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Borderplex Business Barometer, Volume 1, Number 11

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BORDERPLEX BUSINESS BAROMETER

November 2017

Border Region Modeling Project

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Border Commerce & Economics

Borderplex Business Barometer, Volume 1, Number 11

Growth Continues

The Federal Reserve Bank of Dallas Metropolitan Business Cycle Index for El Paso increased by 0.4 percent between August and September. The El Paso Household Economic Stress Index also ticked upward slightly, but remains low by recent historical standards. The preliminary unemployment rate for El Paso County in September was 4.2 percent, the lowest rate observed in more than three decades. El Paso County enrollment in the Supplemental Nutrition Assistance Program (SNAP) was 2.7 percent lower in October 2017 than one year earlier, another sign of regional economic health.

Median local housing prices dipped slightly below \$150,000 in September. However, in September, and every prior month of 2017, housing prices remained above those observed in 2016. Also in September, the local market was estimated to have 5.6 months-worth of housing inventory, reflecting little change relative to previous months. Both indicators suggest that the local housing market is relatively healthy. Regular-grade gasoline prices across El Paso declined slightly in October from the Hurricane Harvey surges.

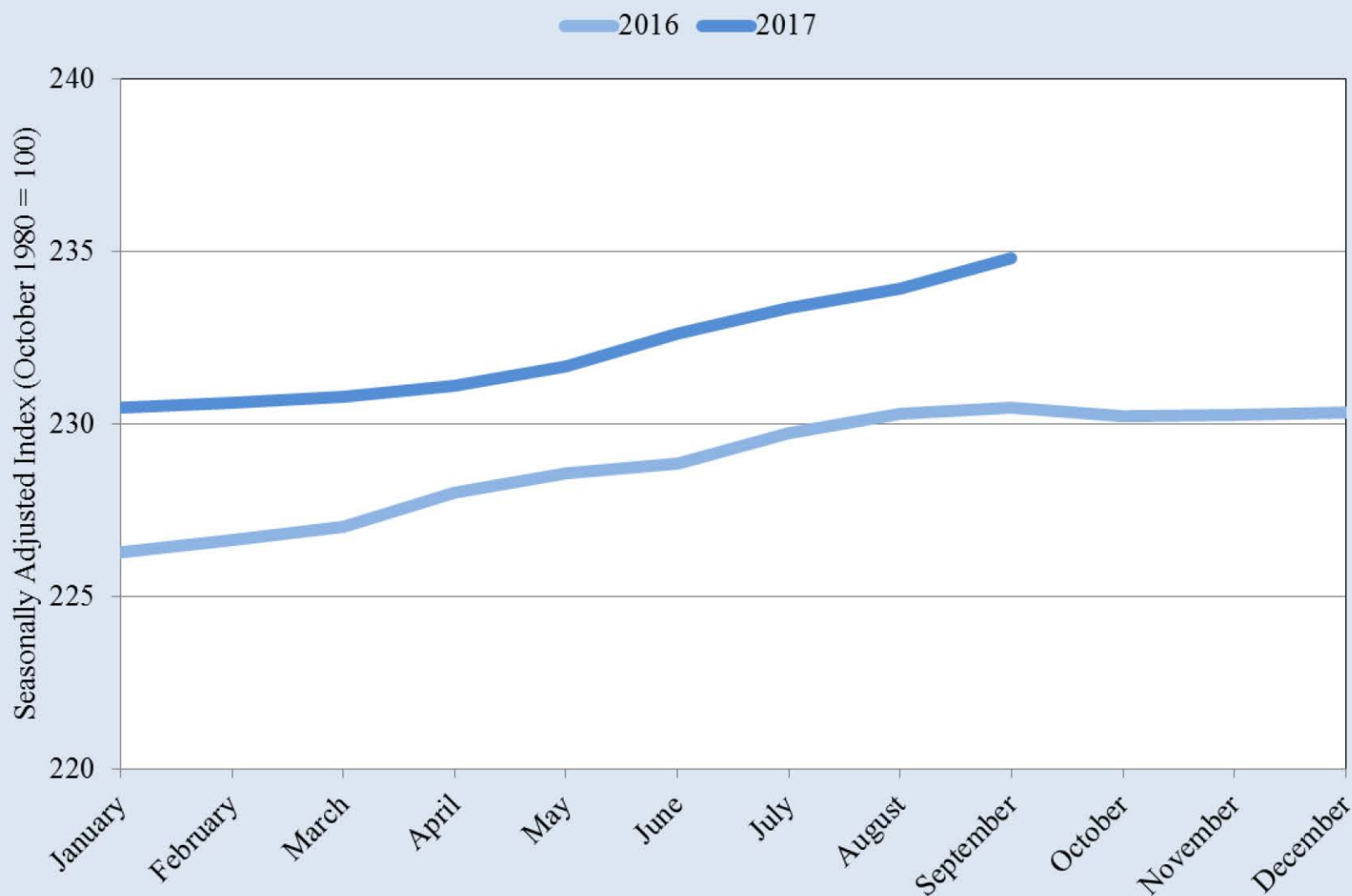
Doña Ana County indicators generally point to a strengthening regional economy. The unemployment rate fell to 6.5 percent in September, an improvement relative to the same period in 2016. Also, total SNAP cases reported by the public assistance offices remained almost unchanged between August and September.

The nominal peso-to-dollar exchange rate remains above the average ratio of peso-to-dollar prices for restaurant menu items surveyed by the UTEP Border Region Modeling Project. The gap narrowed from 8.9 pesos (per dollar) in January to only 5 pesos in July, but has changed little since then. Similar dynamics help explain why the real peso-to-dollar exchange rate index fell between January and July and has remained relatively flat since then.

At \$8.0 billion, total merchandise trade (imports plus exports) through the El Paso Customs District in September 2017 was lower than the \$8.3 billion figure from a year earlier. However, trade data exhibit a high degree of month-to-month volatility and there does not appear to be a clear downward trend in regional trade volumes. Factories in Ciudad Juárez that produce goods for export have increased payrolls this year, though the rate of growth in employment has slowed somewhat in recent months. The Northern Mexico Manufacturing Orders Index has generally remained near levels recorded last year, as was the case in September.

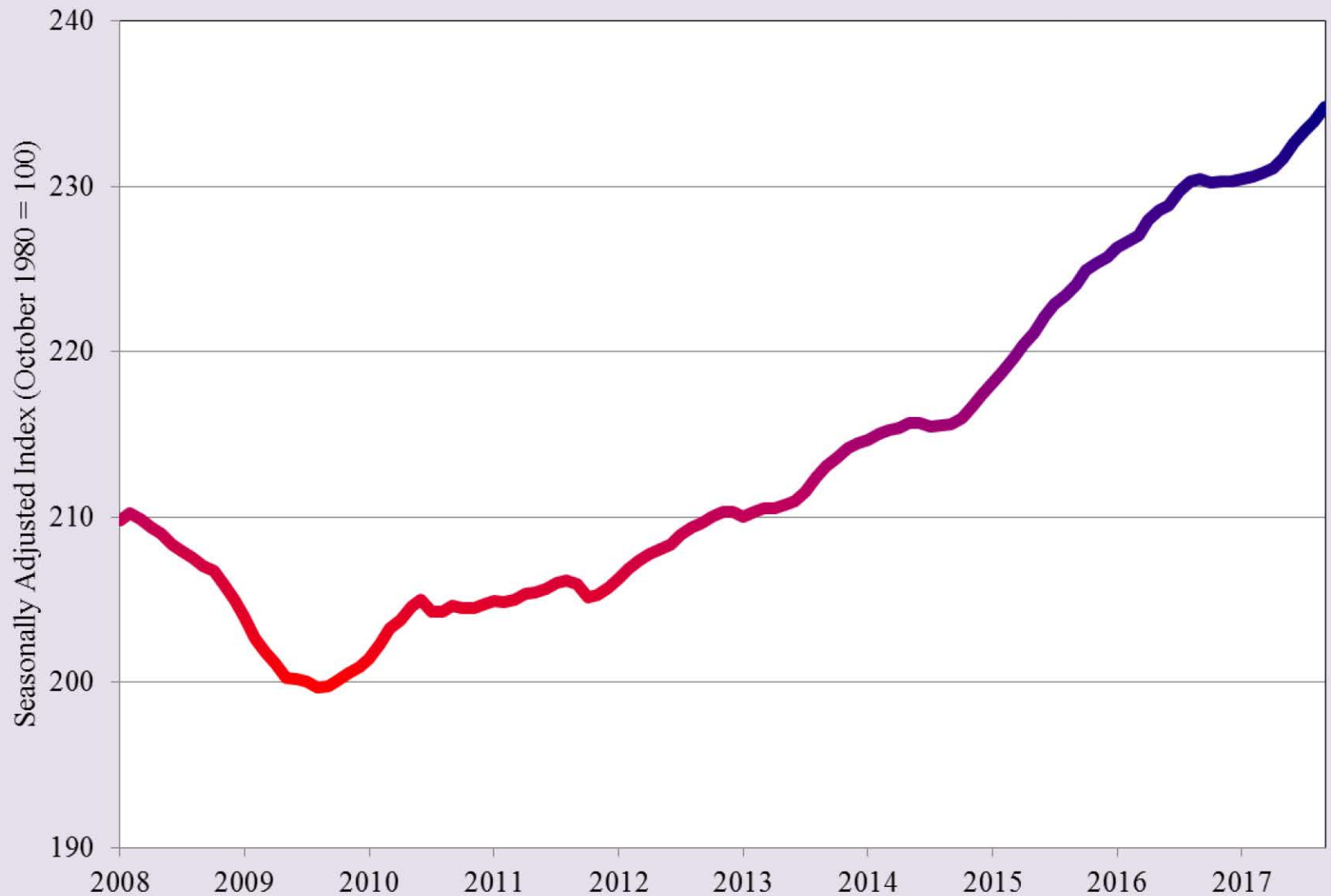
The Quarterly Indicator of Economic Activity for the state of Chihuahua compiled by INEGI has undergone historical revision. The revised data indicate that the state's economy grew more slowly between the second and third quarters of 2016 than was previously reported. However, the updated data also indicate that economic expansion has continued into 2017. The total value of construction in the state of Chihuahua has fallen well below the levels observed last year, and that is likely to undercut statewide aggregate economic performance this year. Statewide retail activity, by contrast, remains fairly robust.

Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

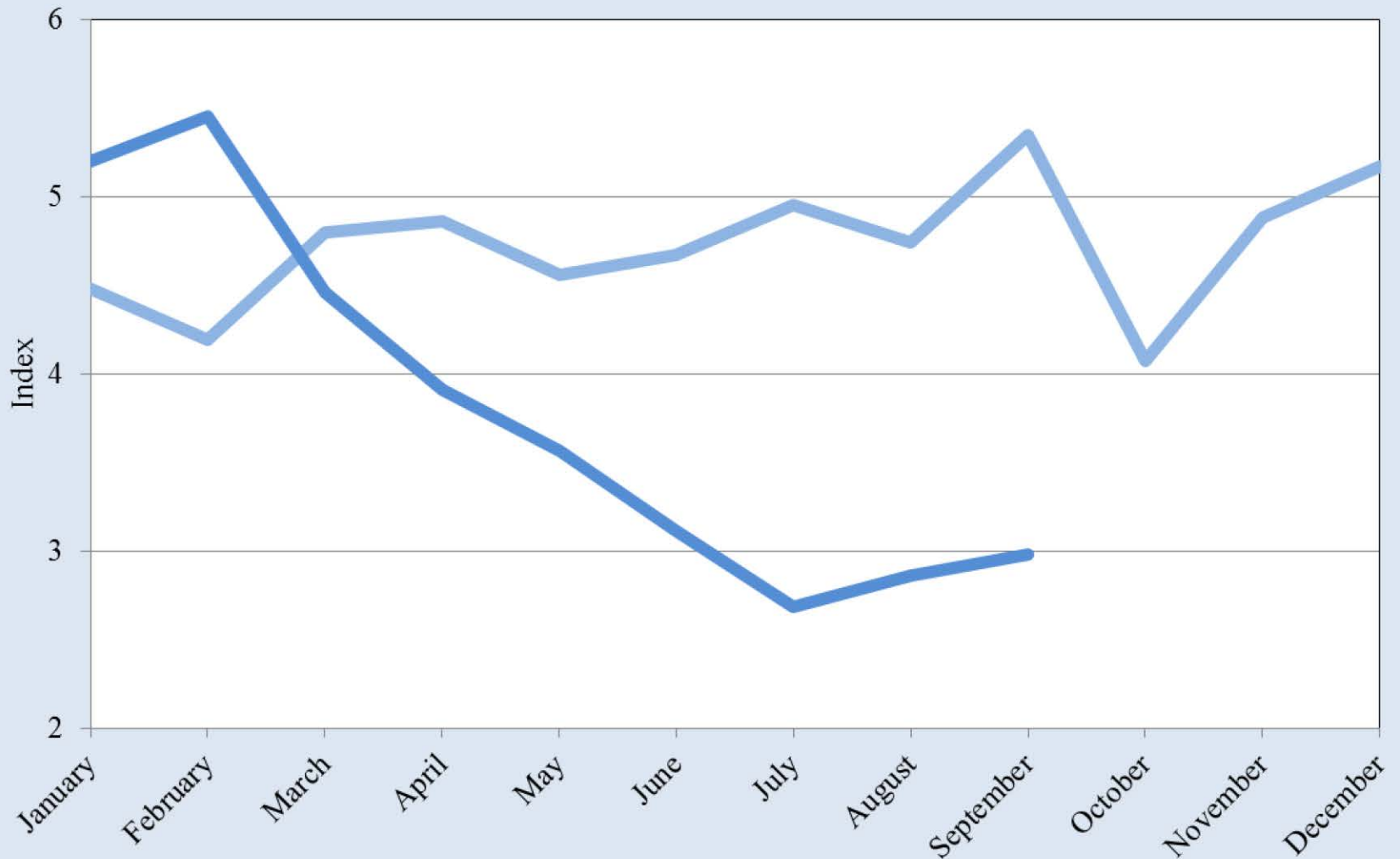
Metro Business-Cycle Index for El Paso



Source: Federal Reserve Bank of Dallas

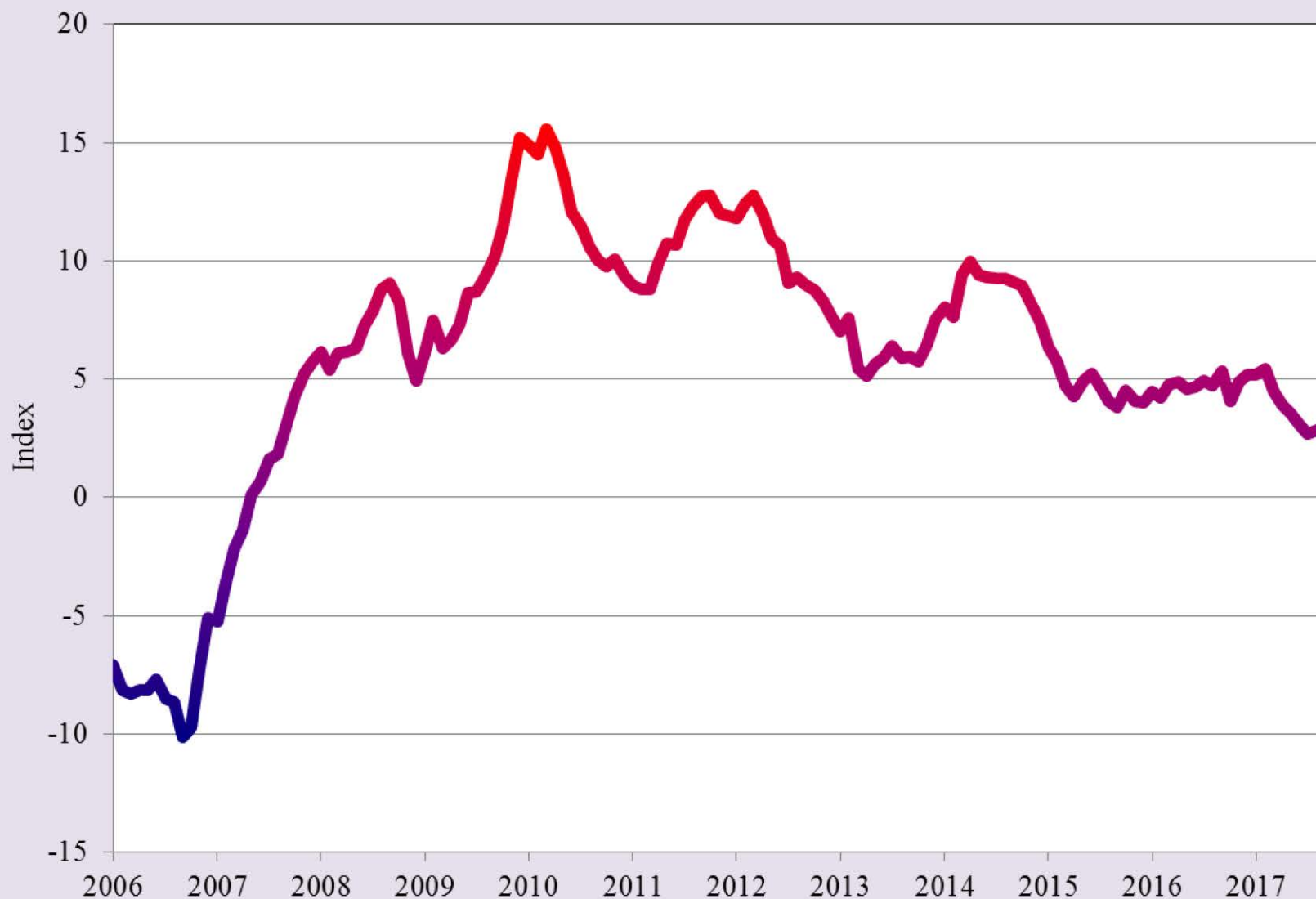
El Paso Household Economic Stress Index

— 2016 — 2017



Source: UTEP Border Region Modeling Project

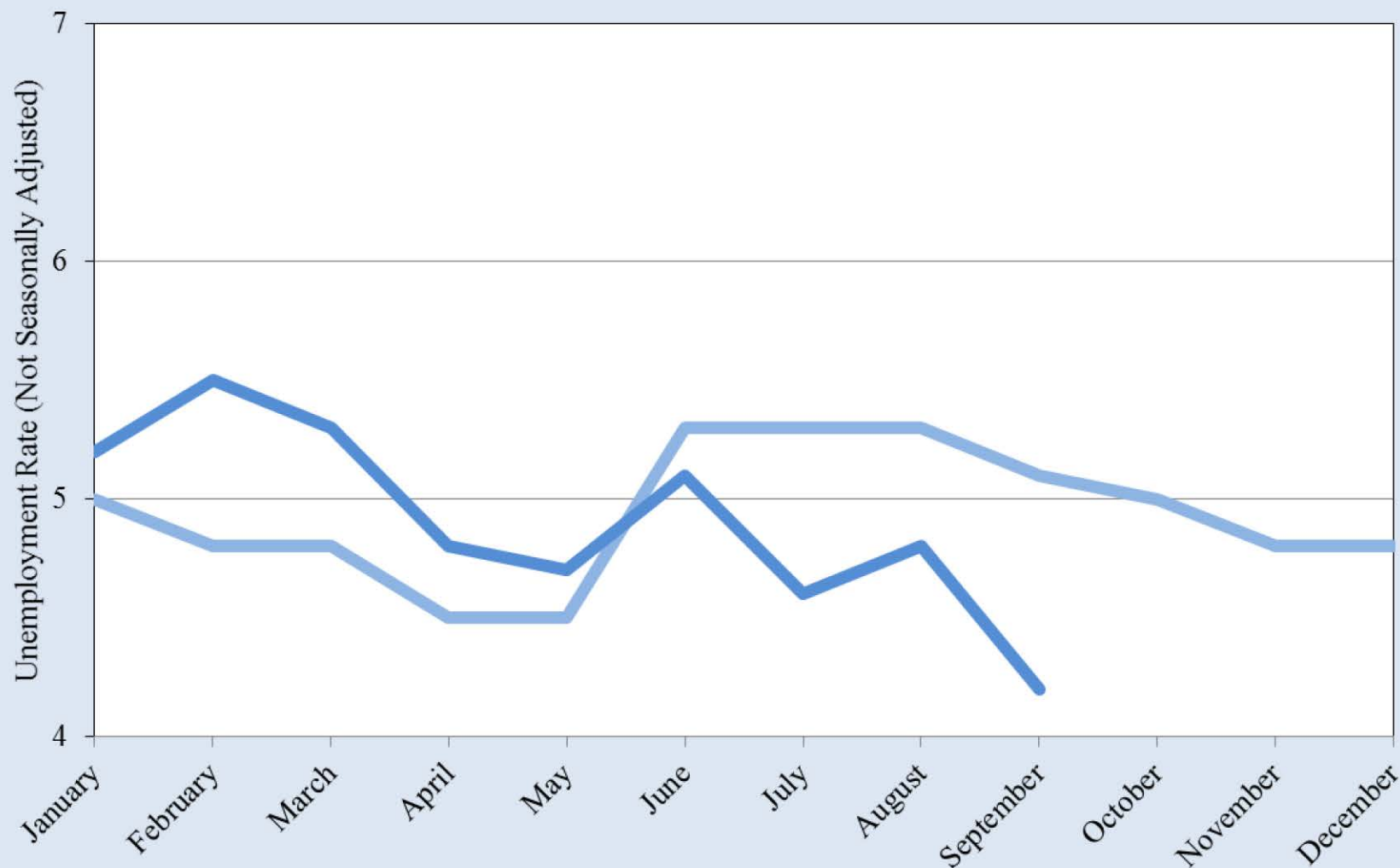
El Paso Household Economic Stress Index



Source: UTEP Border Region Modeling Project

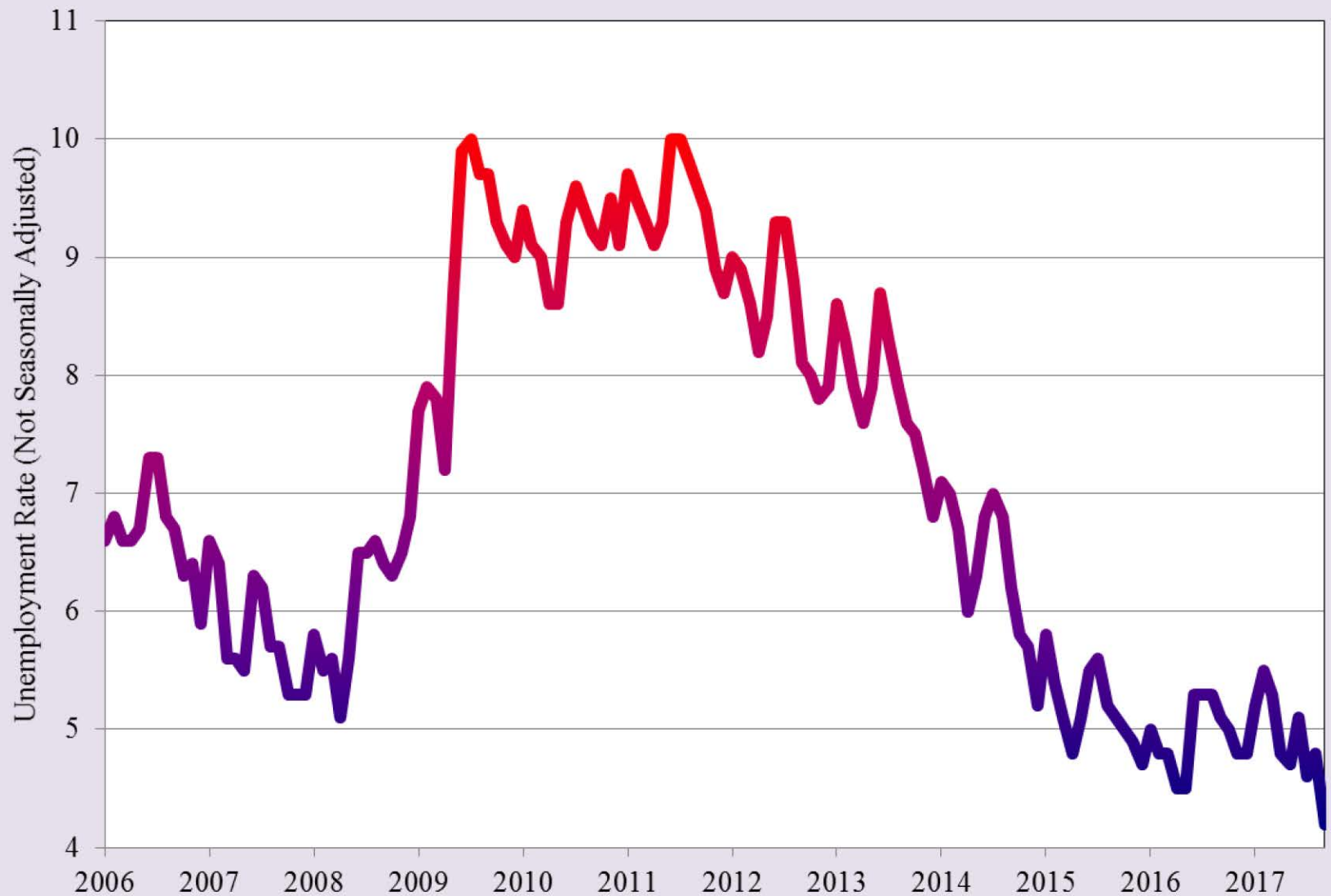
El Paso County Unemployment Rate

— 2016 — 2017



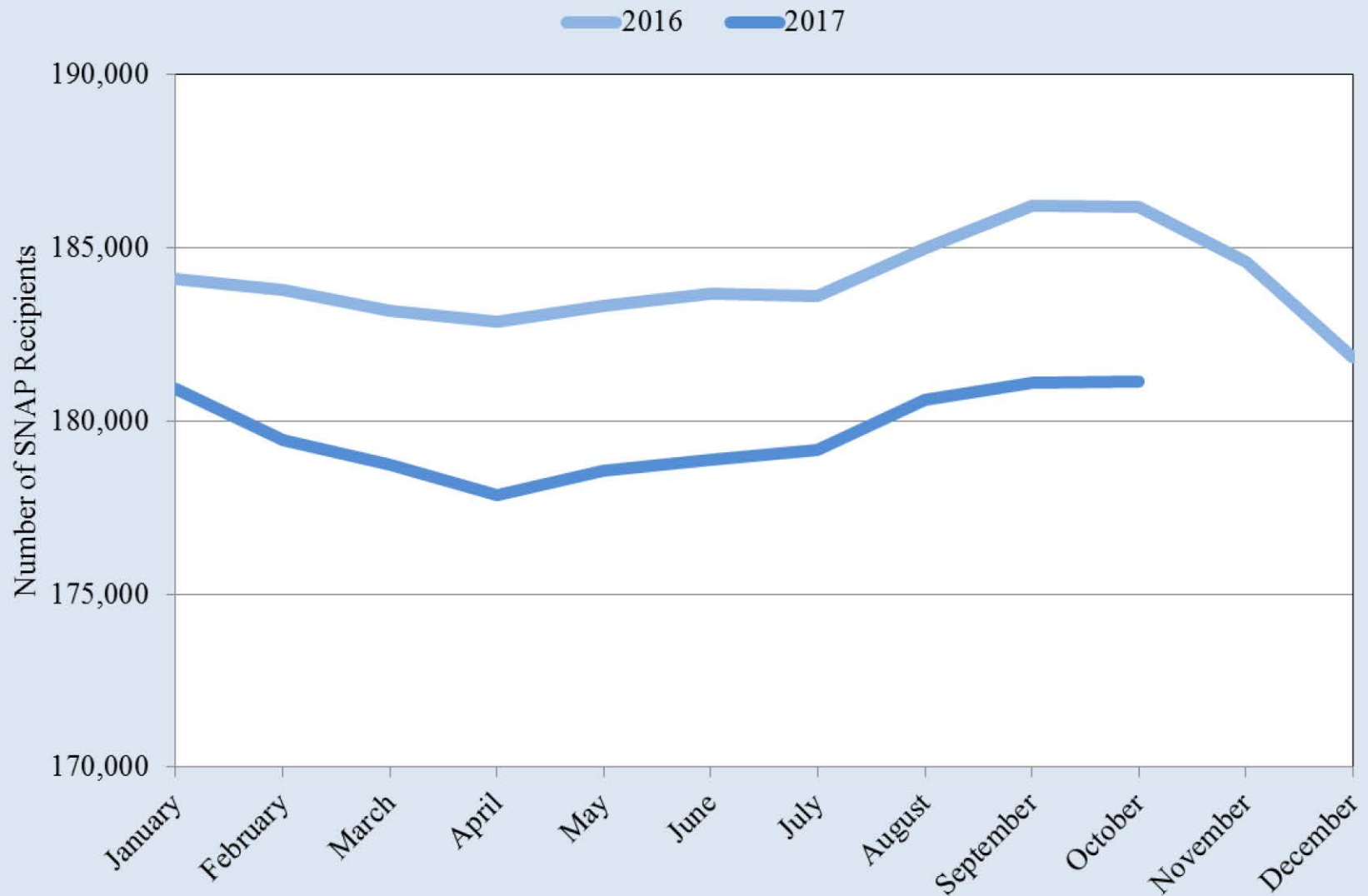
Source: Bureau of Labor Statistics

El Paso County Unemployment Rate



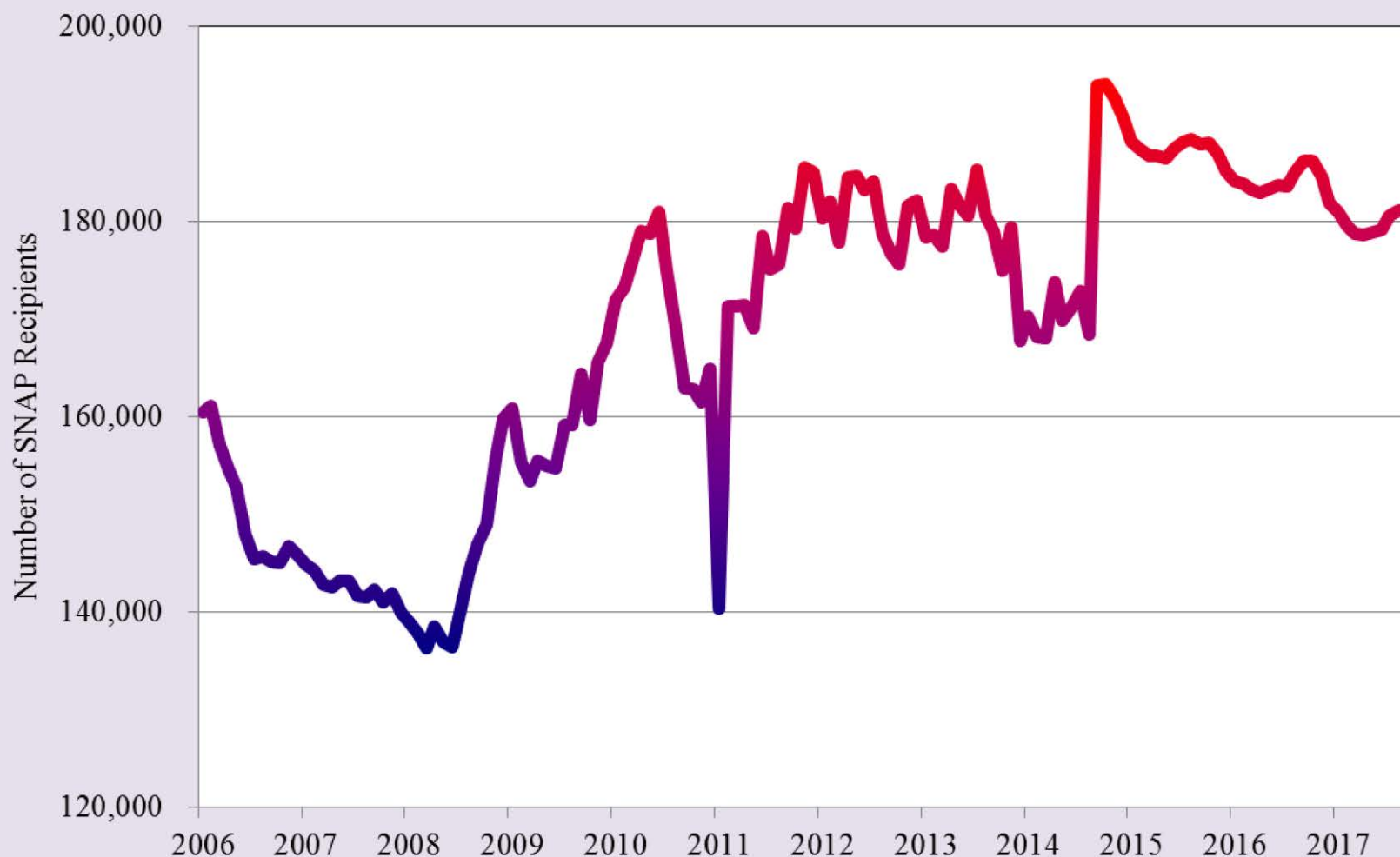
Source: Bureau of Labor Statistics

El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

El Paso County SNAP (Food Stamp) Enrollment

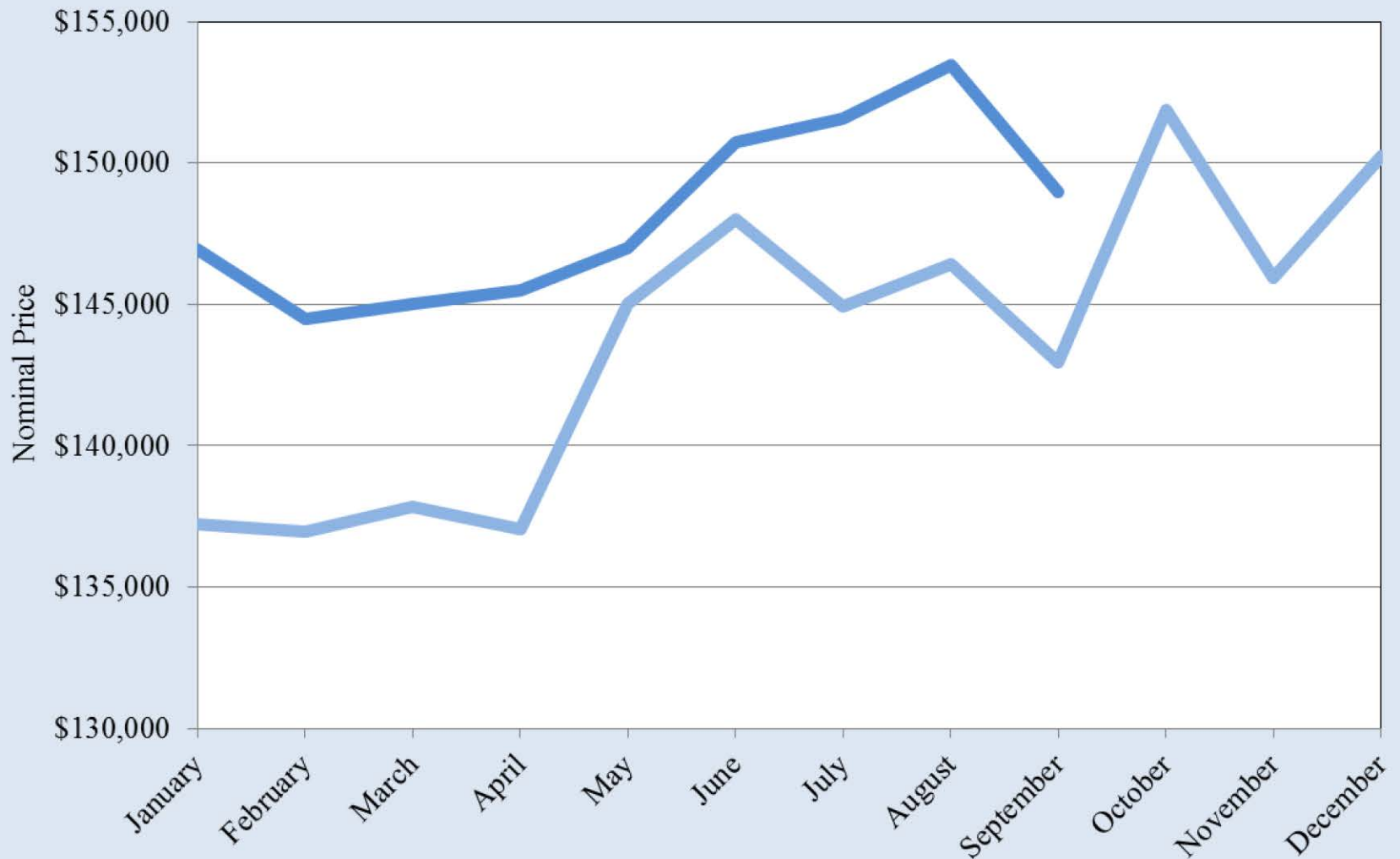


Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission

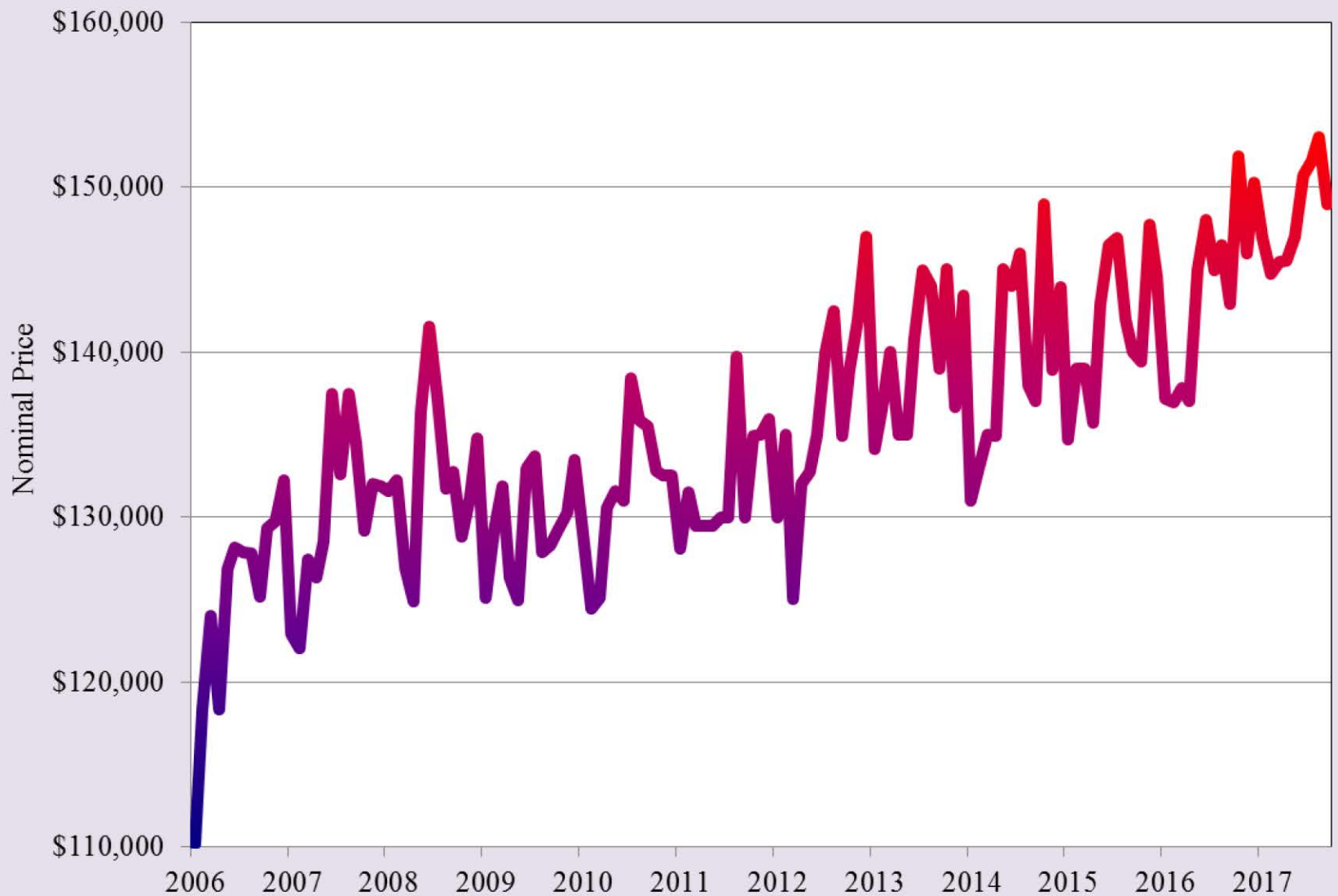
El Paso Median Housing Prices

— 2016 — 2017



Source: Texas A&M Real Estate Center

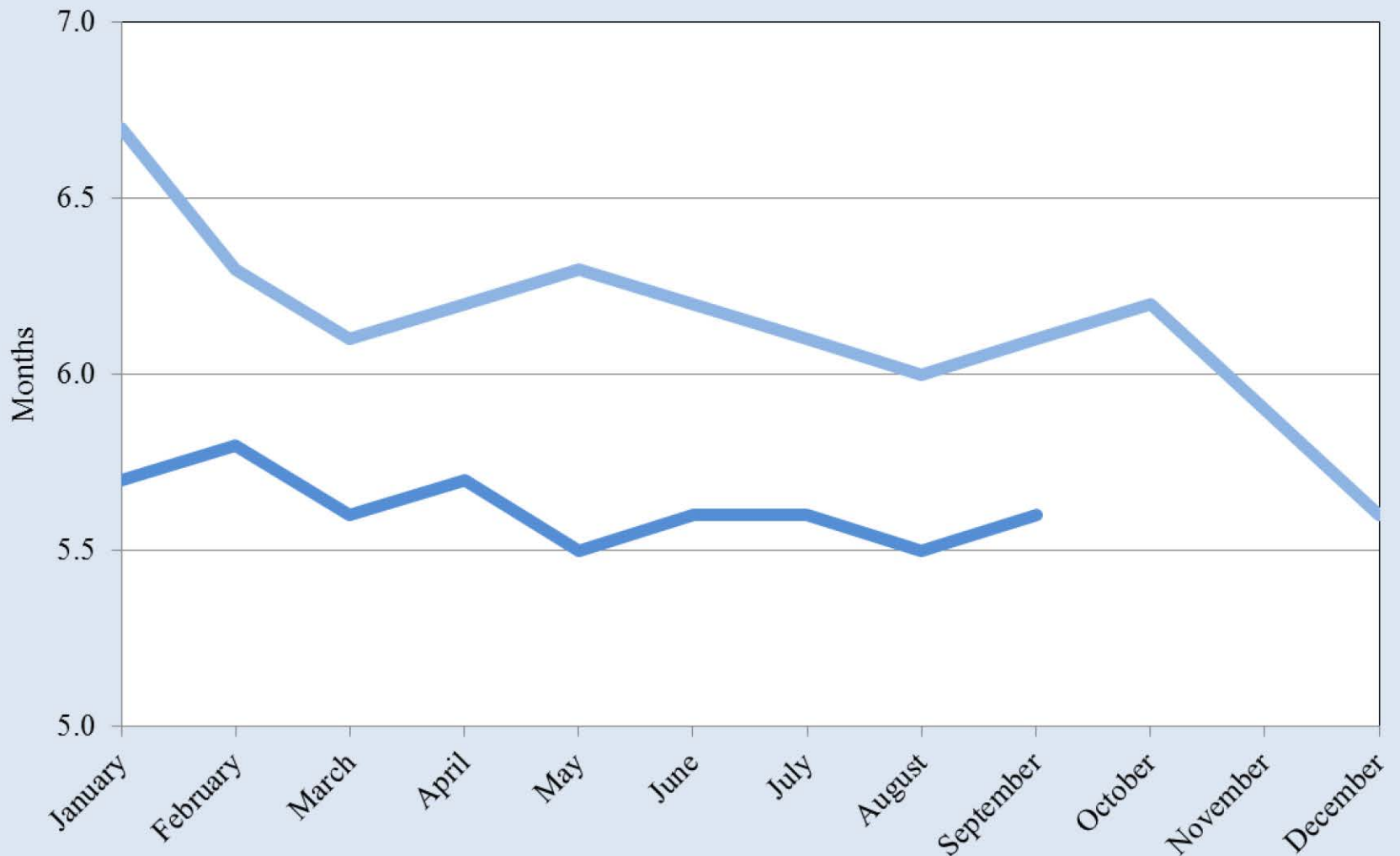
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Source: Texas A&M Real Estate Center

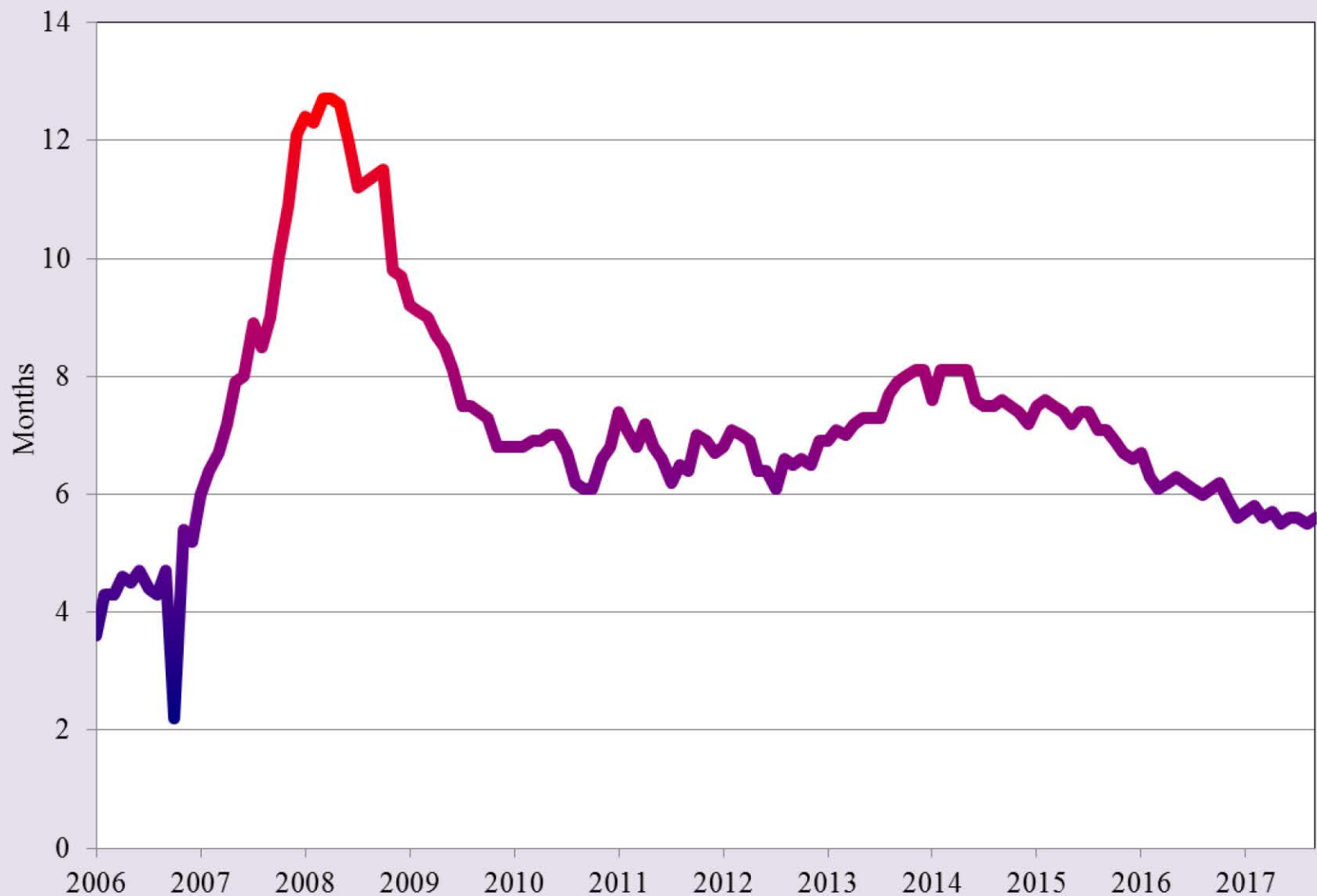
Months of Housing Inventory for El Paso

— 2016 — 2017



Source: Texas A&M Real Estate Center

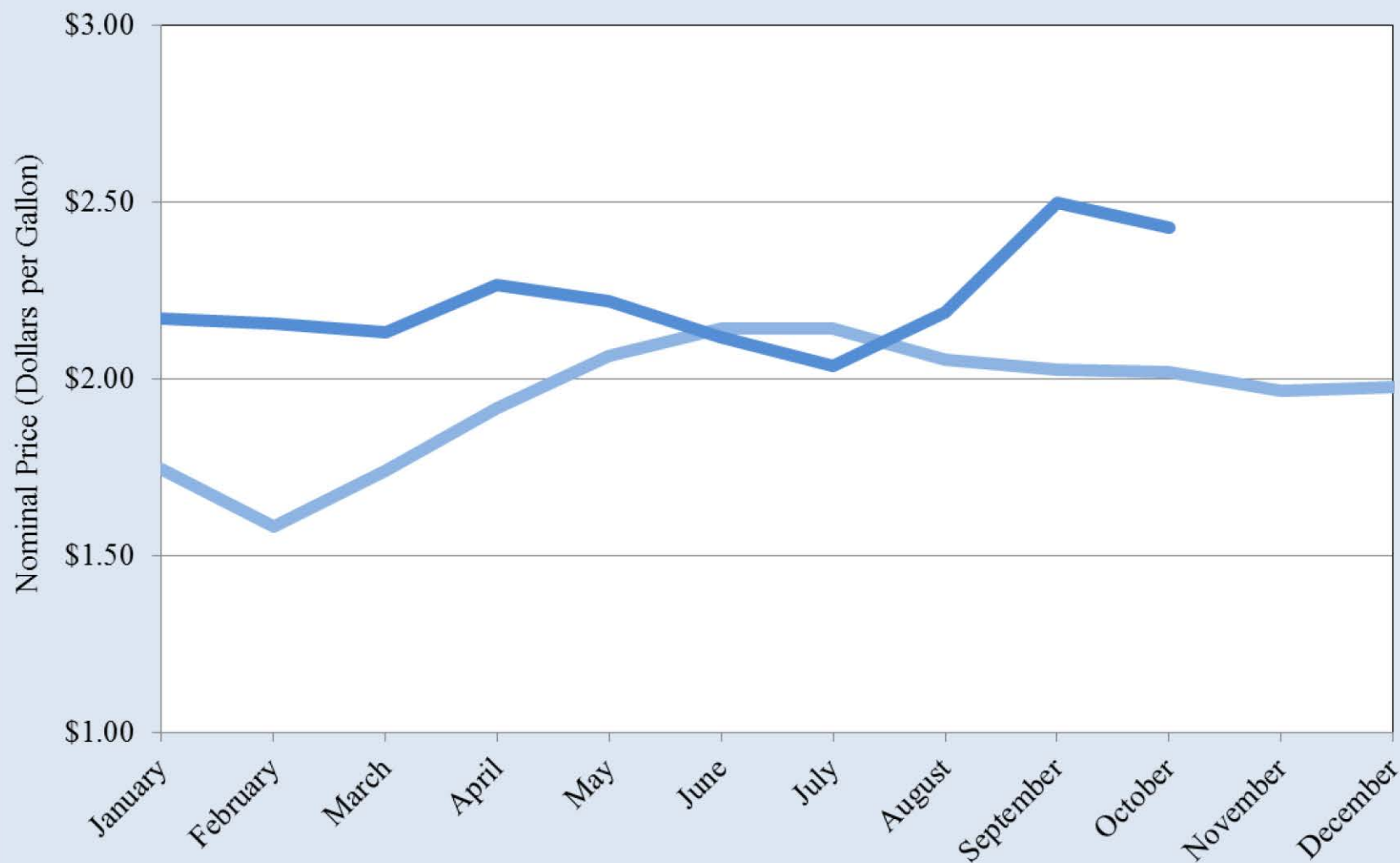
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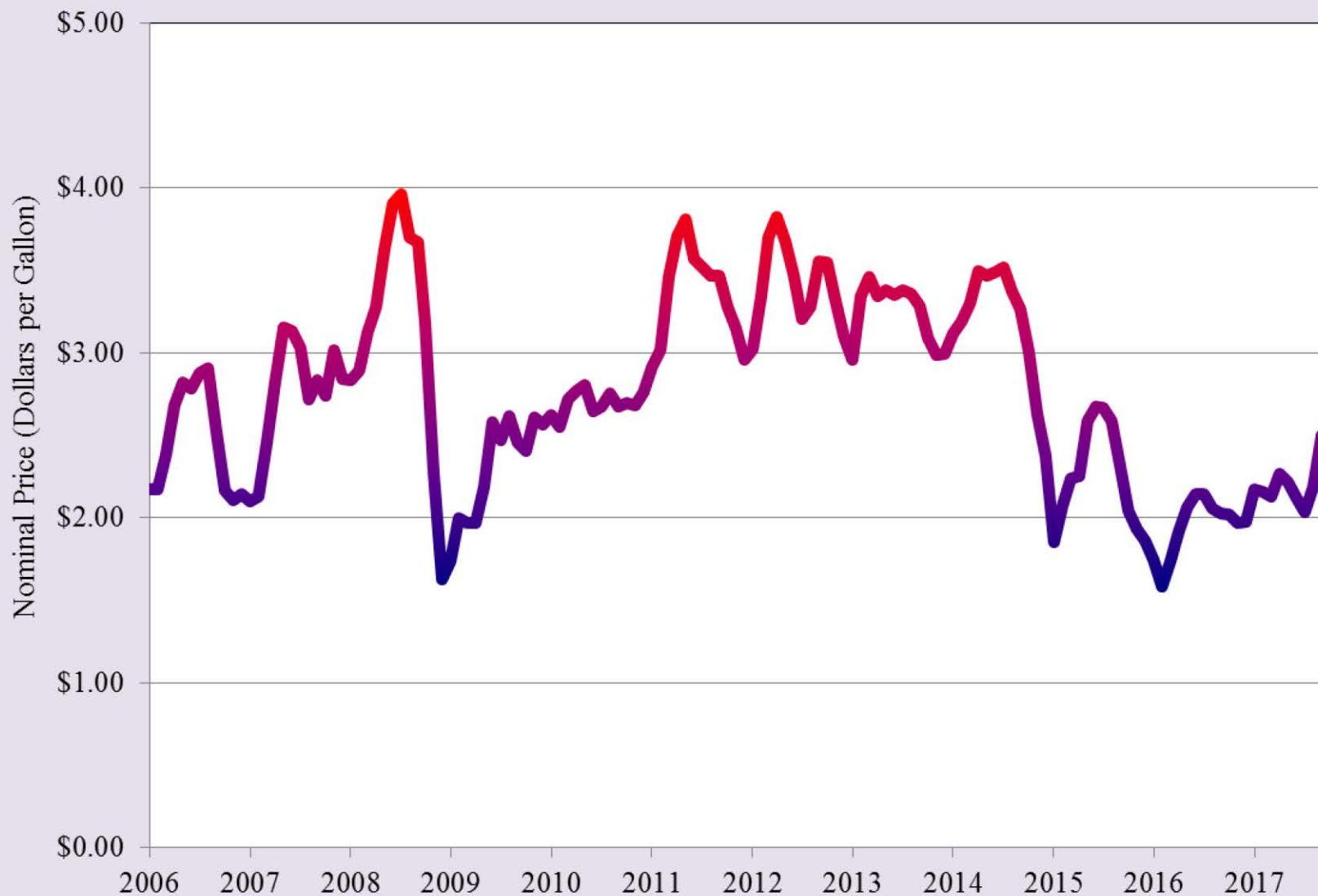
El Paso Gasoline Prices

2016 2017



Source: GasBuddy.com

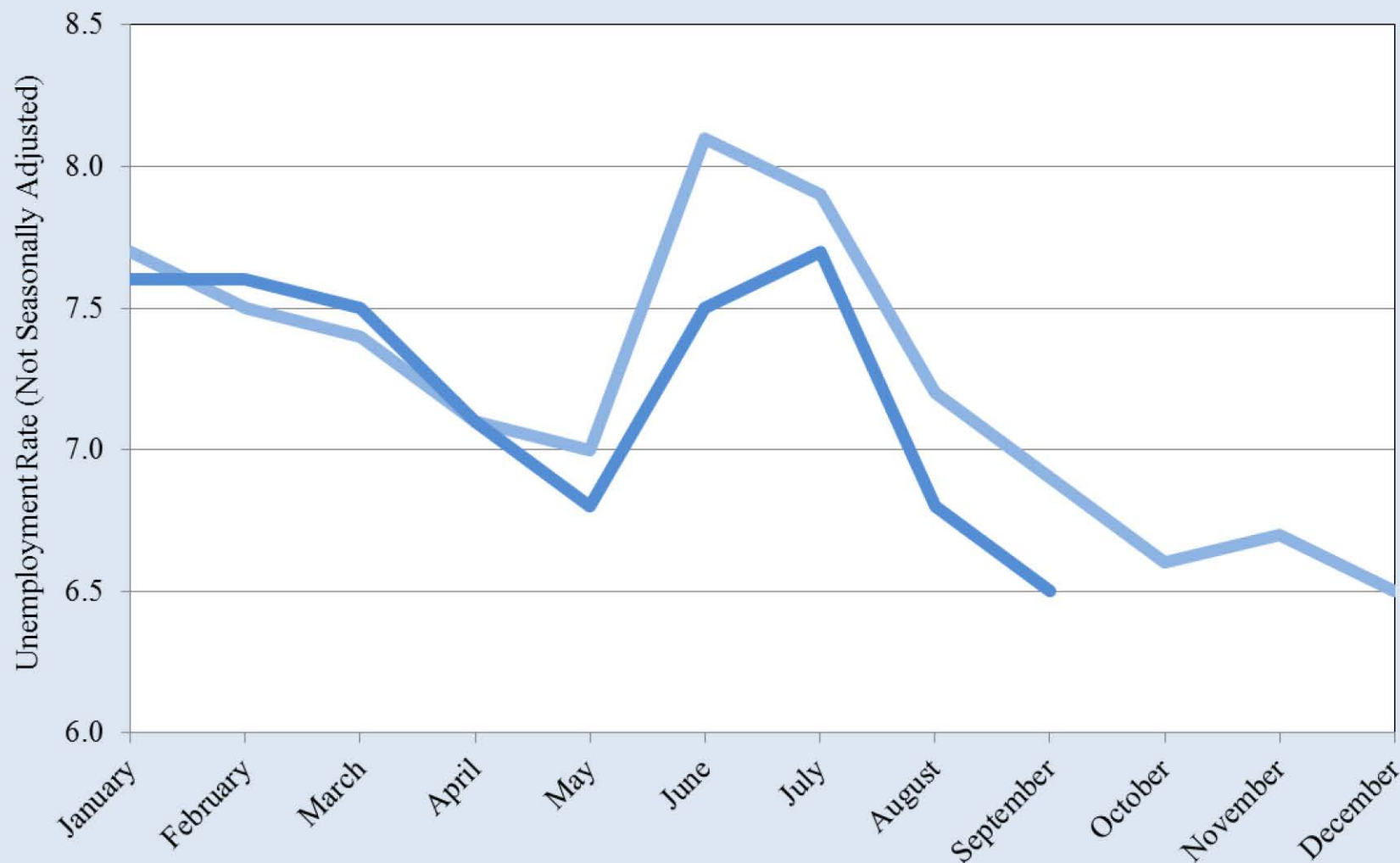
El Paso Gasoline Prices



Source: GasBuddy.com

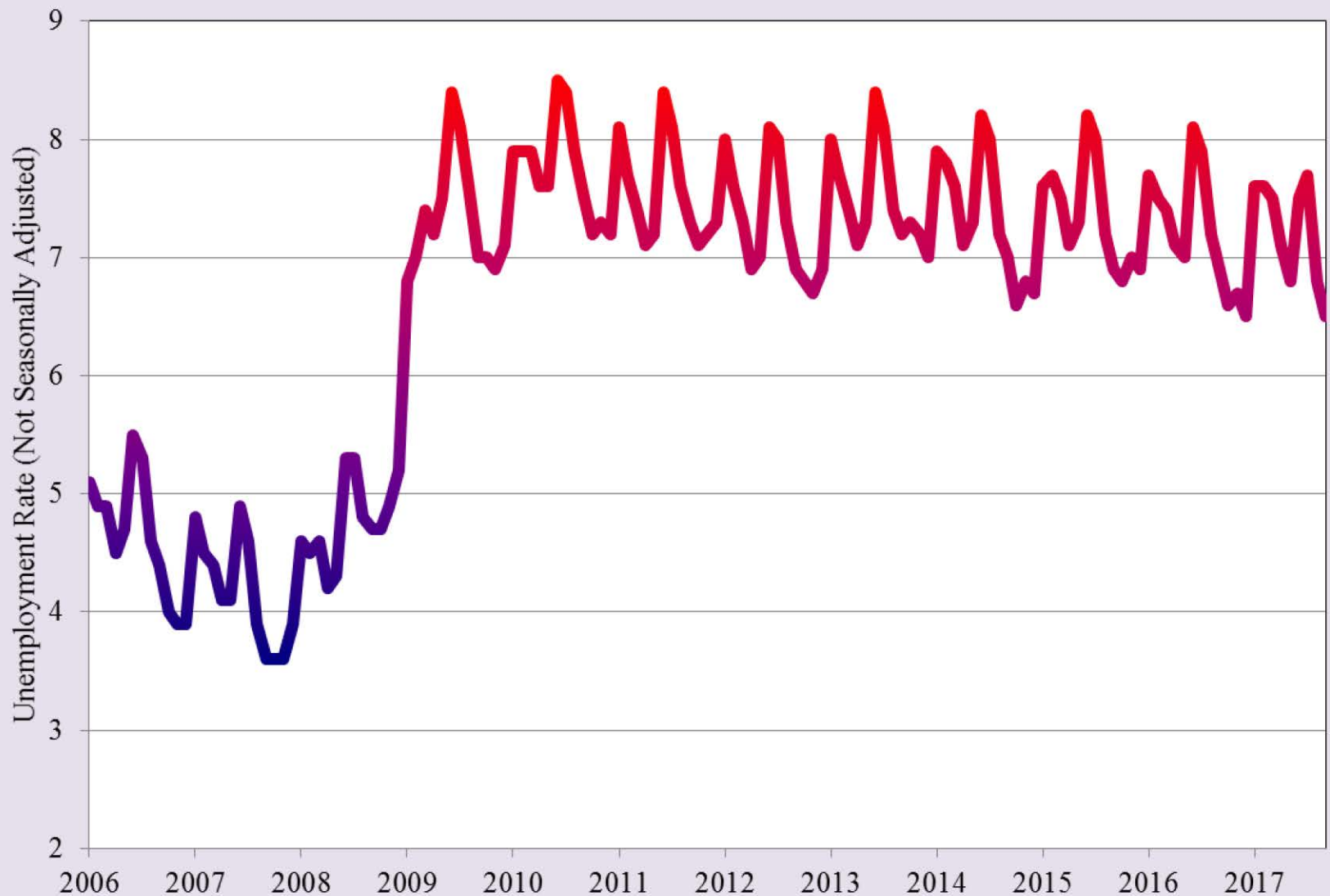
Doña Ana County Unemployment Rate

— 2016 — 2017



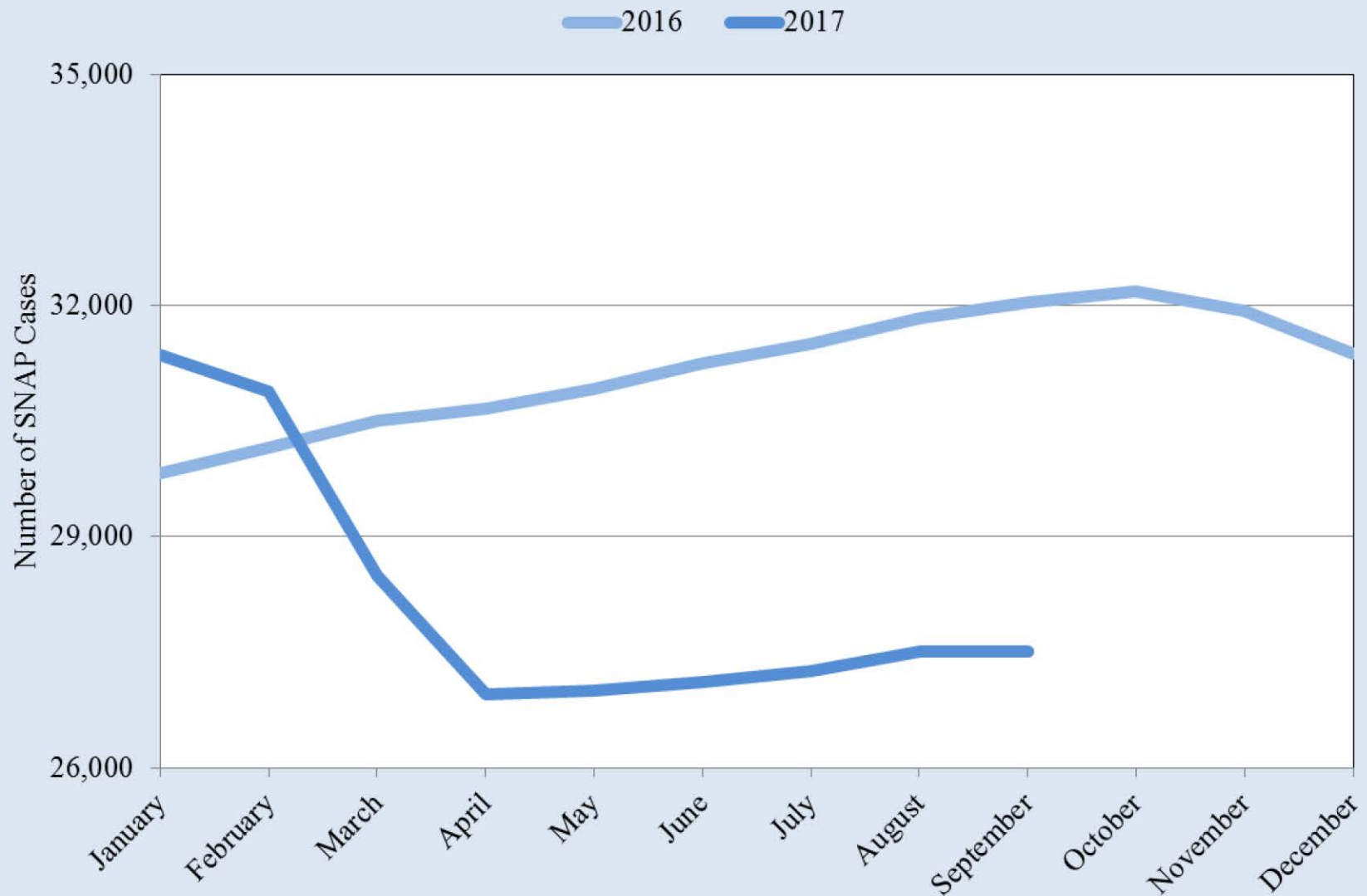
Source: Bureau of Labor Statistics

Doña Ana County Unemployment Rate



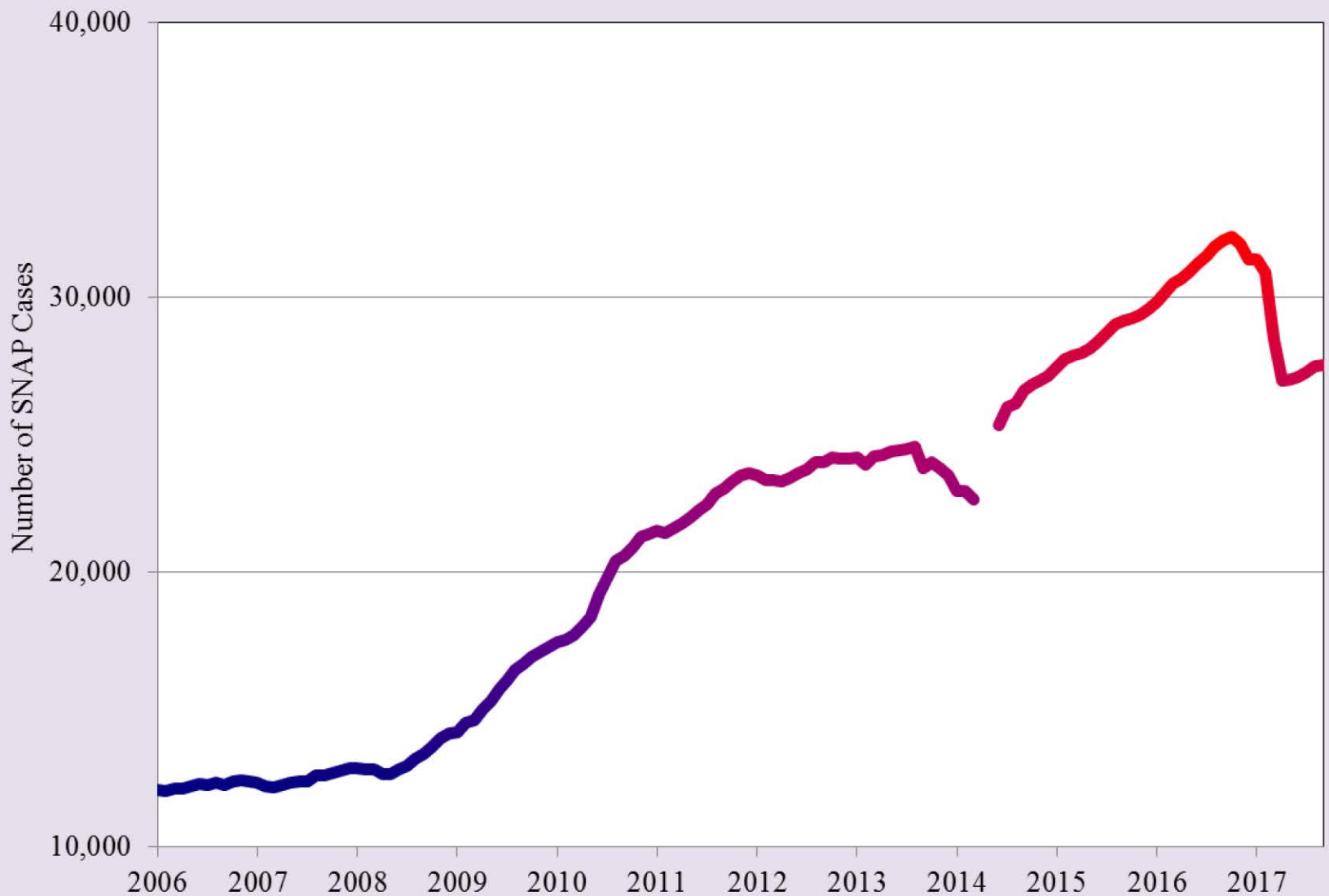
Source: Bureau of Labor Statistics

Las Cruces Area SNAP (Food Stamp) Cases



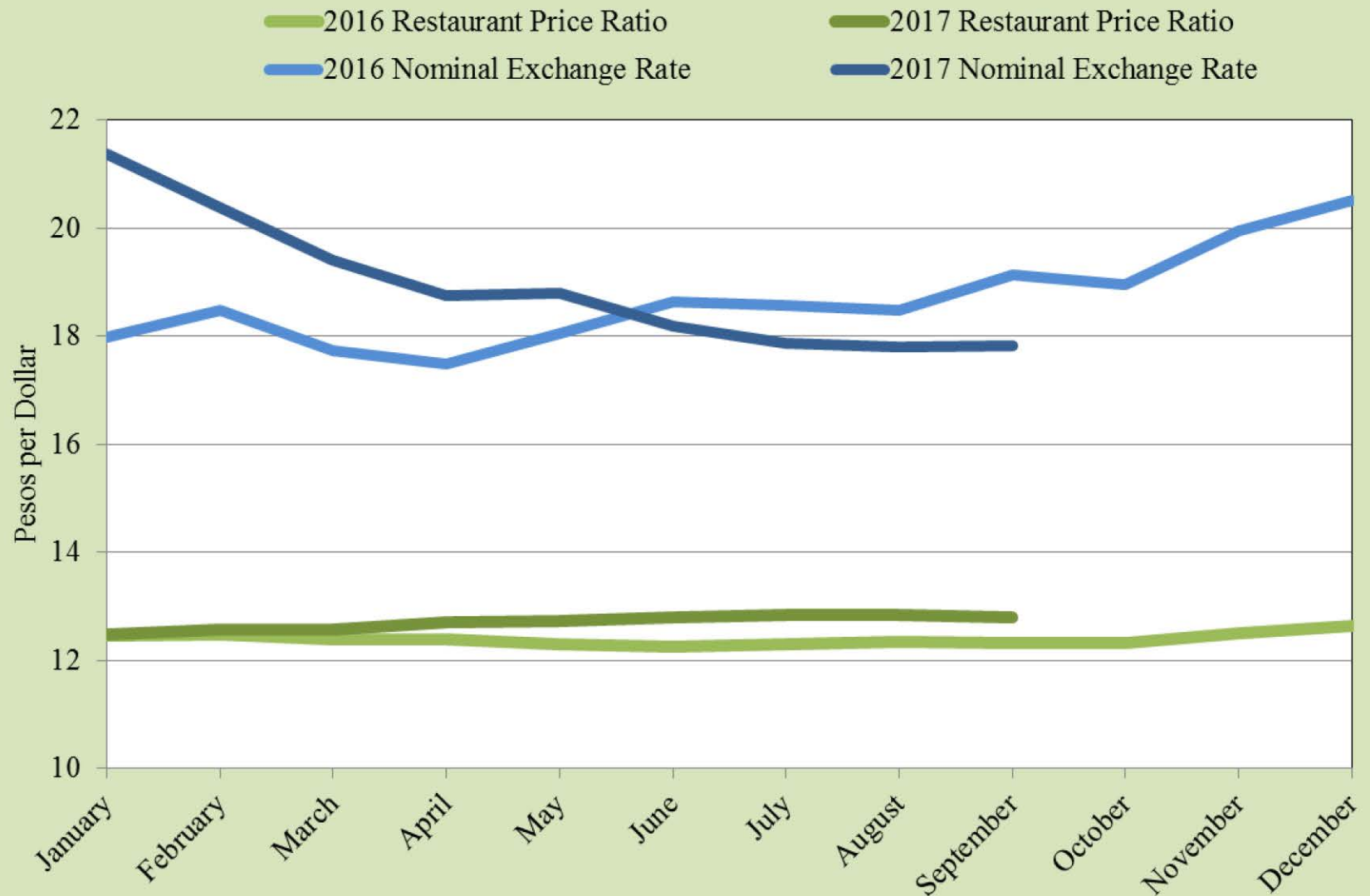
Source: New Mexico Human Services Department

Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

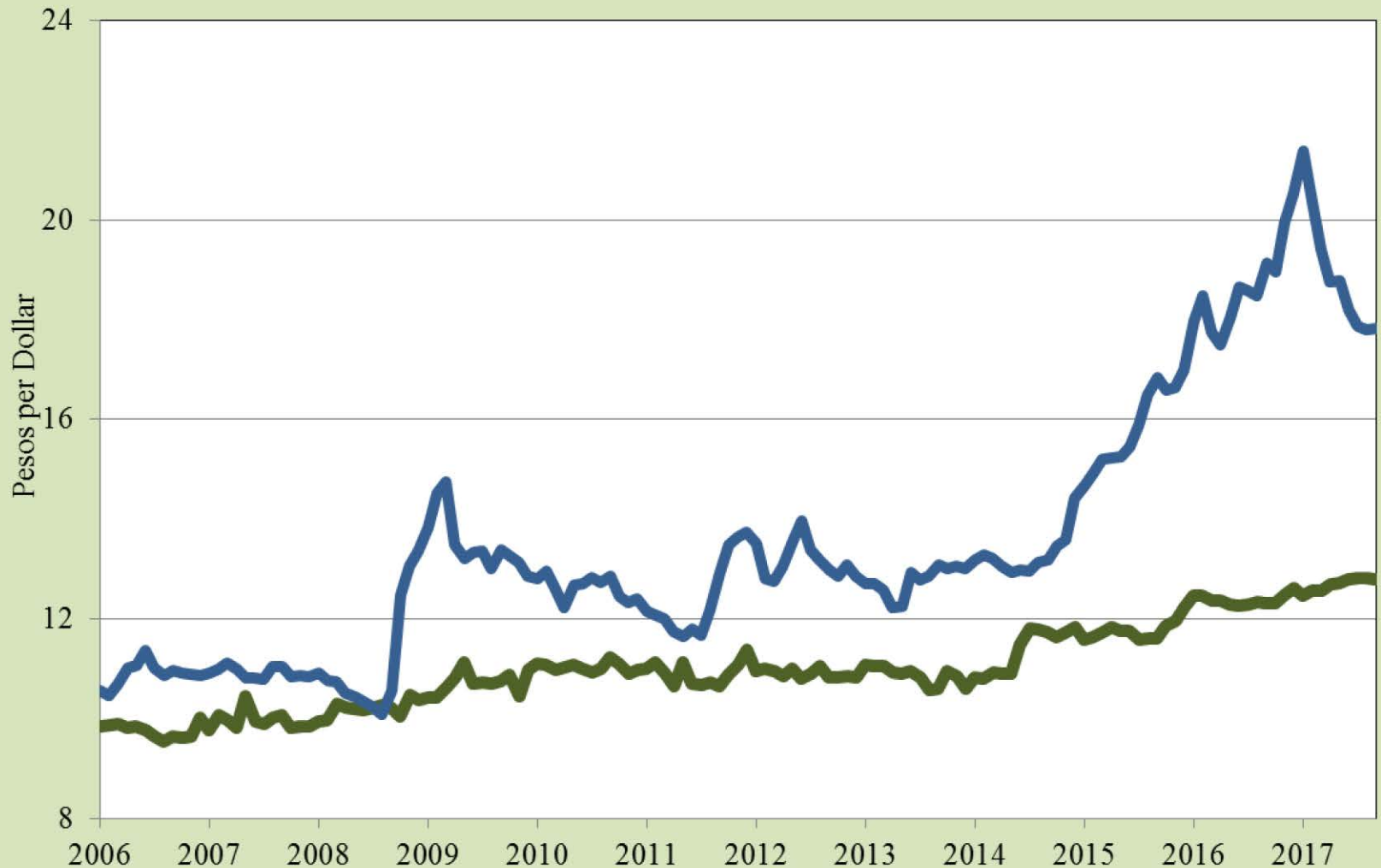
Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Restaurant Price Ratio and Exchange Rate

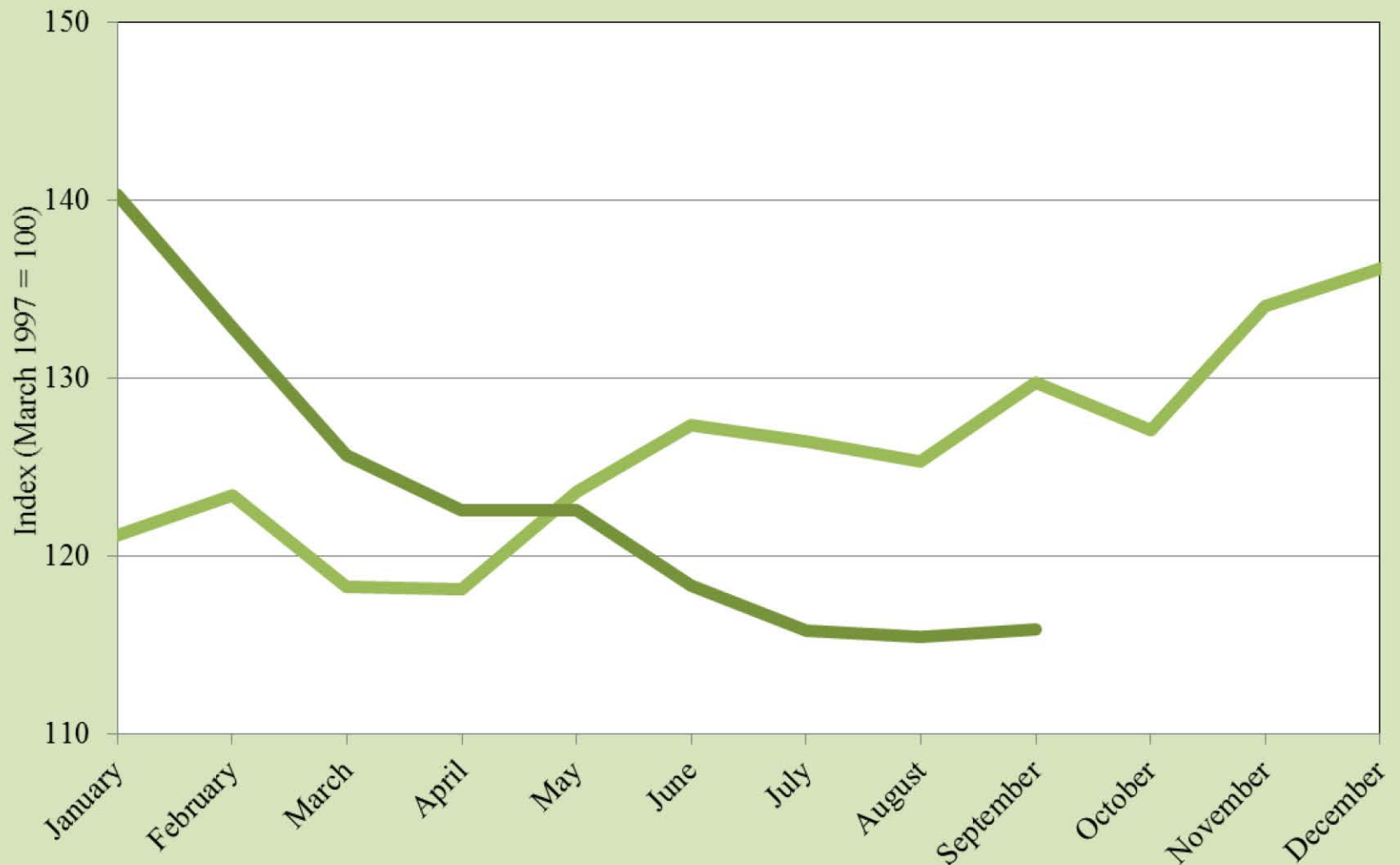
— Restaurant Price Ratio — Nominal Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

Real Peso/Dollar Exchange Rate Index

2016 2017



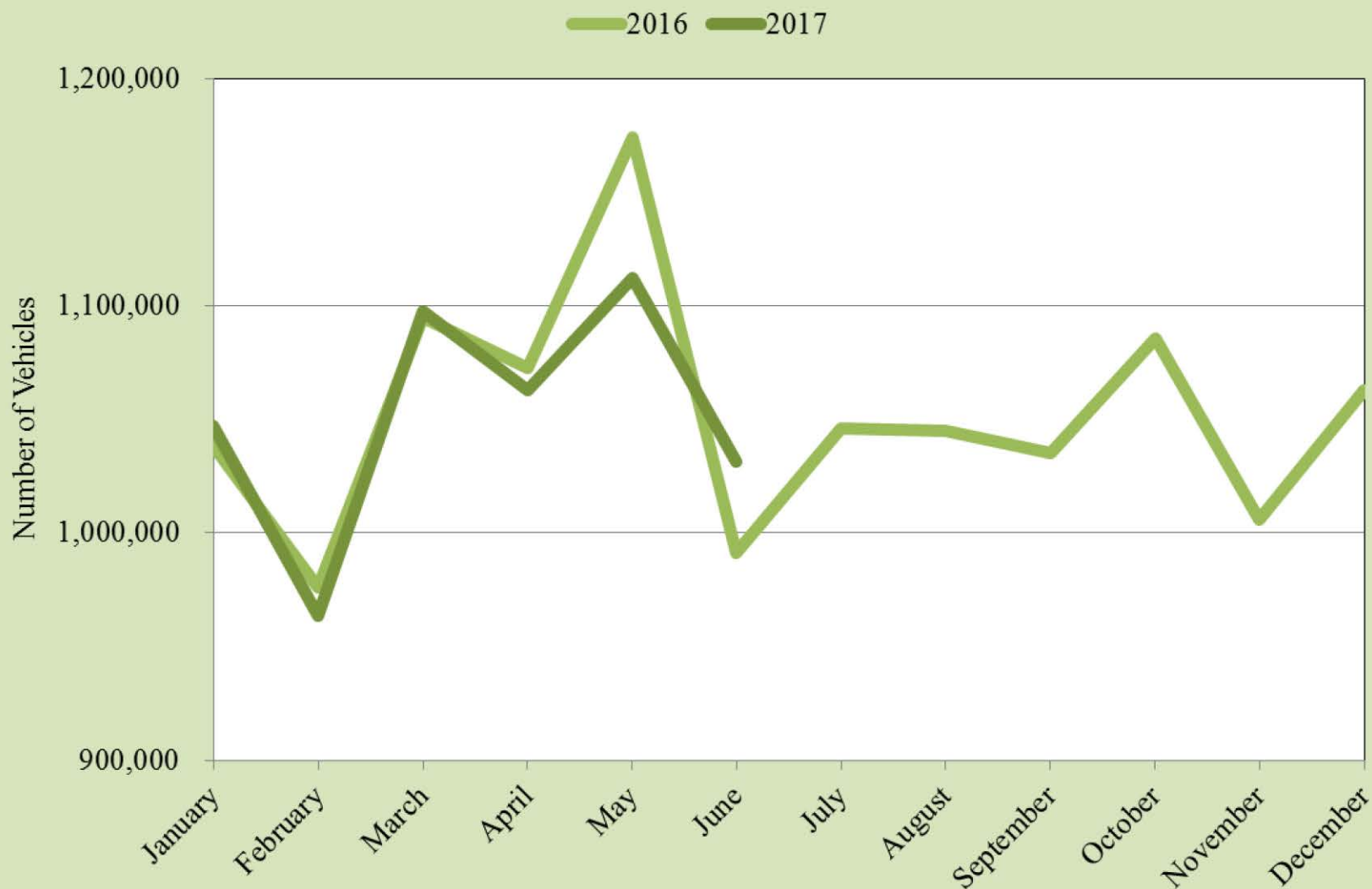
Source: UTEP Border Region Modeling Project

Real Peso/Dollar Exchange Rate Index



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

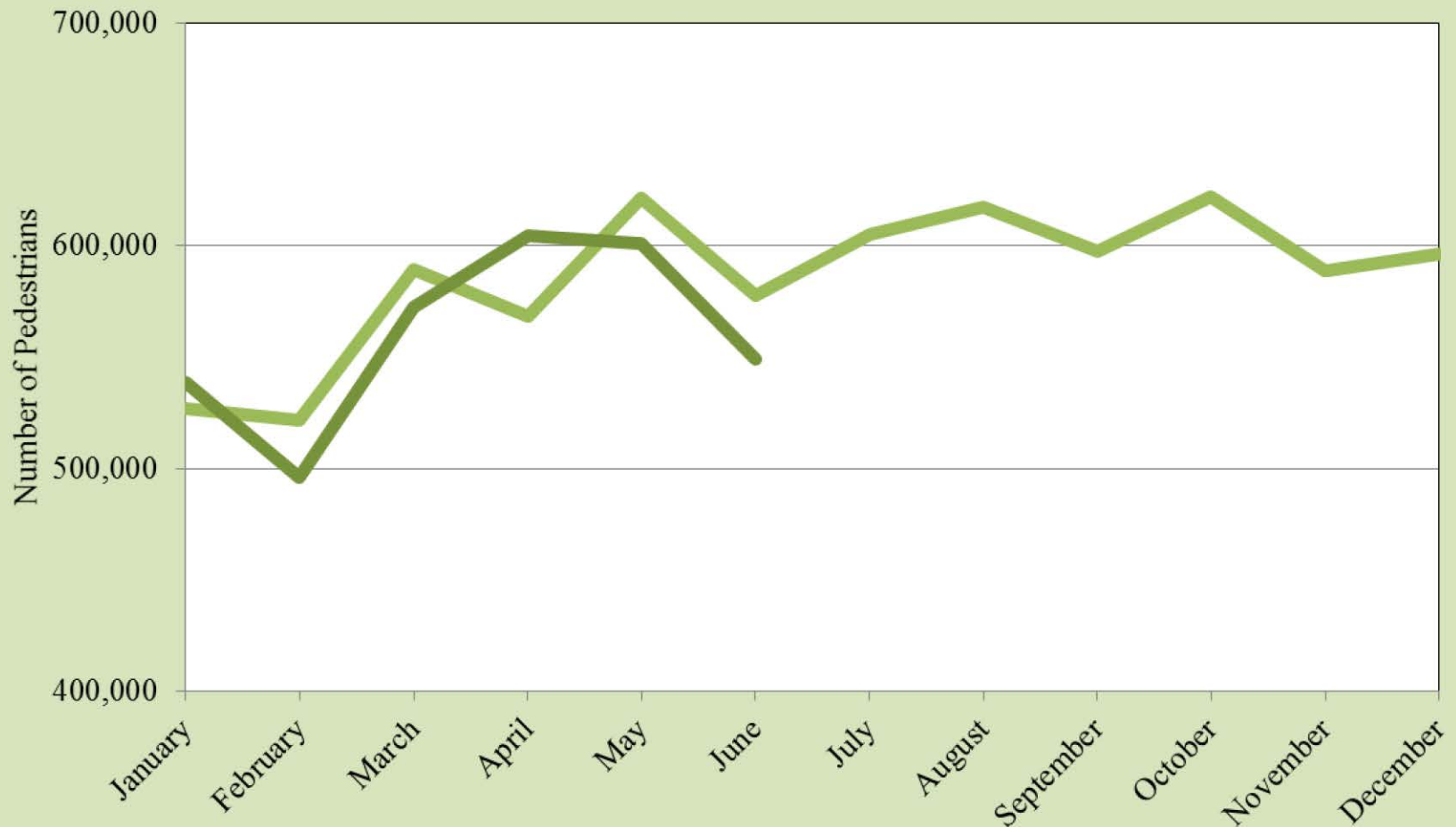
Personal Vehicle International Bridge Crossings to El Paso



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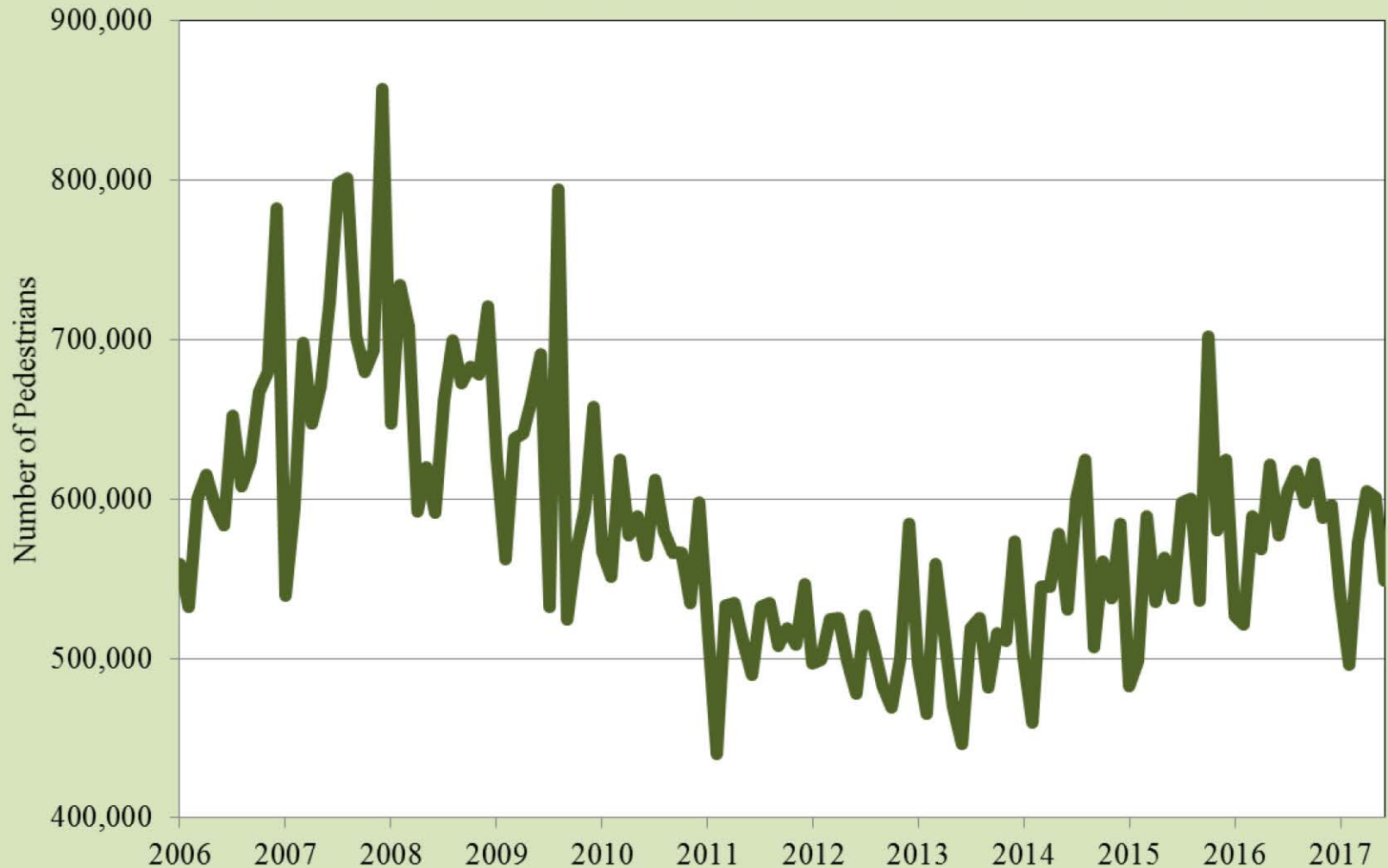
Pedestrian International Bridge Crossings to El Paso

2016 2017



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

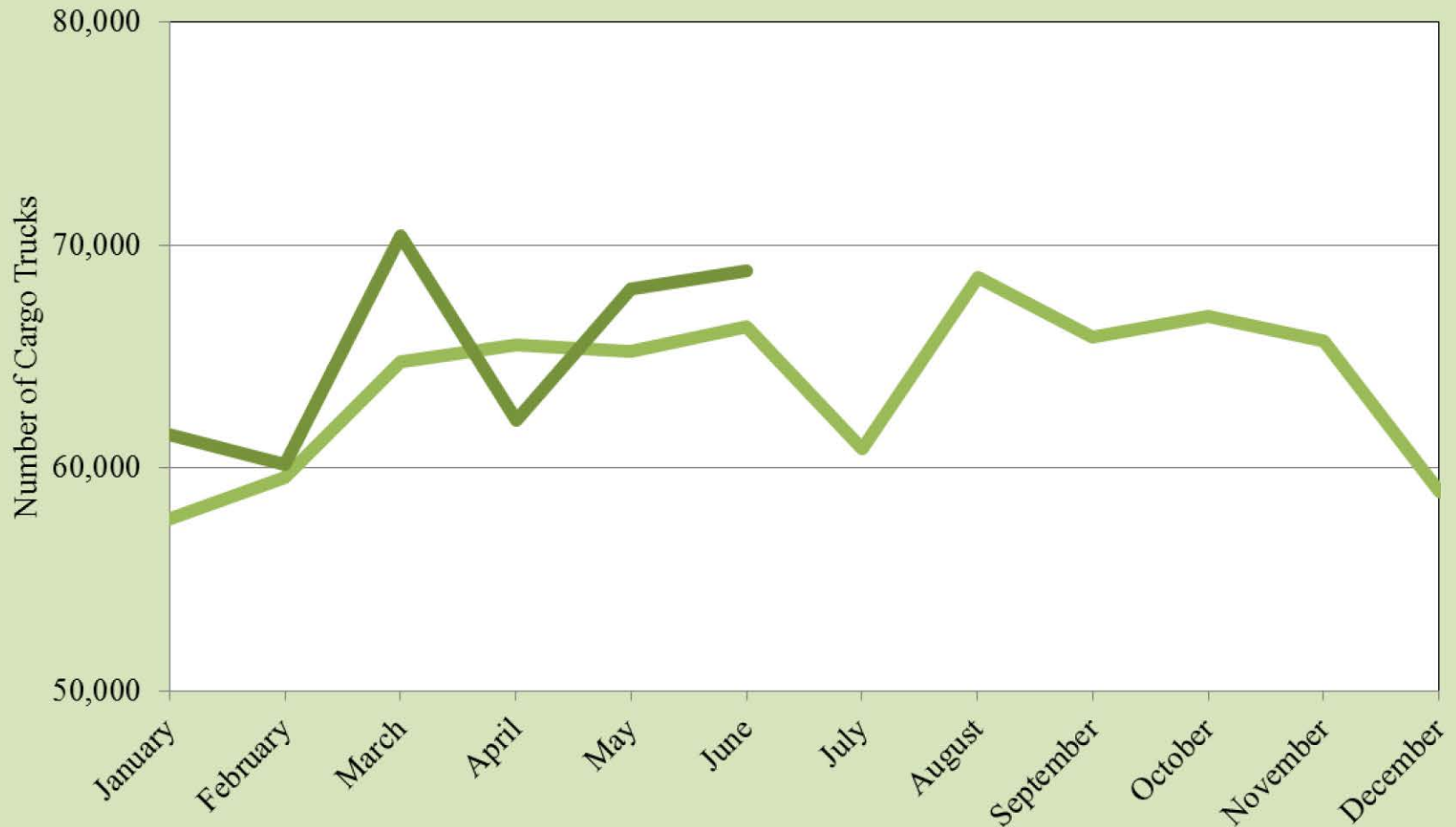
Pedestrian International Bridge Crossings to El Paso



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

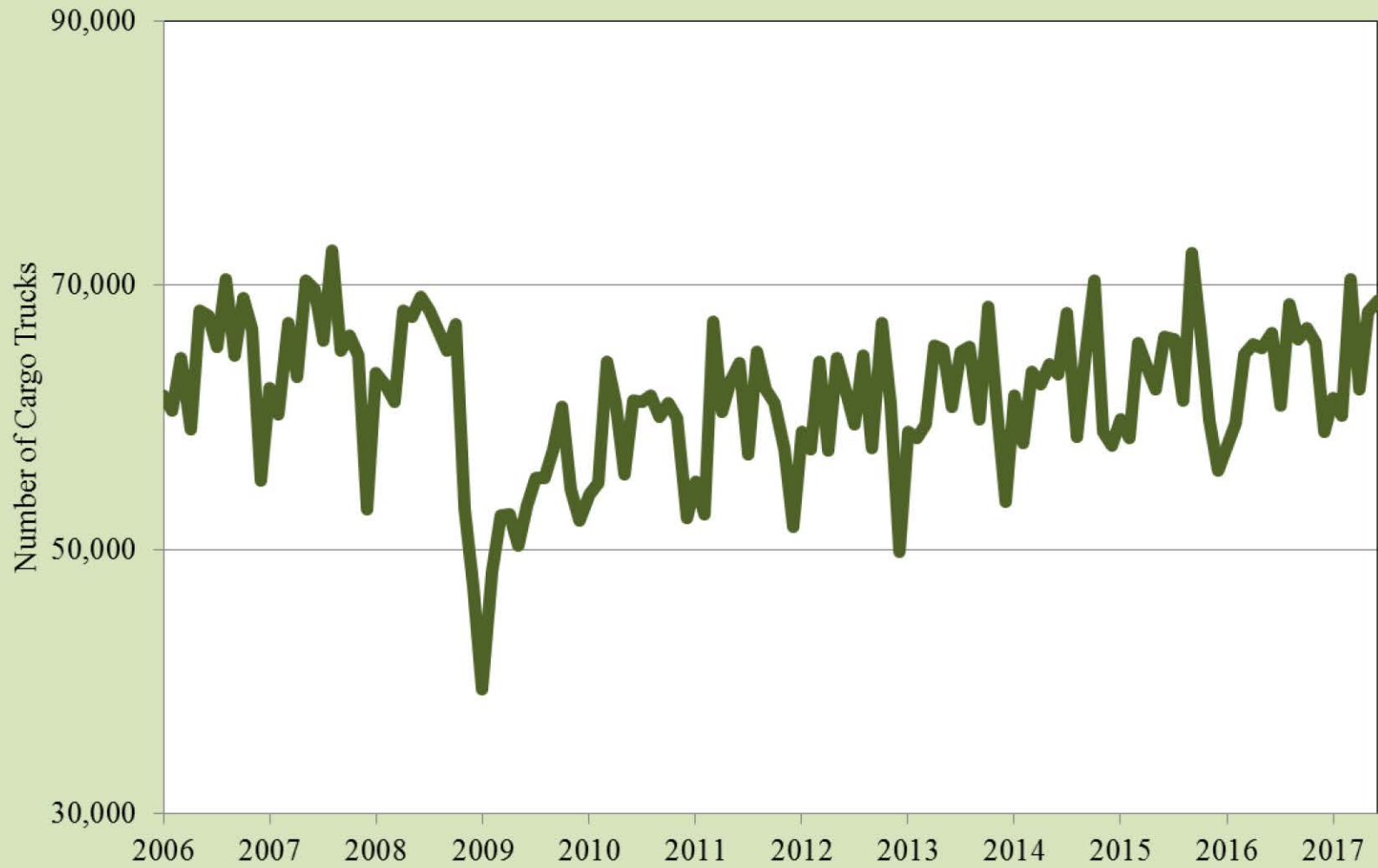
Cargo Truck International Bridge Crossings to El Paso

2016 2017



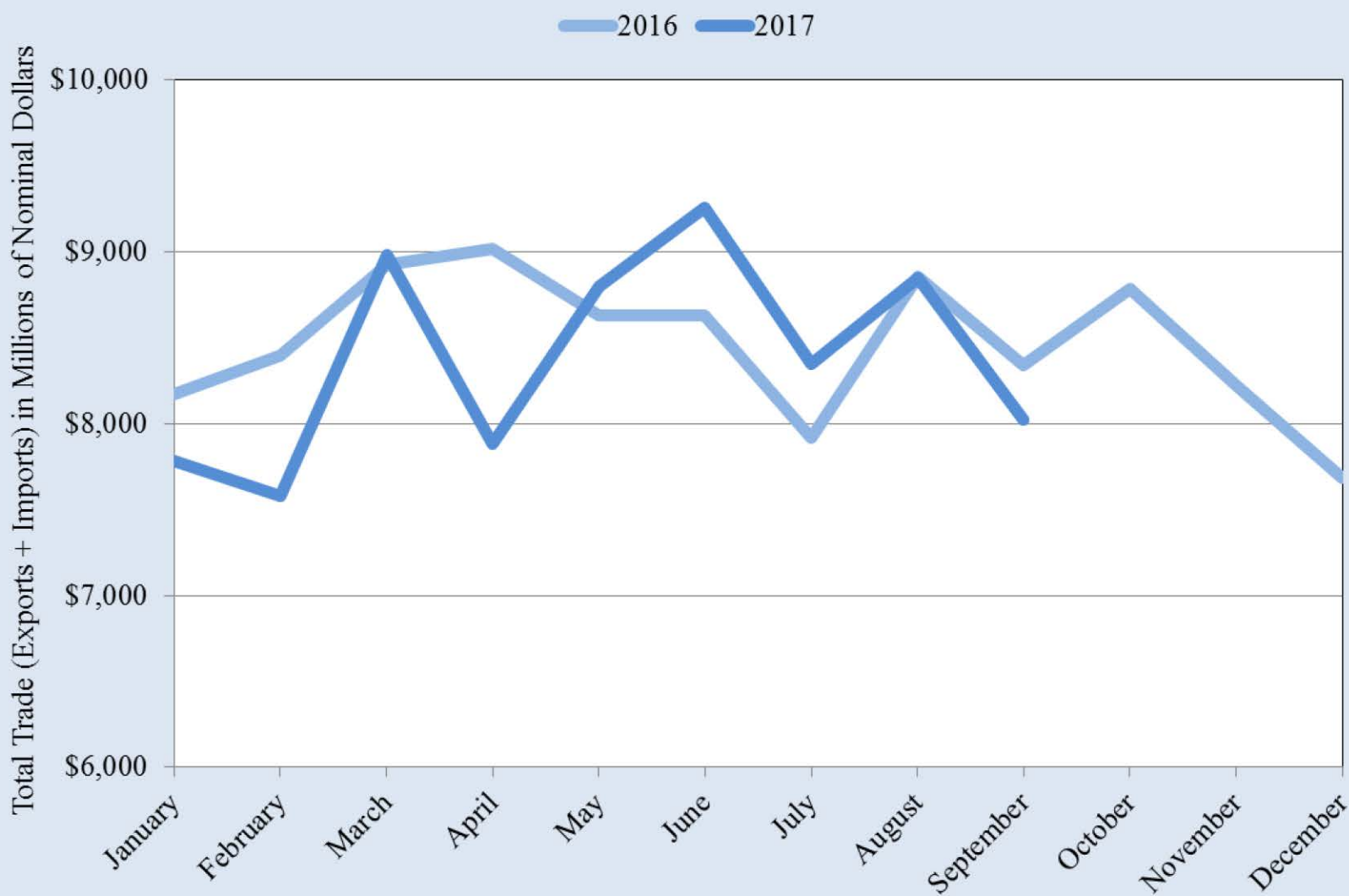
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Cargo Truck International Bridge Crossings to El Paso



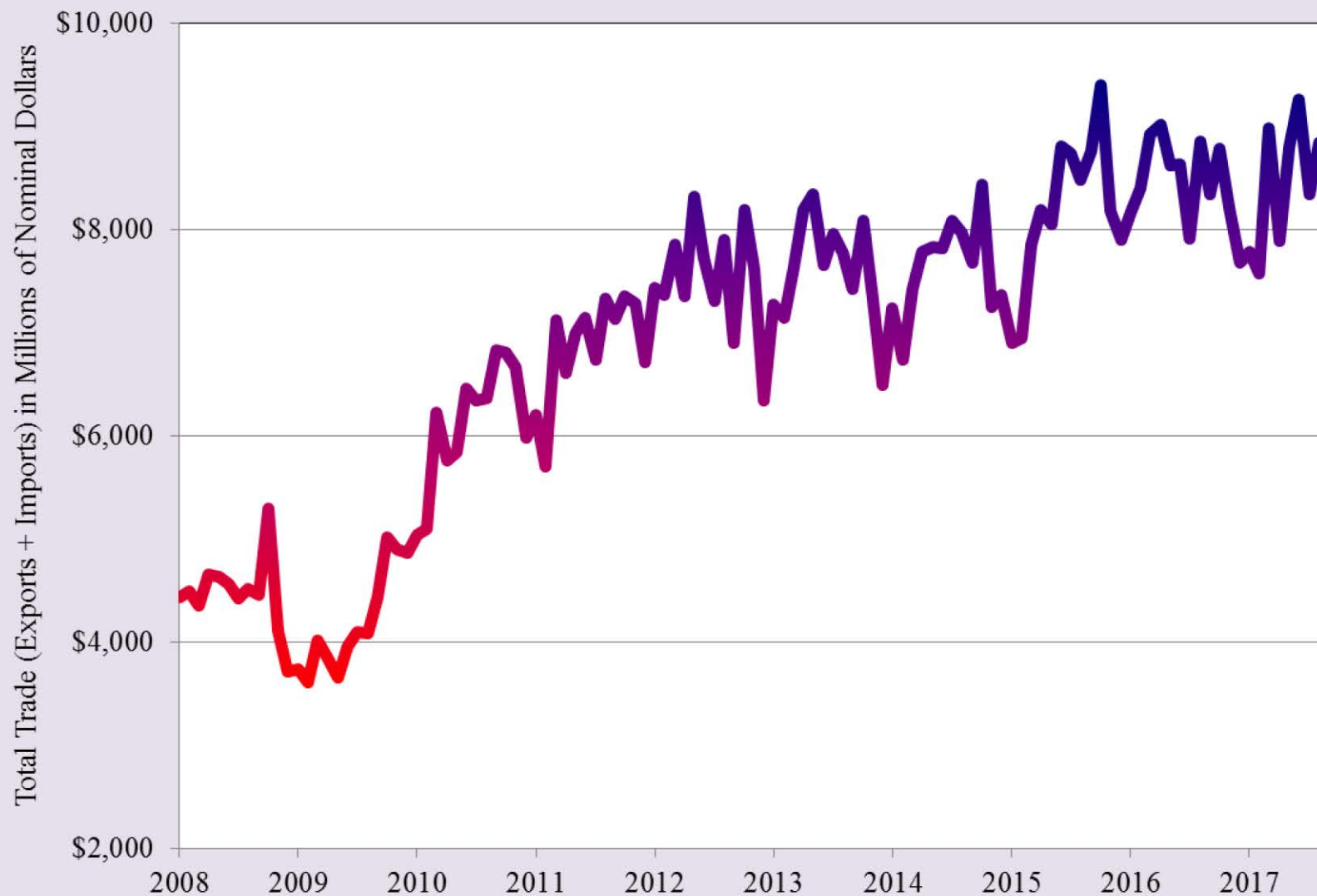
Source: Bureau of Transportation Statistics and U.S. Customs and Border Protection

Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

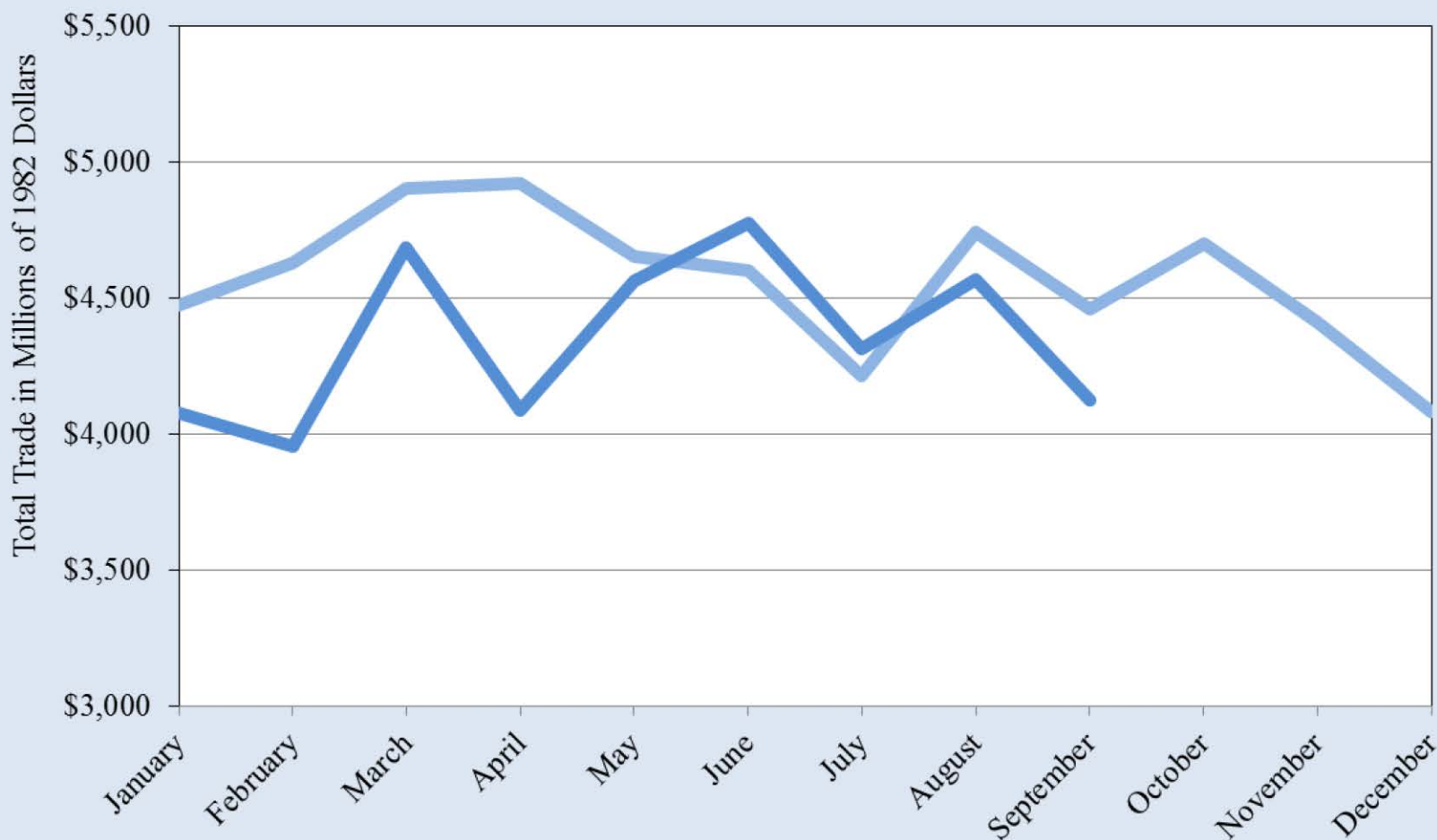
Total Trade through the El Paso Customs District



Source: U.S. International Trade Commission

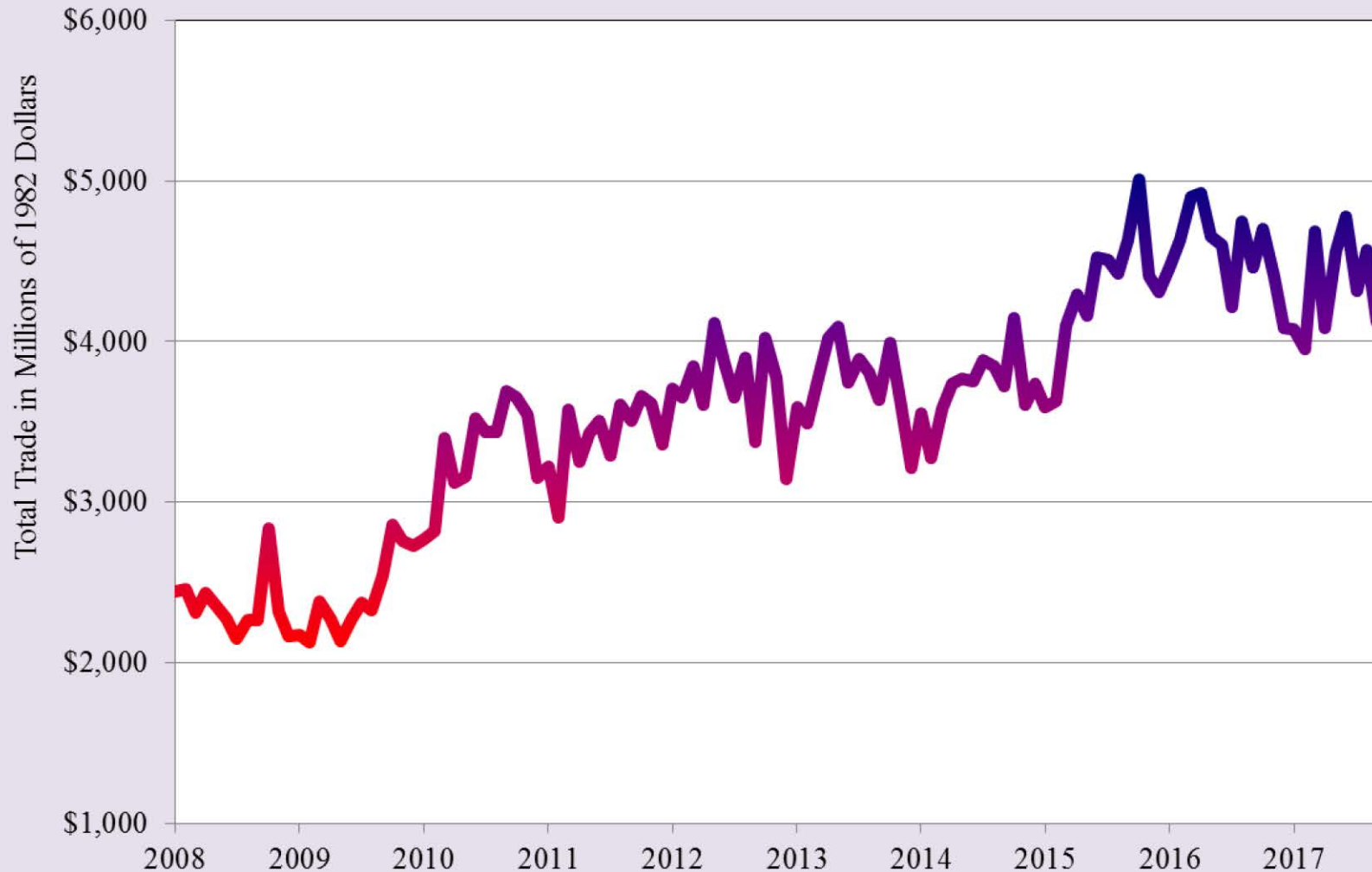
Real Total Trade through the El Paso Customs District

— 2016 — 2017



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

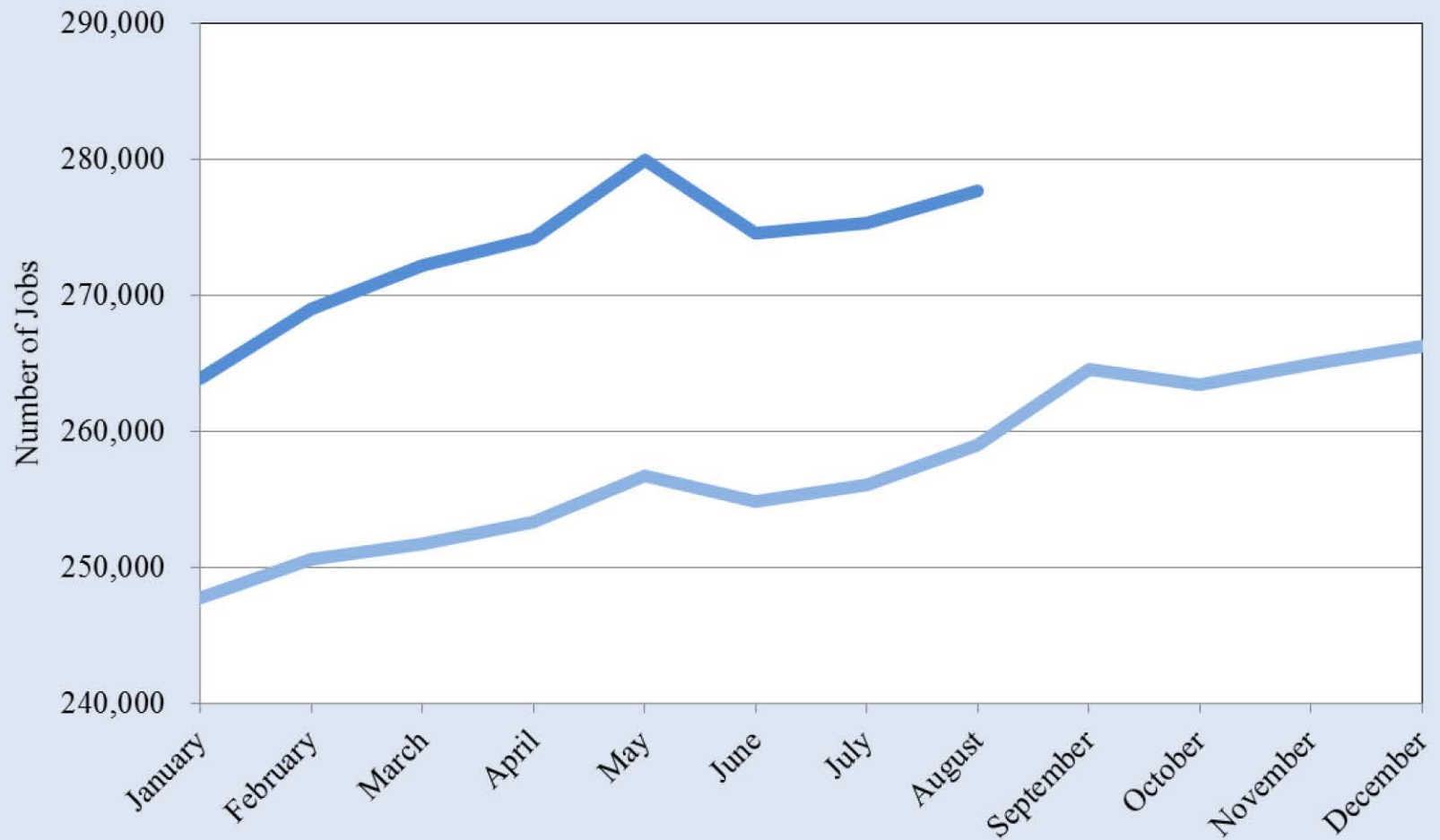
Real Total Trade through the El Paso Customs District



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

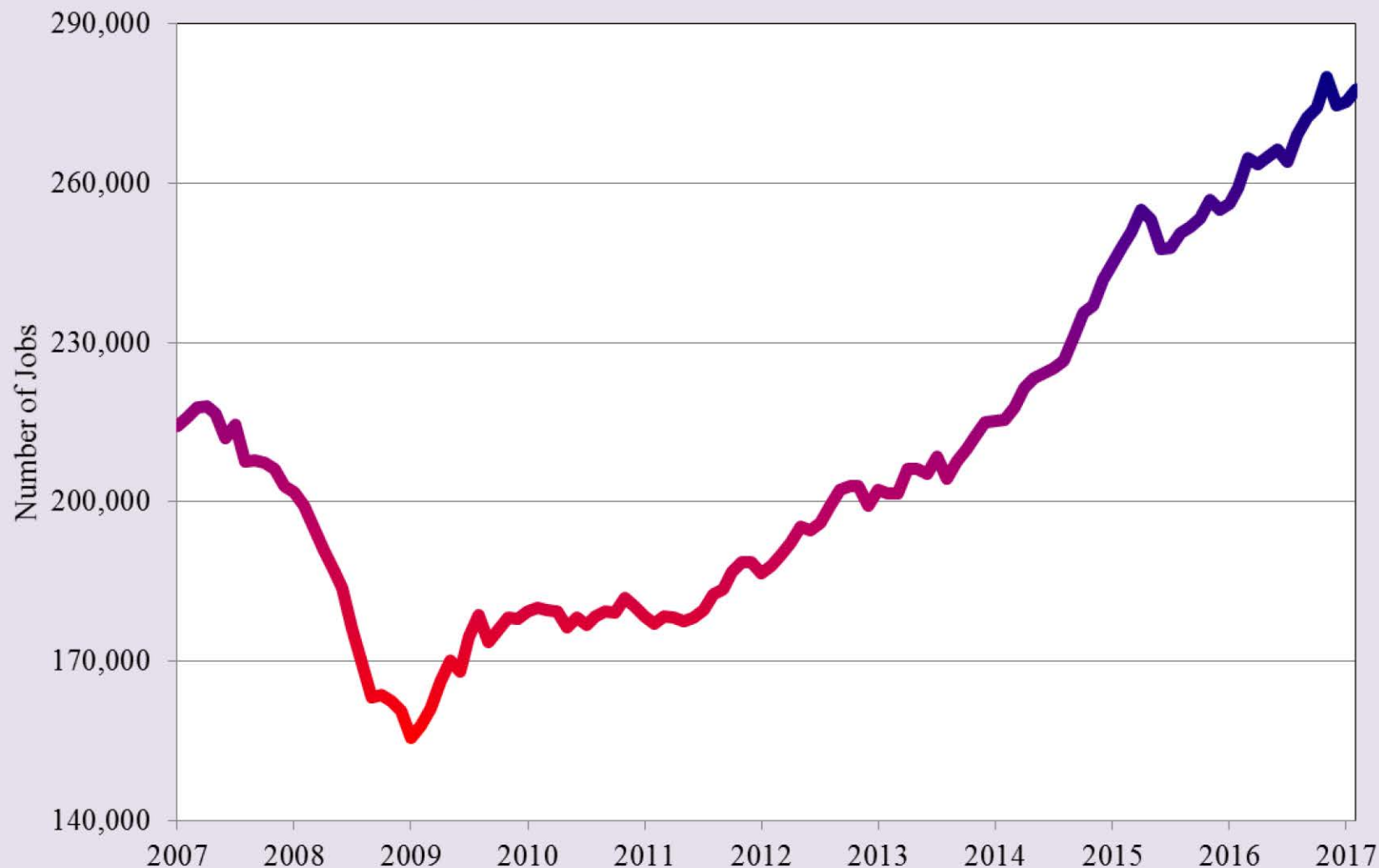
Export-Oriented Manufacturing Employment in Ciudad Juárez

— 2016 — 2017



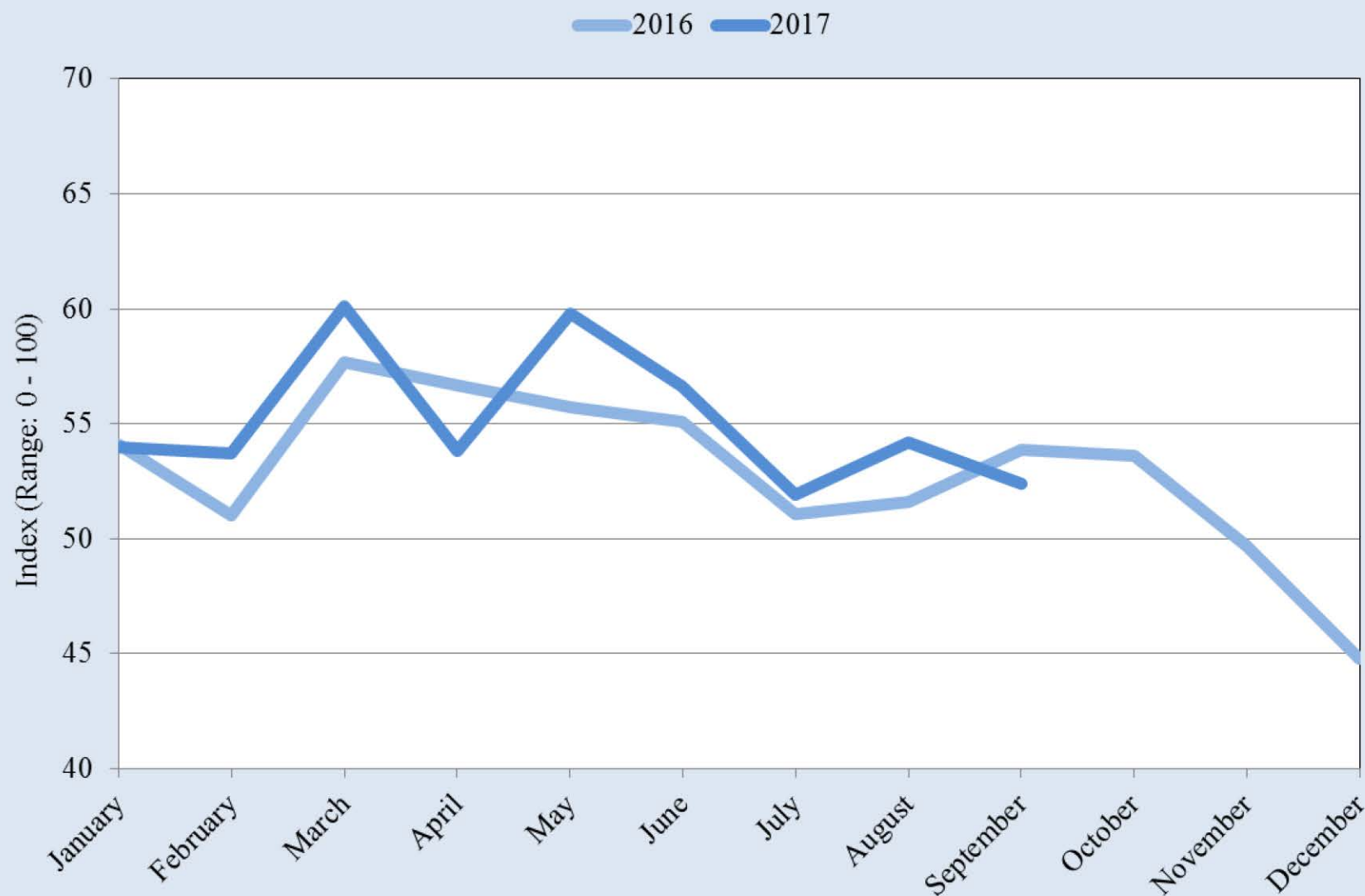
Source: INEGI

Export-Oriented Manufacturing Employment in Ciudad Juárez



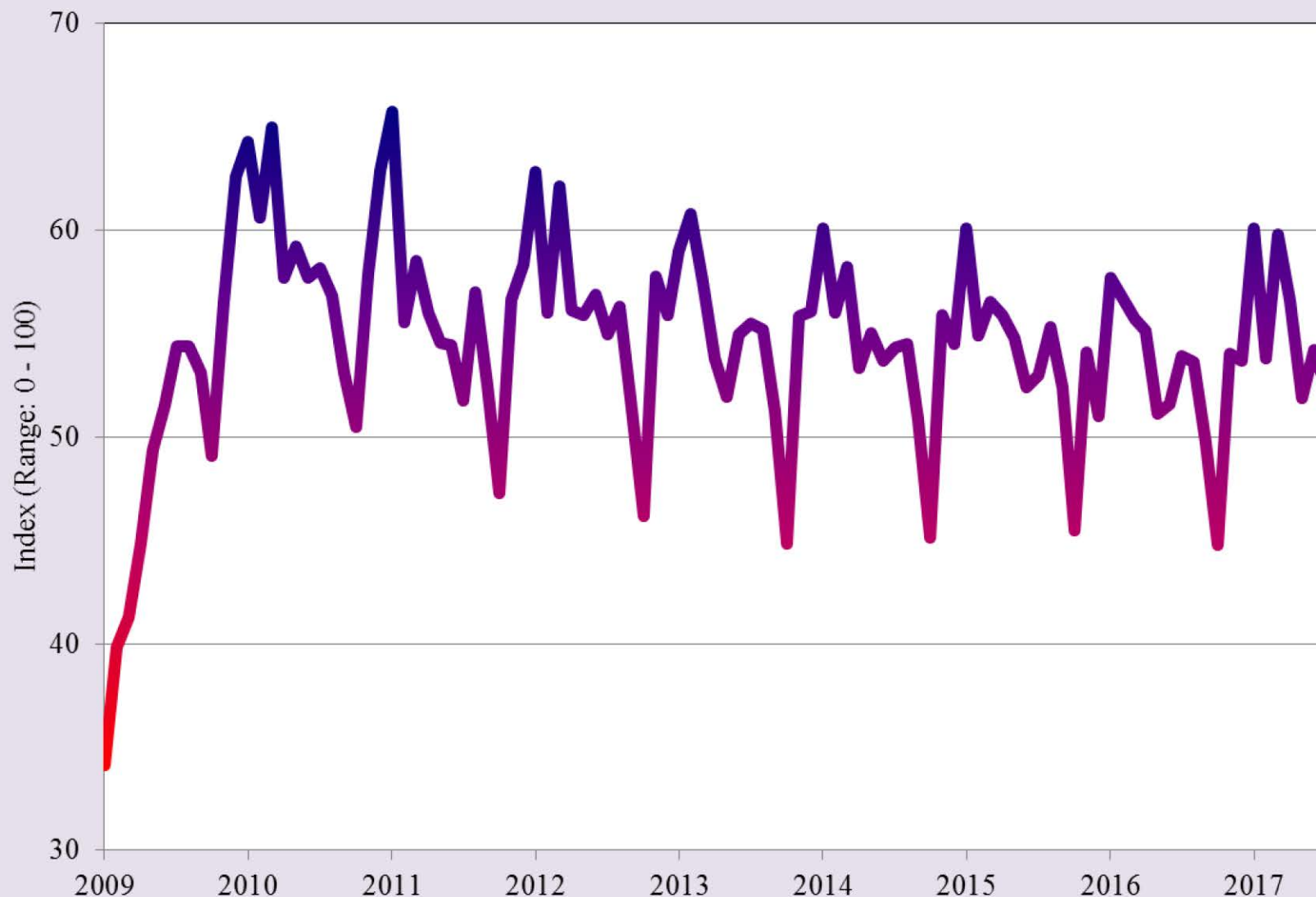
Source: INEGI

Northern Mexico Manufacturing Orders Index



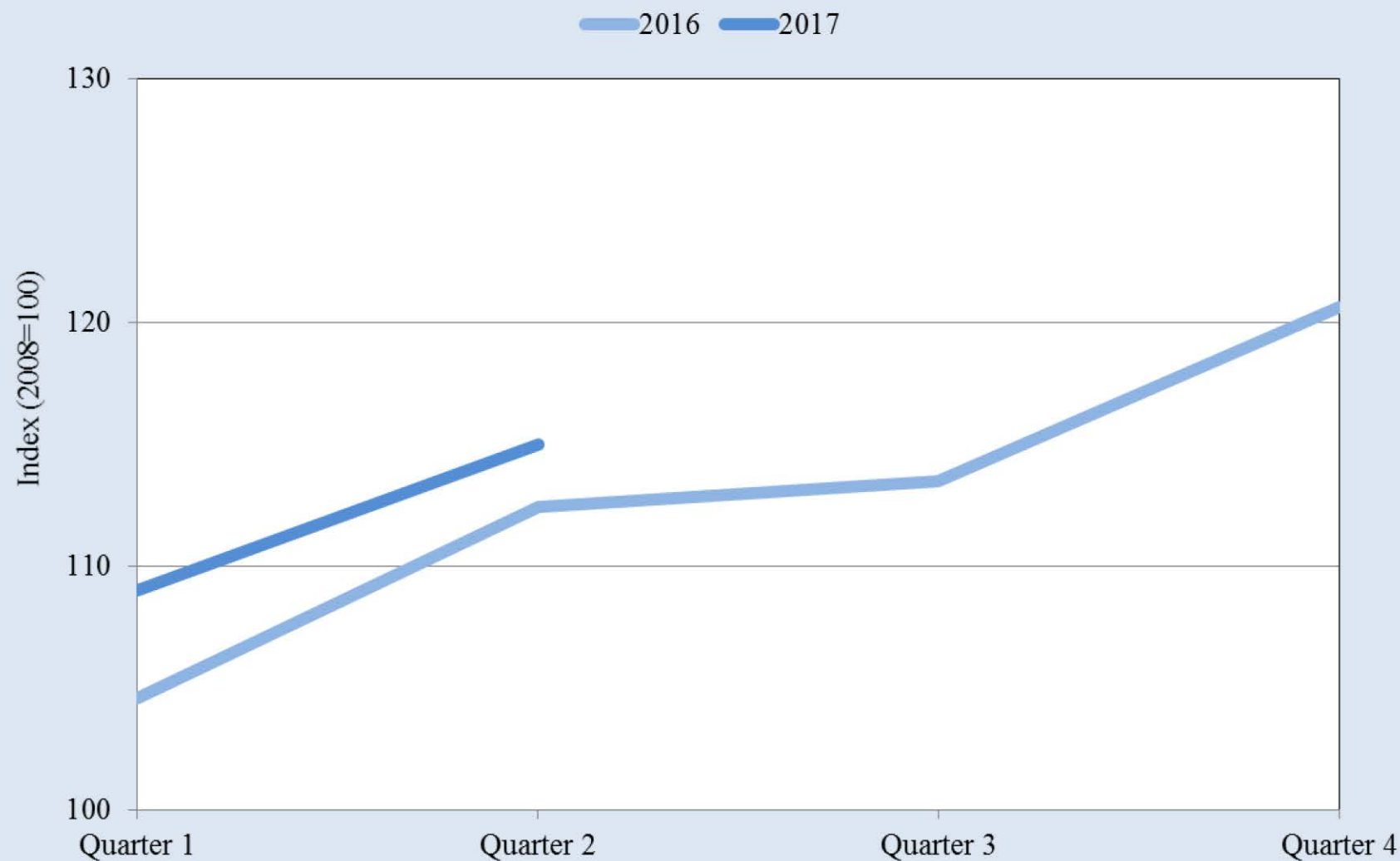
Source: Banco de México

Northern Mexico Manufacturing Orders Index



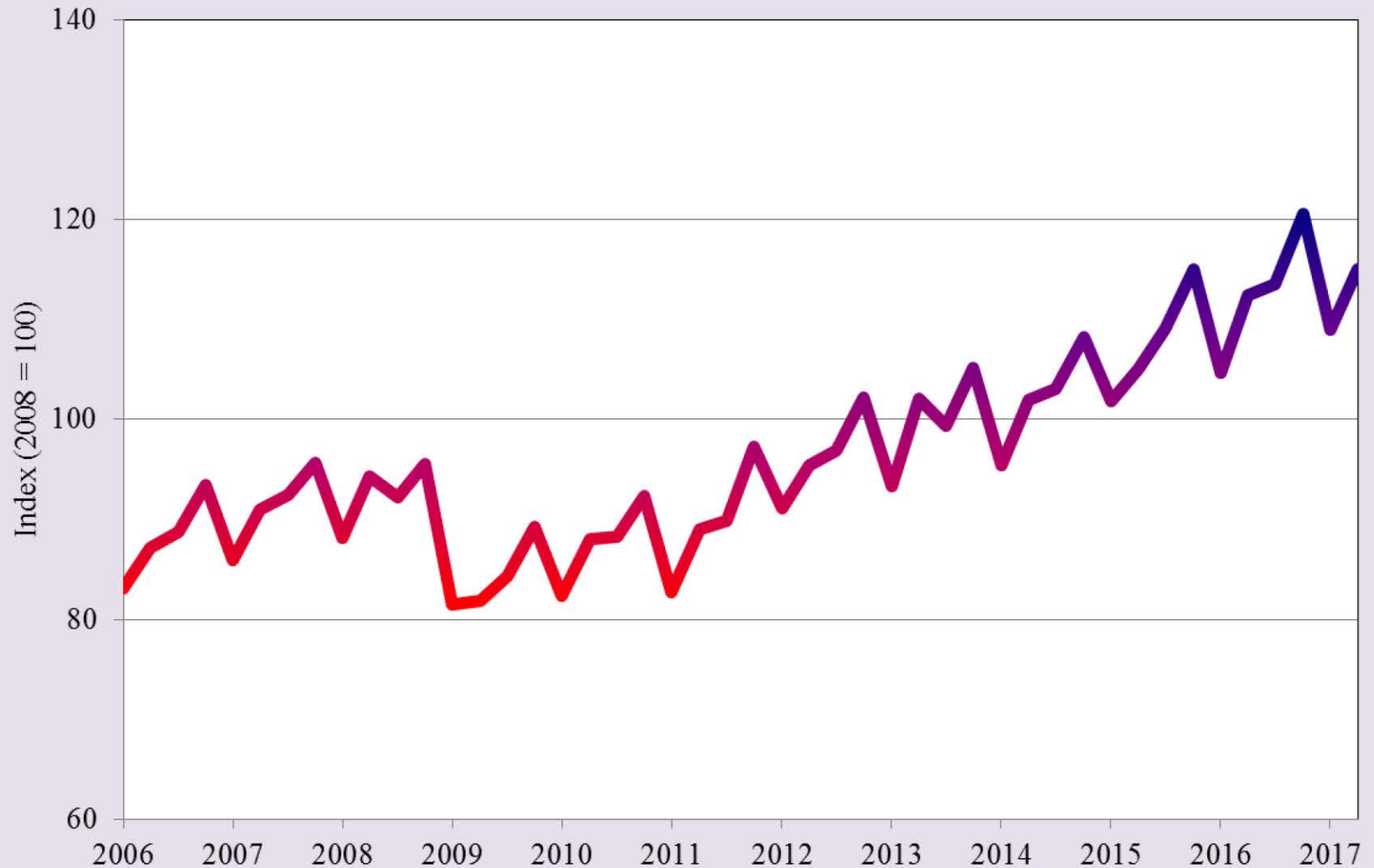
Source: Banco de México

Quarterly Indicator of Economic Activity for the State of Chihuahua



Source: INEGI

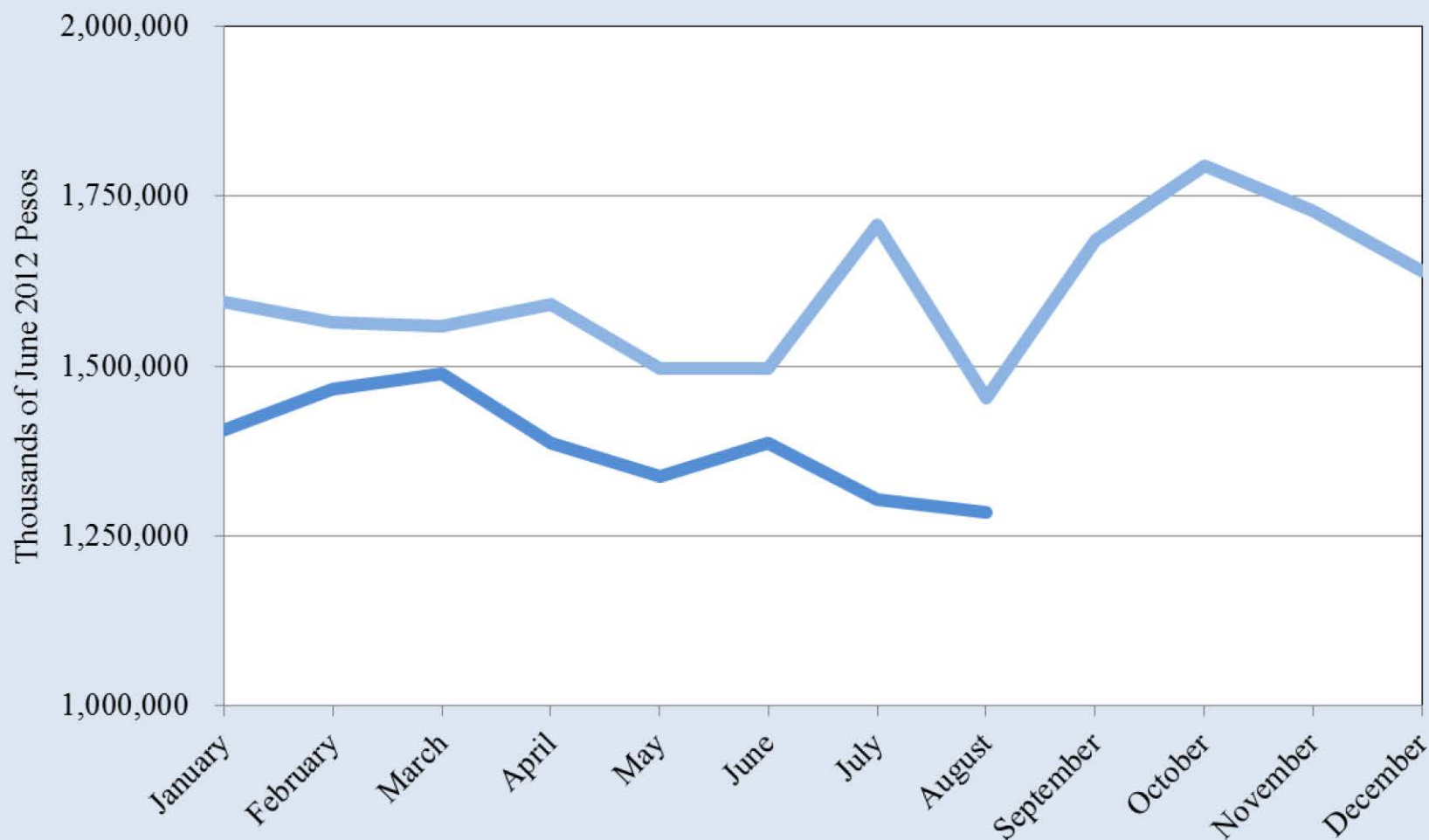
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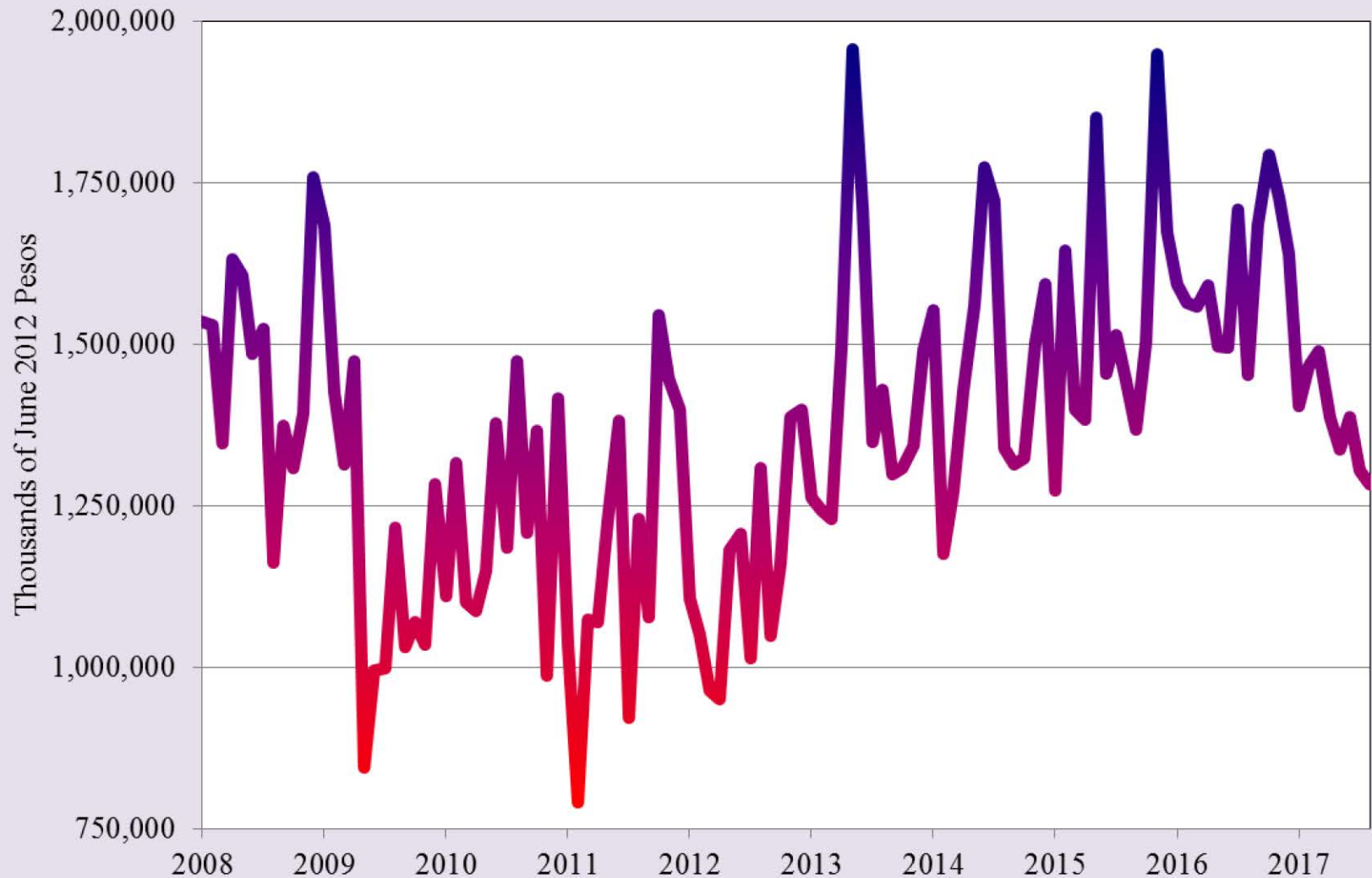
Total Value of Construction in the State of Chihuahua

2016 2017



Source: INEGI

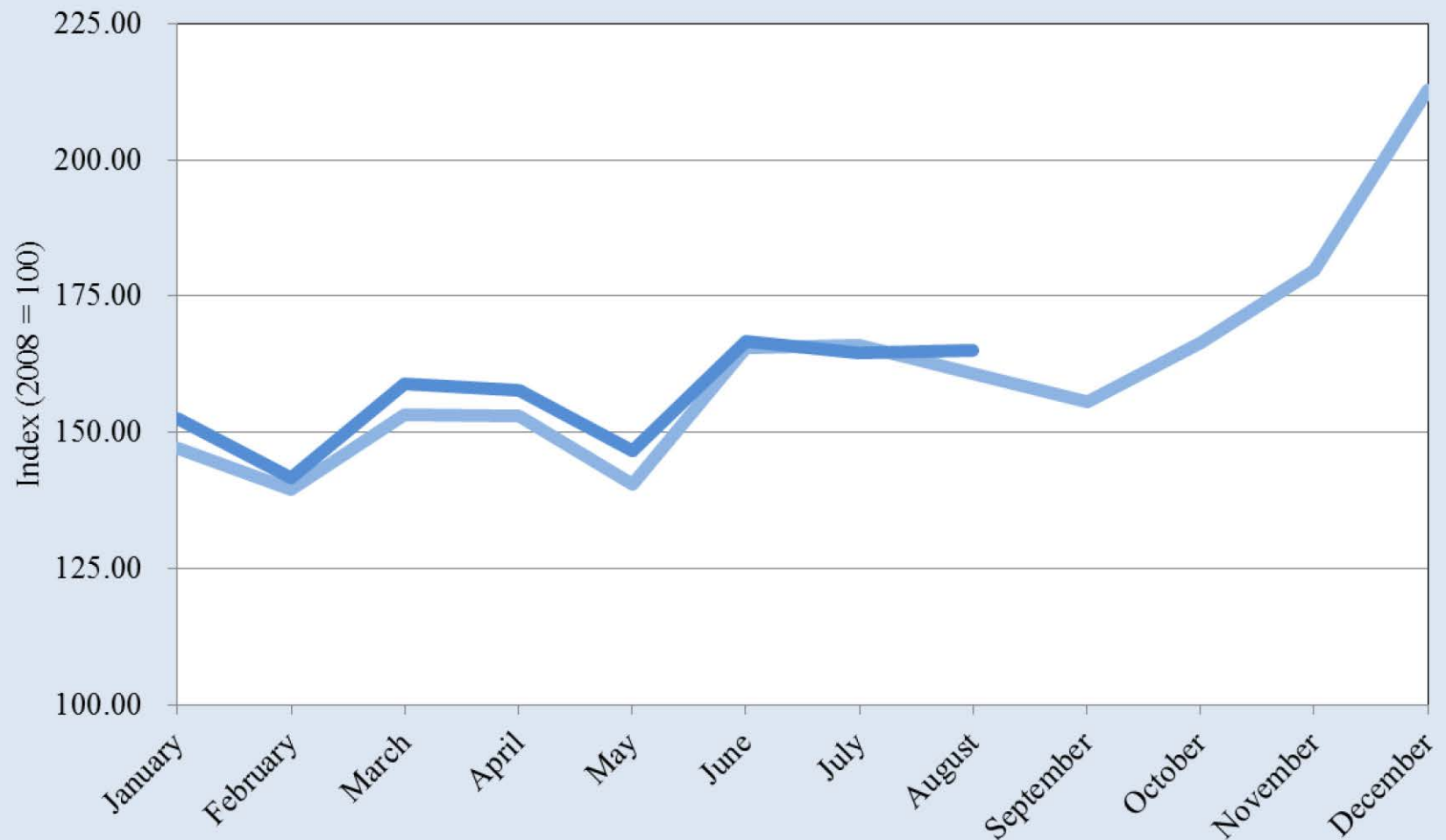
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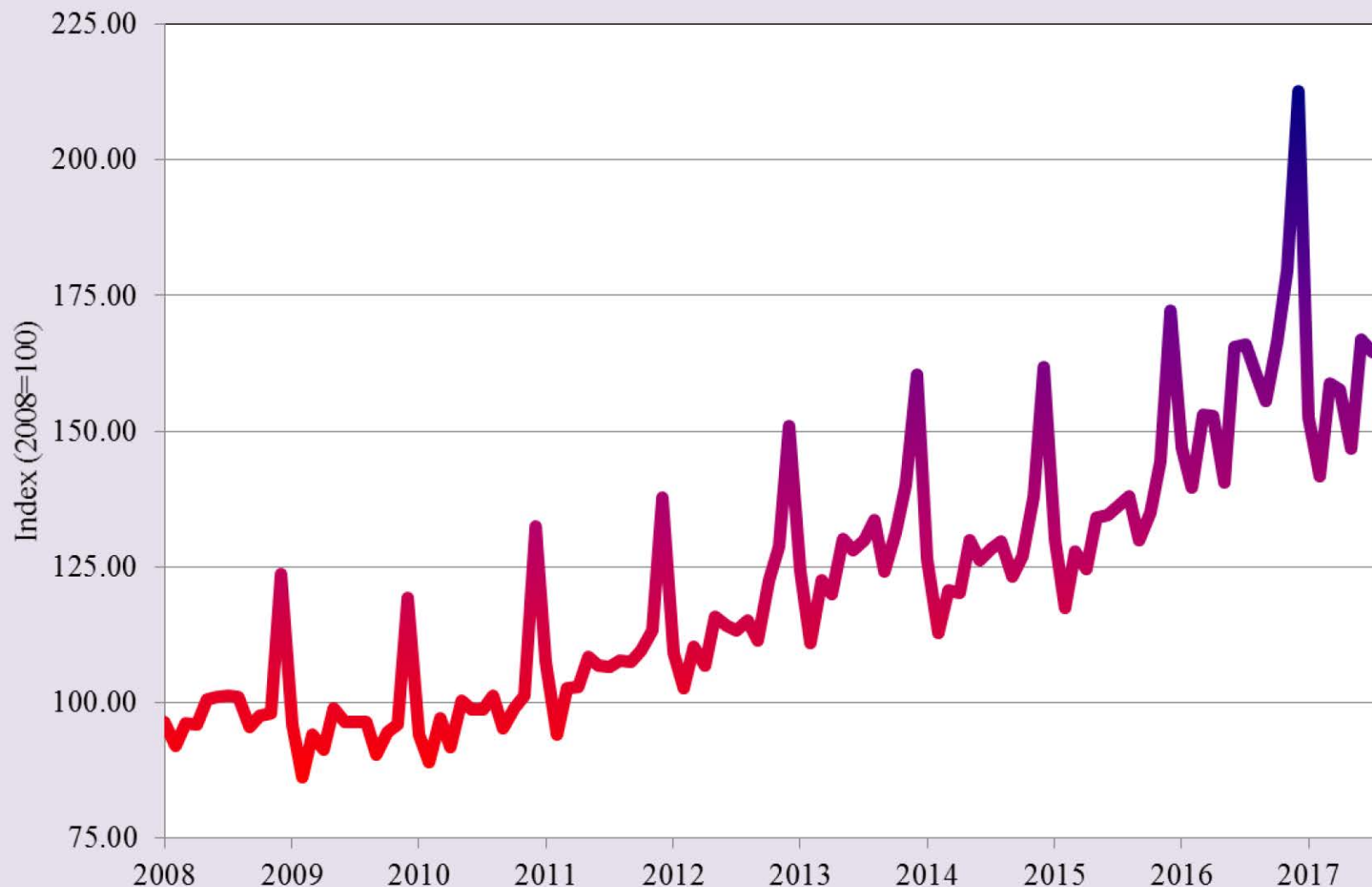
Real Retail Activity Index for the State of Chihuahua

— 2016 — 2017



Source: INEGI

Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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