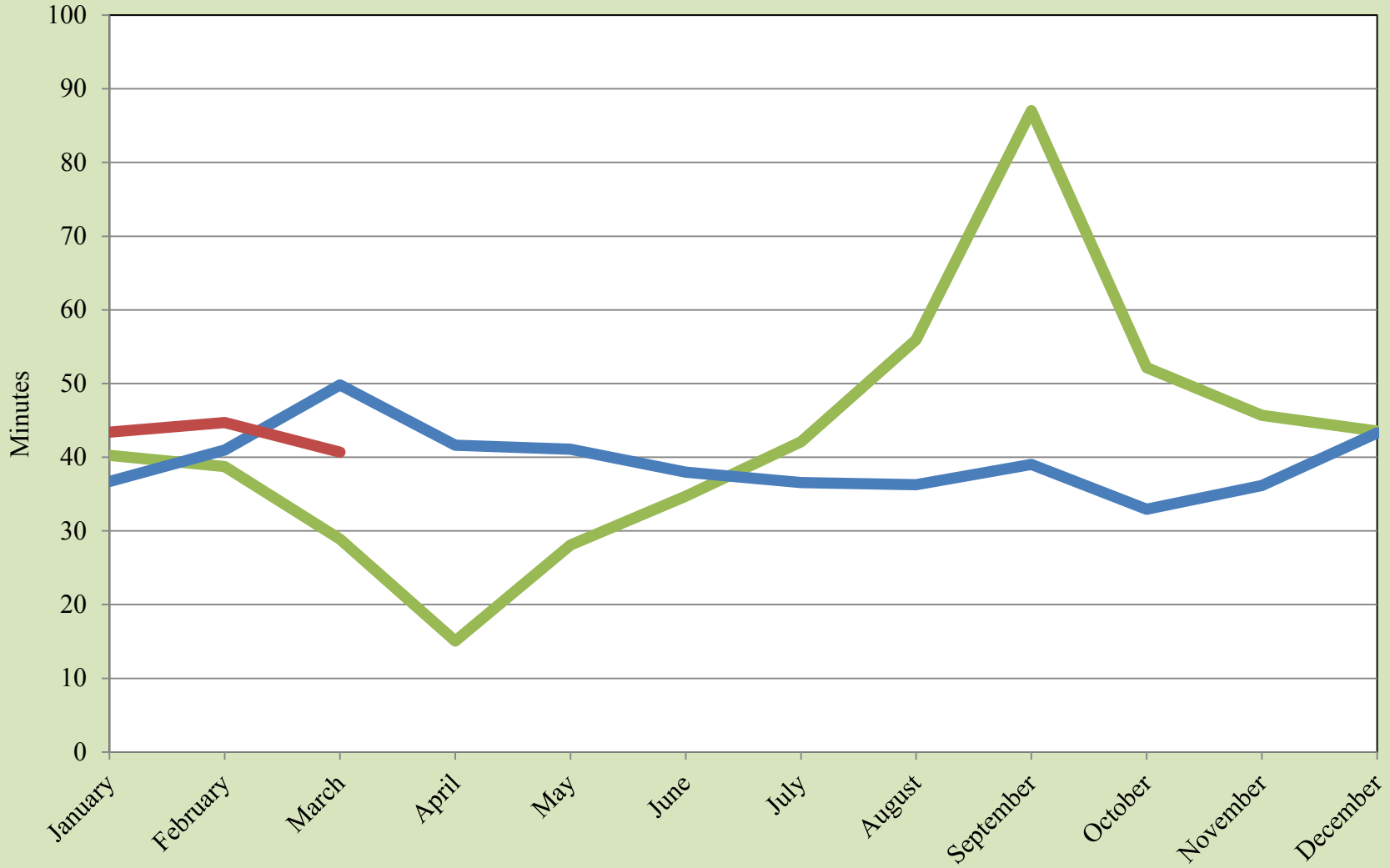
## Ysleta Monthly Wait Times



Source: UTEP Border Region Modeling Project

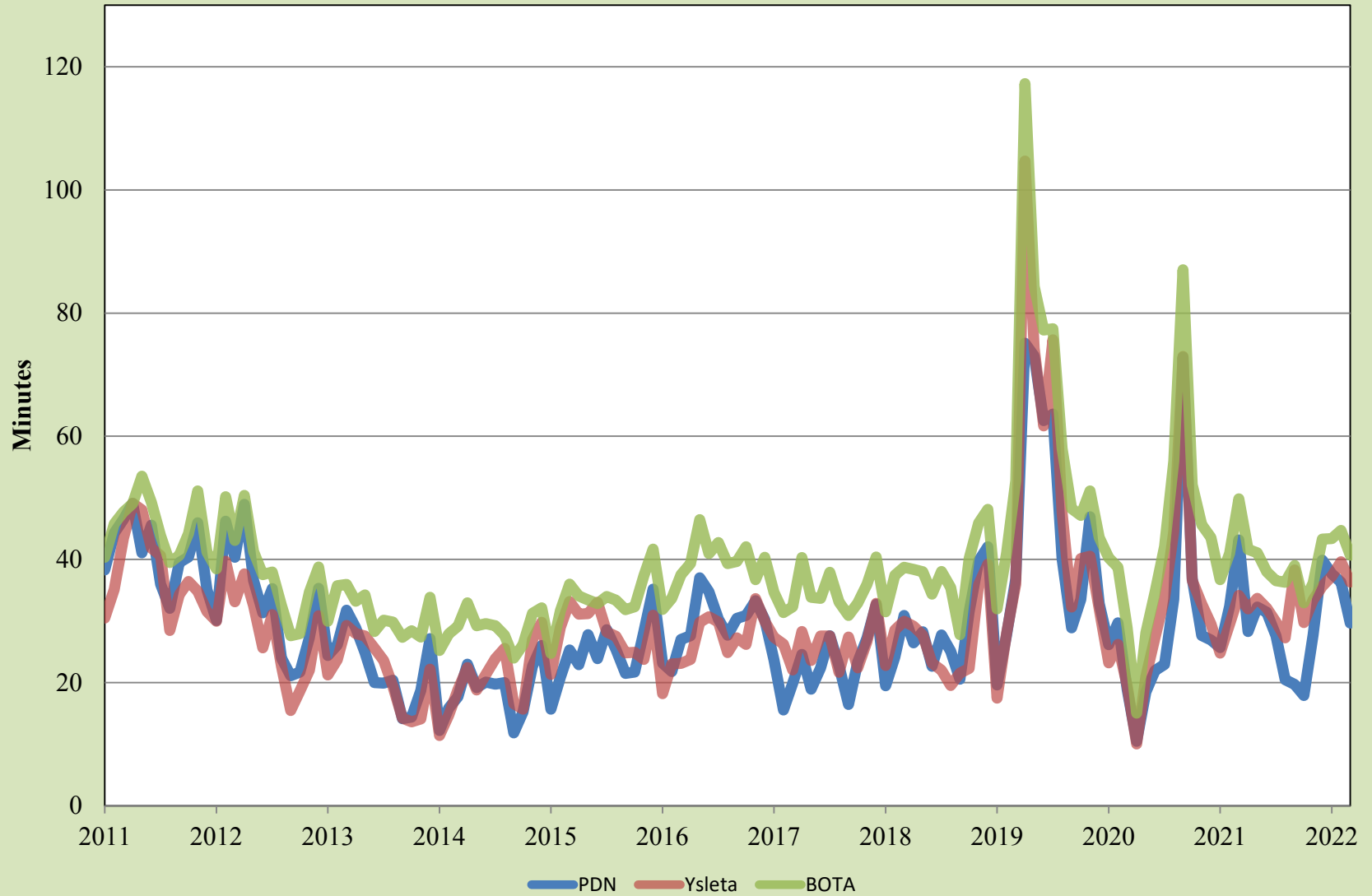
# Bridge of the Americas Monthly Wait Times

2020 2021 2022



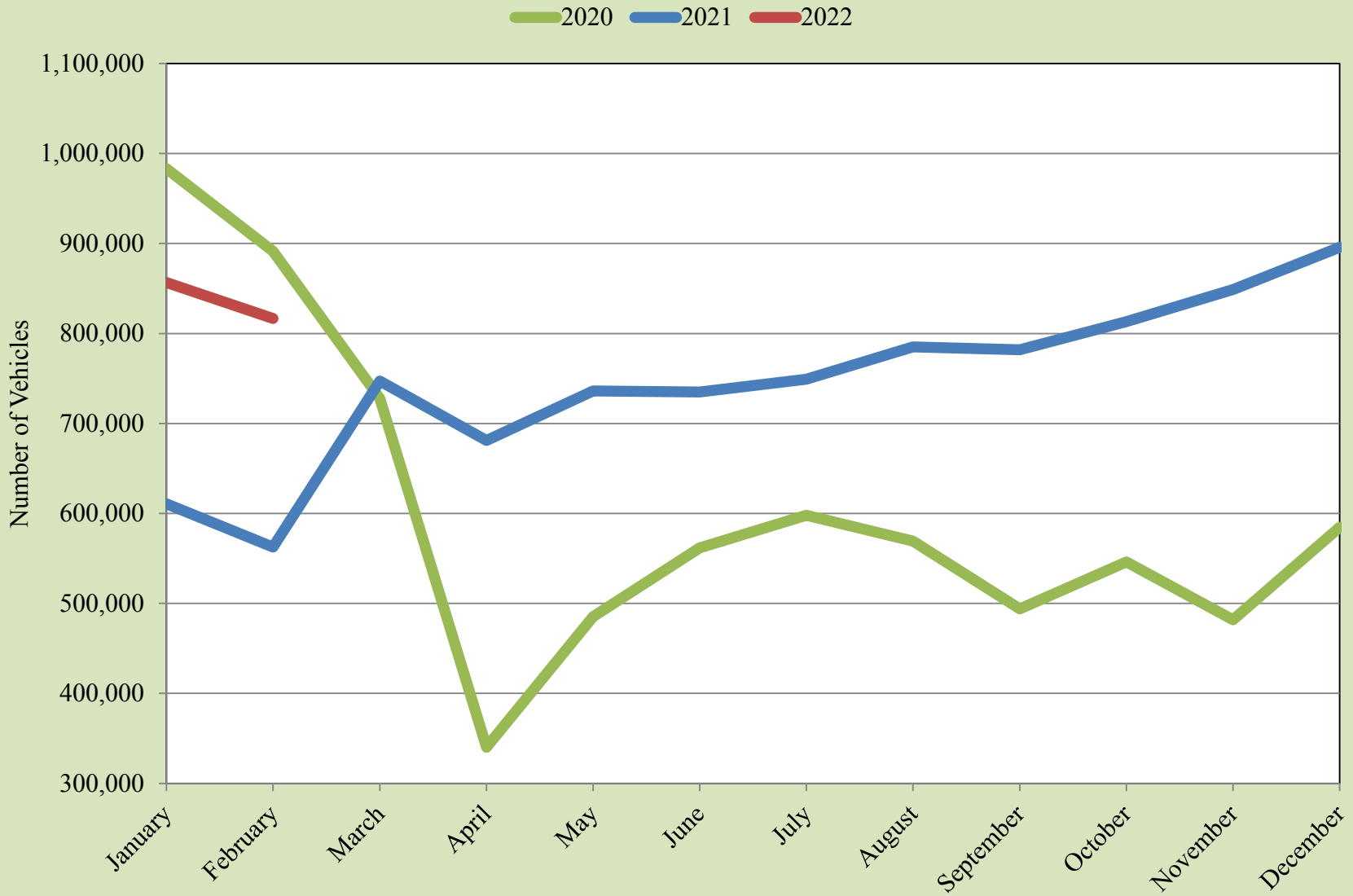
Source: UTEP Border Region Modeling Project

## Monthly Border Wait Times



Source: UTEP Border Region Modeling Project

# Personal Vehicle International Bridge Crossings to El Paso



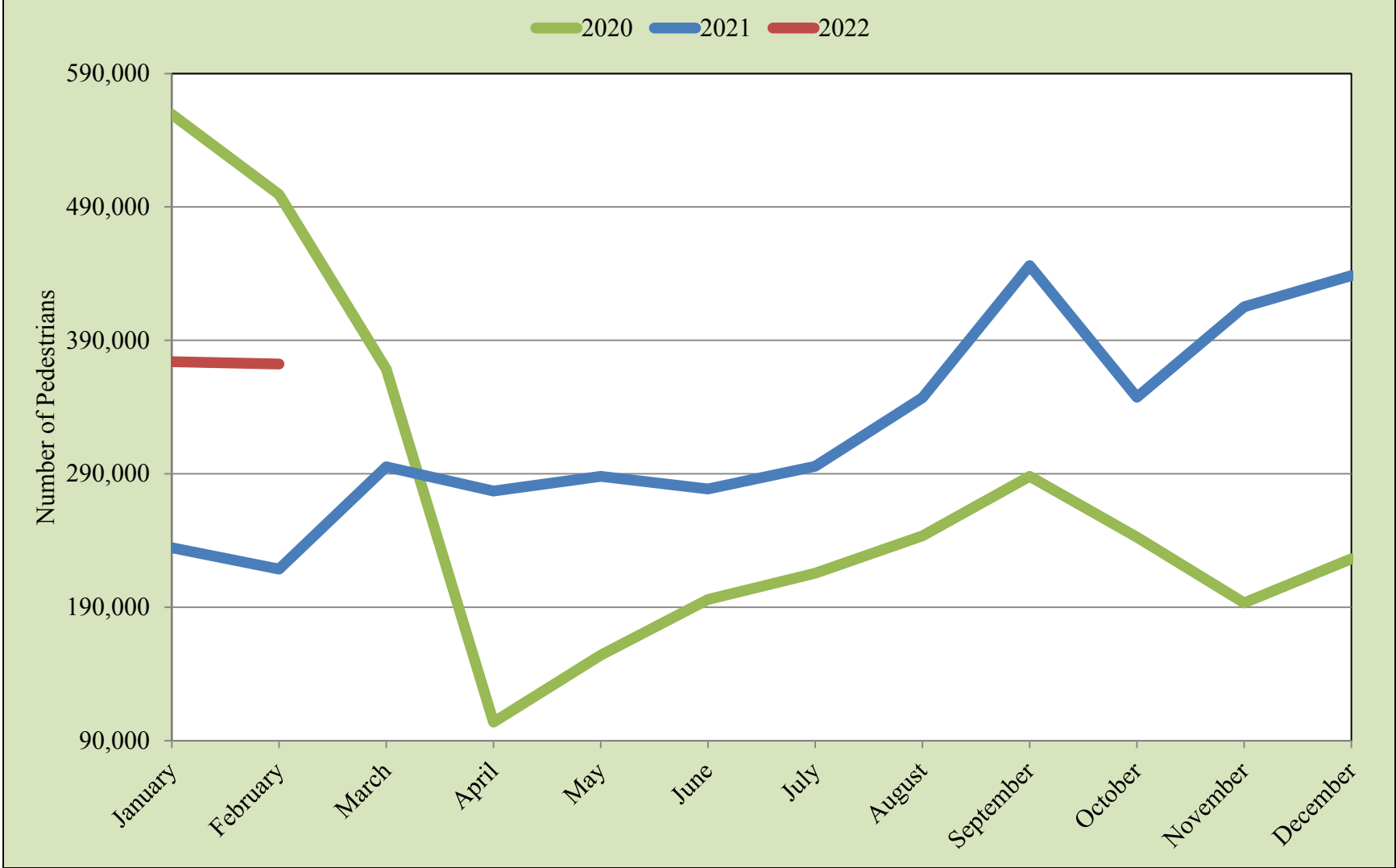
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Personal Vehicle International Bridge Crossings to El Paso



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

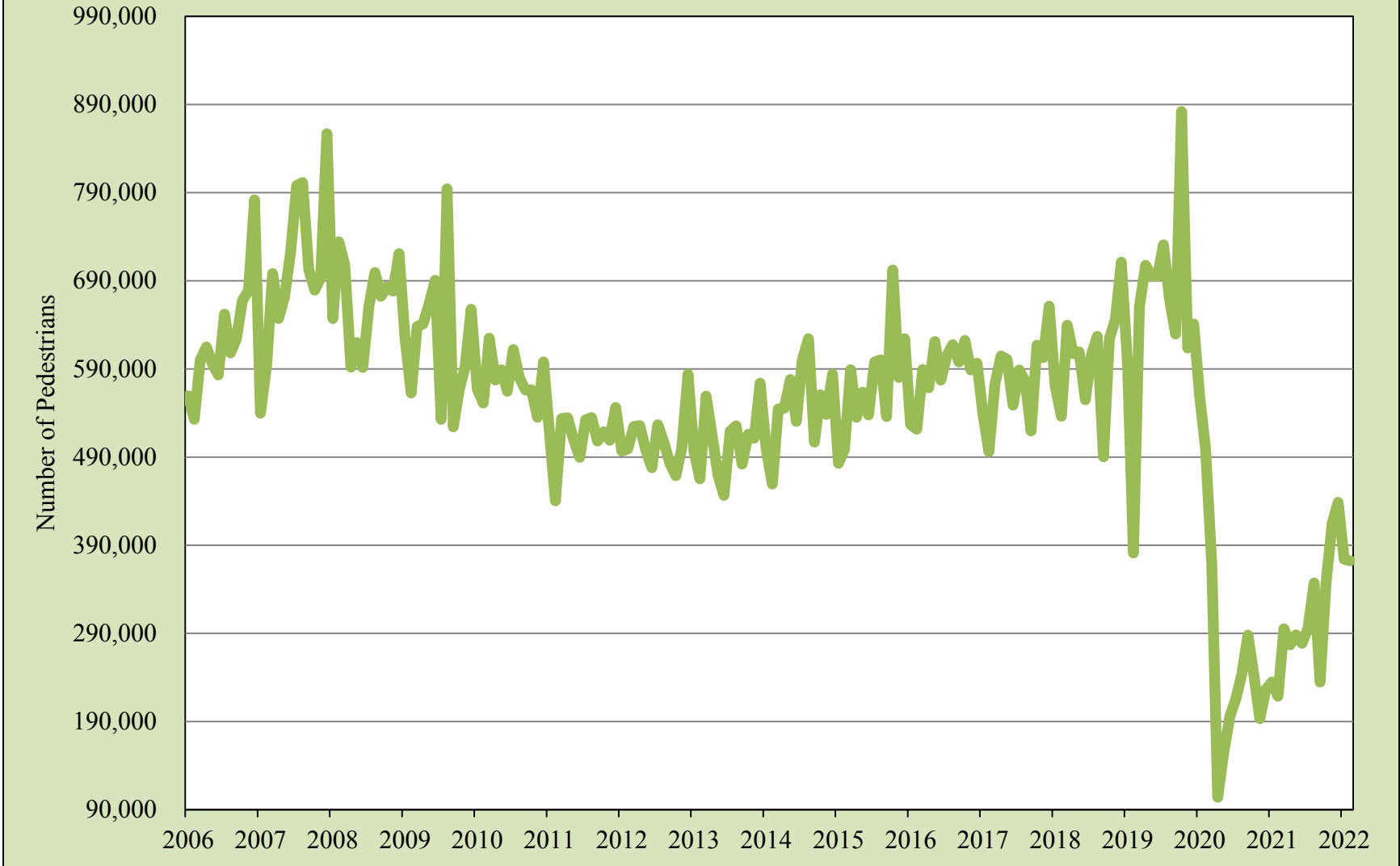
# Pedestrian International Bridge Crossings to El Paso



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



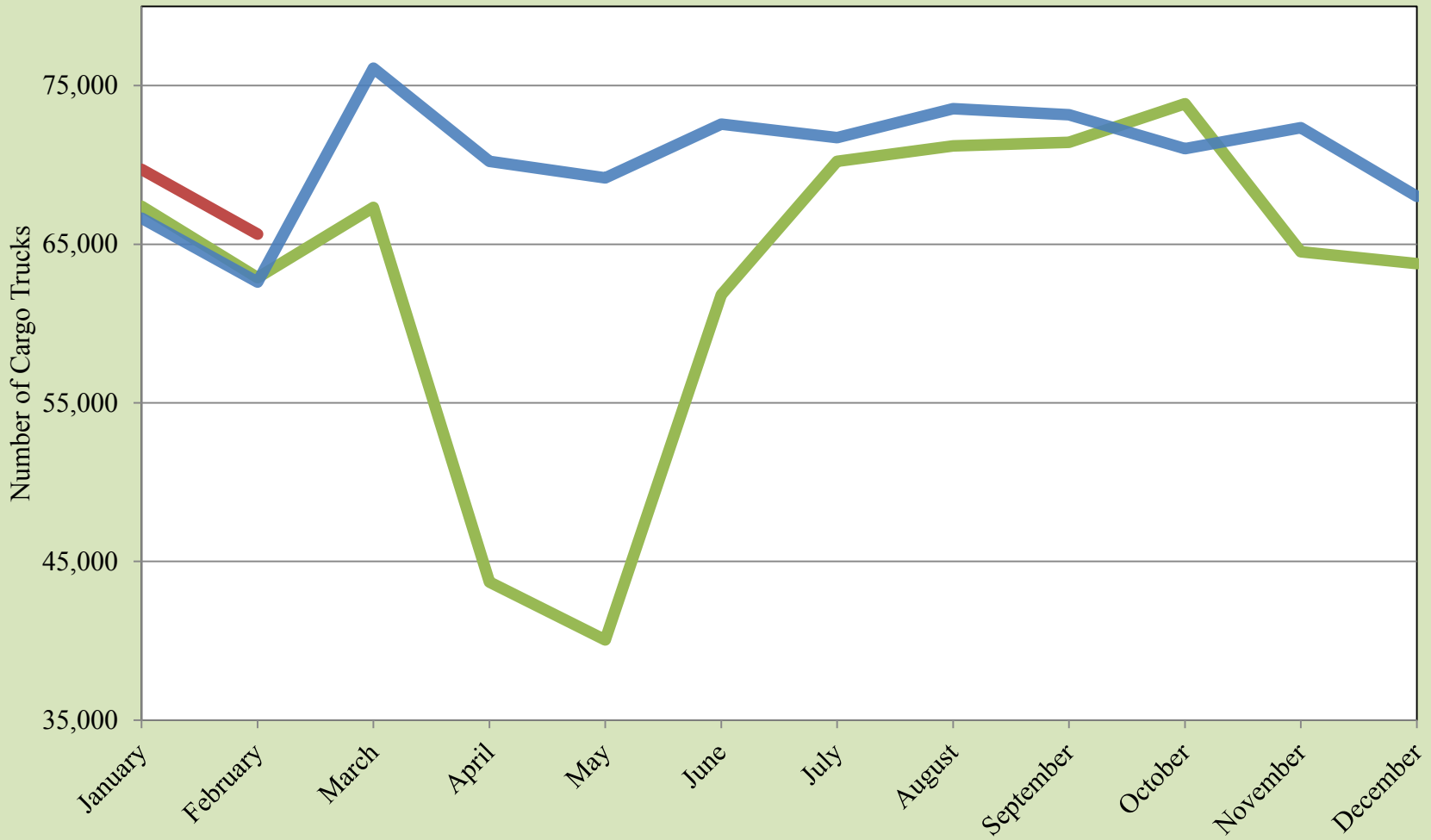
# Pedestrian International Bridge Crossings to El Paso



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

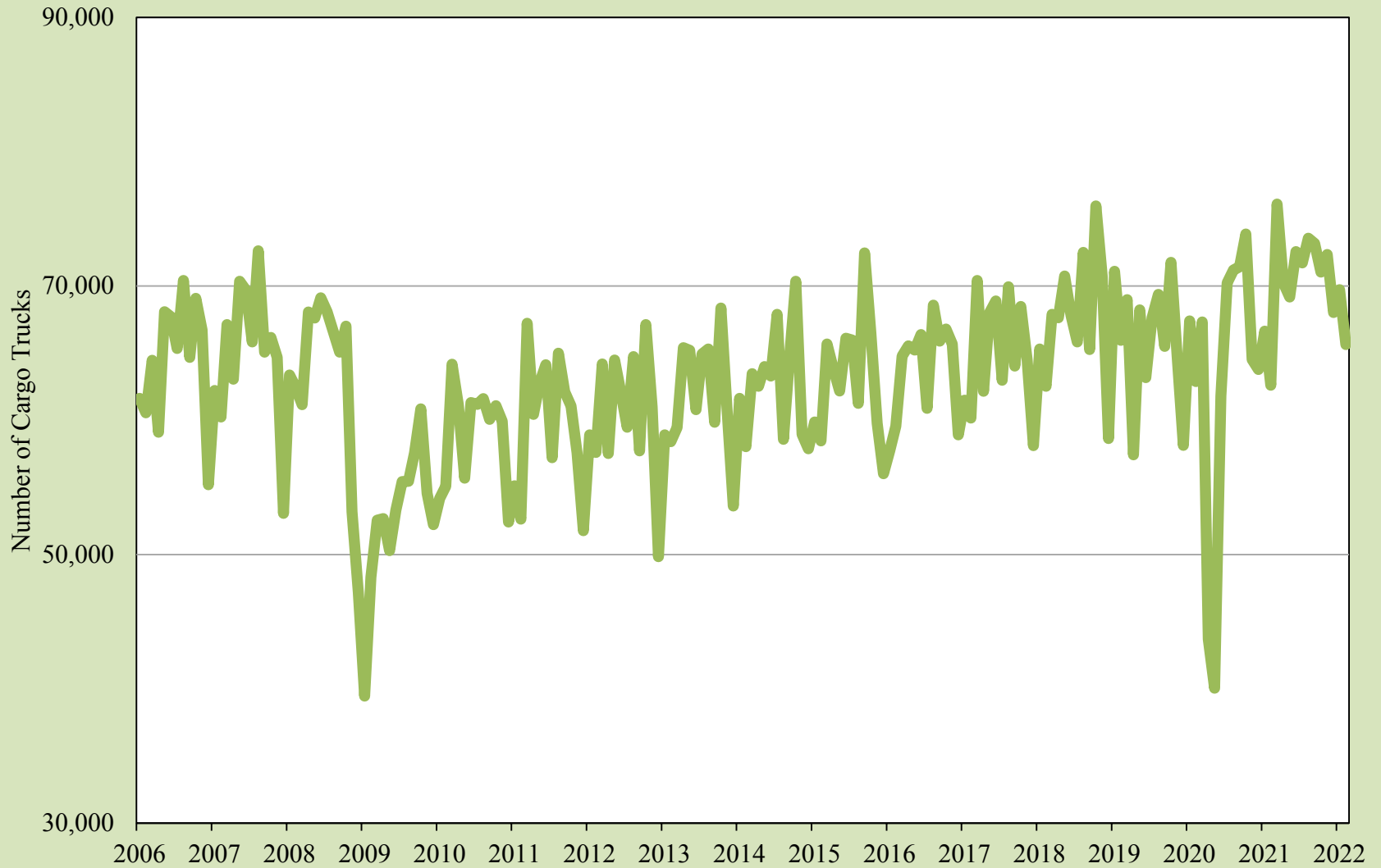
## Cargo Truck International Bridge Crossings to El Paso

2020 2021 2022



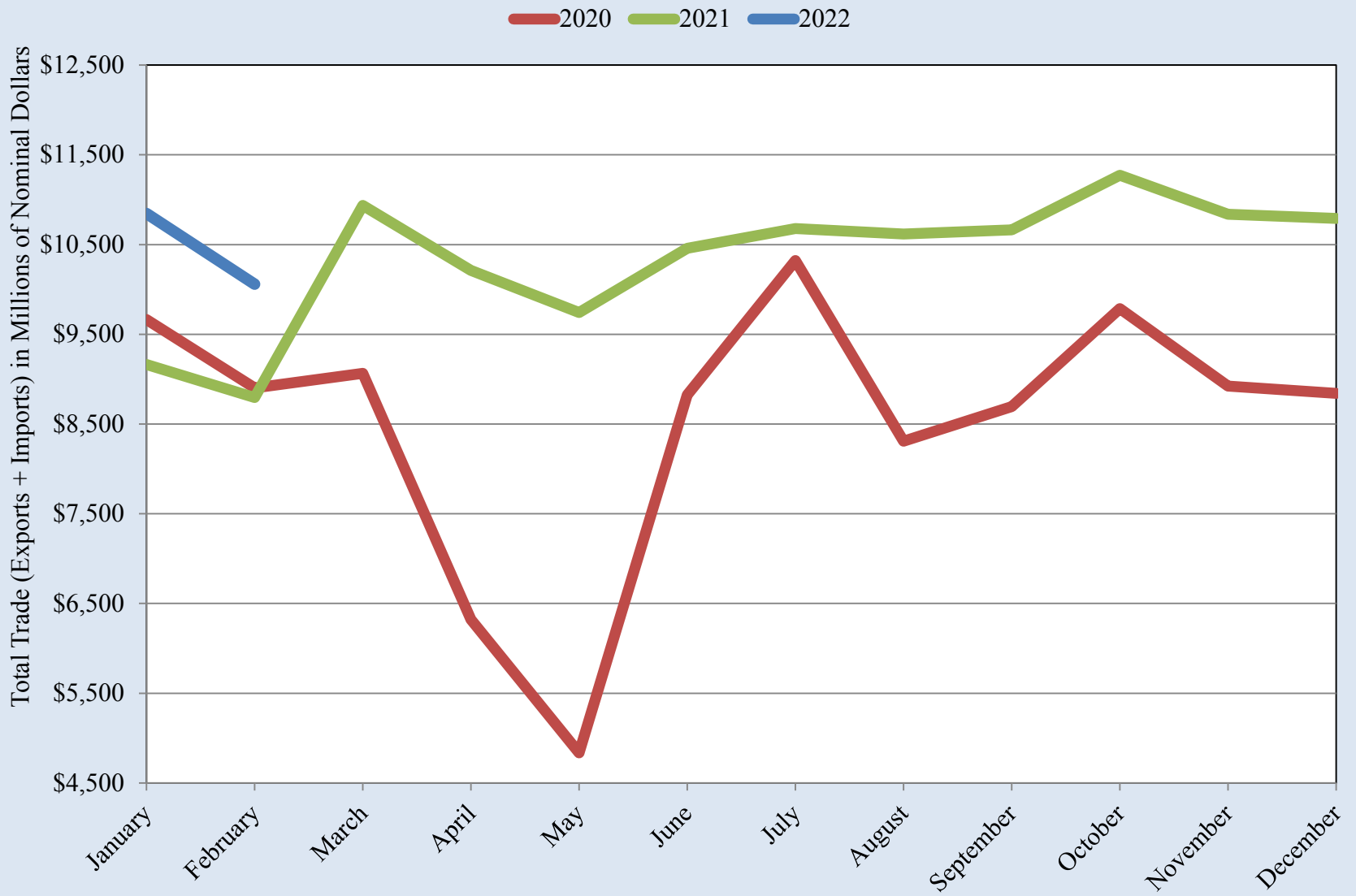
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Cargo Truck International Bridge Crossings to El Paso



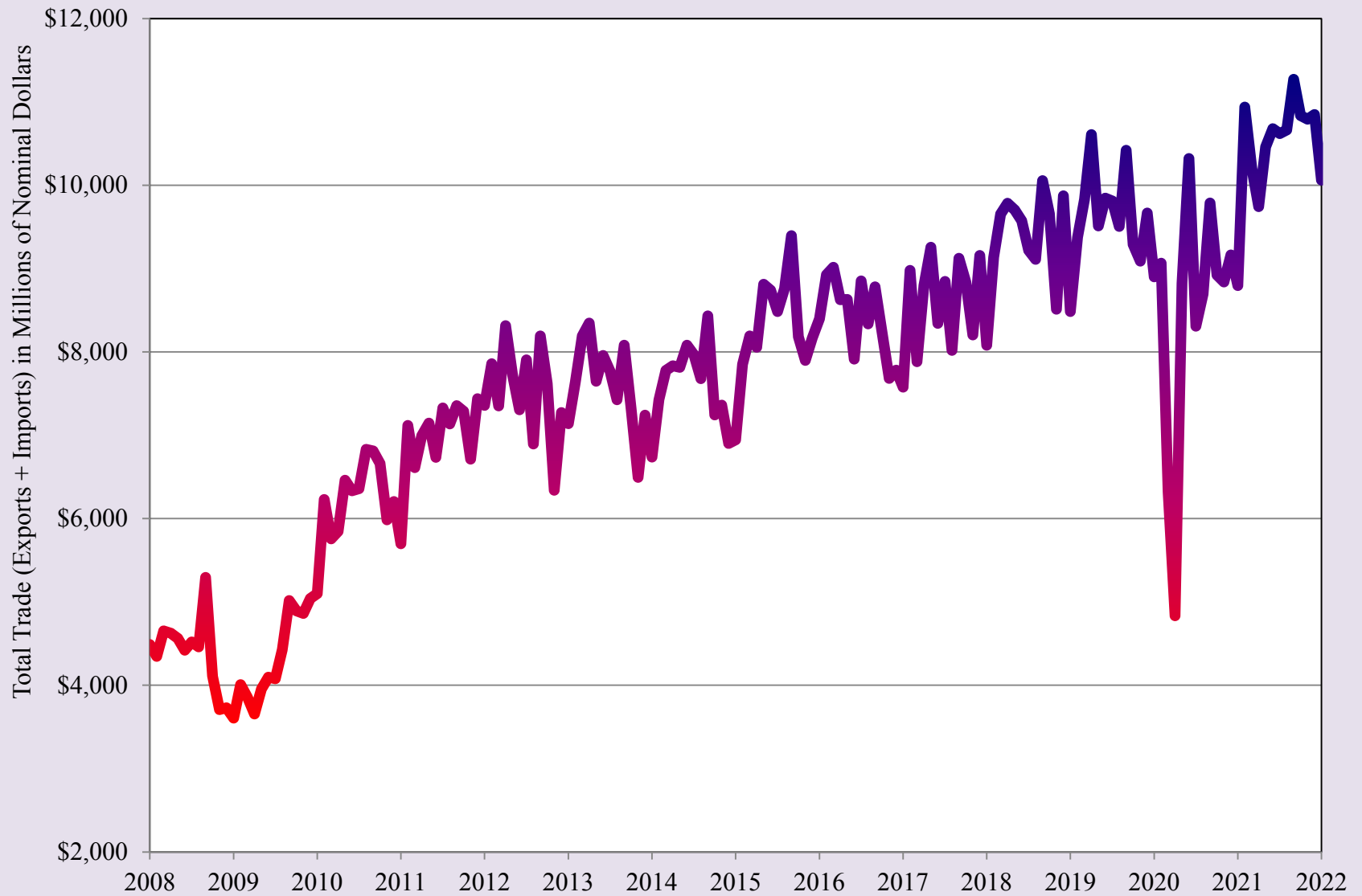
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

## Total Trade through the El Paso Customs District



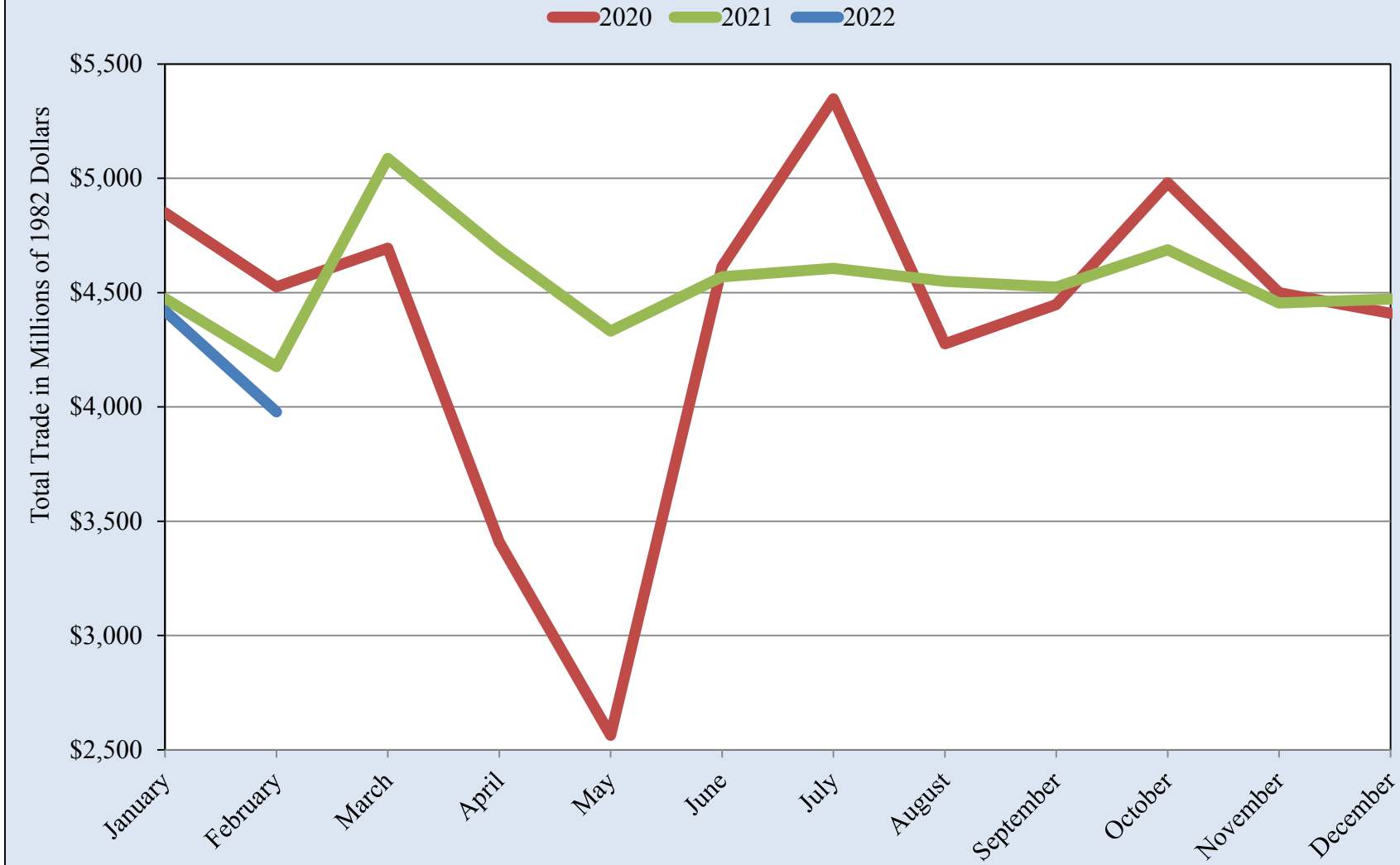
Source: U.S. International Trade Commission

## Total Trade through the El Paso Customs District



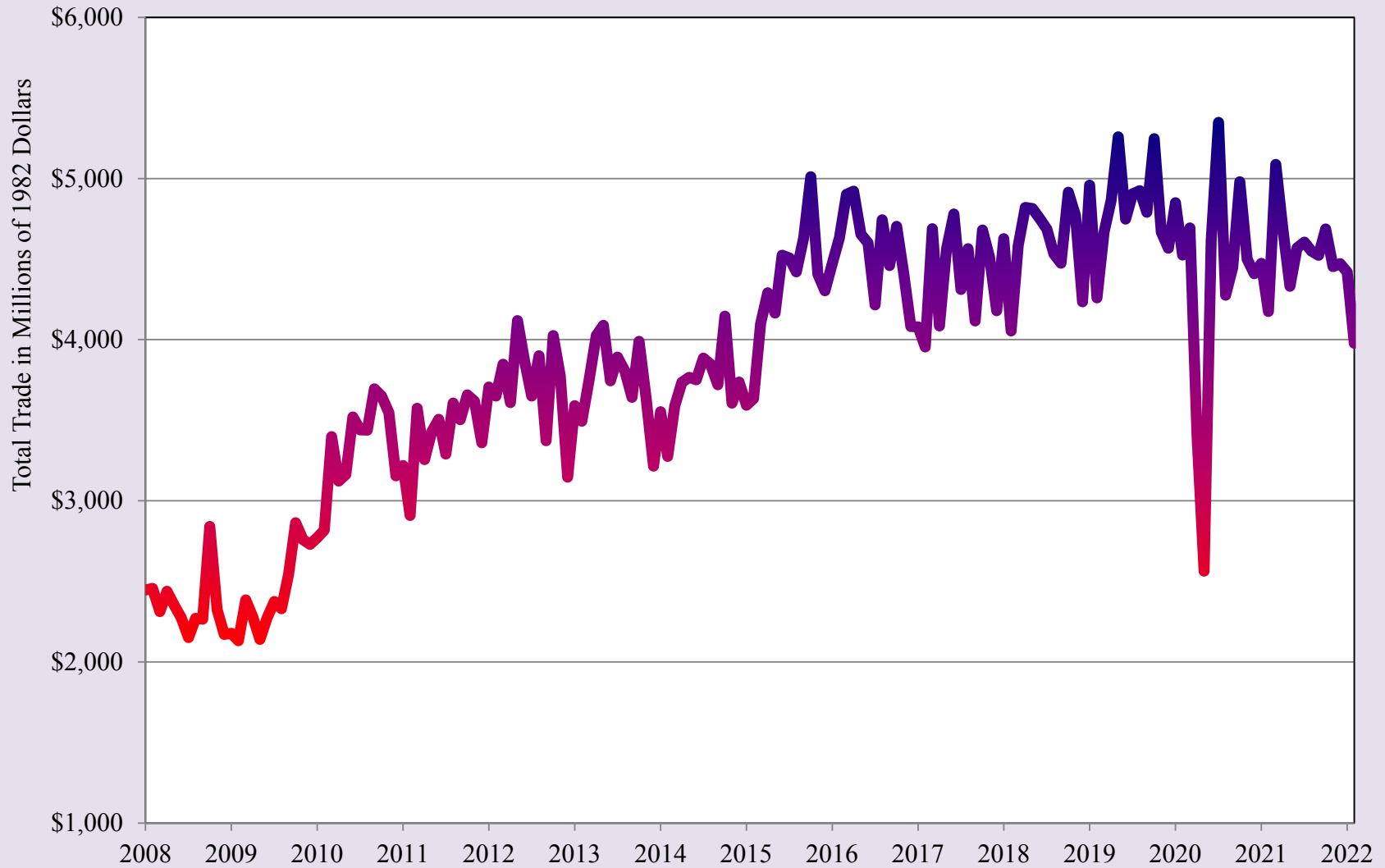
Source: U.S. International Trade Commission

## Real Total Trade through the El Paso Customs District



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

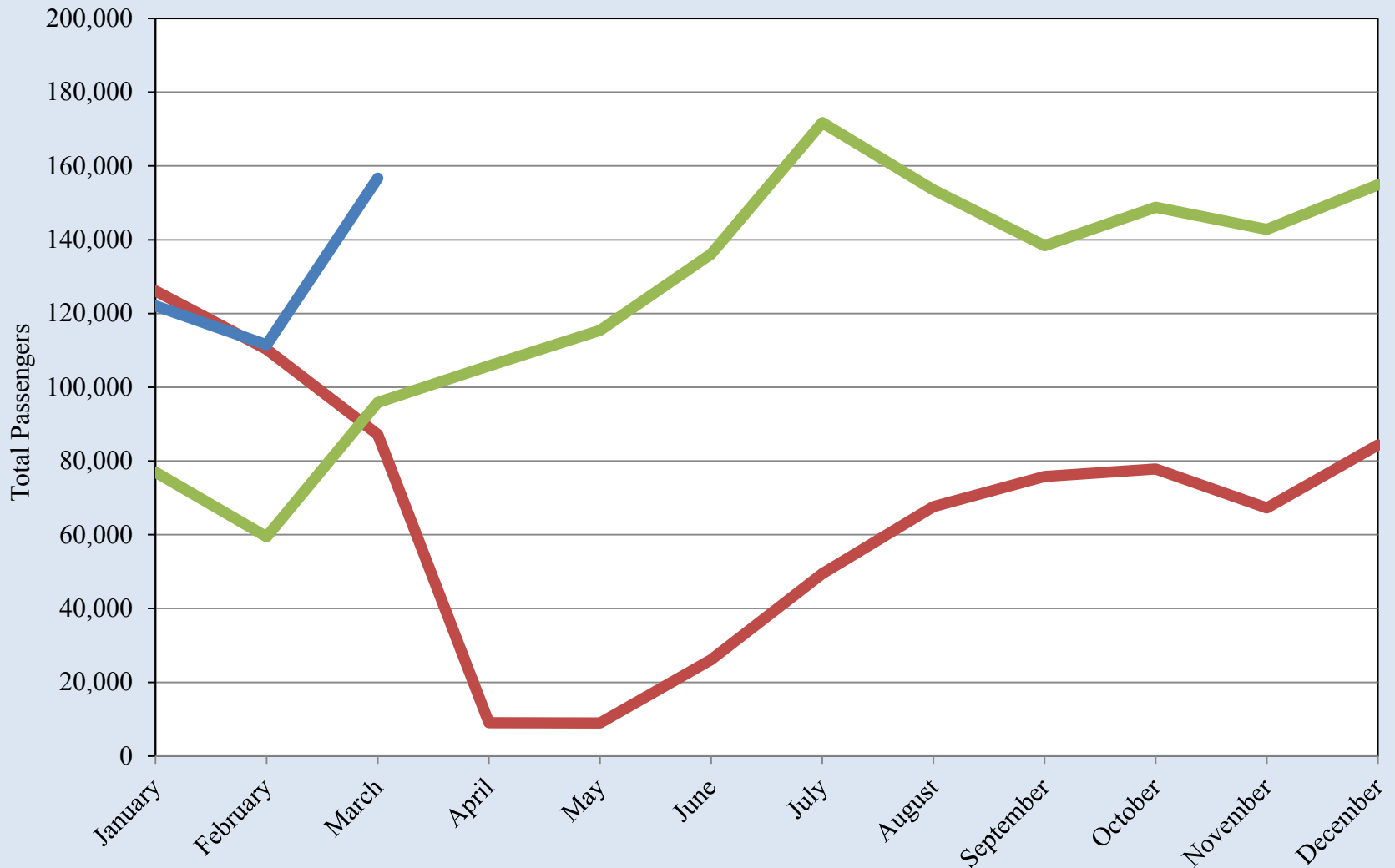
## Real Total Trade through the El Paso Customs District



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

# Domestic Passengers Ciudad Juarez International Airport

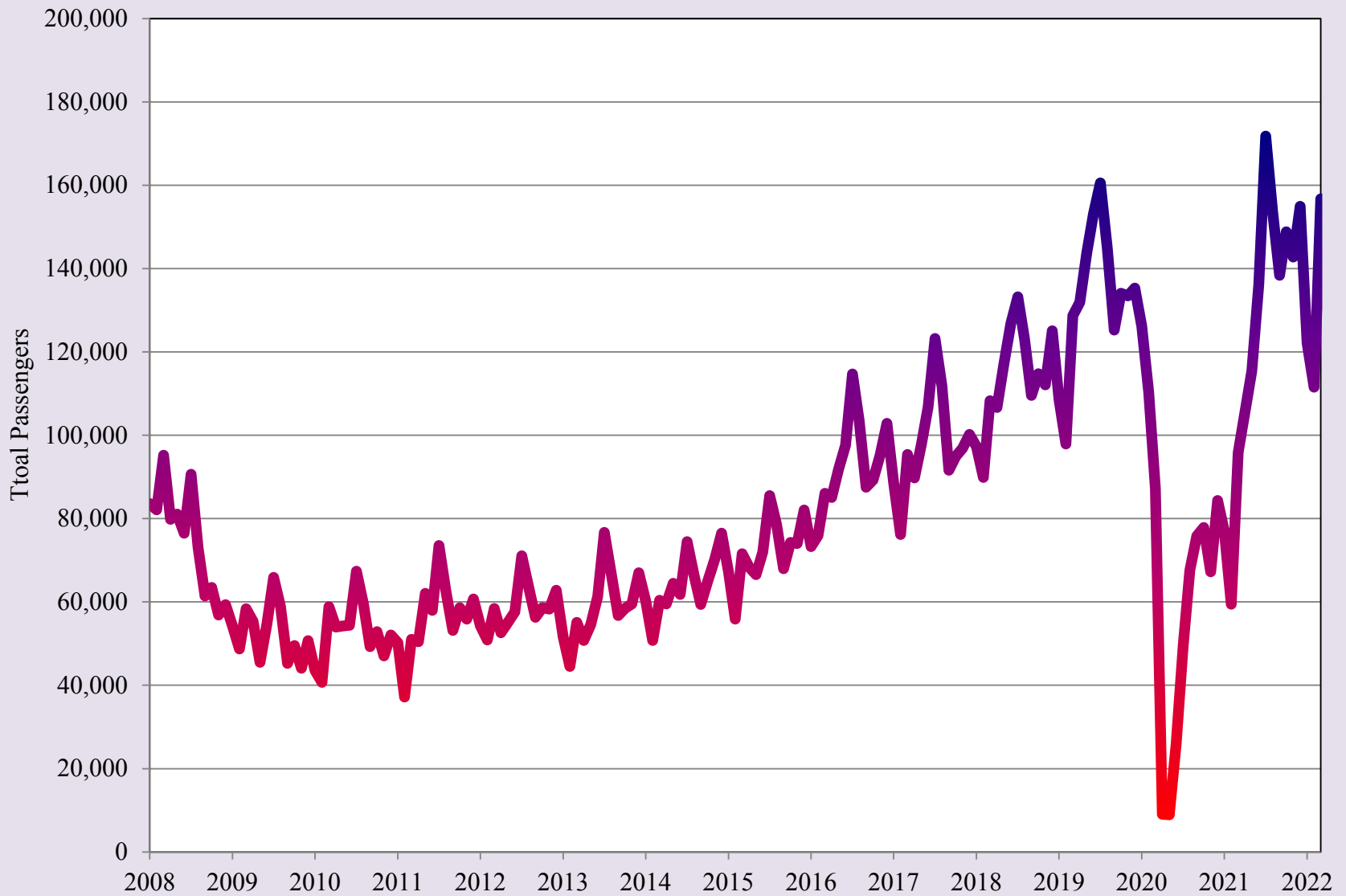
— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA



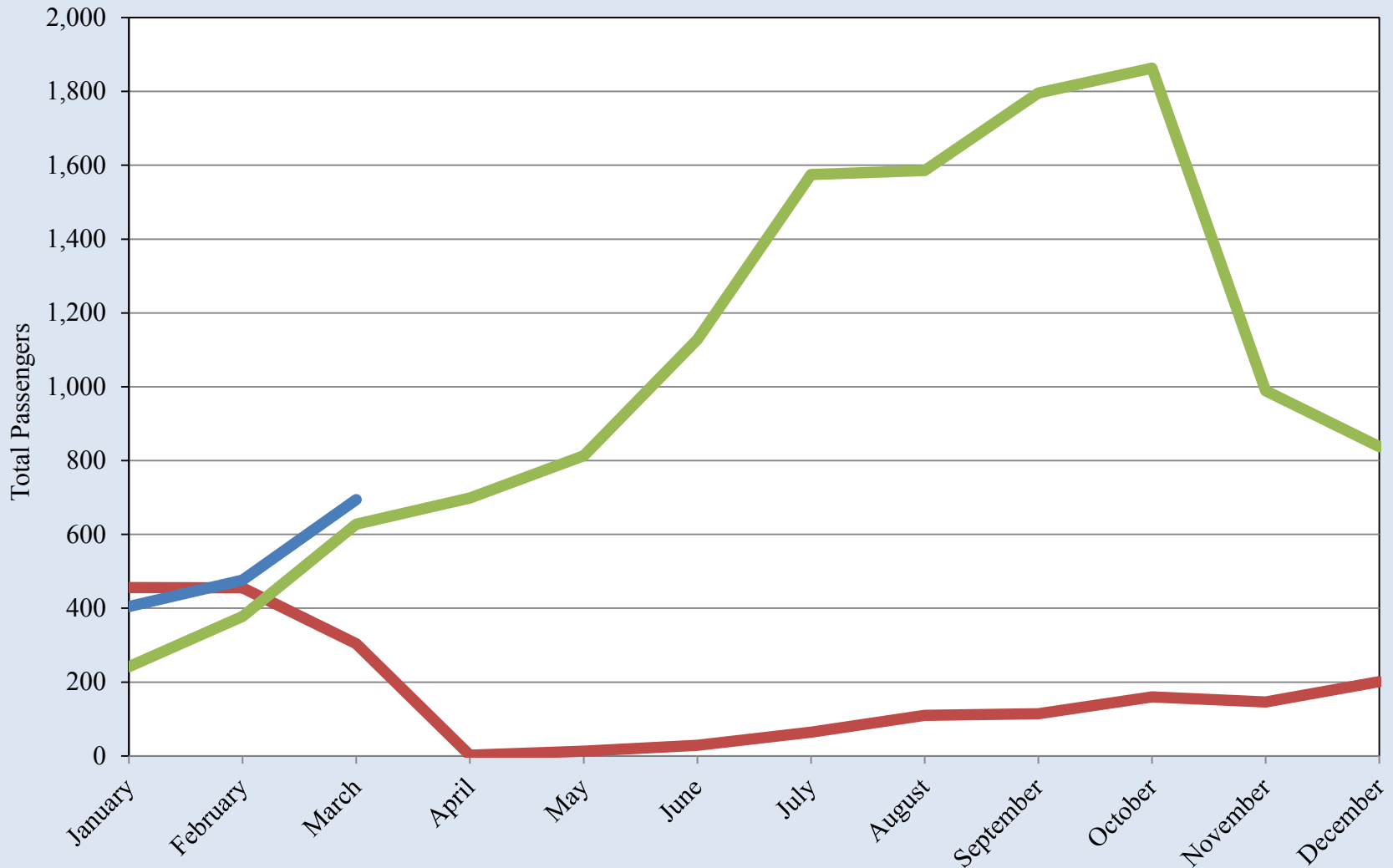
## Domestic Passengers Ciudad Juarez International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

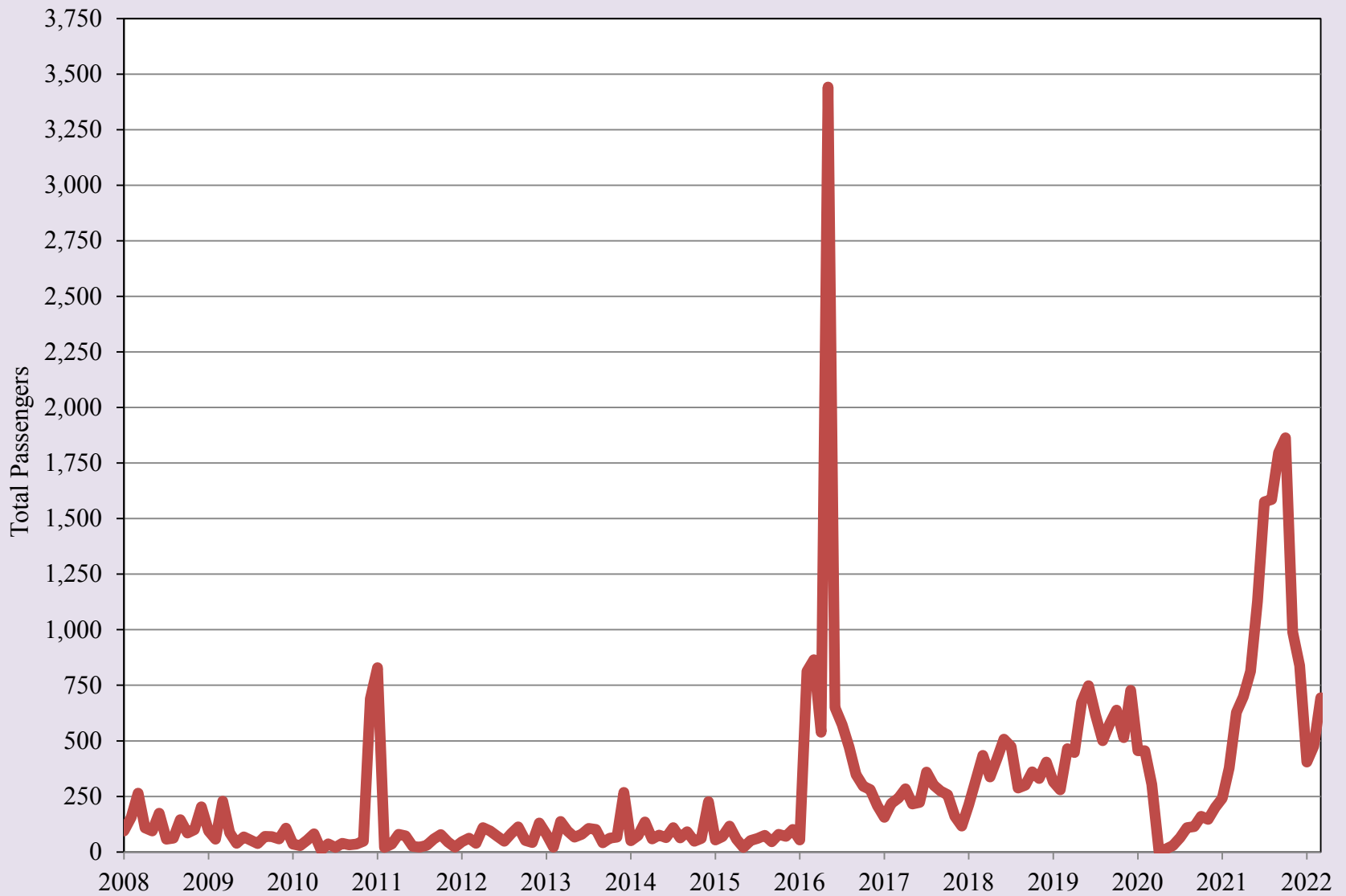
# International Passengers Ciudad Juarez International Airport

2020 2021 2022



Source: Grupo Aeroportuario Centro Norte - OMA

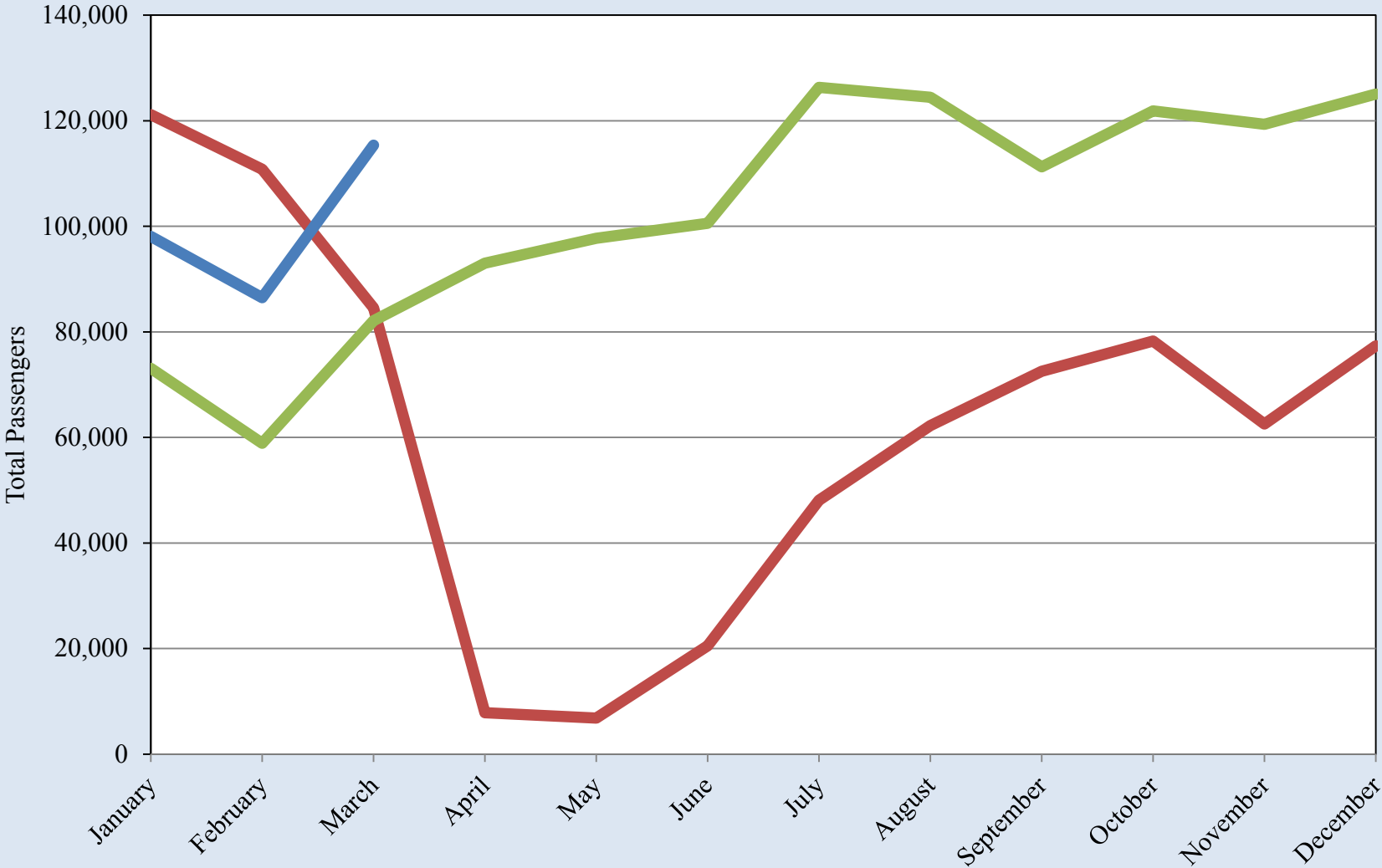
## International Passengers Ciudad Juarez International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

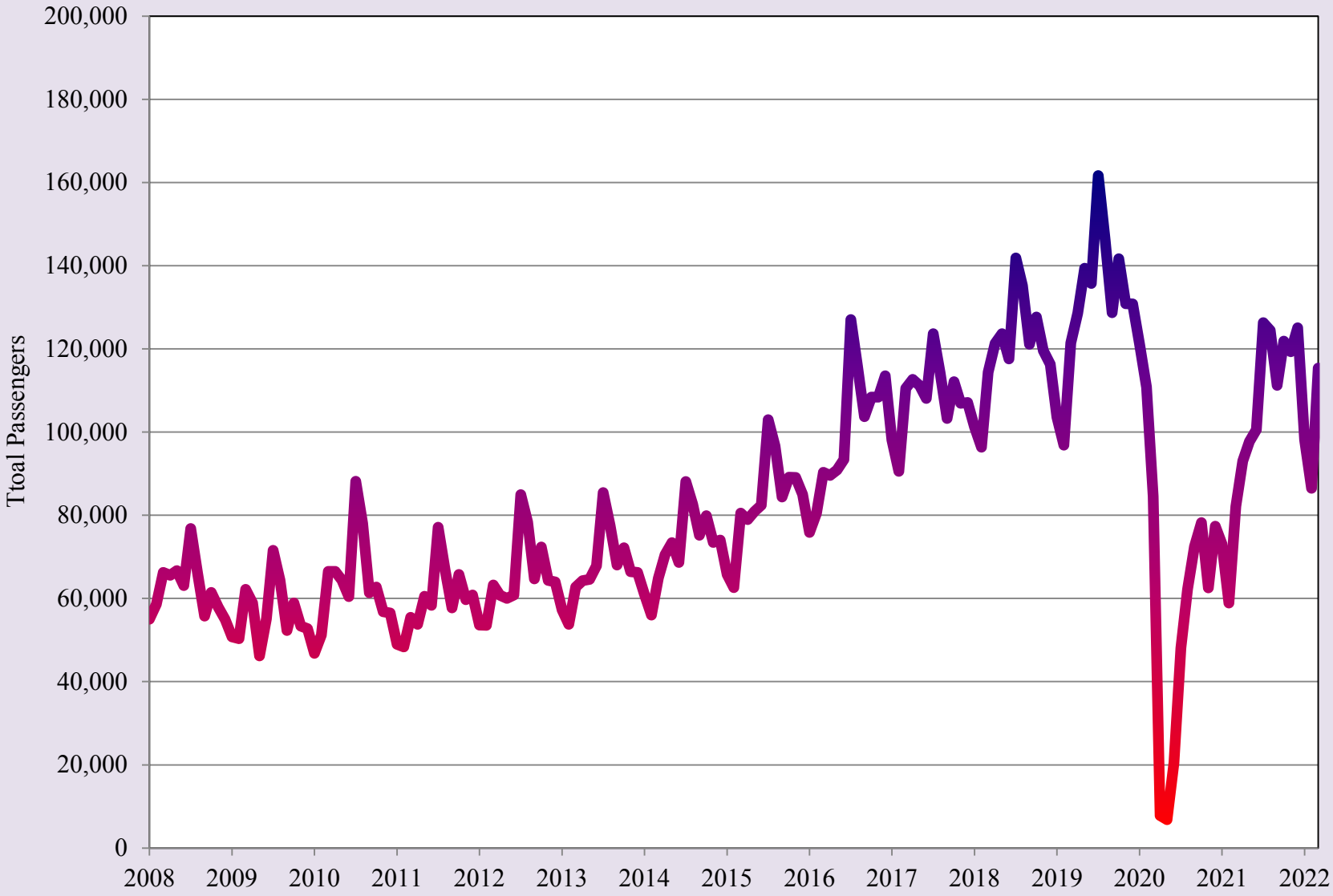
# Domestic Passengers Chihuahua City International Airport

— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA

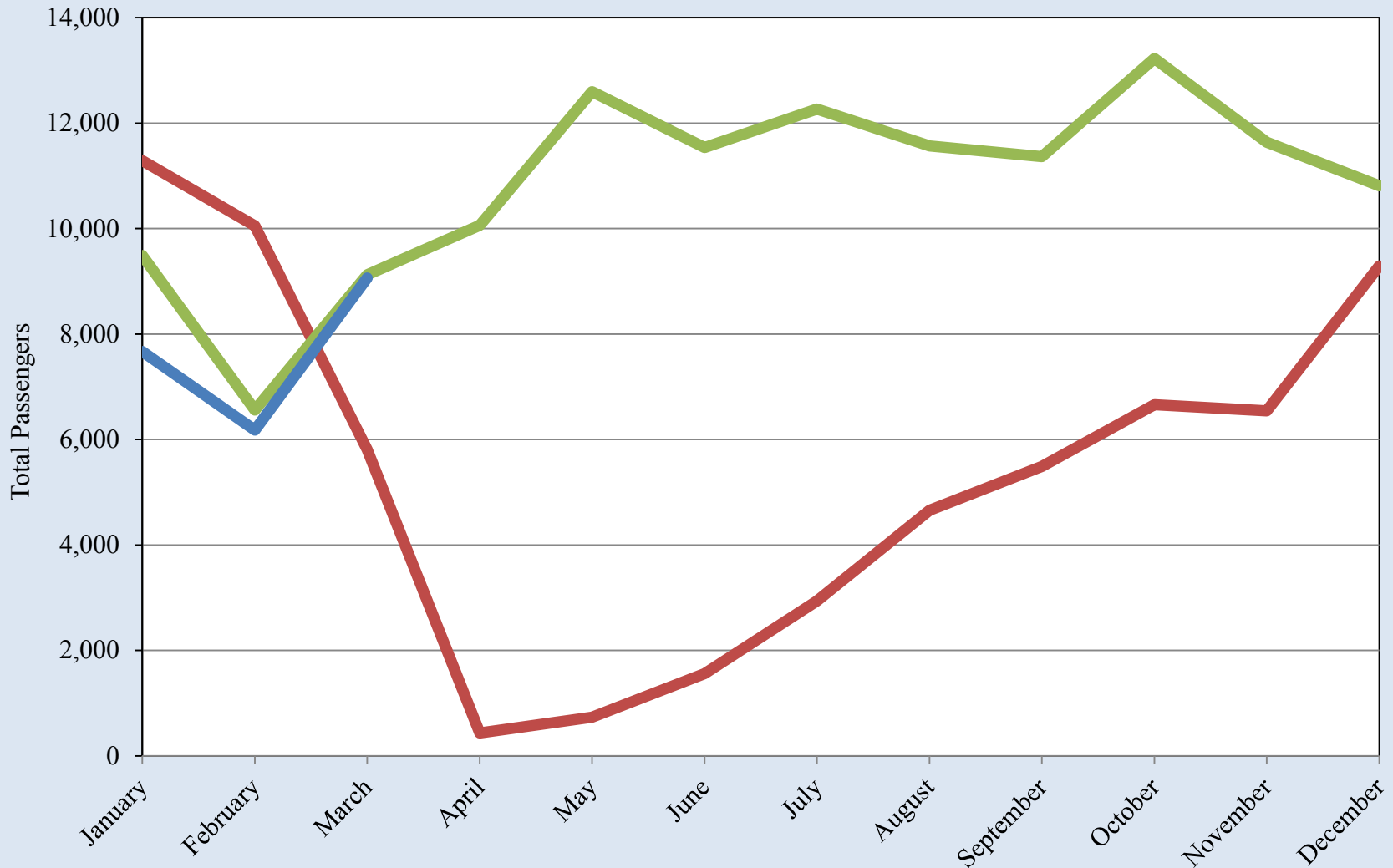
# Domestic Passengers Chihuahua City International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

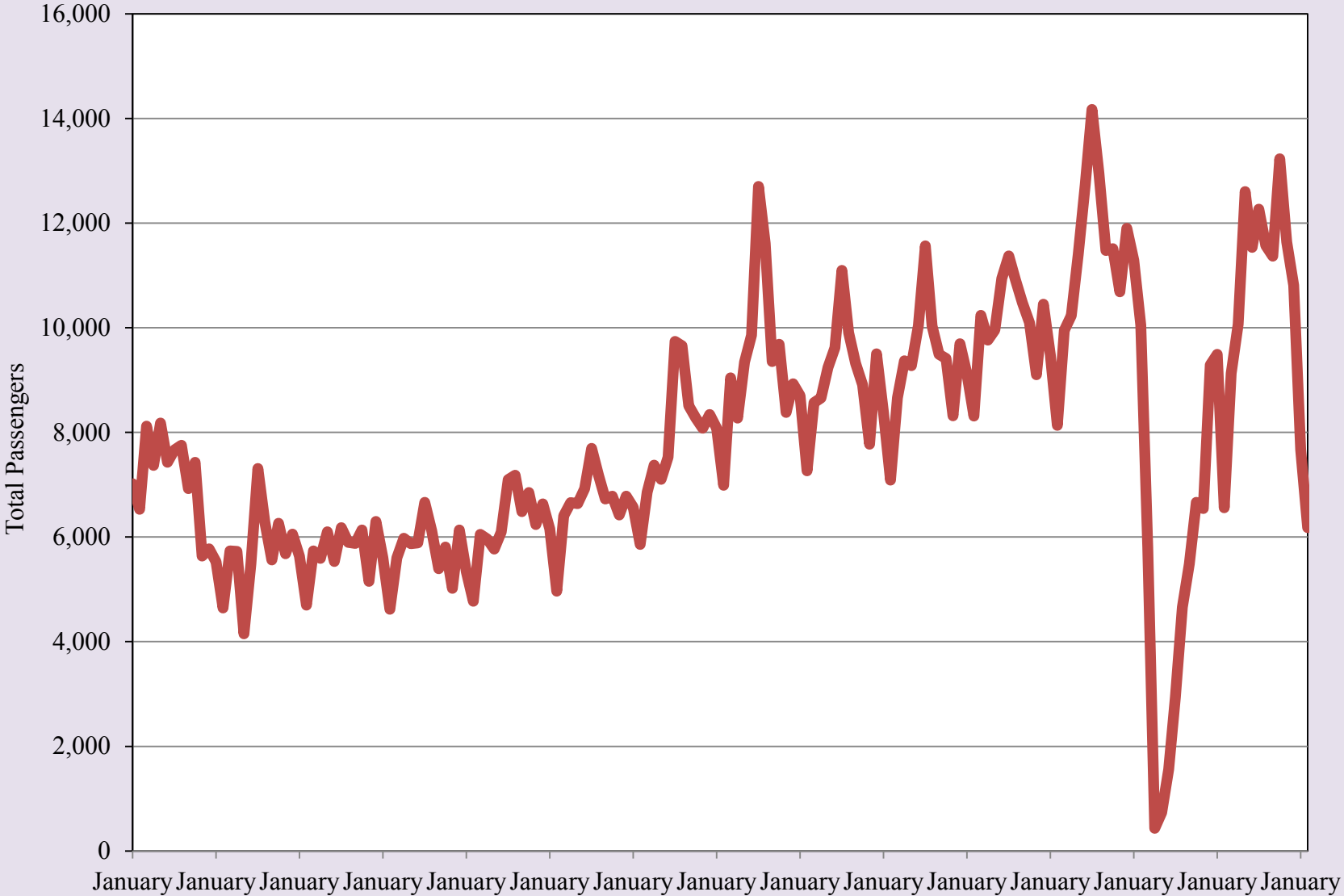
# International Passengers Chihuahua City International Airport

— 2020 — 2021 — 2022



Source: Grupo Aeroportuario Centro Norte - OMA

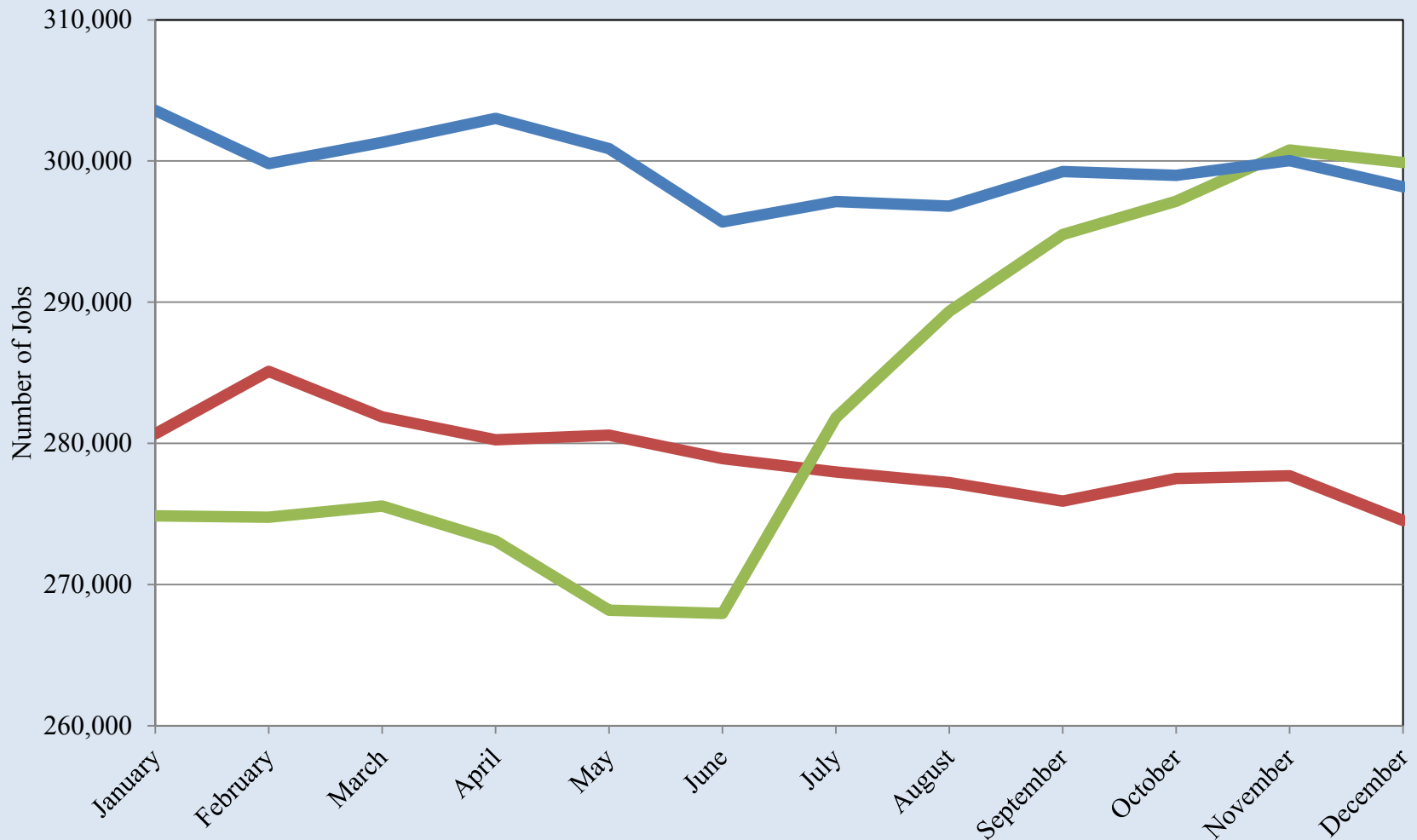
# International Passengers Chihuahua City International Airport



Source: Grupo Aeroportuario Centro Norte - OMA

## Export-Oriented Manufacturing Employment in Ciudad Juárez

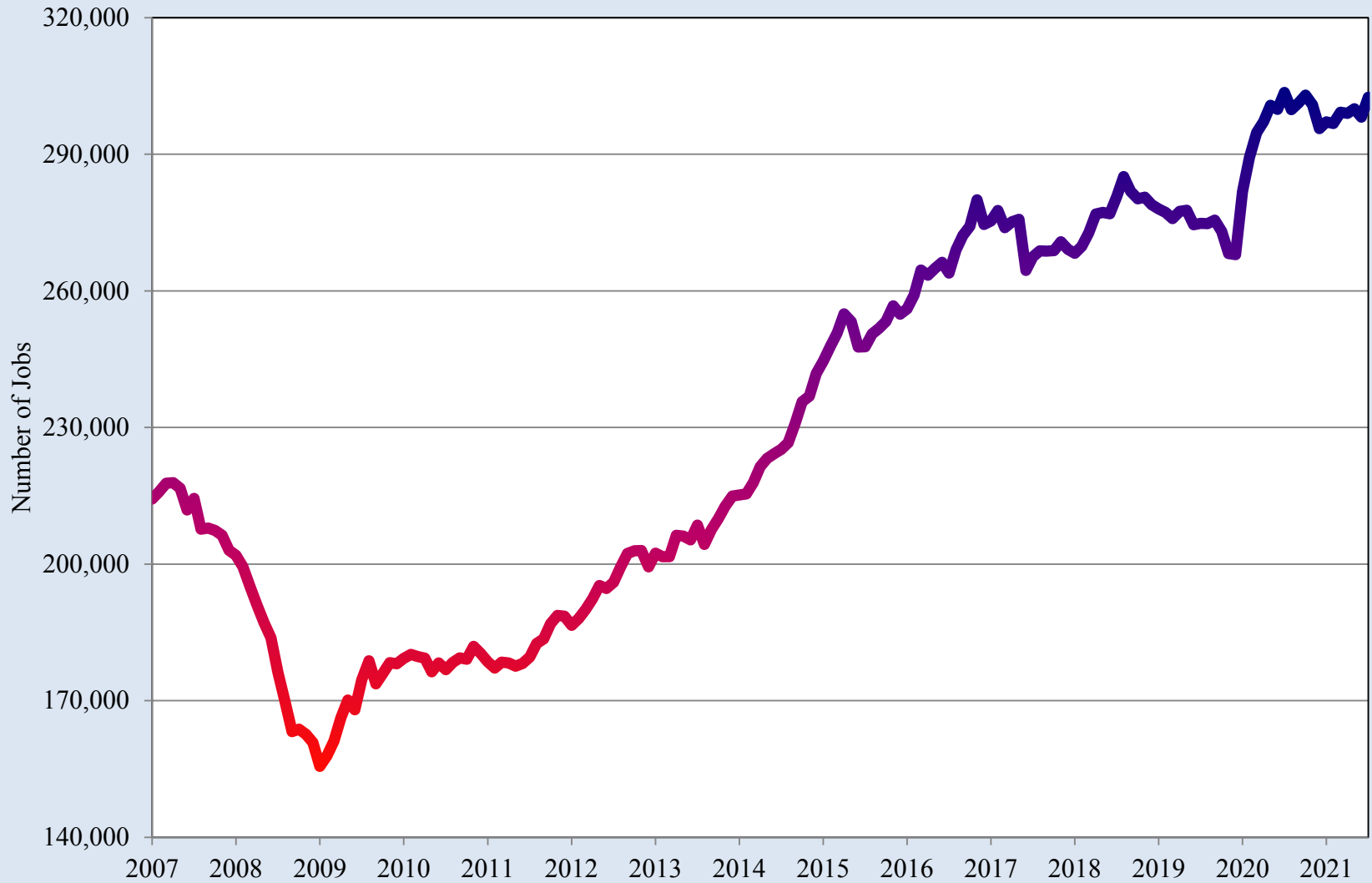
2019 2020 2021



Source: INEGI



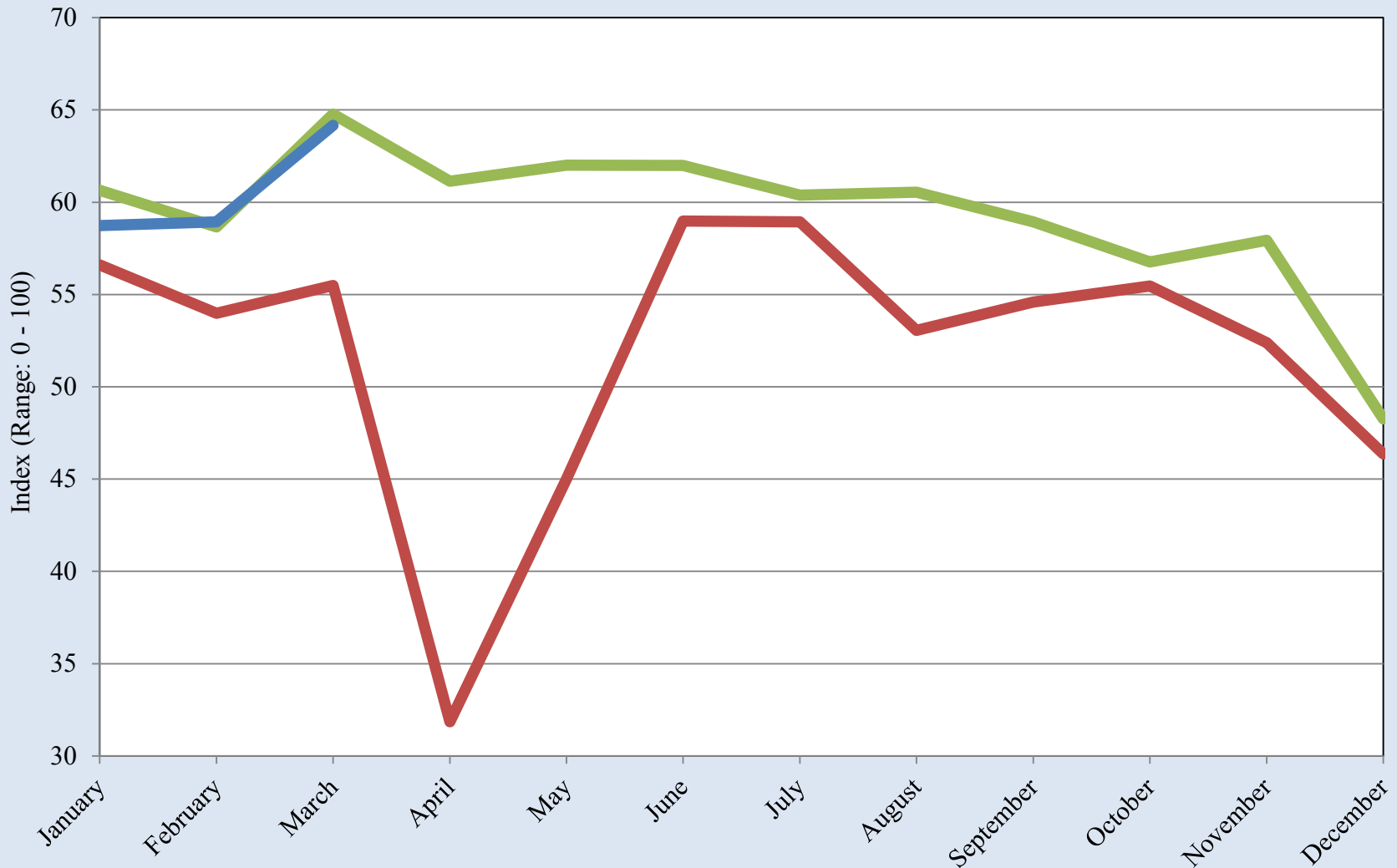
## Export-Oriented Manufacturing Employment in Ciudad Juárez



Source: INEGI

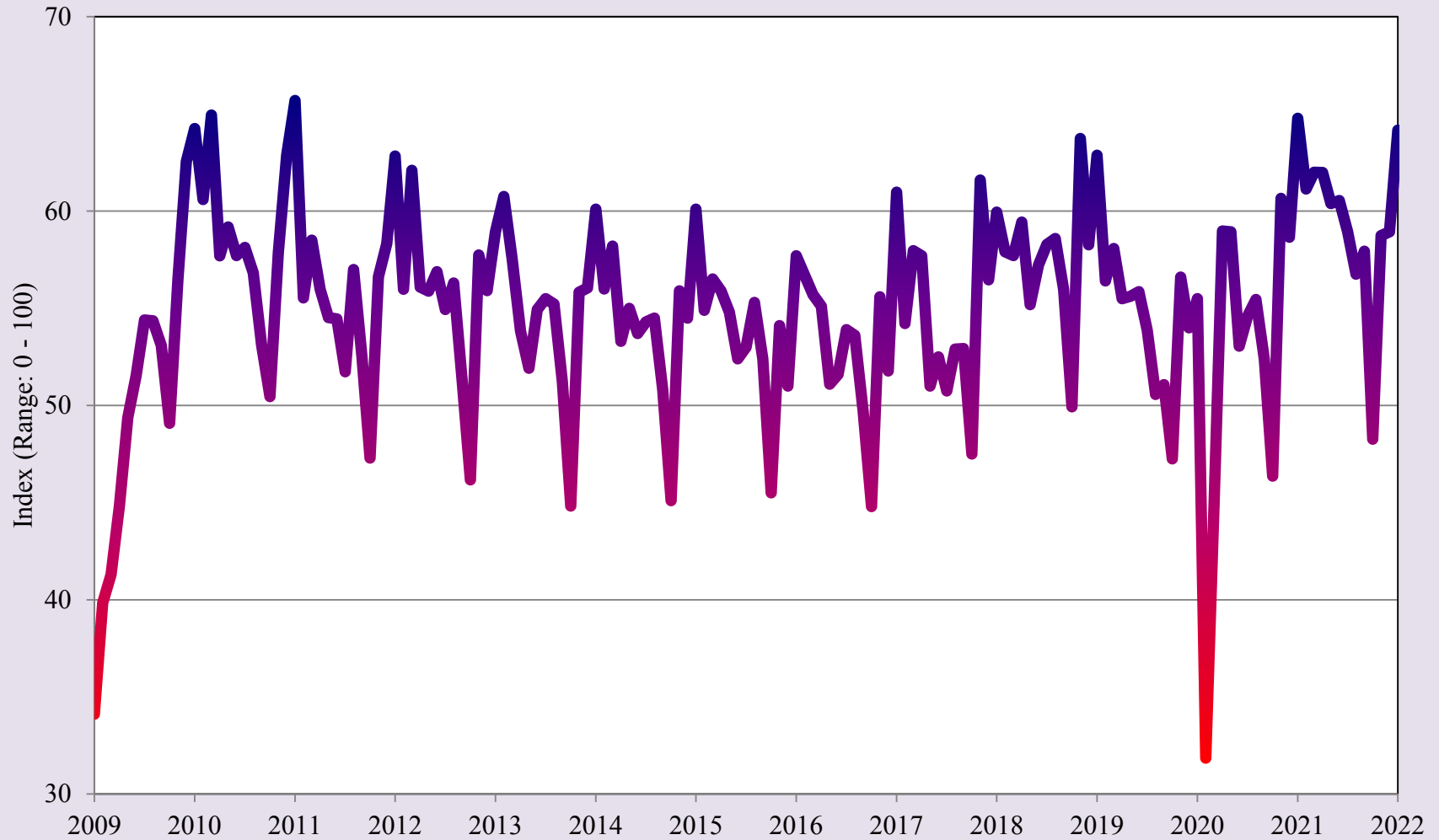
# Northern Mexico Manufacturing Orders Index

— 2020 — 2021 — 2022



Source: Banco de México

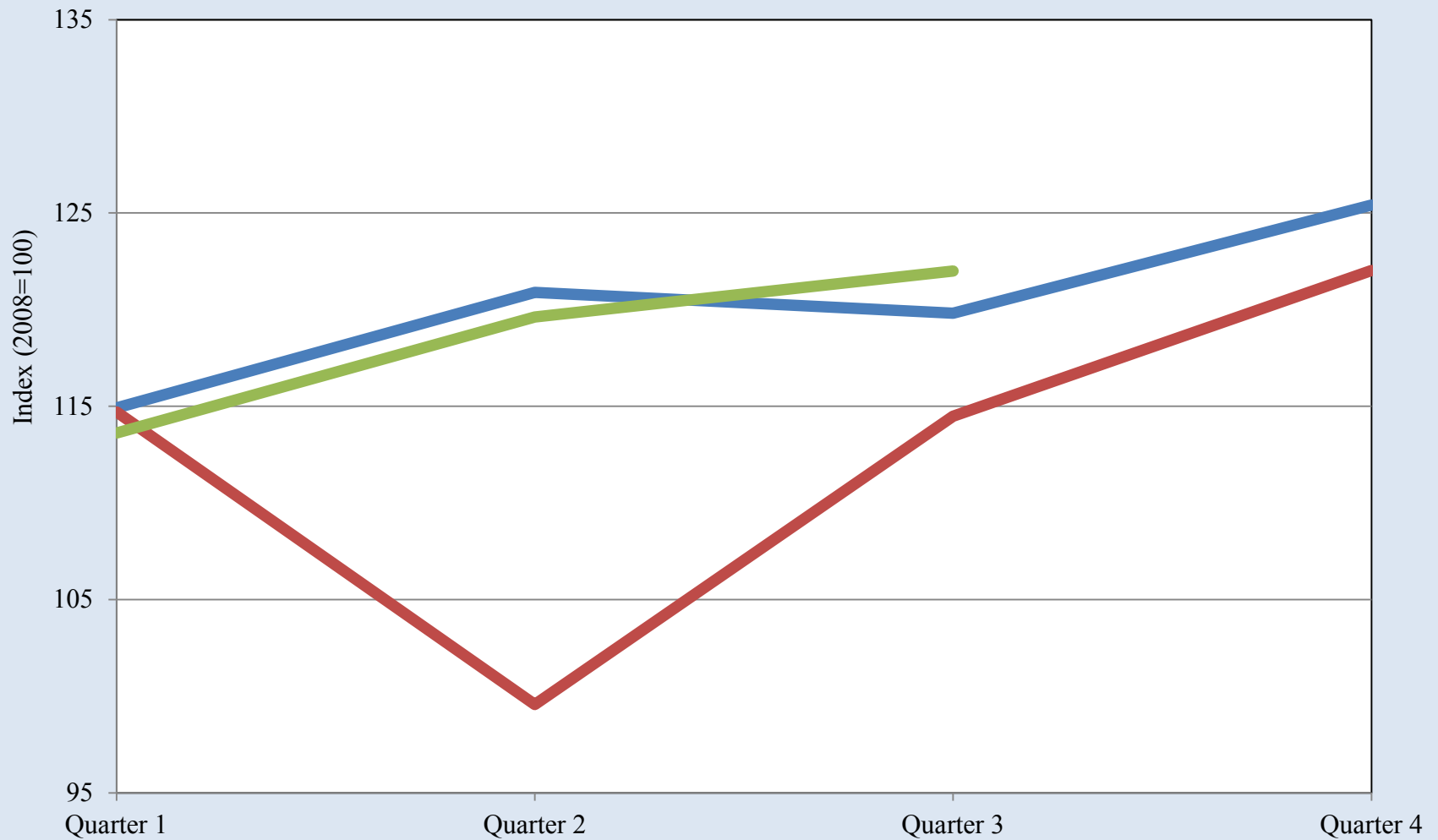
## Northern Mexico Manufacturing Orders Index



Source: Banco de México

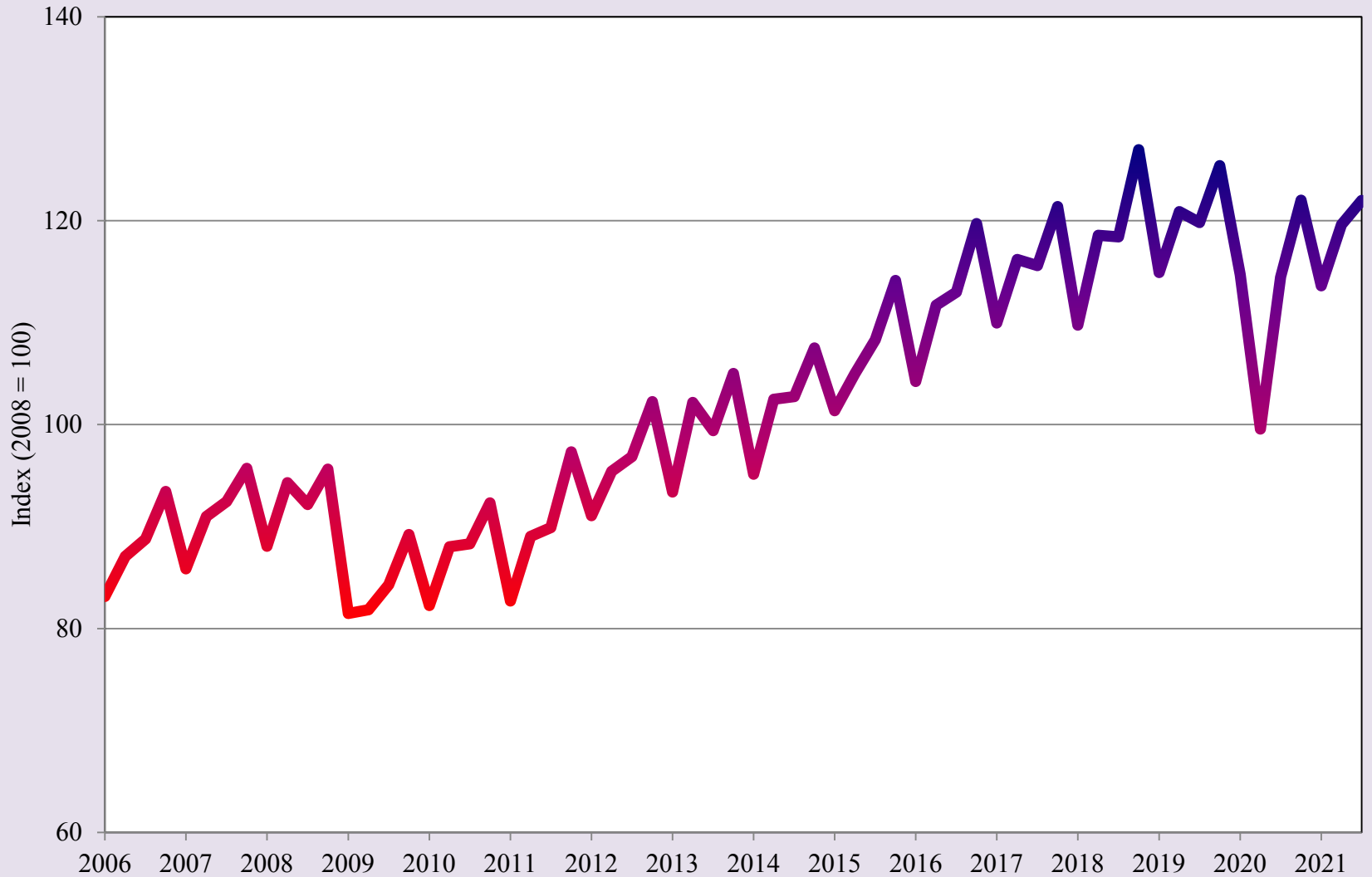
# Quarterly Indicator of Economic Activity for the State of Chihuahua

2019 2020 2021



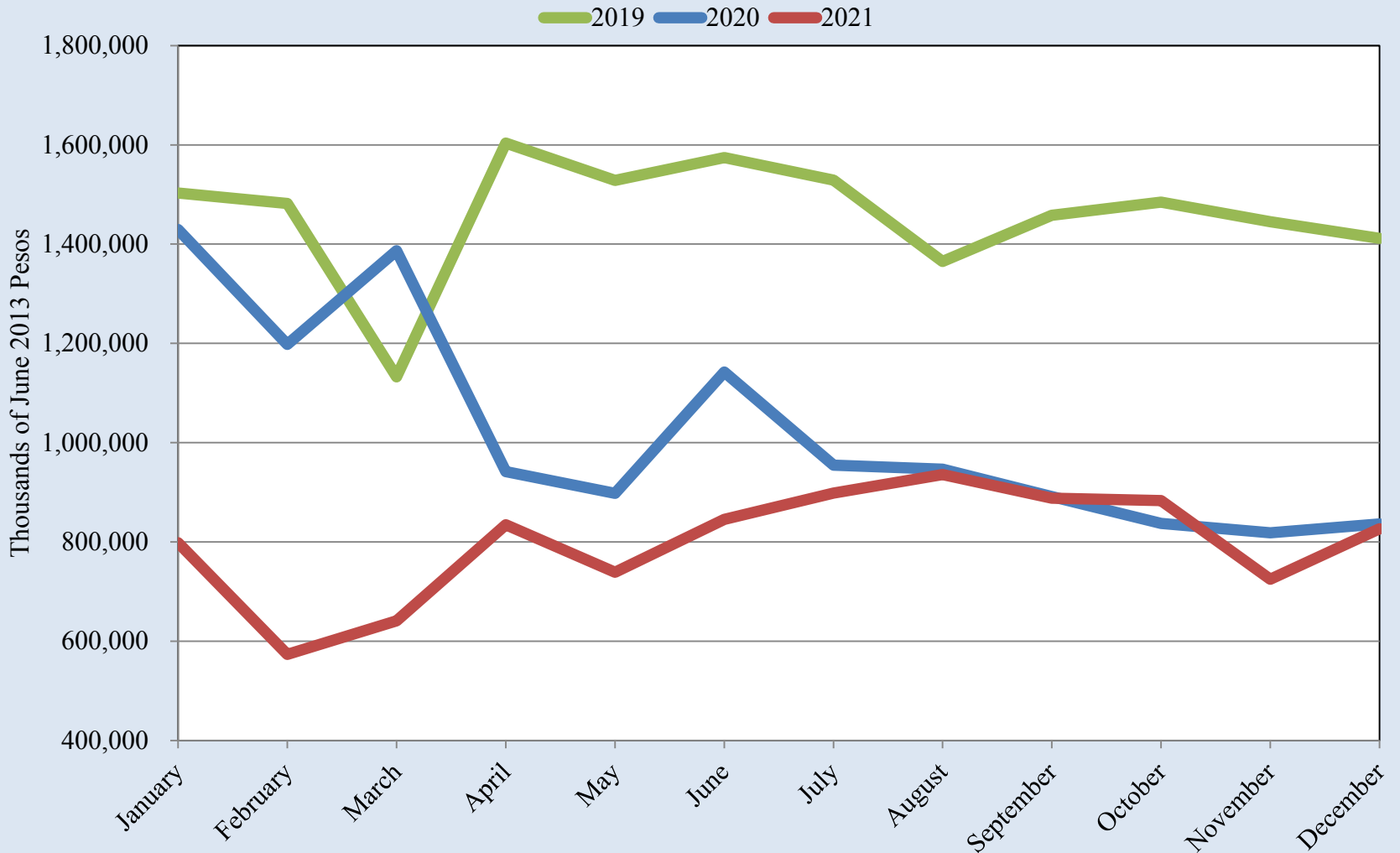
Source: INEGI

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



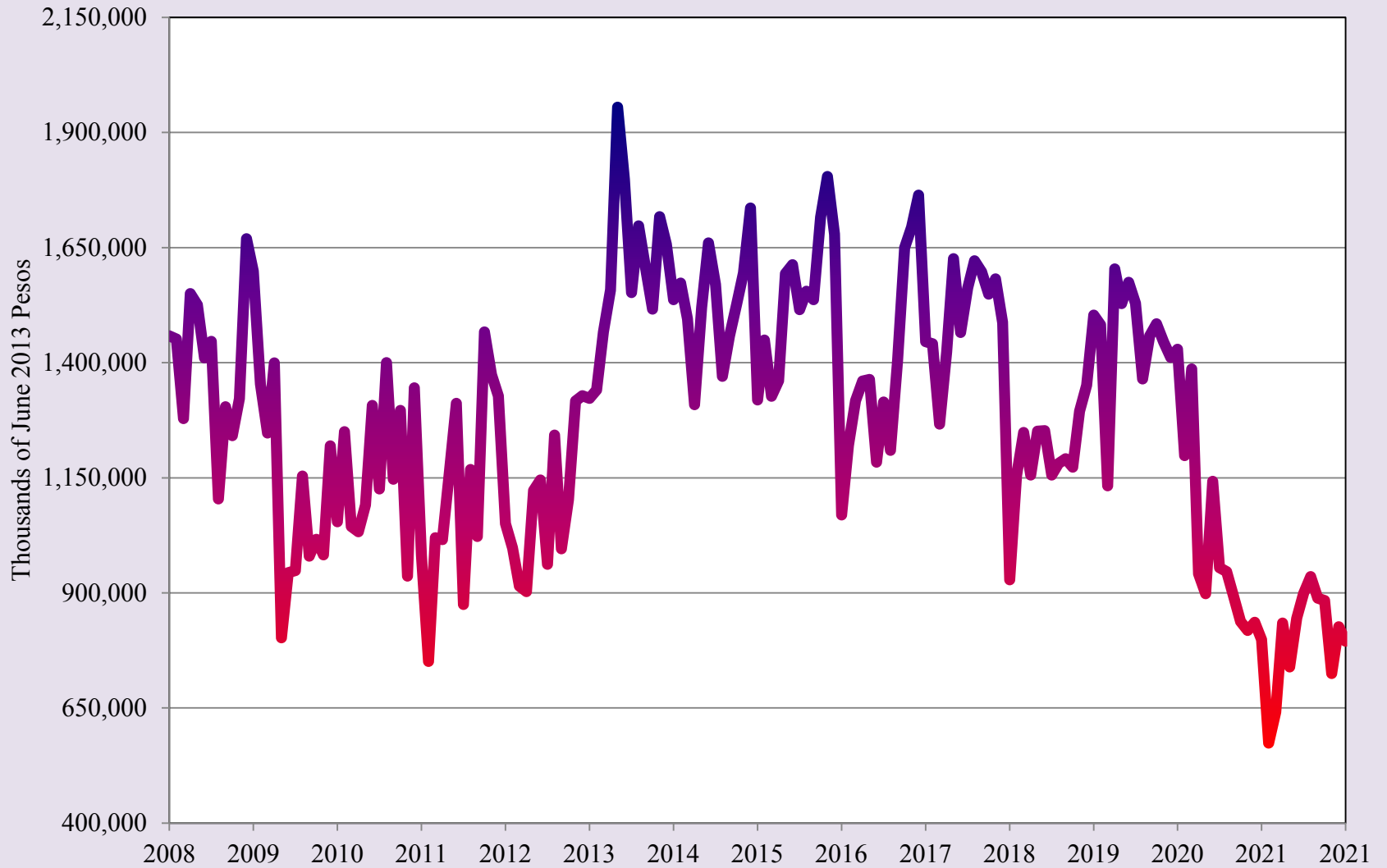
Source: INEGI

## Total Value of Construction in the State of Chihuahua



Source: INEGI

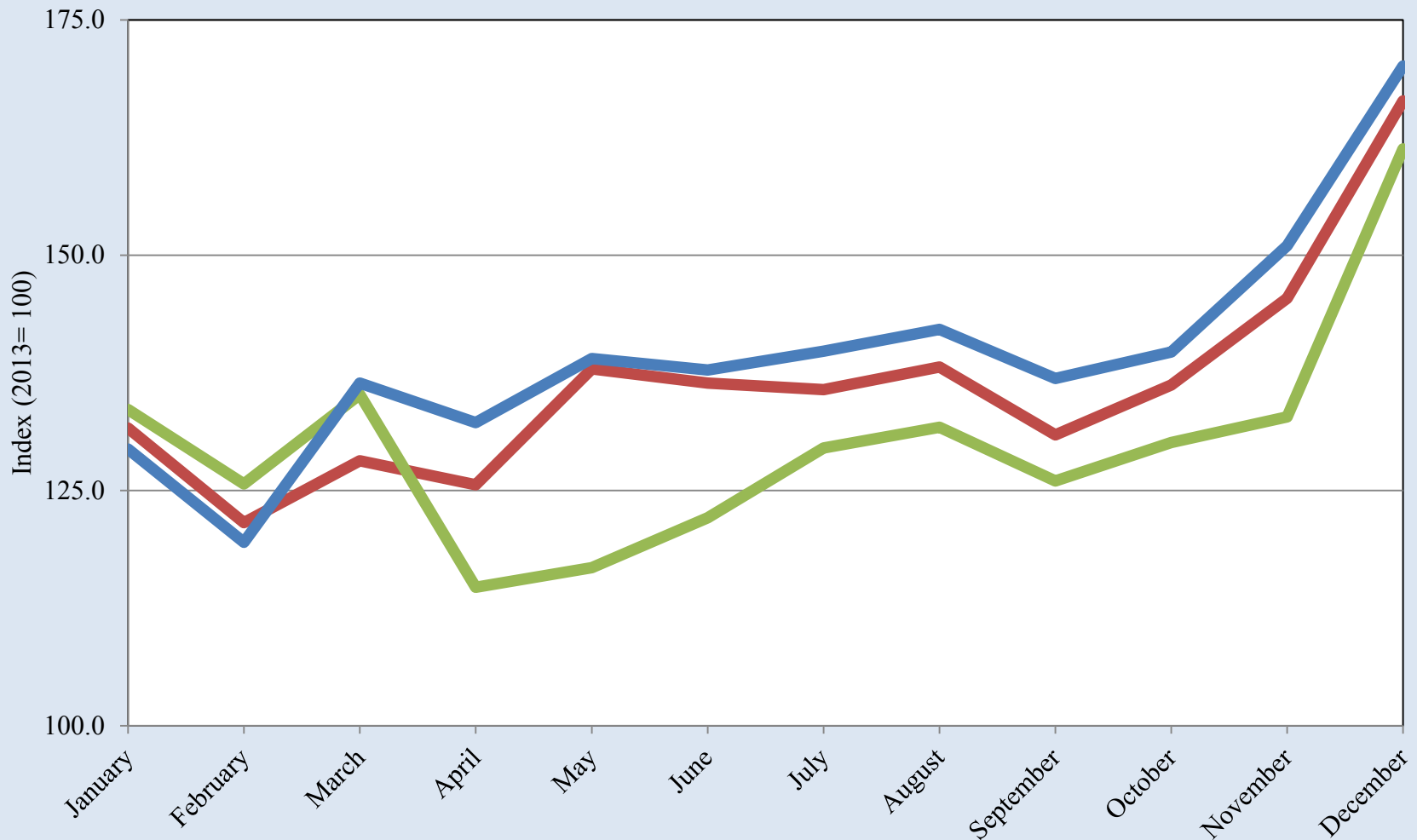
## Total Value of Construction in the State of Chihuahua



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua

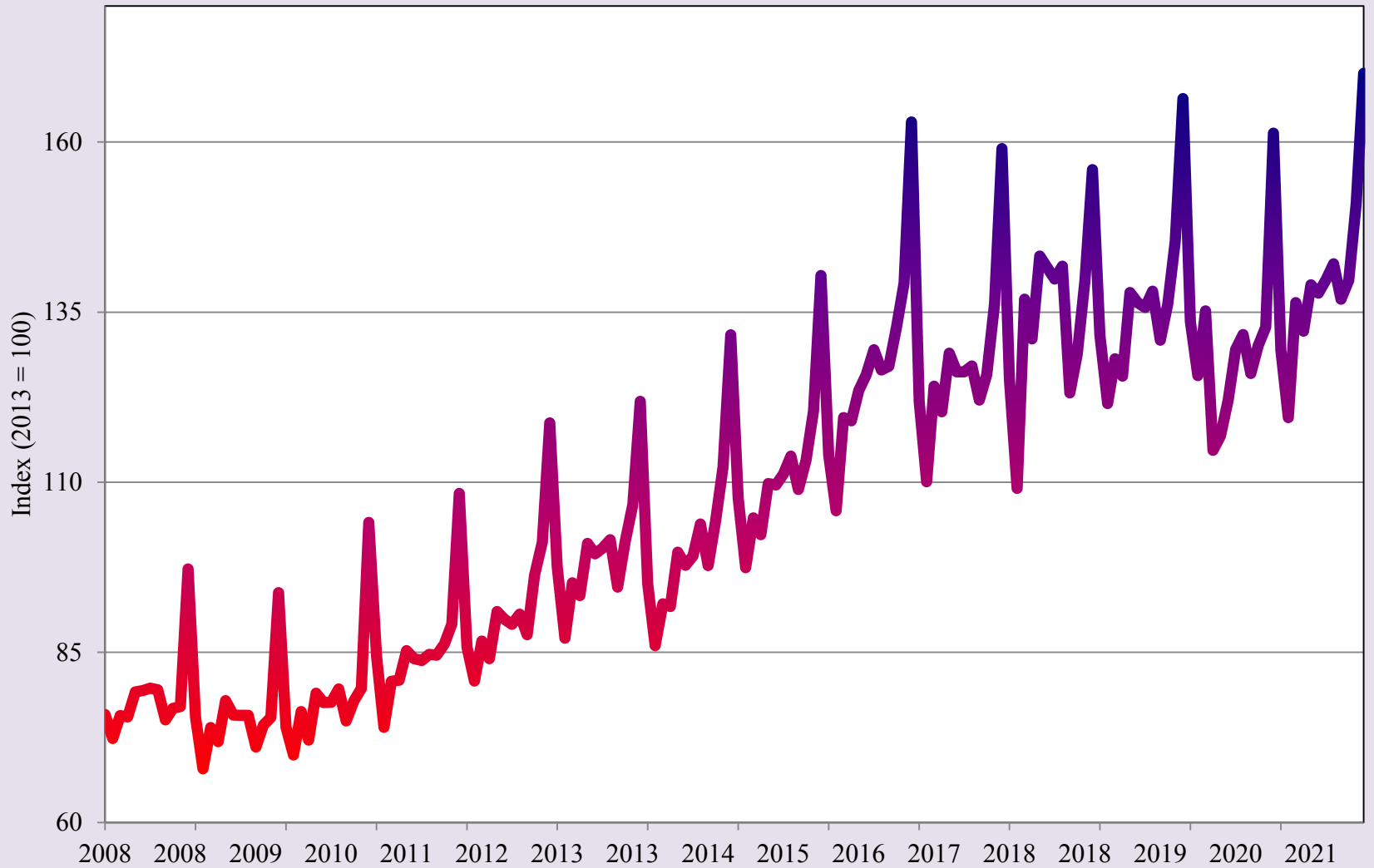
— 2019 — 2020 — 2021



Source: INEGI



## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



# Short-Term Outlook to 2022





# BORDERPLEX BUSINESS BAROMETER

## University of Texas at El Paso

Heather Wilson, President  
John Wiebe, Provost  
Roberto Osegueda, Vice President for Research

## UTEP College of Business Administration

Jim Payne, Dean  
Erik Devos, Associate Dean  
Faith Xie, Associate Dean  
Tim Roth, Templeton Professor of Banking & Economics

## UTEP Border Region Modeling Project Corporate and Institutional Sponsors:

El Paso Water  
TFCU  
UTEP College of Business Administration  
UTEP Department of Economics & Finance  
UTEP Center for the Study of Western Hemispheric Trade

***Borderplex Business Barometer*** is a monthly publication of the Border Region Modeling Project (BRMP), a research unit within the Department of Economics & Finance at the College of Business Administration of The University of Texas at El Paso. BRMP information is available at: <https://www.utep.edu/business/border-region-modeling-project/index.html>. For additional information, contact the Border Region Modeling Project - CBA 236, UTEP Department of Economics & Finance, 500 West University Avenue, El Paso, TX 79968-0543, USA, (915) 747-7775.