Borderplex Business Barometer, Volume 6, Number 8

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Comments:
Recession fears abound throughout the world, and with good reason. Interest rates are rising, a supply chain disrupting war is raging in Europe, and international health care threats seem omnipresent. As shown below, the yield curve for the United States has four partial inversion segments.

While all of that is undeniably concerning, recent data for the Borderplex regional economy point to overall economic salubrity. Indicative of the latter, the Federal Reserve Bank of Dallas El Paso Business Cycle Index rose again in July. That was accompanied by another decline in the UTEP Household Economic Stress Index. Contributing to that development, the El Paso unemployment rate was below 5 percent for a fifth consecutive month. Joblessness has also been noticeably below prior-year levels during every month of 2022 in Las Cruces.

There are, however, some areas of concern. In El Paso and Las Cruces, housing price gains have far exceeded income gains. That, combined with sharply higher mortgage rates, has caused housing affordability to erode. Gasoline prices remain well above year-ago levels throughout the region. In El Paso, higher food price inflation has increased Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments relative to year-ago levels in both June and July. Further north, and across the county line, that was not the case in Las Cruces, where strong Mesilla Valley job gains allowed SNAP enrollments to continue declining in June.

Border region consumption patterns have changed in 2022 in manners that reflect what is occurring more broadly across the hemisphere. A shift away from merchandise purchases in favor of services began once Covid-19 infection rates started dropping. Airport data in the region confirm that change. Air freight volumes at El Paso International Airport (EPIA) have declined relative to prior-year volumes during the last four consecutive months for which data are available. EPIA air passenger traffic has exceeded prior-year levels for 16 straight months. As the graphs below indicate, similar air passenger traffic flow patterns are also occurring in both Ciudad Juarez and Chihuahua City.

Recent data further indicate that the Chihuahua state economy is making good progress. Export oriented employment continues to expand in Ciudad Juarez. Statewide real retail activity has grown relative to year-ago levels for 16 consecutive months. In spite of continued global uncertainty, the Borderplex region is doing well.
El Paso Metropolitan Business Cycle Index

Seasonally Adjusted Index (October 1980 = 100)

Source: Federal Reserve Bank of Dallas
El Paso Metropolitan Business Cycle Index

Source: Federal Reserve Bank of Dallas
Average Treasury Yield Curve Rates

Reflects 1 month, 2 month, 3 month, 6 month, 12 month, 2 yr, 3 yr, 5 yr, 7 yr, 10 yr, 20 yr, 30 yr.

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

Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso Household Economic Stress Index

Source: UTEP Border Region Modeling Project
El Paso County Unemployment Rate

Source: Bureau of Labor Statistics
El Paso County SNAP (Food Stamp) Enrollment

Source: Texas Health and Human Services Commission
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

Source: Texas A&M Real Estate Center
El Paso Median Housing Prices from 2006 to 2022

Source: Texas A&M Real Estate Center
Months of Housing Inventory for El Paso

Source: Texas A&M Real Estate Center
Months of housing inventory in El Paso for single family homes 2006-2022

Source: Texas A&M Real Estate Center
El Paso Gasoline Prices

Source: GasBuddy.com
El Paso unleaded gasoline prices from January 2006 to July 2022

Source: GasBuddy.com
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Unemployment rate for Doña Ana county ranging from January 2006 to July 2022.
Las Cruces Area SNAP (Food Stamp) Cases

Source: New Mexico Human Services Department
Las Cruces Area SNAP (Food Stamp) cases from January 2006 with a gap in April and May of 2014 continuing June 2014 to July 2022.

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

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, goodrx.com, medsmex.com
EPIA Freight and Mail

2020, 2021, 2022 (3 year comparison)

Source: EPIA Operations
Source: EPIA Operations
EPIA Passengers

Source: EPIA Operations
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
Source: UTEP Border Region Modeling Project
Monthly border wait times at Paseo Del Norte, Ysleta, and Bridge of the Americas. Data set ranging from January 2011 to July 2022.

Source: UTEP Border Region Modeling Project
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Personal Vehicle International Bridge Crossings to El Paso

Number of Vehicles

Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection
Pedestrian International Bridge Crossings to El Paso

Number of Pedestrians

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

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
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

Real Total Trade through the El Paso Customs District

Domestic Passengers Ciudad Juarez International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
Domestic Passengers Ciudad Juarez International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
International Passengers Ciudad Juarez International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
Domestic Passengers Chihuahua City International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
Domestic Passengers Chihuahua City International Airport

Source: Grupo Aeroportuario Centro Norte - OMA
International Passengers Chihuahua City International Airport

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

Source: INEGI
Aggregate Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico Manufacturing Orders Index

Source: Banco de México
Northern Mexico Manufacturing Orders Index

Index (Range: 0 - 100)

Source: Banco de México
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

Source: INEGI
Real Retail Activity Index for the State of Chihuahua
Short-Term Outlook to 2022
Short-Term Outlook to 2022
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.