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# Borderplex Business Barometer, Volume 2, Number 8

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# BORDERPLEX BUSINESS BAROMETER

**August 2018**

**Border Region Modeling Project**

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*Border Commerce & Economics*

Borderplex Business Barometer, Volume 2, Number 8

**At Least for Now**

The El Paso metropolitan economy continues to enjoy favorable business conditions. In June, the Federal Reserve Bank of Dallas Business Cycle Index surpassed 230 for the first time. Private sector payrolls have undergirded much of the improvement exhibited by this index in 2018 and the El Paso unemployment rate has declined on a year-over-year basis throughout 2018.

The El Paso Household Economic Stress Index remains low by historical standards. It has, however, climbed above year-ago levels in recent months and has been slowly trending upwards since mid-2017. Much of the increase in that measure is attributable to higher interest rates. Additional interest rate hikes are likely in coming months, raising overall risks both regionally and nationally. Although the latter are undeniable, supplemental nutrition assistance program (SNAP or food stamp) enrollments were below year-ago levels again in June.

The median housing price for single-family units in June reached \$155,000. That is 2.7 percent higher than it was last year and continues the general upward trajectory exhibited by this measure in recent years. Not surprisingly, the months of housing supply for El Paso remained comfortably below year-ago levels again in June. That is welcome news at City Hall, where higher real estate values may lead to stronger property tax collections during the coming fiscal year.

In a seasonally atypical development, El Paso gasoline prices declined to \$2.70 per gallon in July. That is nearly a 25-cent drop from June, and a welcome development for a geographically fractured urban economy where local travelling distances tend to be fairly long. Strong energy demand and global supply constraints have kept gasoline and diesel prices above year-ago levels throughout 2018.

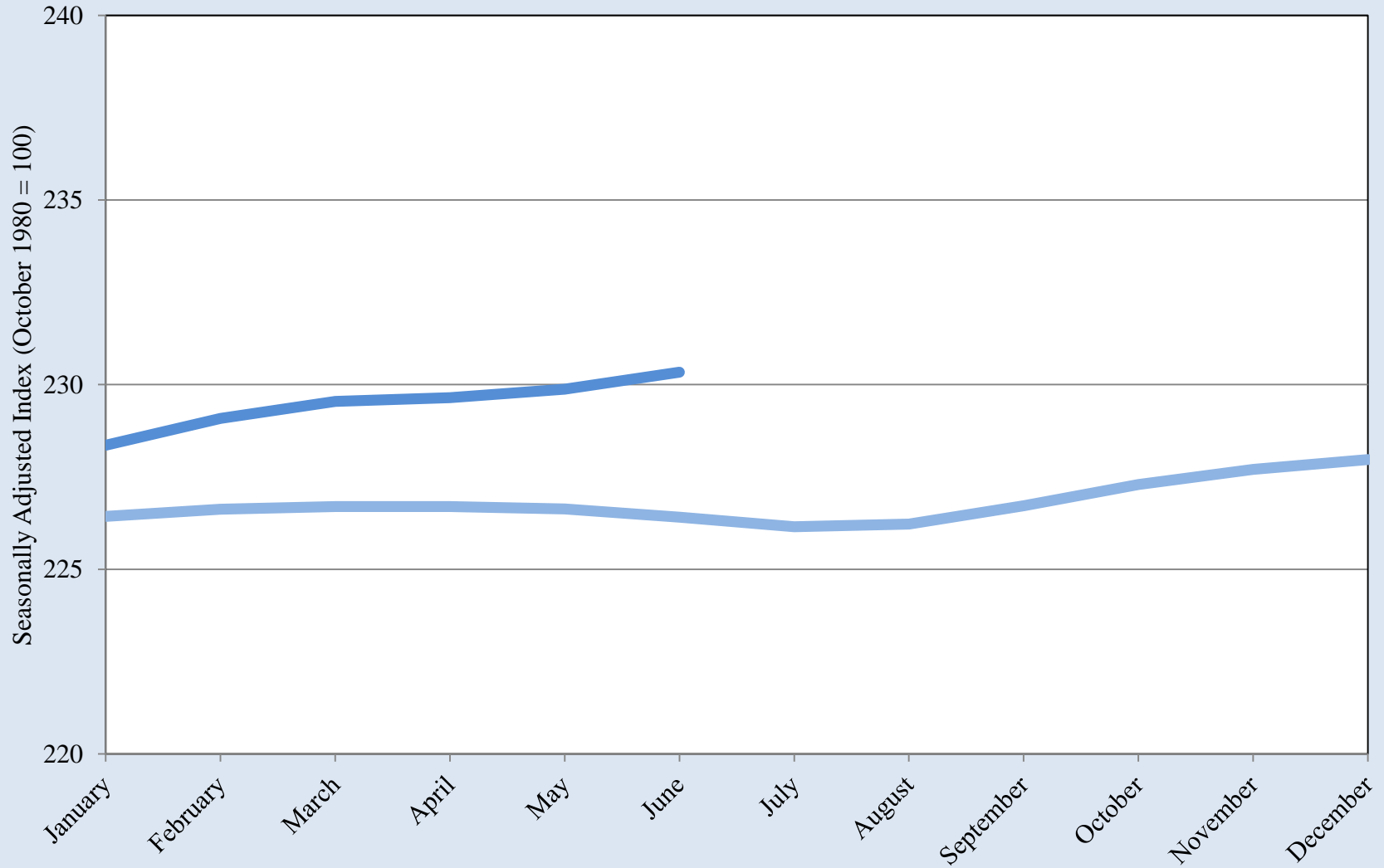
The Doña Ana County unemployment rate remained below year-ago levels for a sixth consecutive month in July. Preliminary Bureau of Labor Statistics data indicate that the Mesilla Valley civilian labor force continued to decline in June, but employment also rose on a year-to-year basis for a third consecutive month in June. Fortunately, area SNAP caseloads remained below the 28,000 mark for a fourteenth consecutive month in May.

Market jitters caused the peso-per-dollar nominal exchange rate to increase by more than 80 centavos in June. Additional volatility may occur in future months if NAFTA renewal talks appear to stall. Traffic volumes across the international bridges have not weakened in 2018. The latter developments are in spite of increased violence during the first half of 2018 in Ciudad Juárez.

In spite of the diplomatic standoff regarding hemispheric trade relations, real trade volumes through the El Paso Customs District grew again in May. Higher trade volume and a weaker peso have not yet led to larger export manufacturing payrolls in Ciudad Juárez. That pattern may eventually be reversed. Construction activity in the State of Chihuahua moved sharply upward again in May. State level retail activity also performed well in May, indicating that consumer confidence has at least partially stabilized.

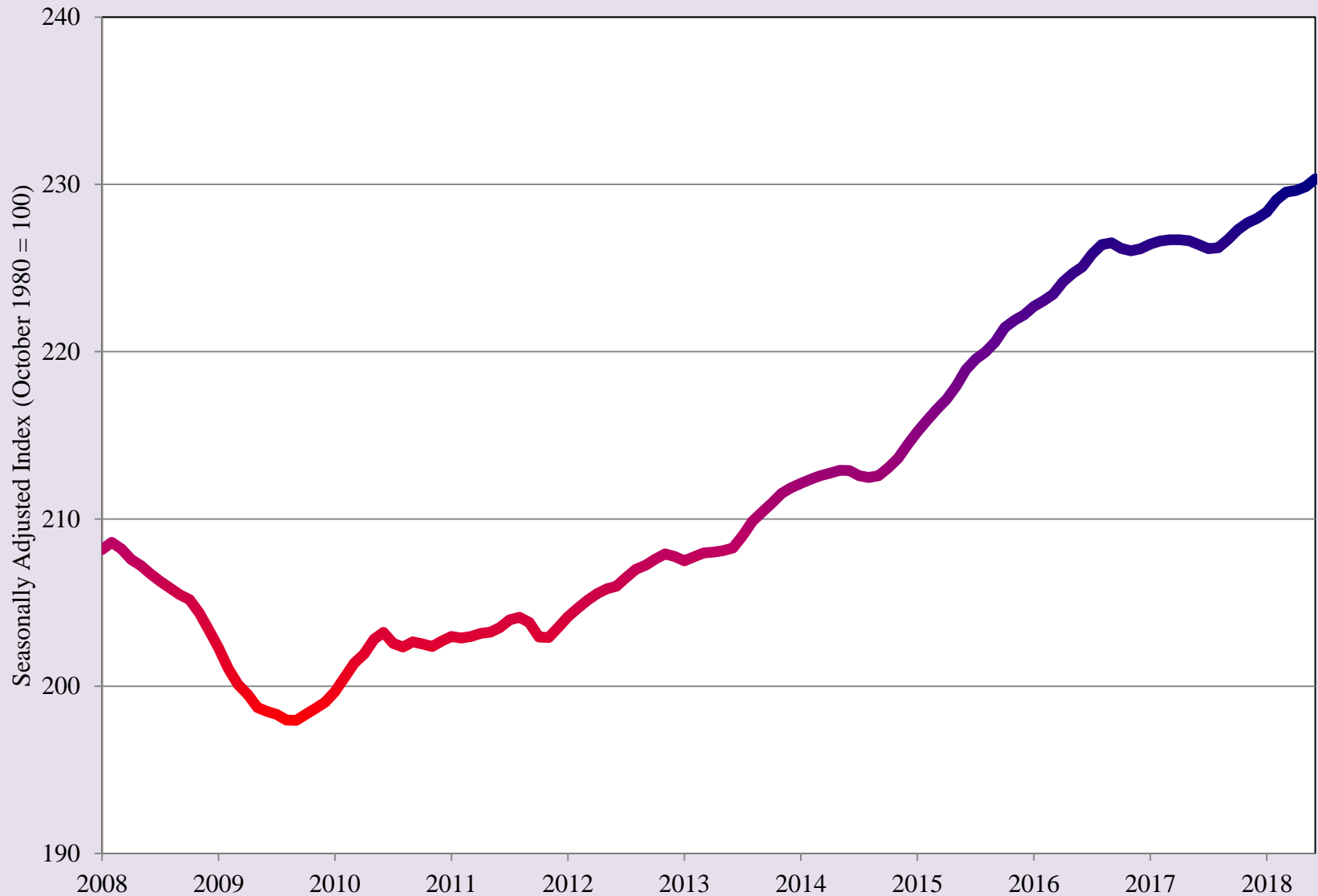
## Metro Business-Cycle Index for El Paso

2017 2018



Source: Federal Reserve Bank of Dallas

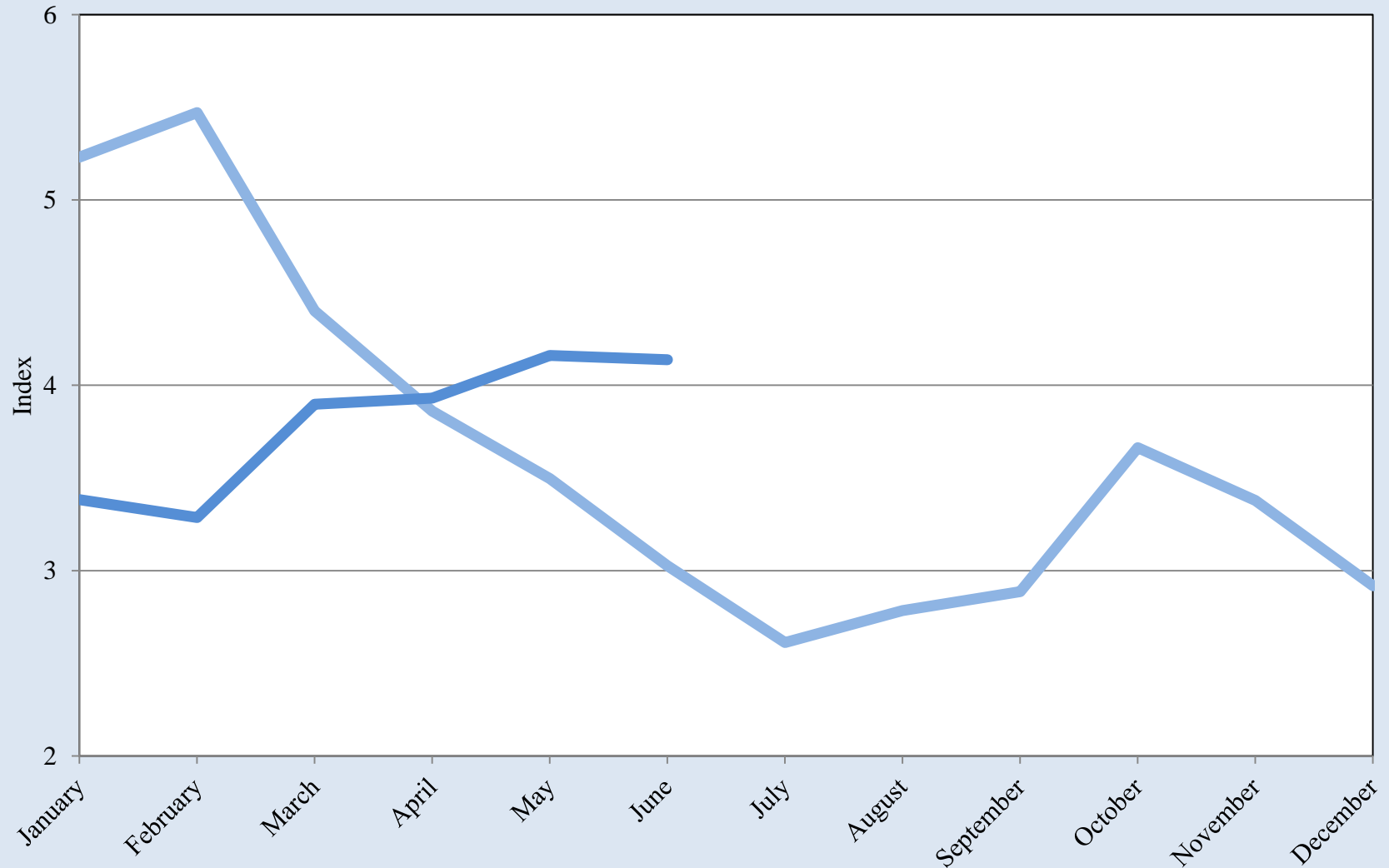
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Source: Federal Reserve Bank of Dallas

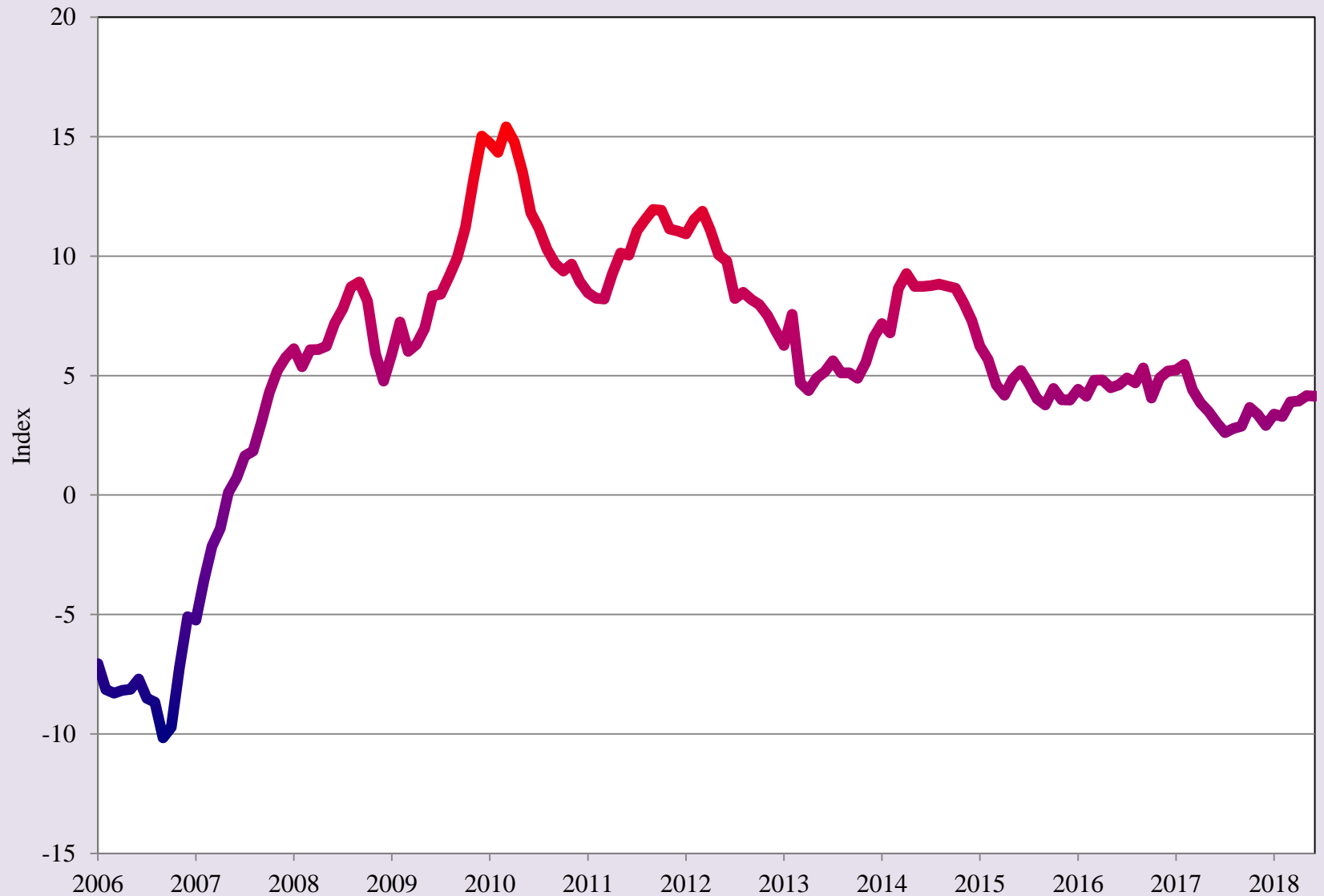
## El Paso Household Economic Stress Index

2017 2018



Source: UTEP Border Region Modeling Project

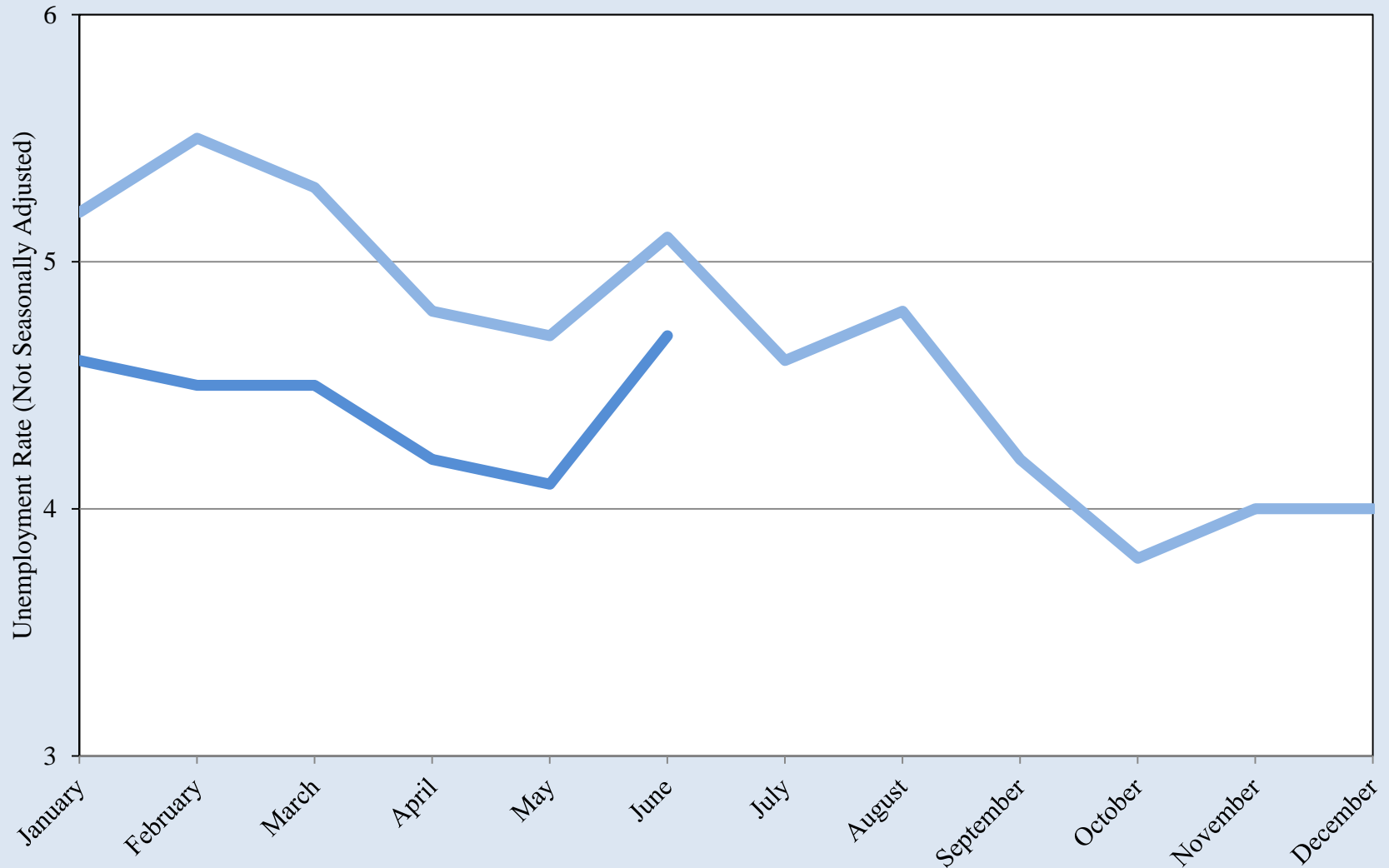
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Source: UTEP Border Region Modeling Project

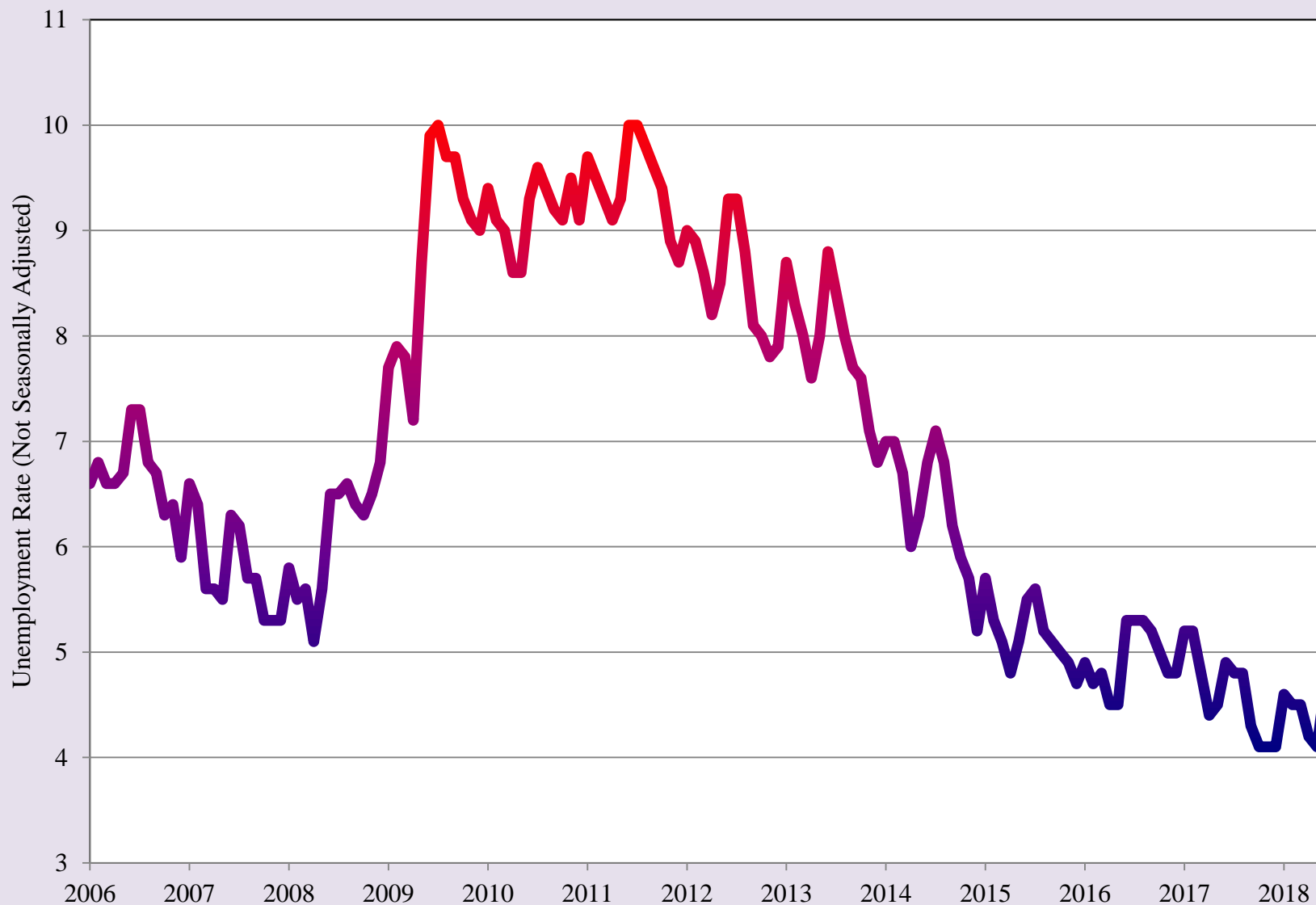
## El Paso County Unemployment Rate

— 2017 — 2018



Source: Bureau of Labor Statistics

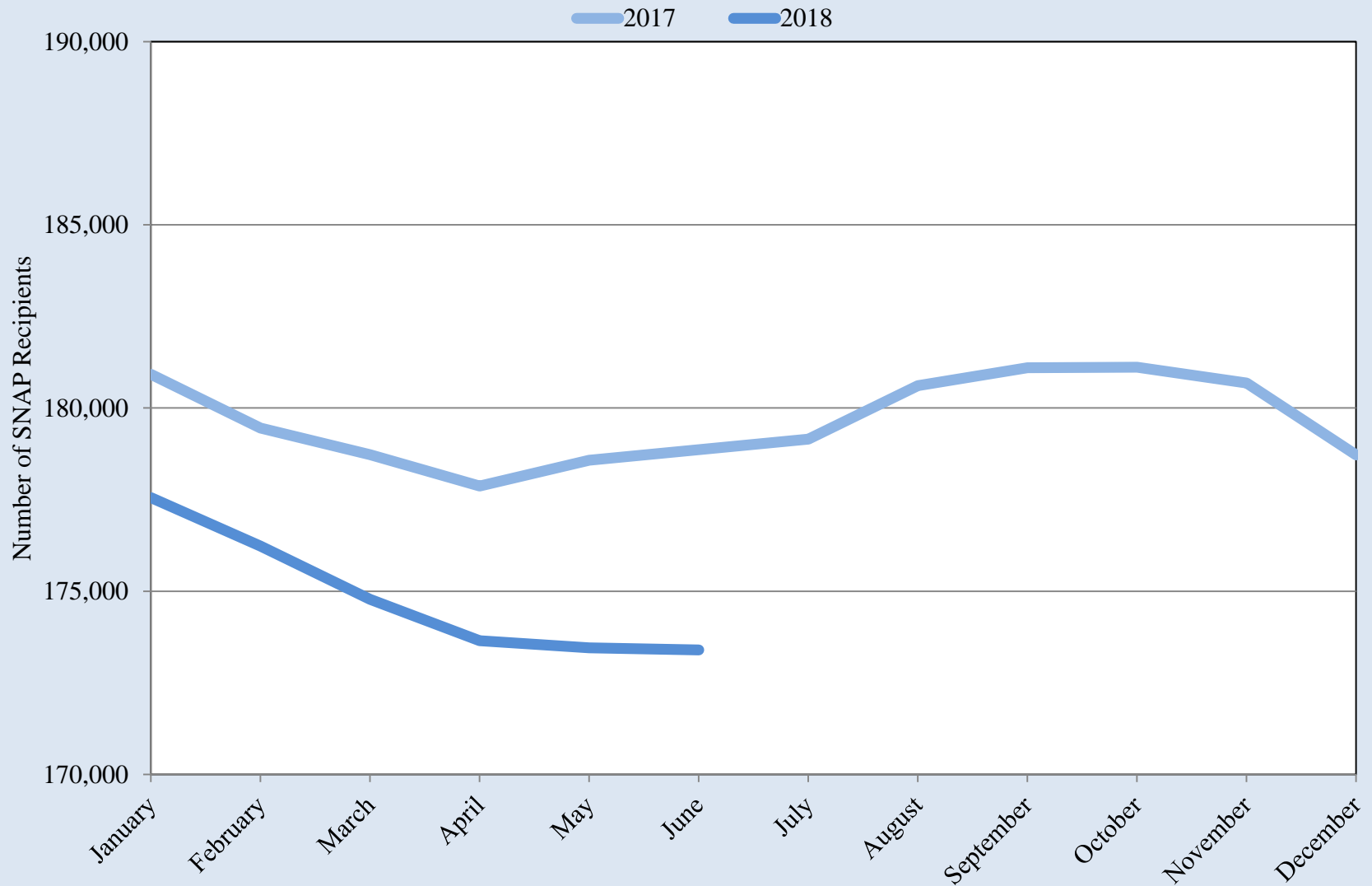
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Source: Bureau of Labor Statistics

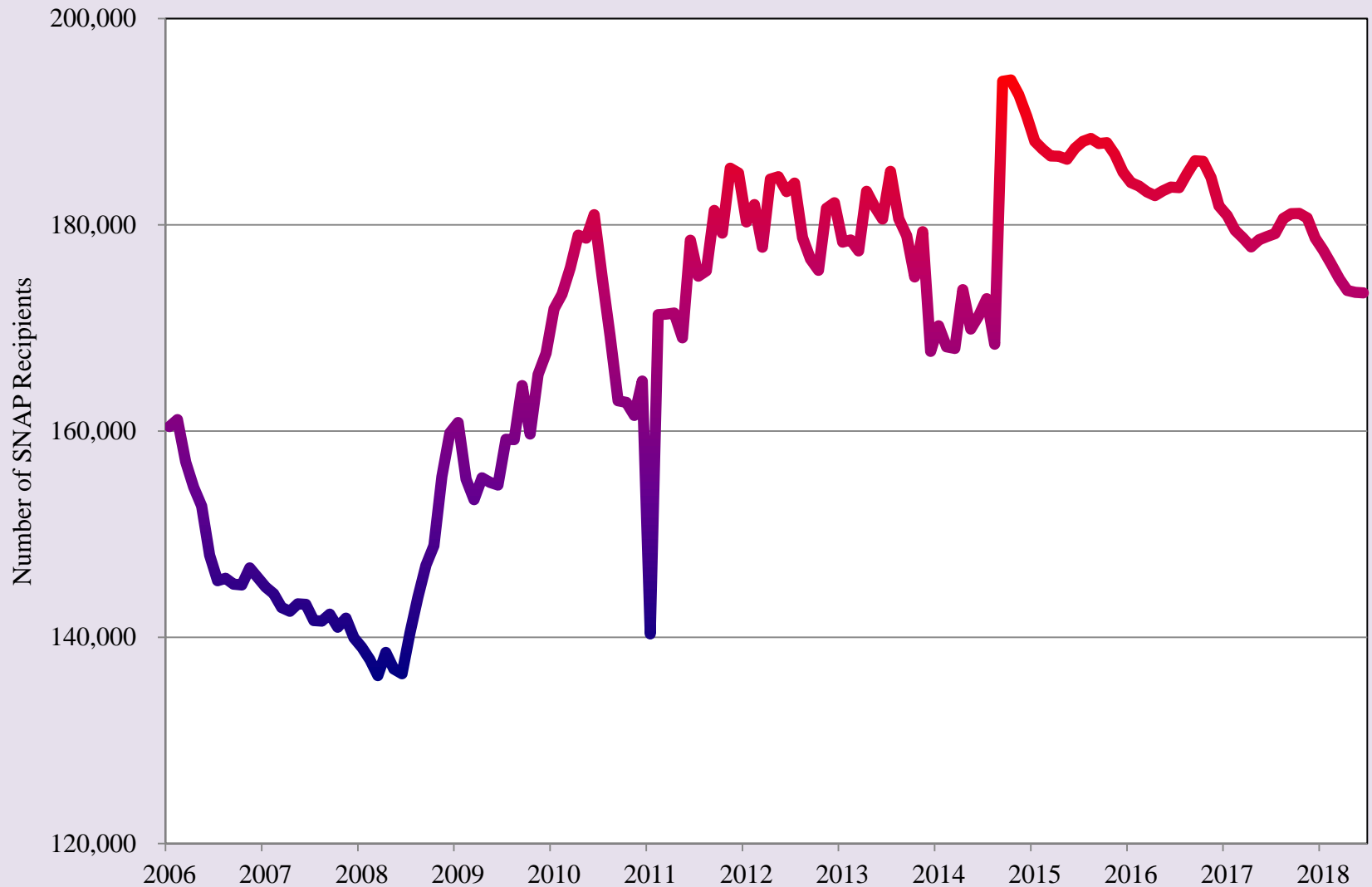


## El Paso County SNAP (Food Stamp) Enrollment



Source: Texas Health and Human Services Commission

## El Paso County SNAP (Food Stamp) Enrollment

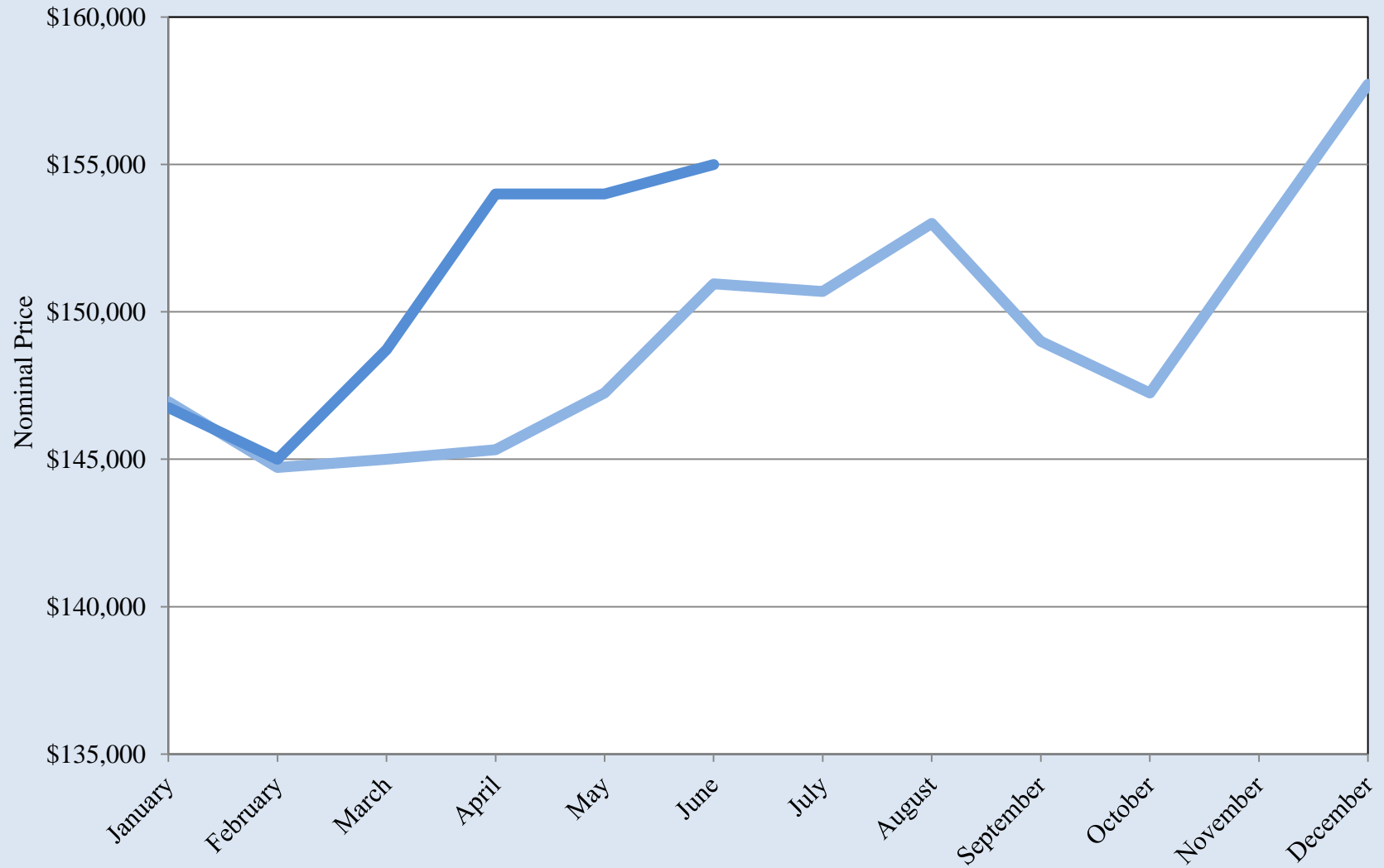


Starting in September, 2014, the number of SNAP recipients is recorded for the end of each month.

Source: Texas Health and Human Services Commission

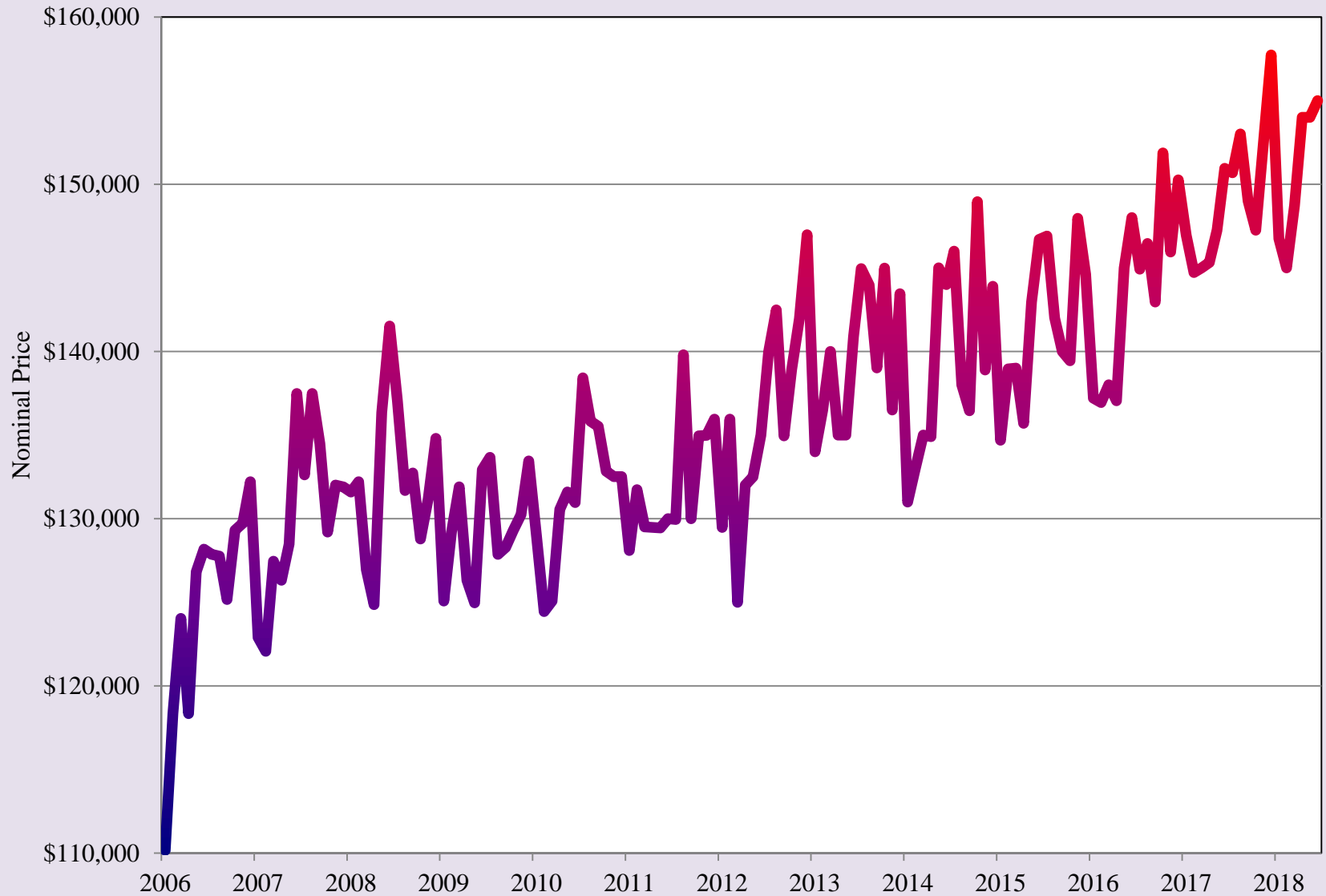
## El Paso Median Housing Prices

— 2017 — 2018



Source: Texas A&M Real Estate Center

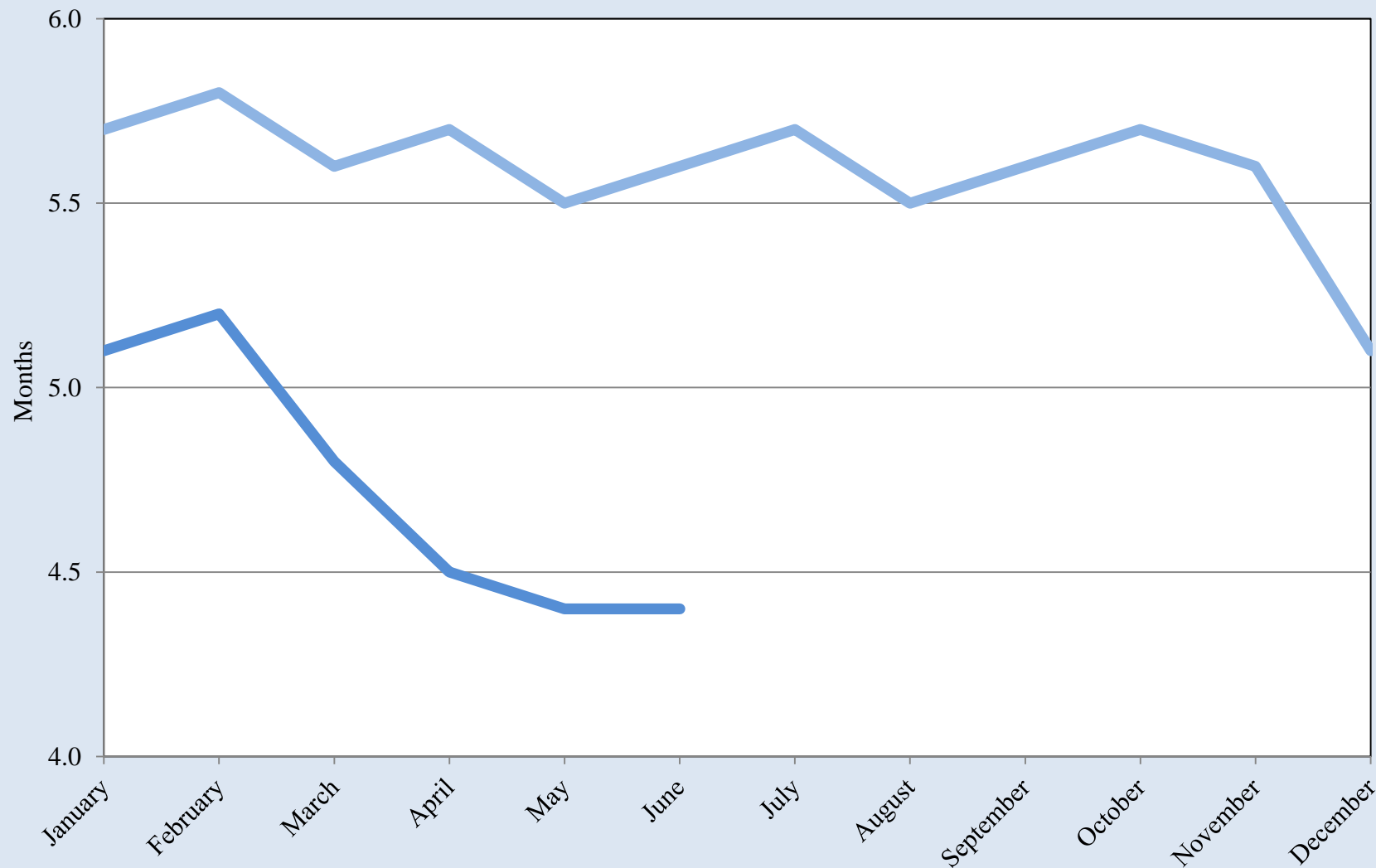
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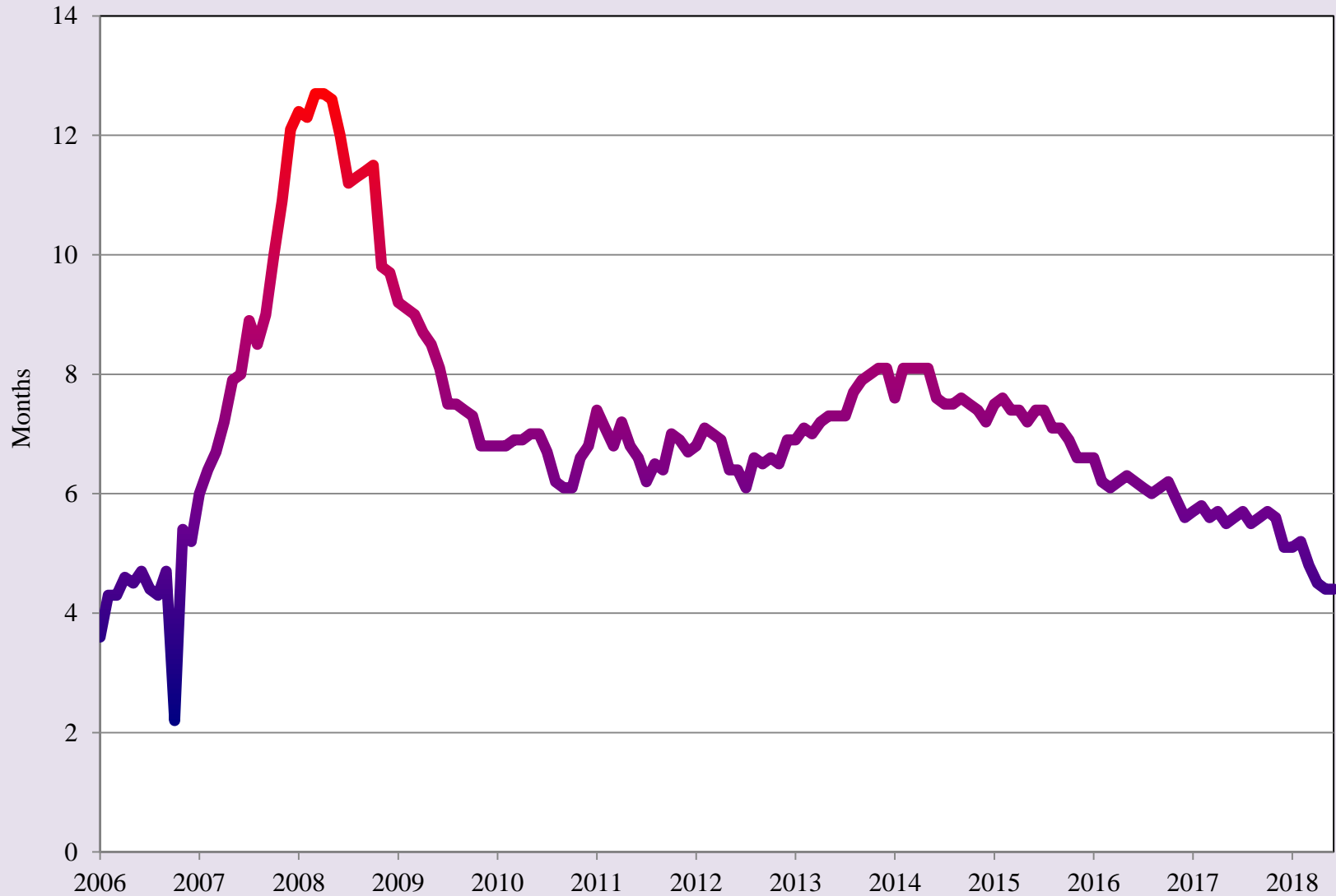
## Months of Housing Inventory for El Paso

— 2017 — 2018



Source: Texas A&M Real Estate Center

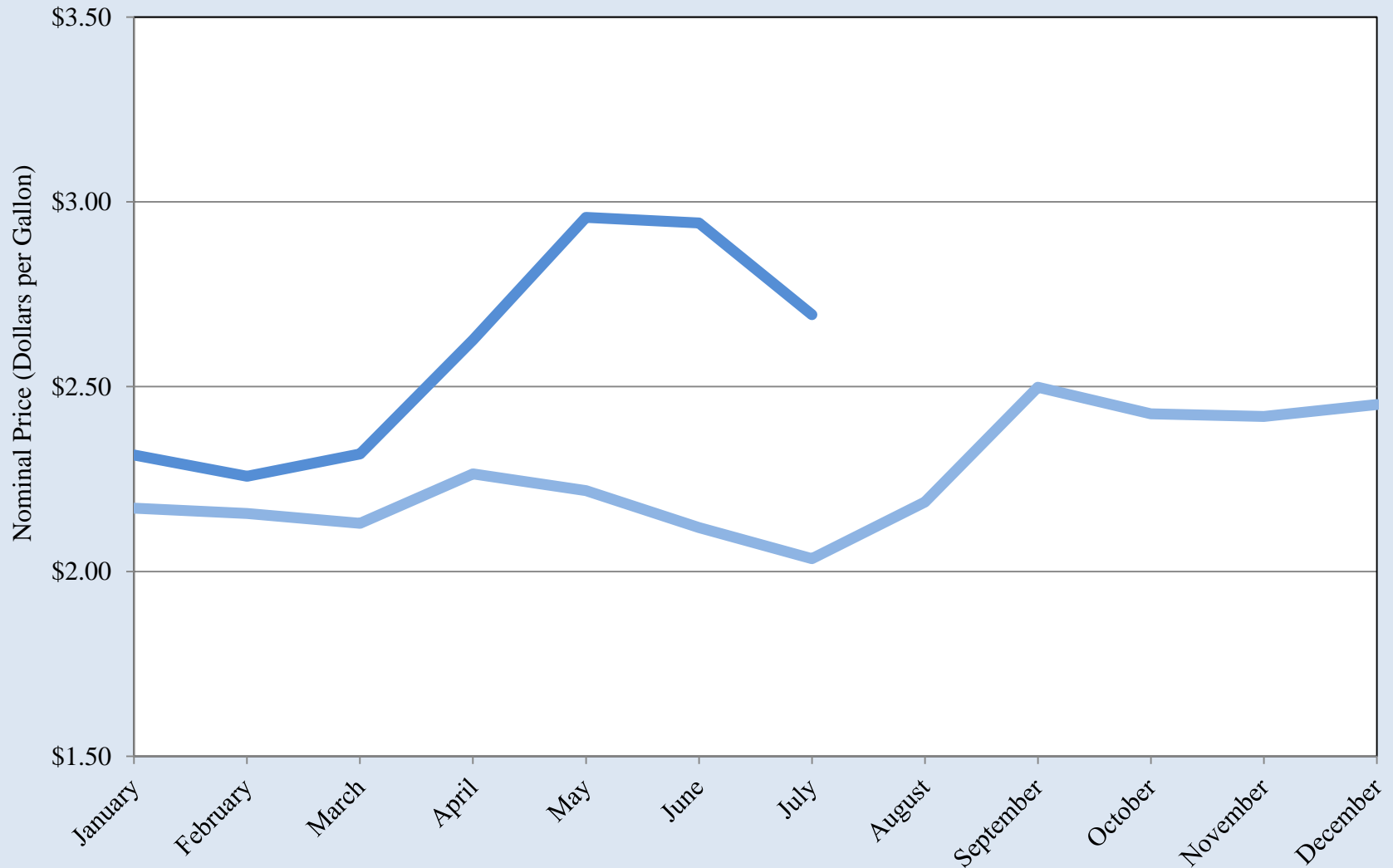
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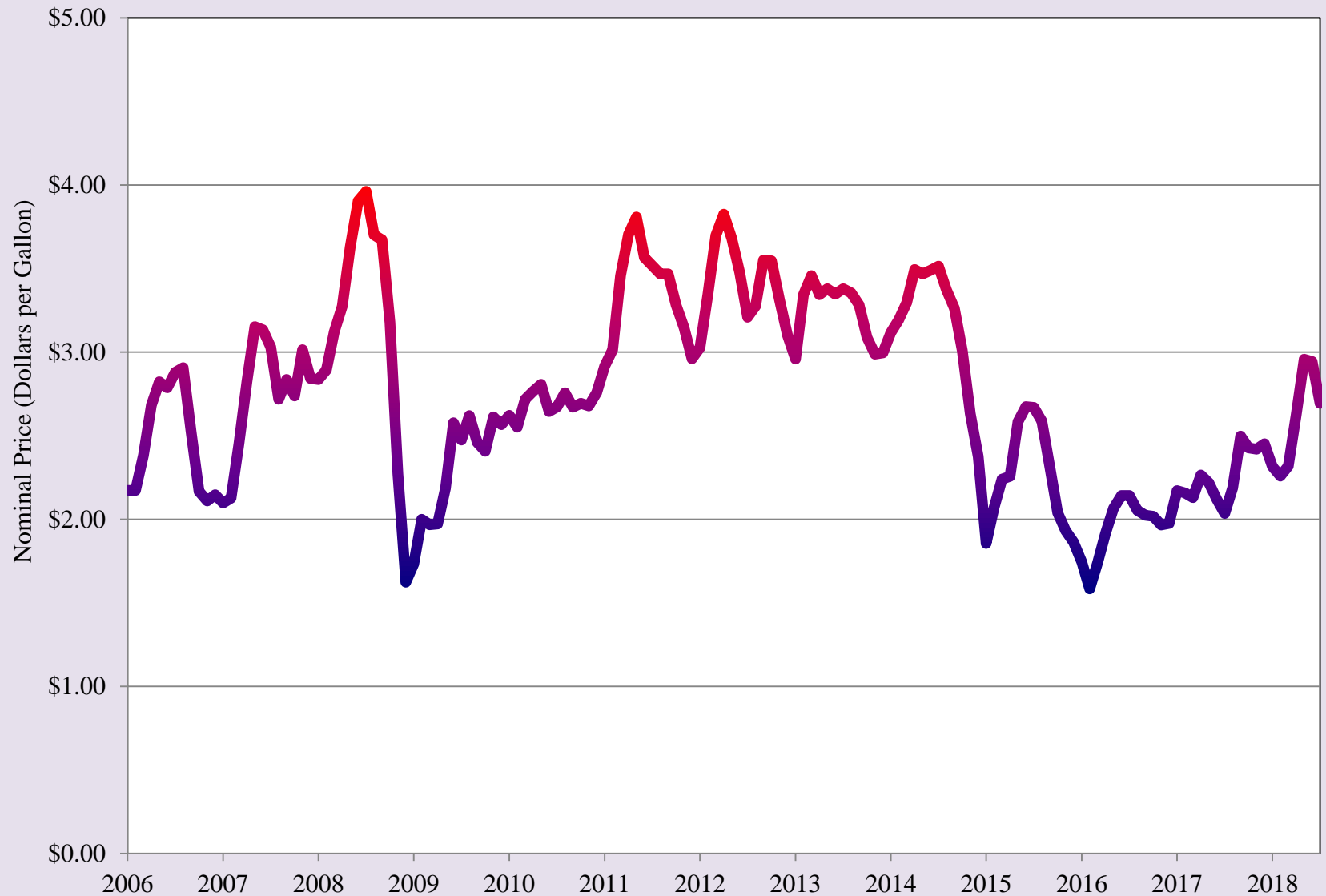
## El Paso Gasoline Prices

2017 2018



Source: GasBuddy.com

## El Paso Gasoline Prices

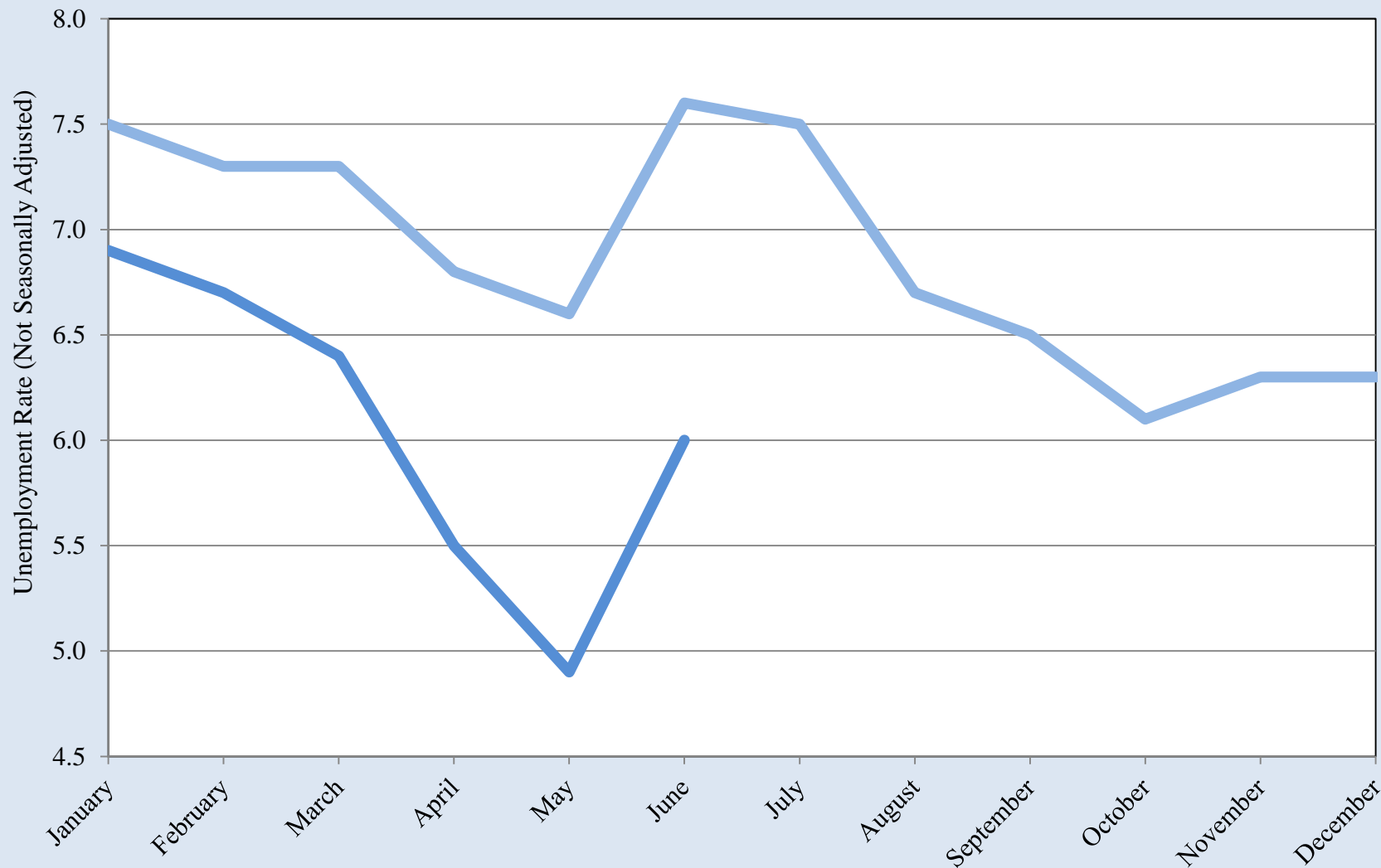


Source: GasBuddy.com



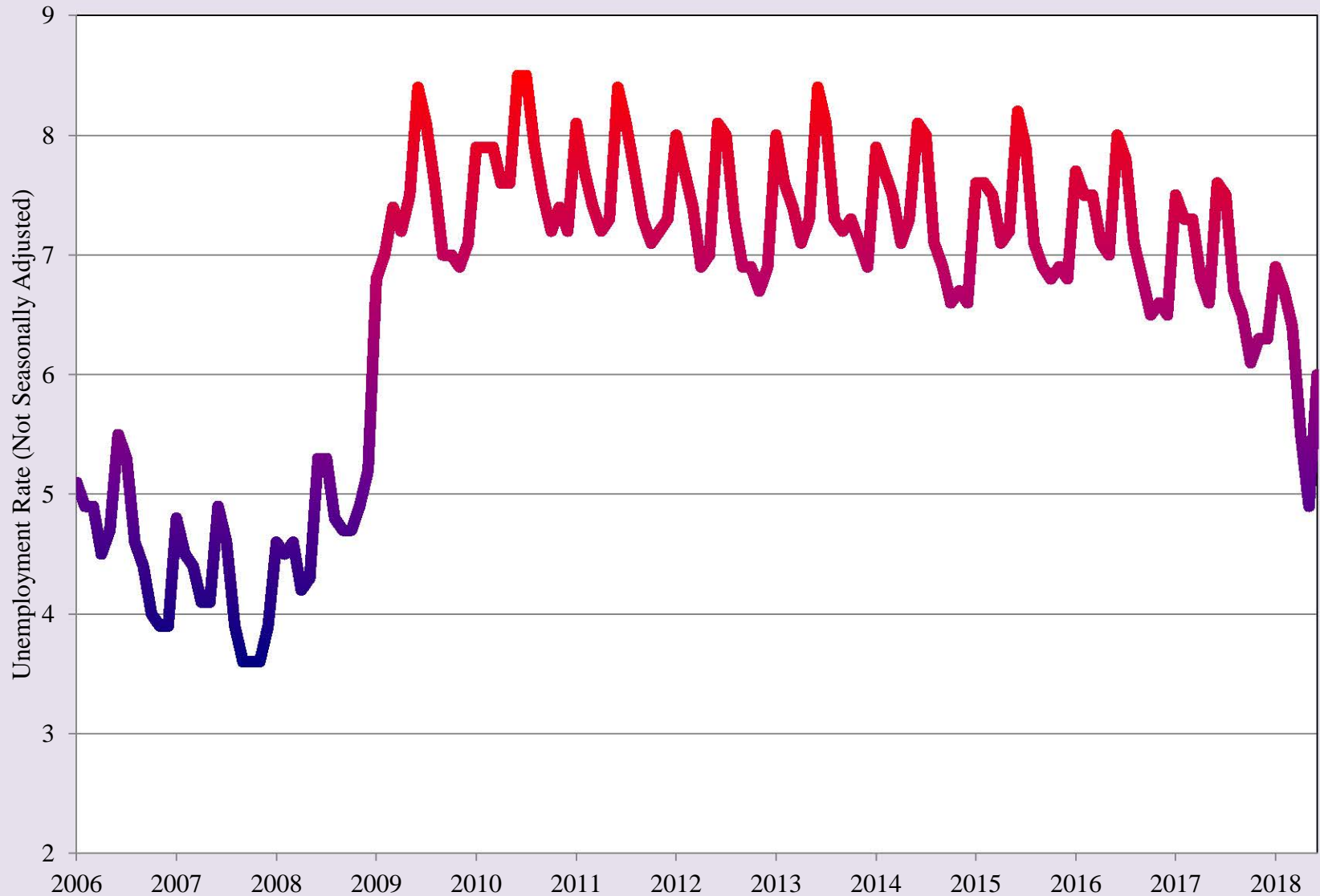
## Doña Ana County Unemployment Rate

2017 2018



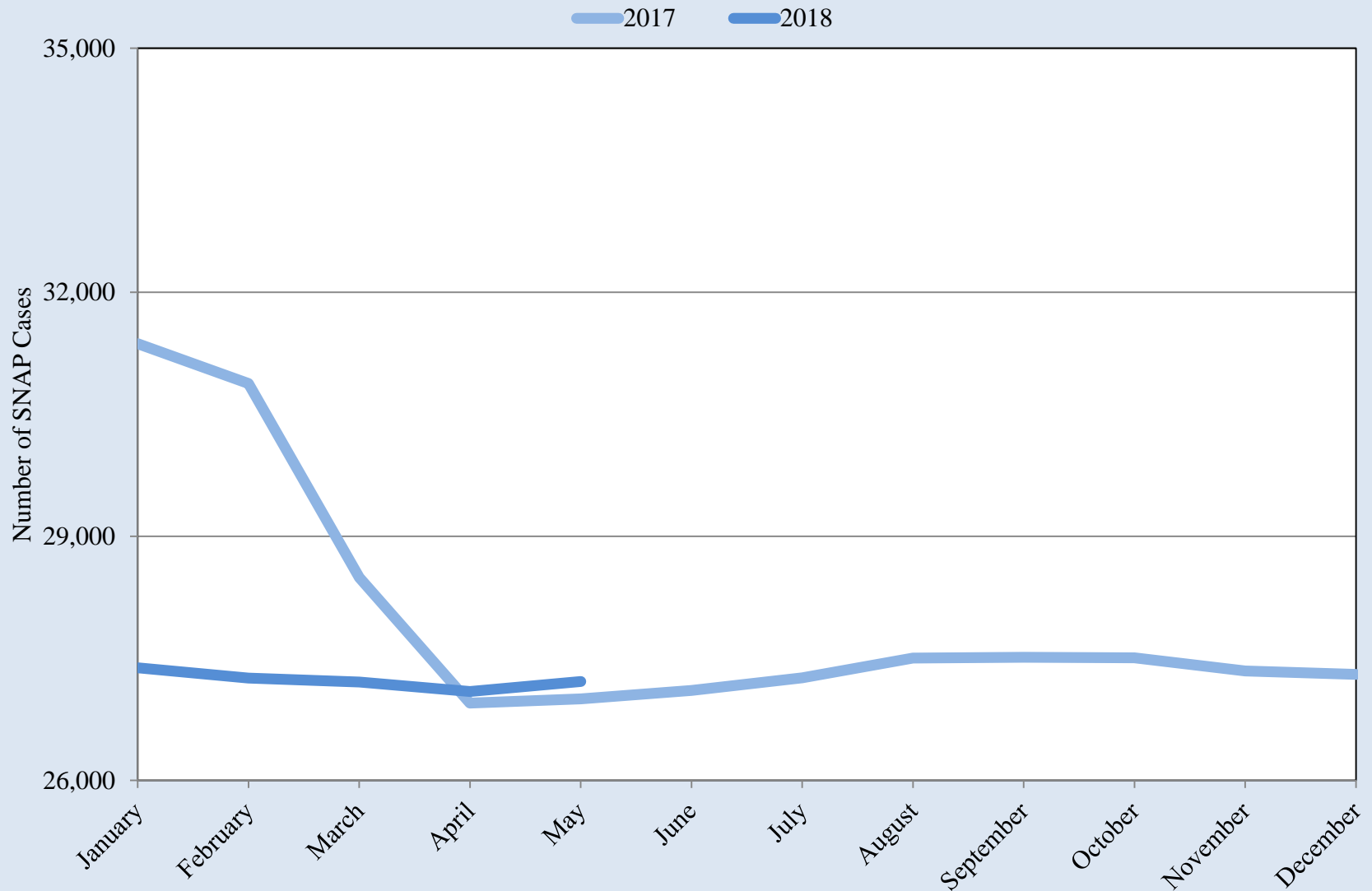
Source: Bureau of Labor Statistics

## Doña Ana County Unemployment Rate



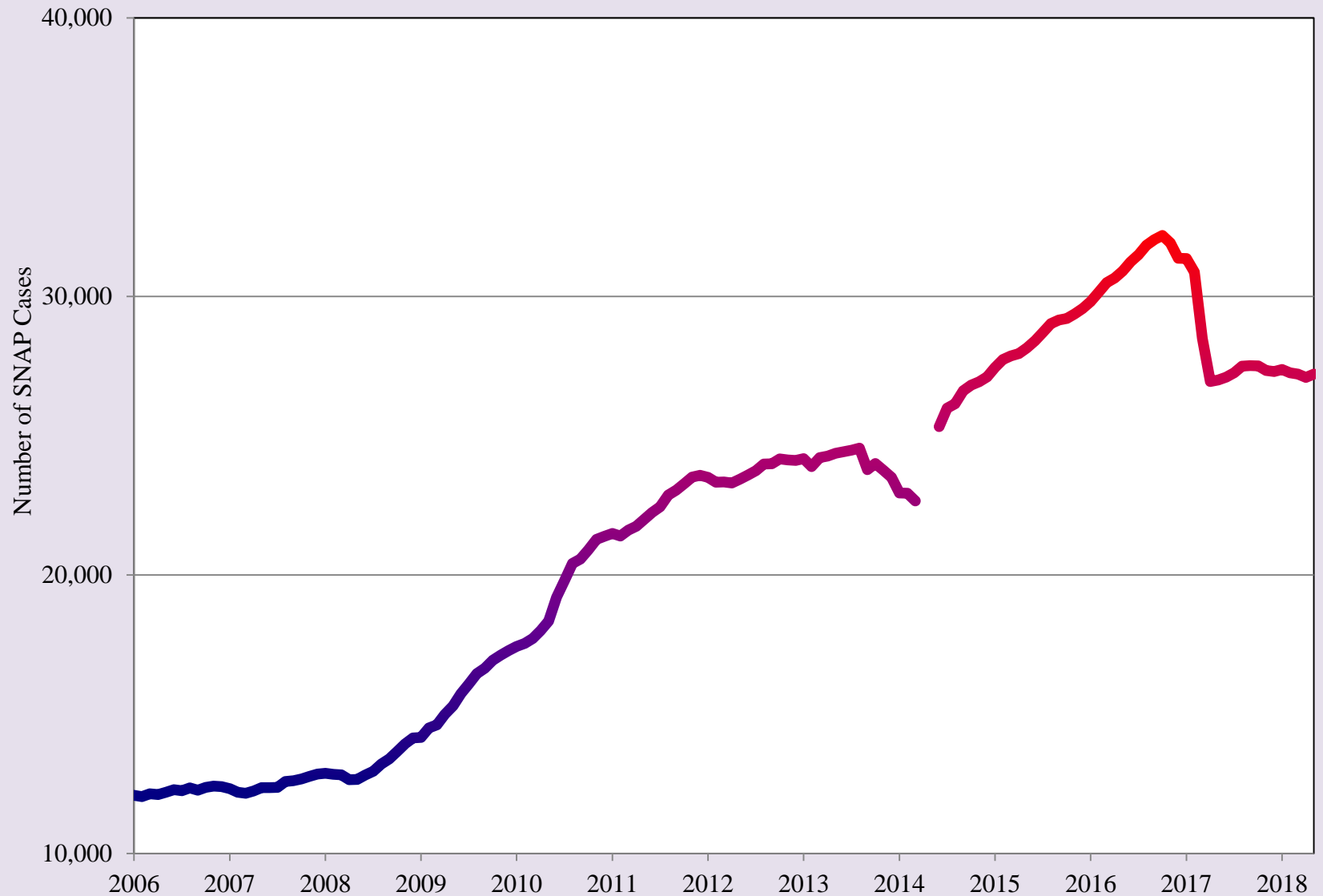
Source: Bureau of Labor Statistics

## Las Cruces Area SNAP (Food Stamp) Cases



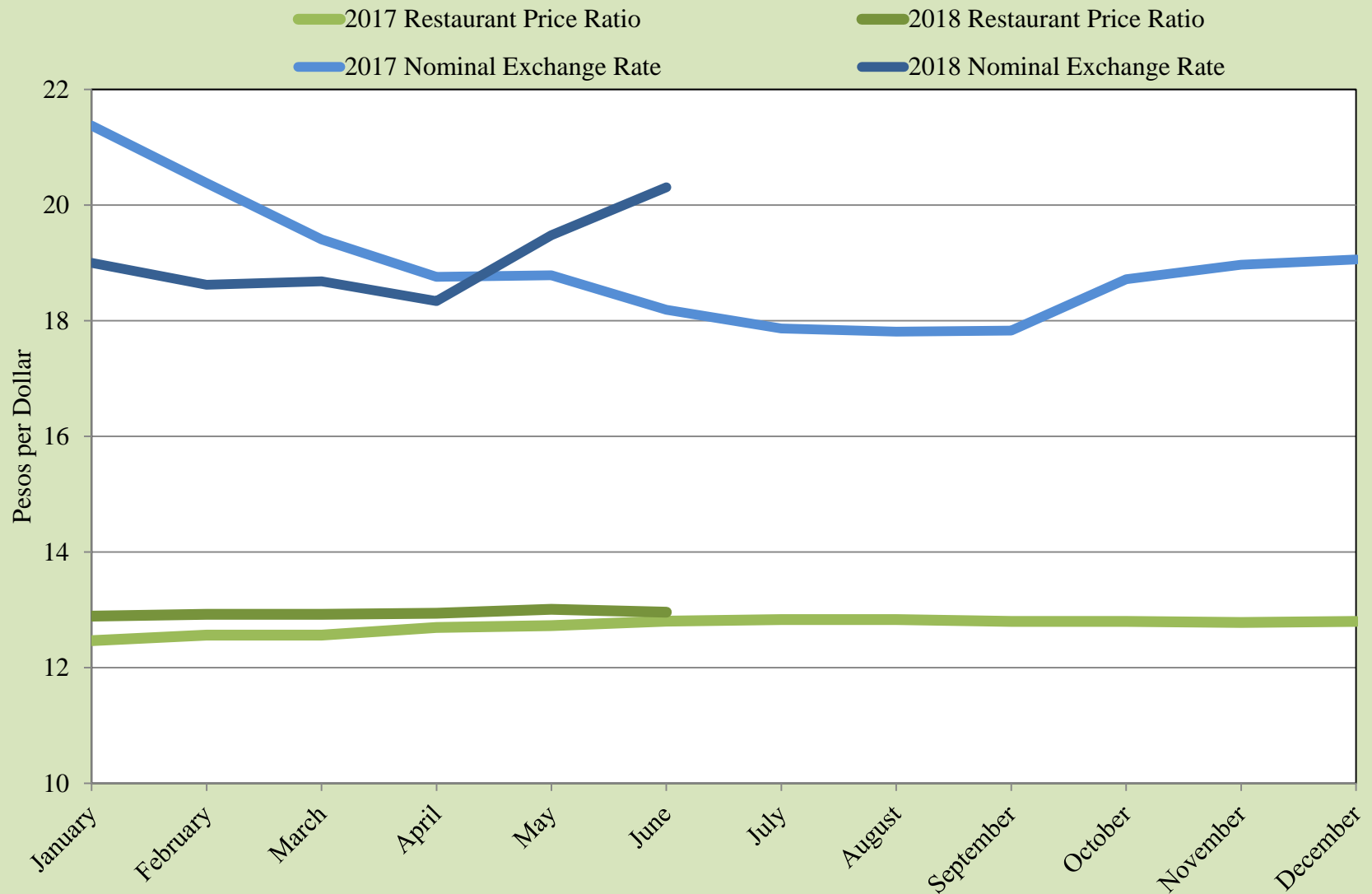
Source: New Mexico Human Services Department

## Las Cruces Area SNAP (Food Stamp) Cases



Source: New Mexico Human Services Department

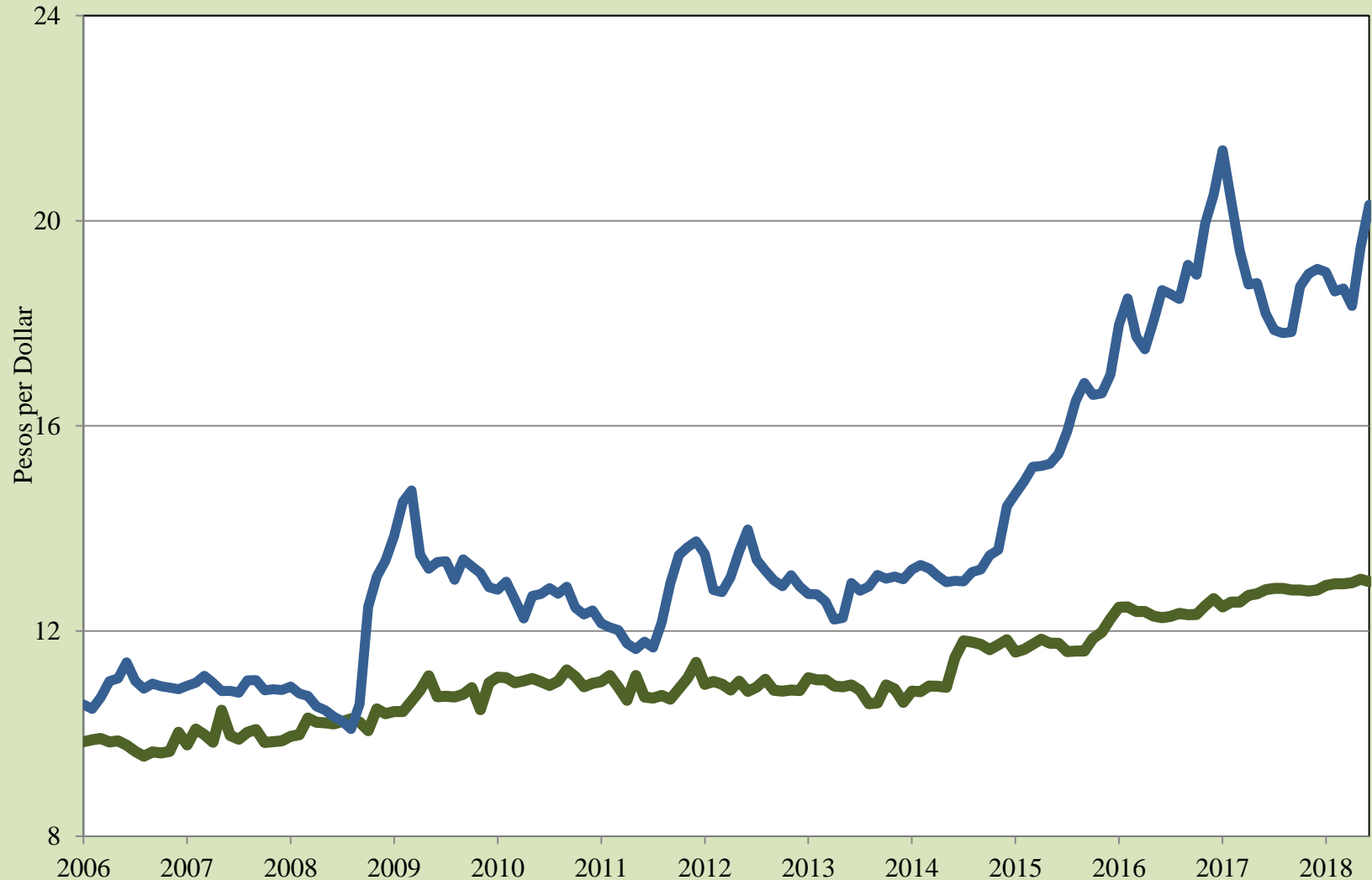
## Restaurant Price Ratio and Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Restaurant Price Ratio and Exchange Rate

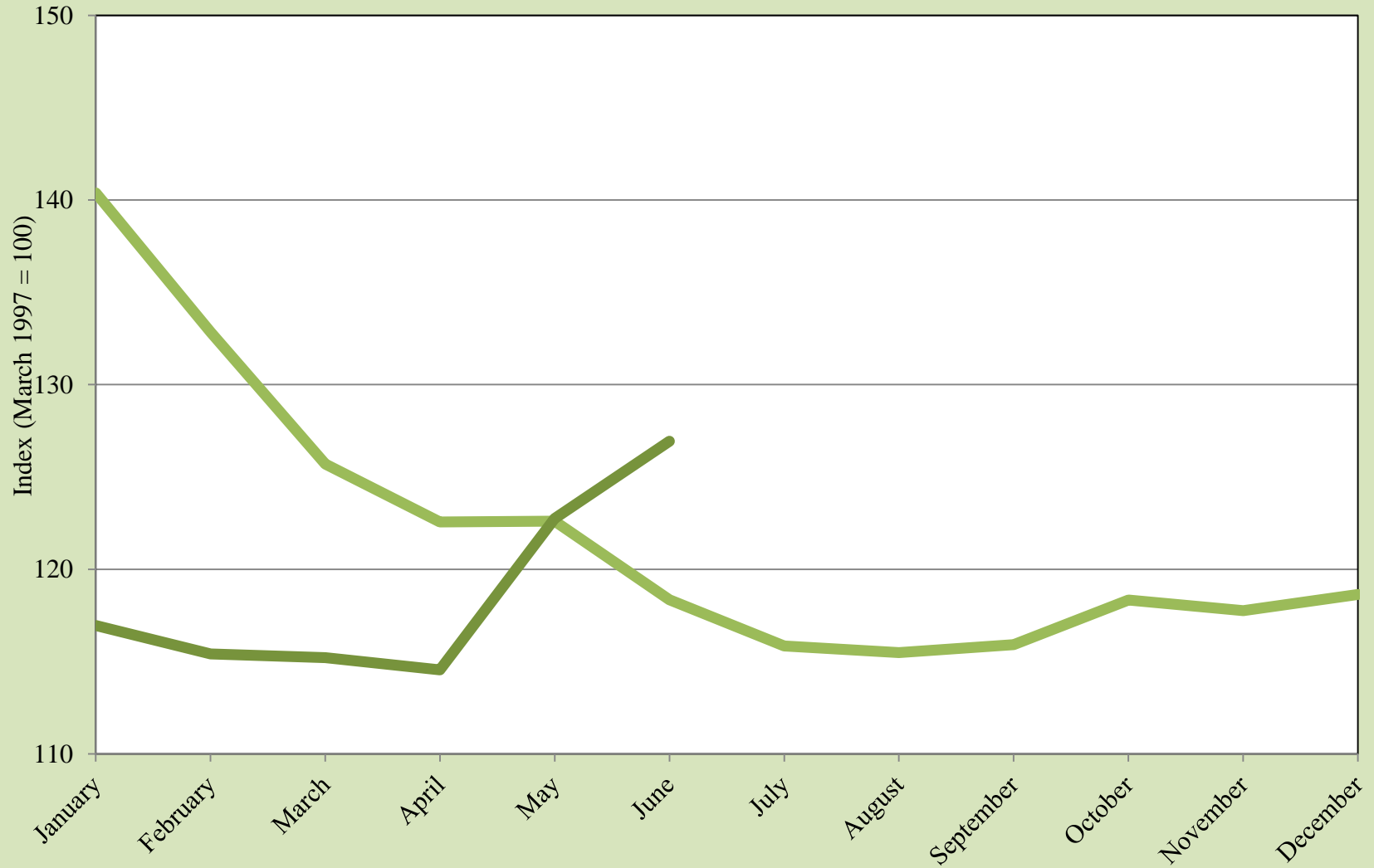
Price Ratio Exchange Rate



Source: UTEP Border Region Modeling Project and Banco de Mexico

## Real Peso-per-Dollar Exchange Rate Index

2017 2018



Source: UTEP Border Region Modeling Project

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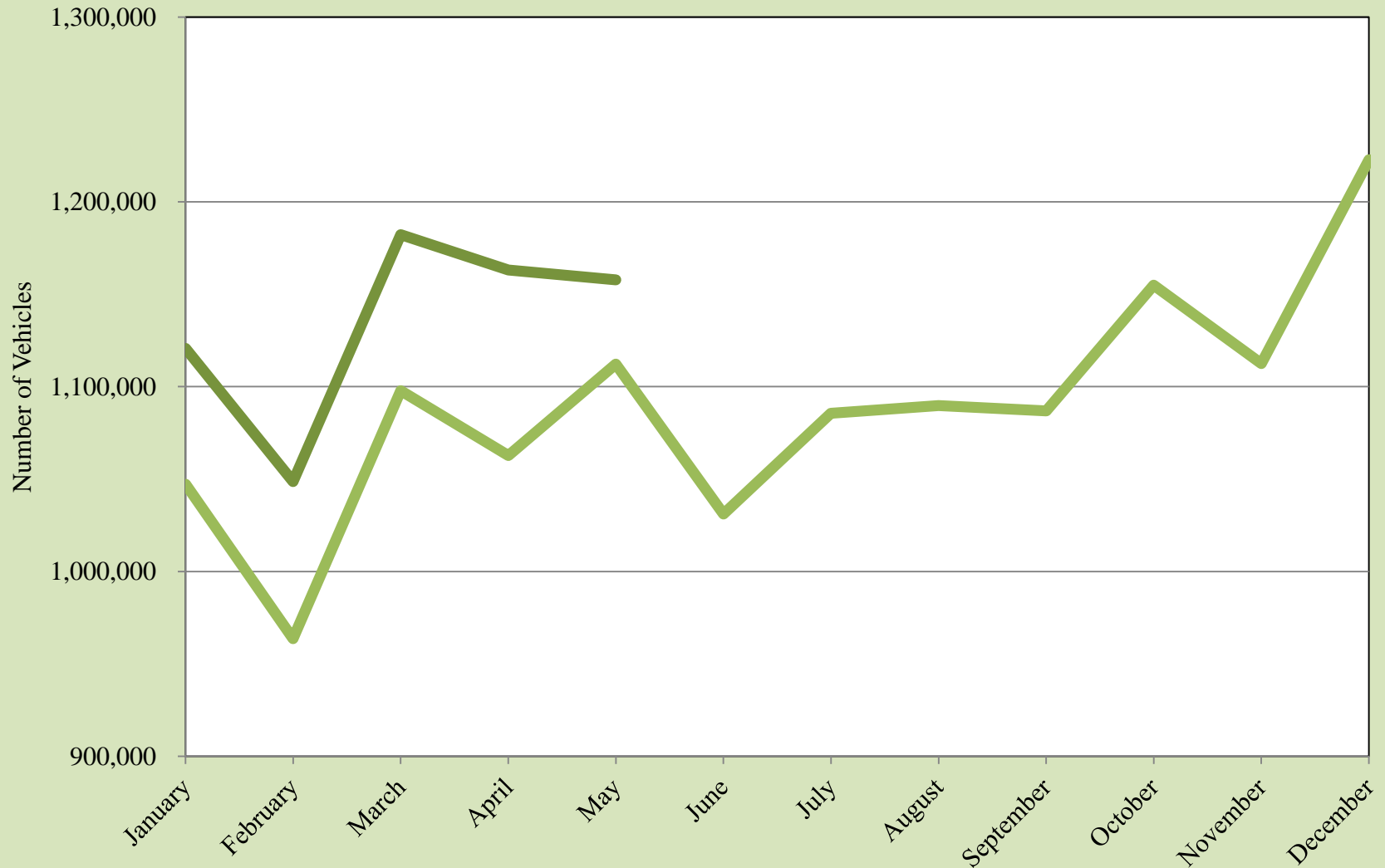


Source: UTEP Border Region Modeling Project



## Personal Vehicle International Bridge Crossings to El Paso

2017 2018



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

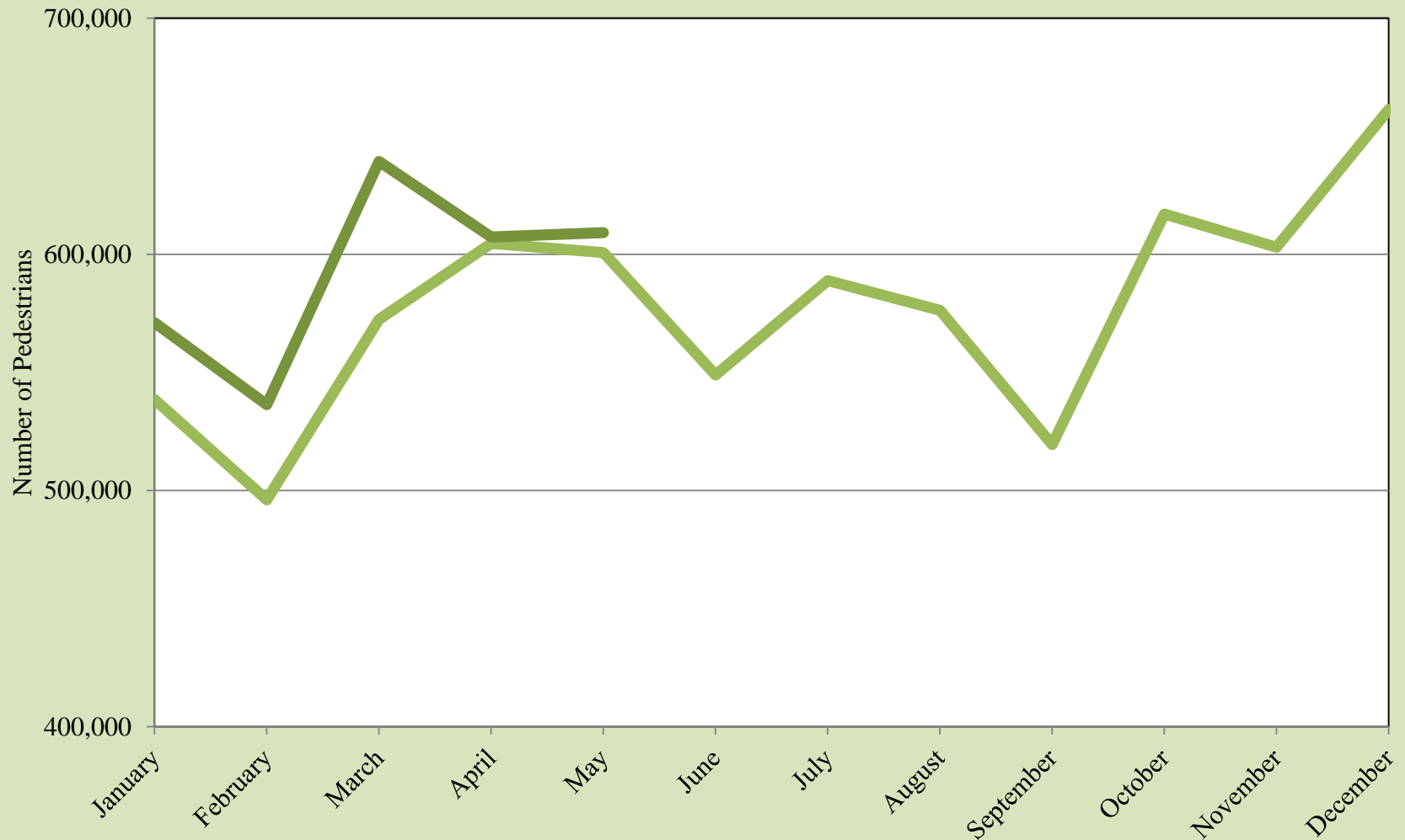
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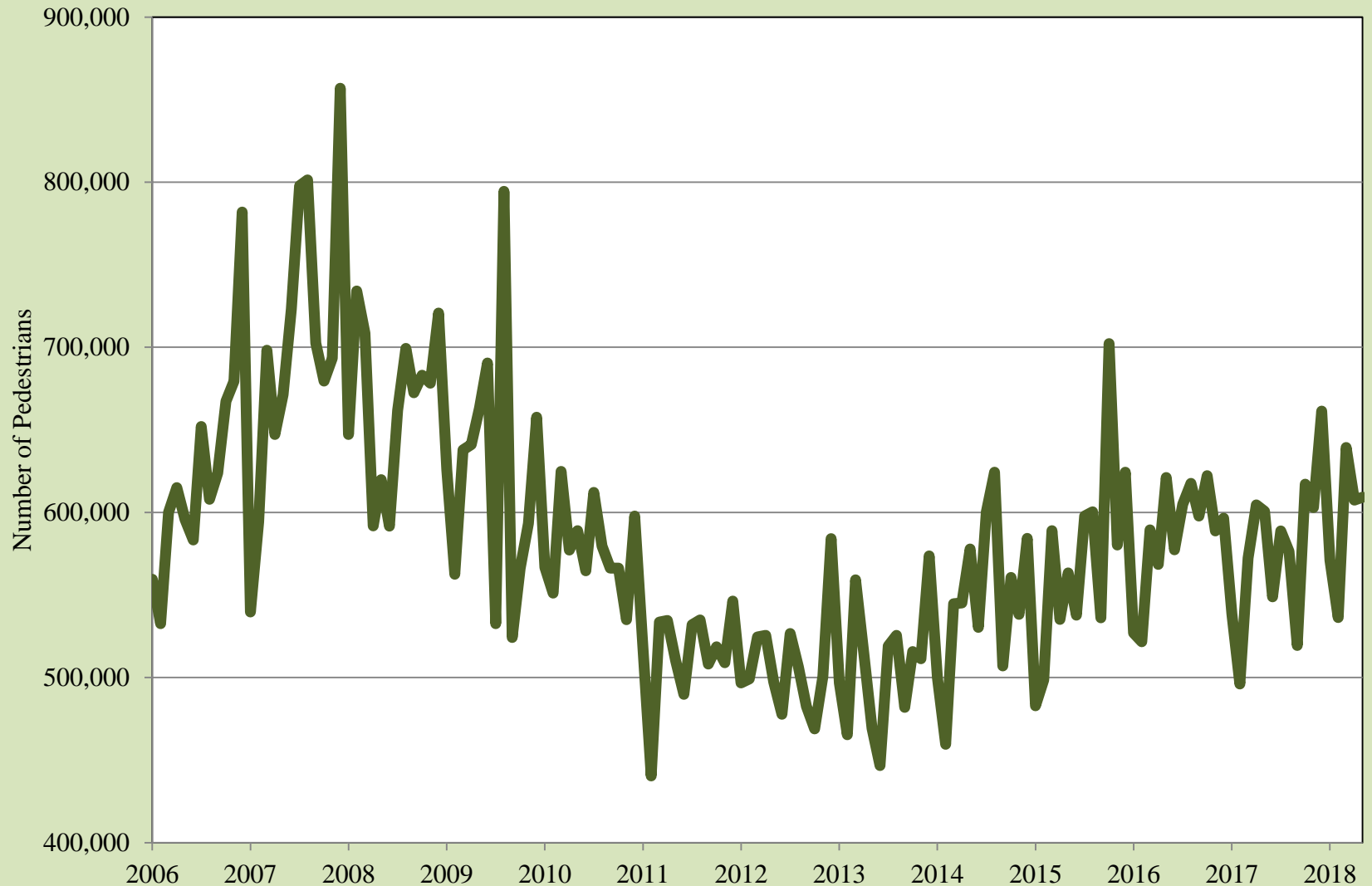
## Pedestrian International Bridge Crossings to El Paso

2017 2018



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

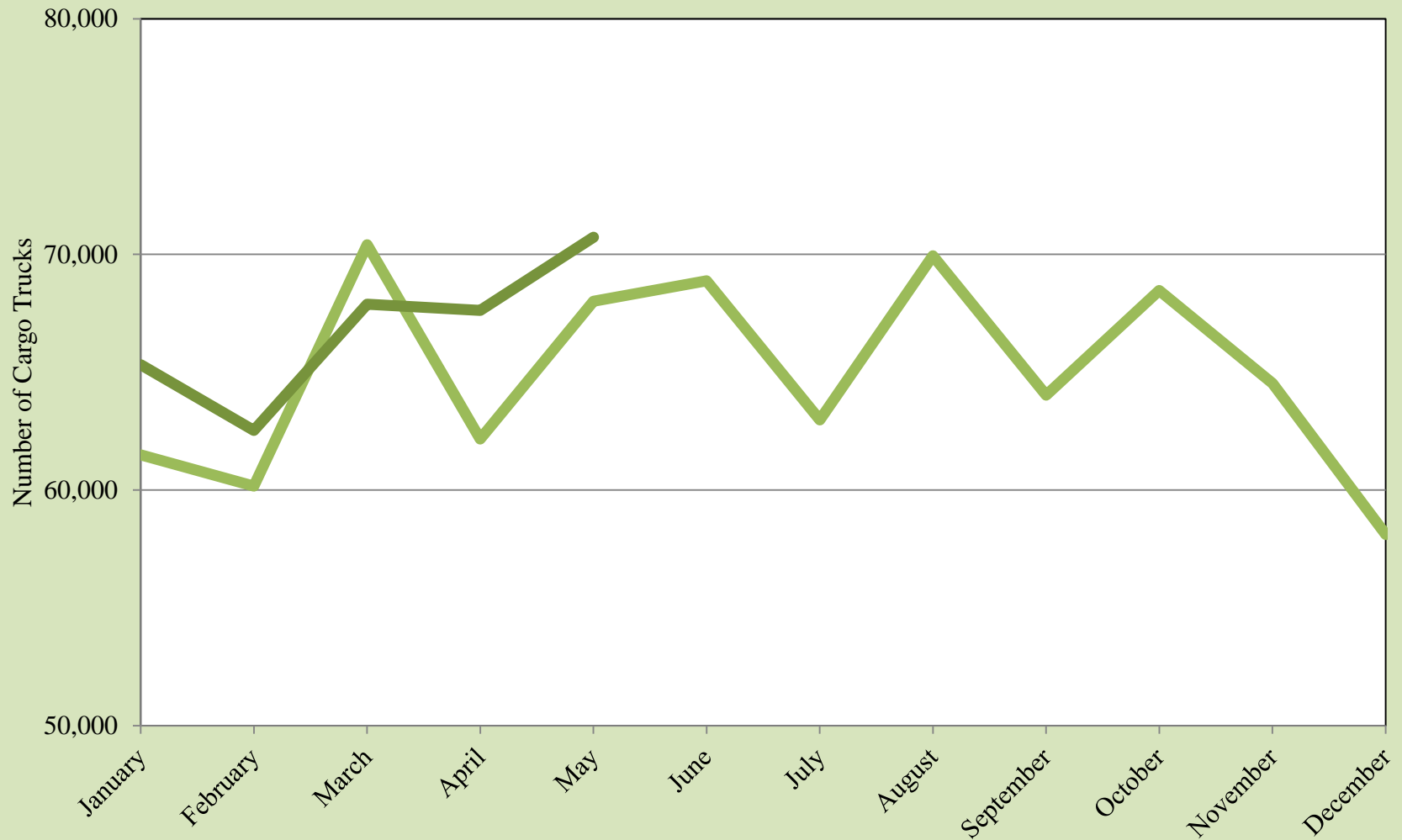
## Pedestrian International Bridge Crossings to El Paso



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

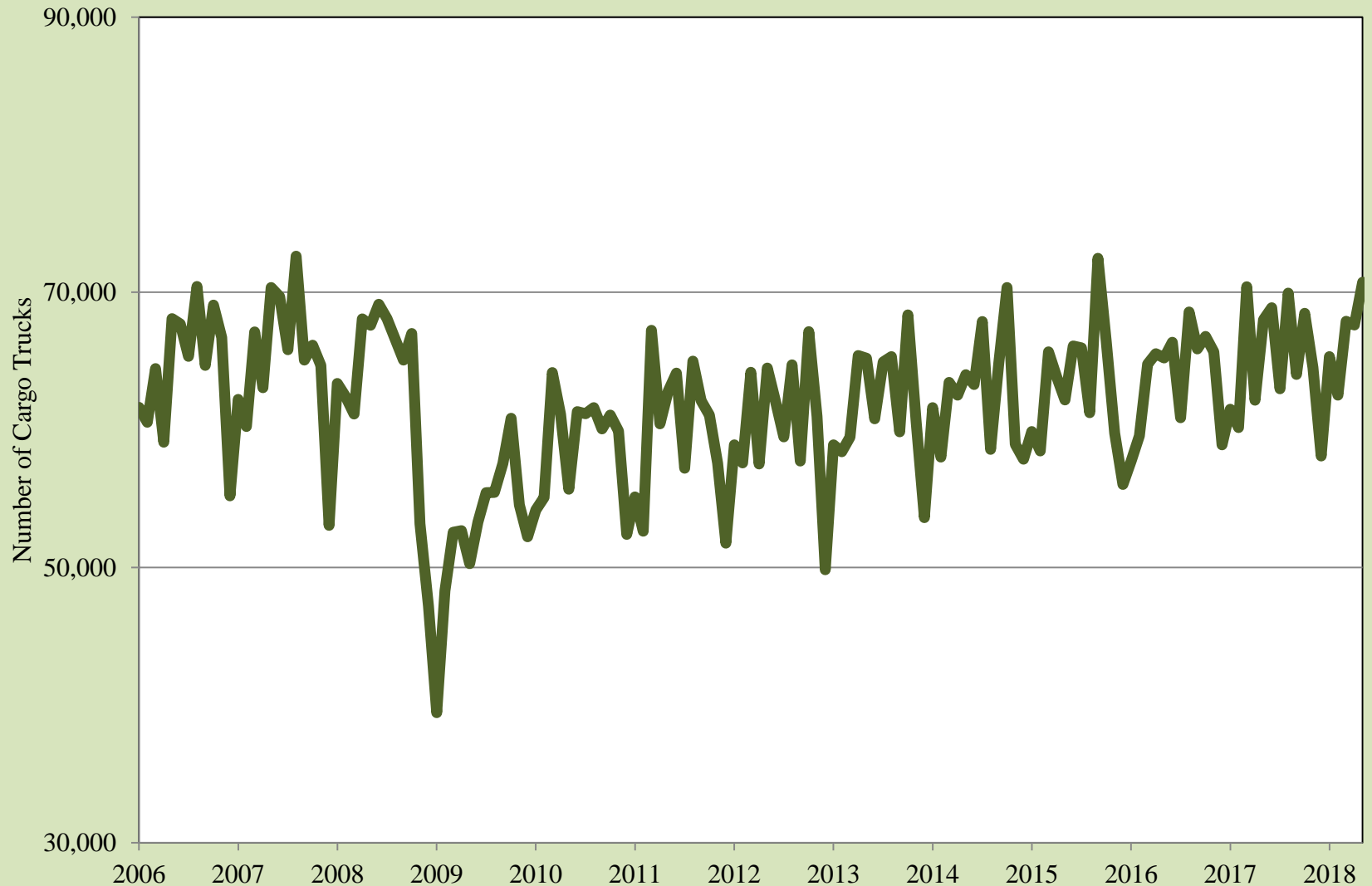
## Cargo Truck International Bridge Crossings to El Paso

2017 2018



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

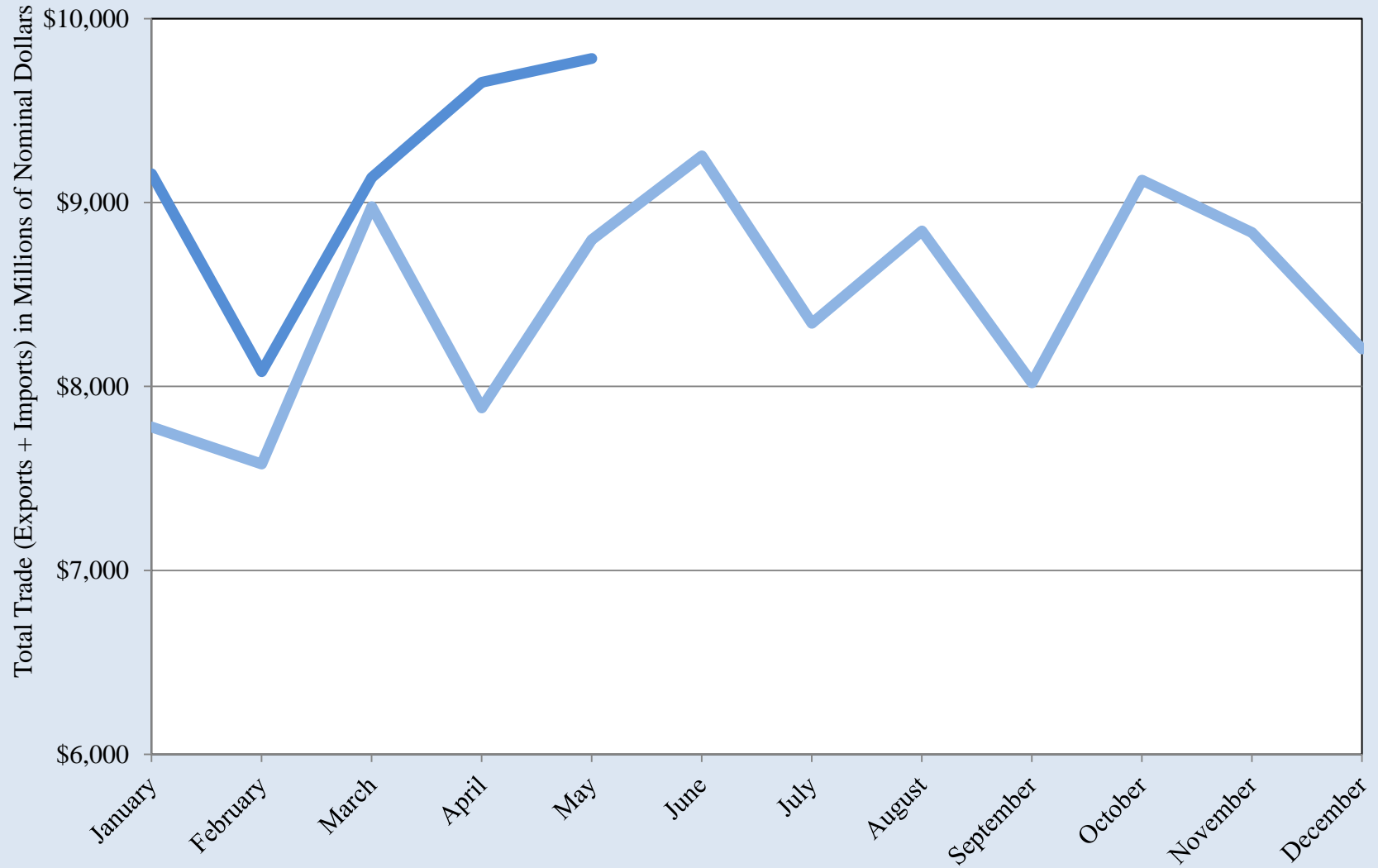
## Cargo Truck International Bridge Crossings to El Paso



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

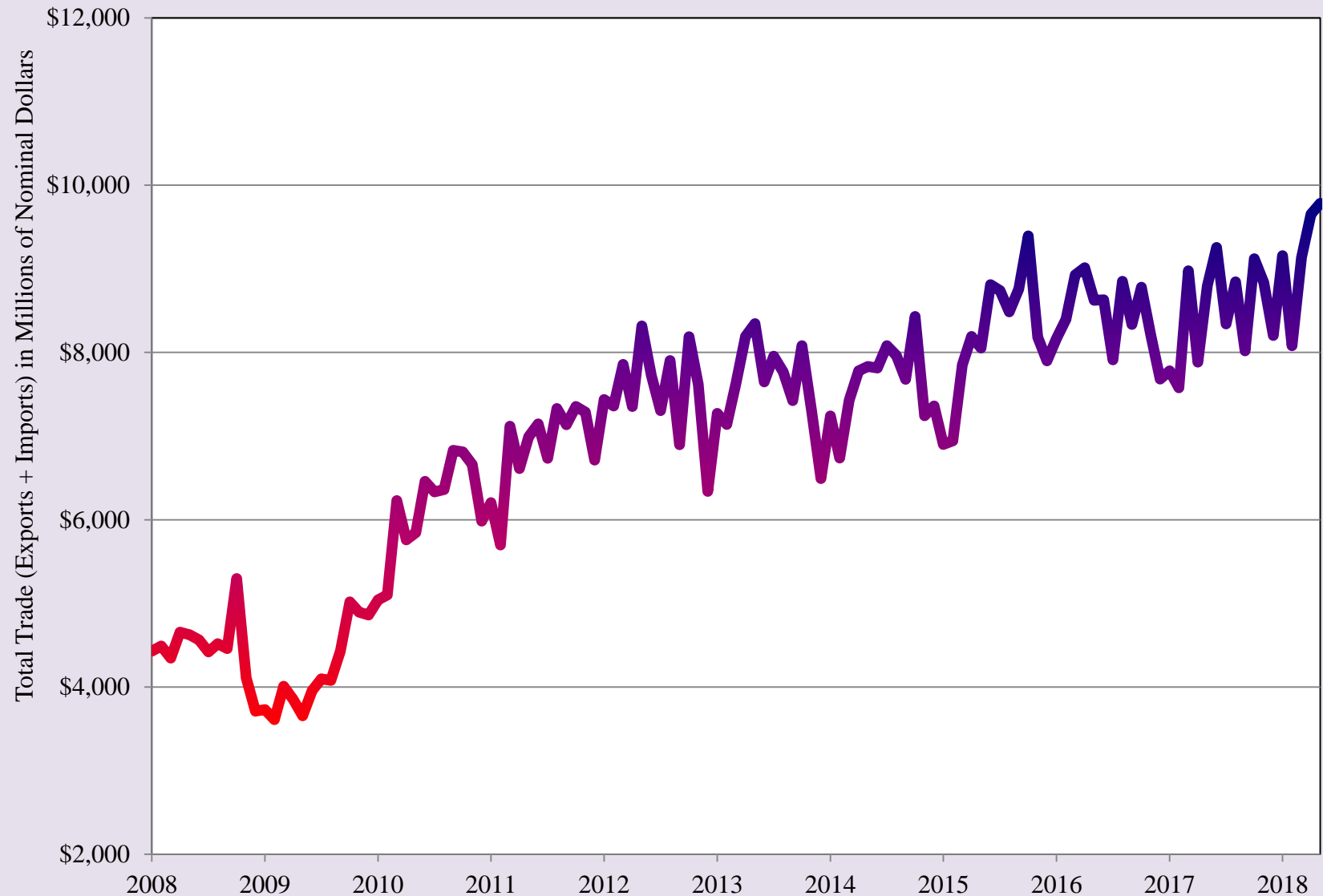
## Total Trade through the El Paso Customs District

— 2017 — 2018



Source: U.S. International Trade Commission

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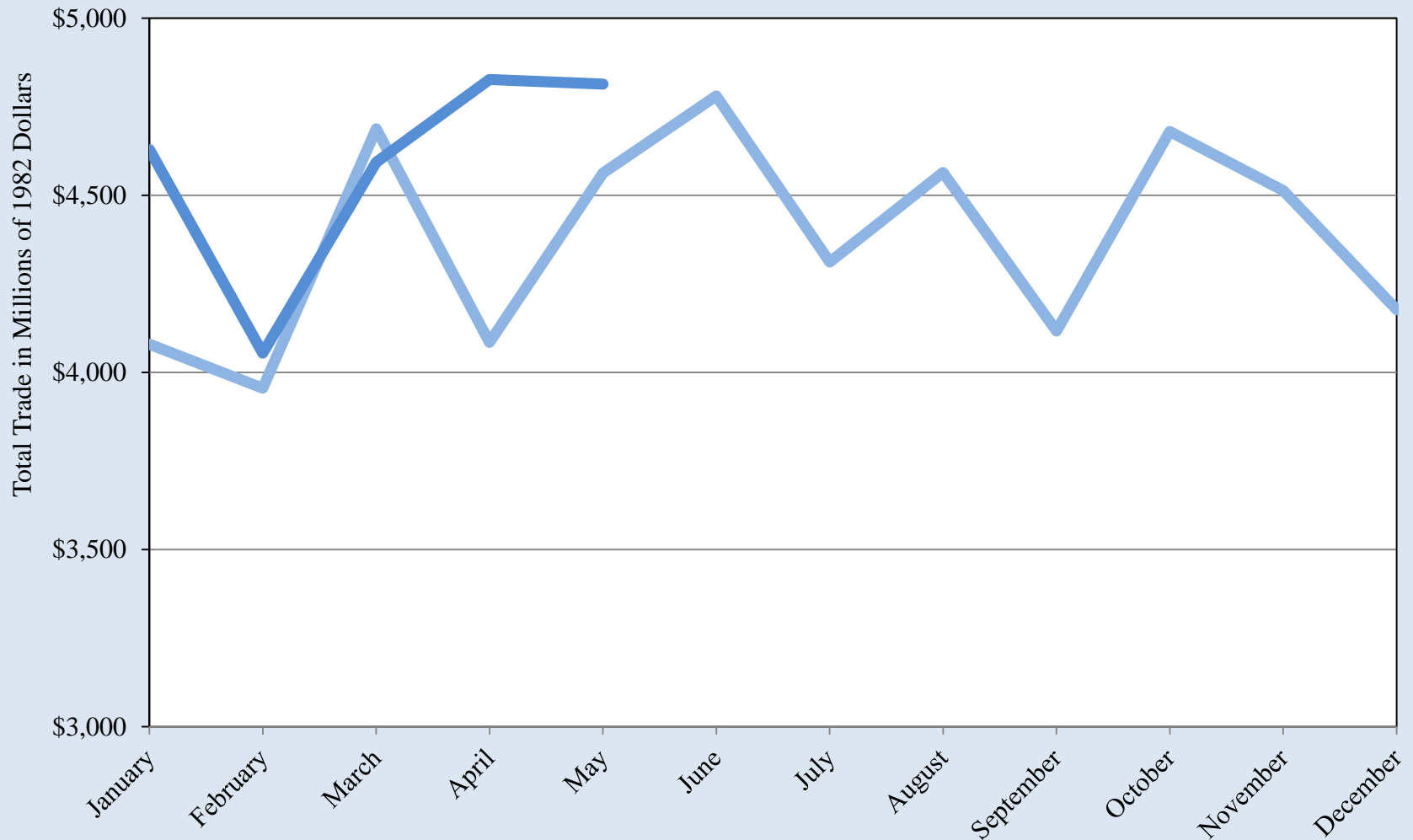


Source: U.S. International Trade Commission



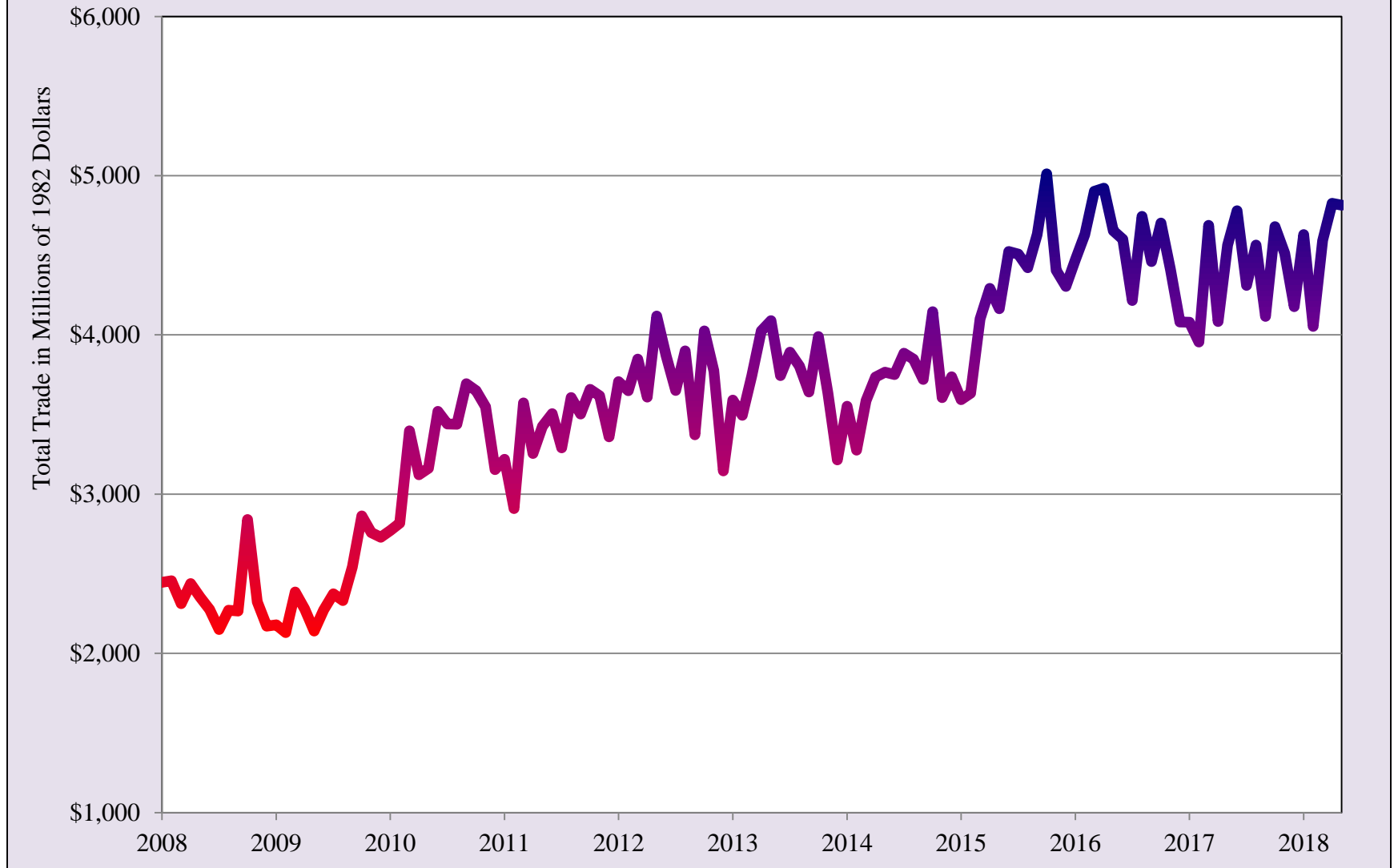
## Real Total Trade through the El Paso Customs District

2017 2018



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

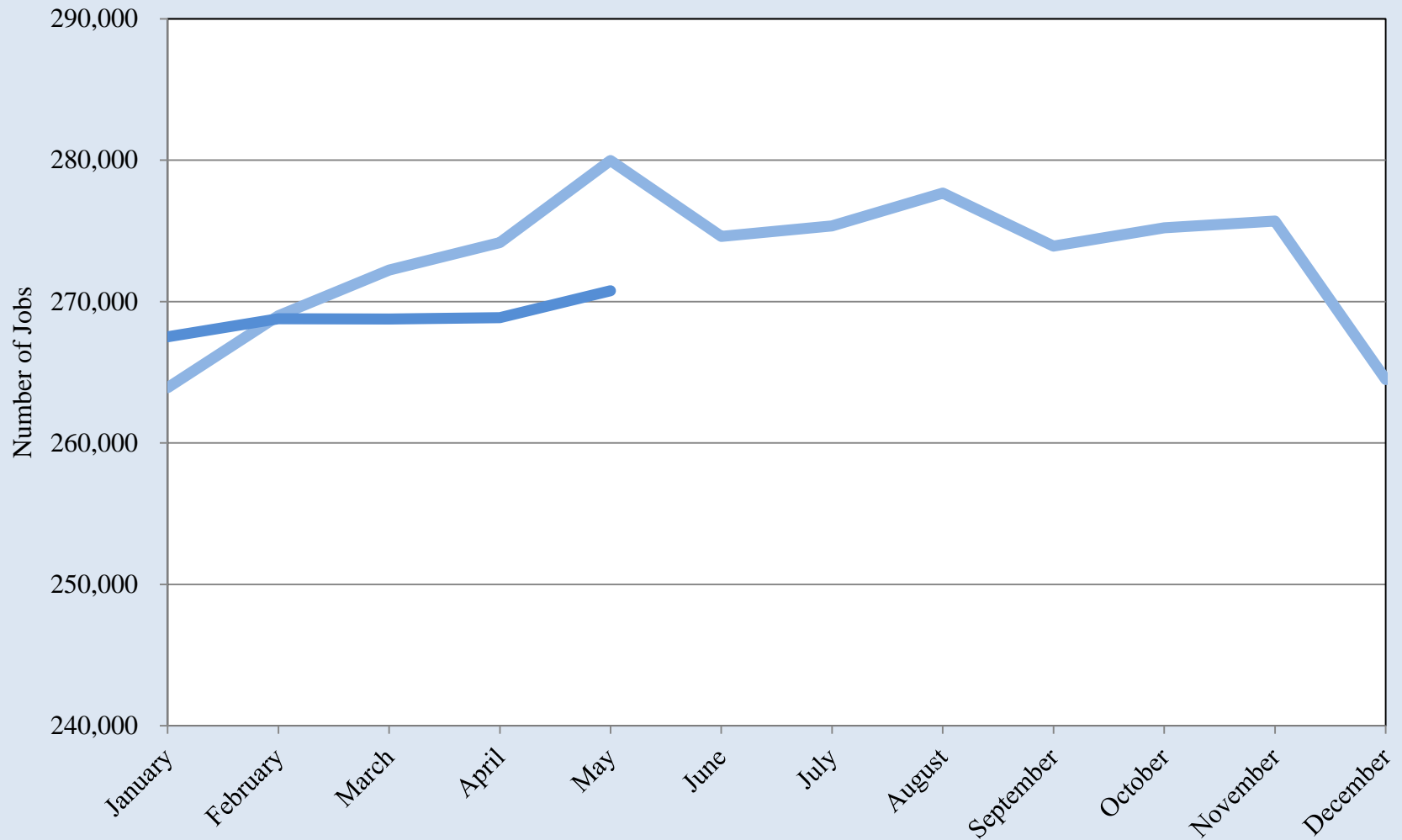
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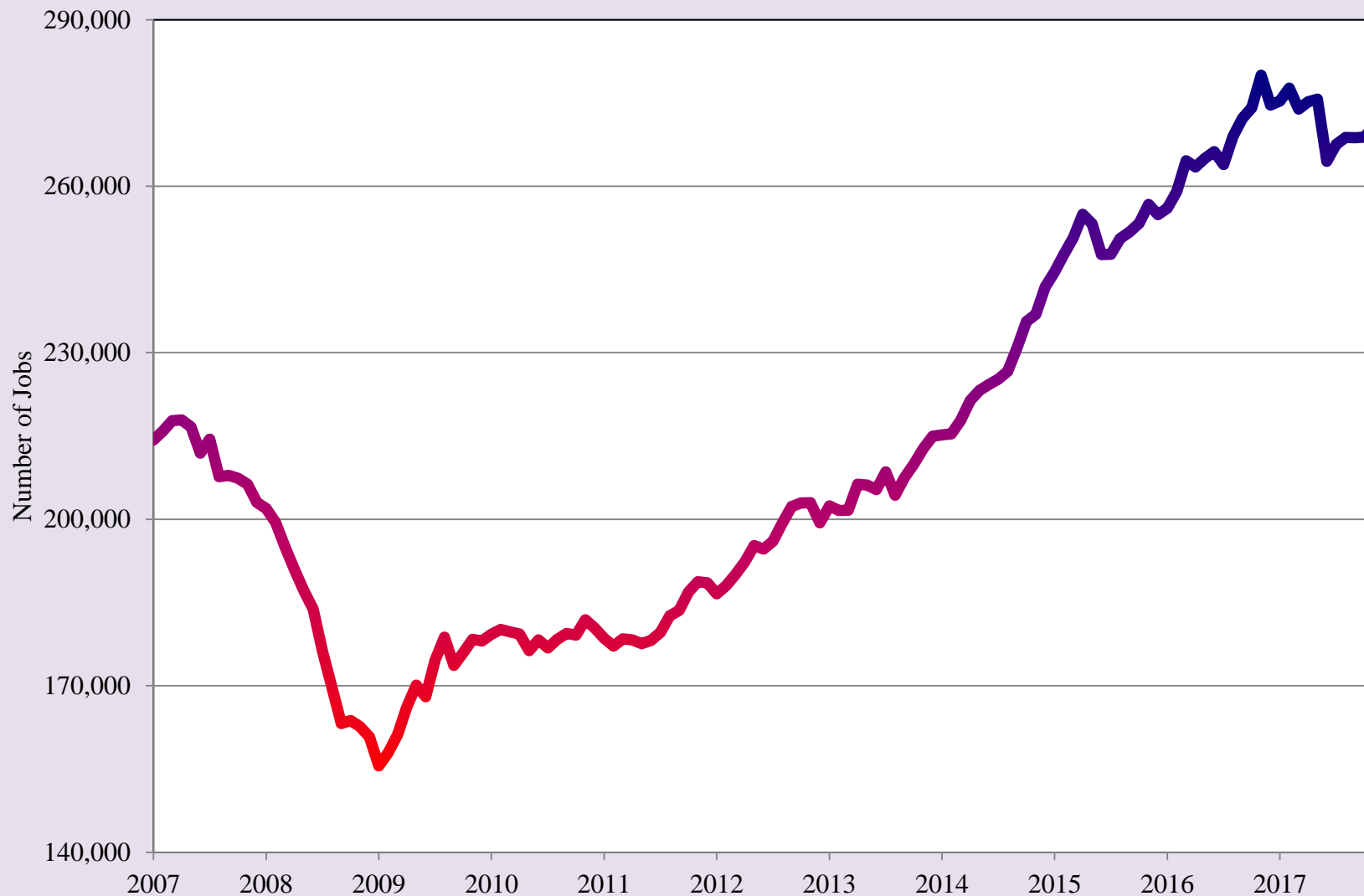
## Export-Oriented Manufacturing Employment in Ciudad Juárez

2017 2018



Source: INEGI

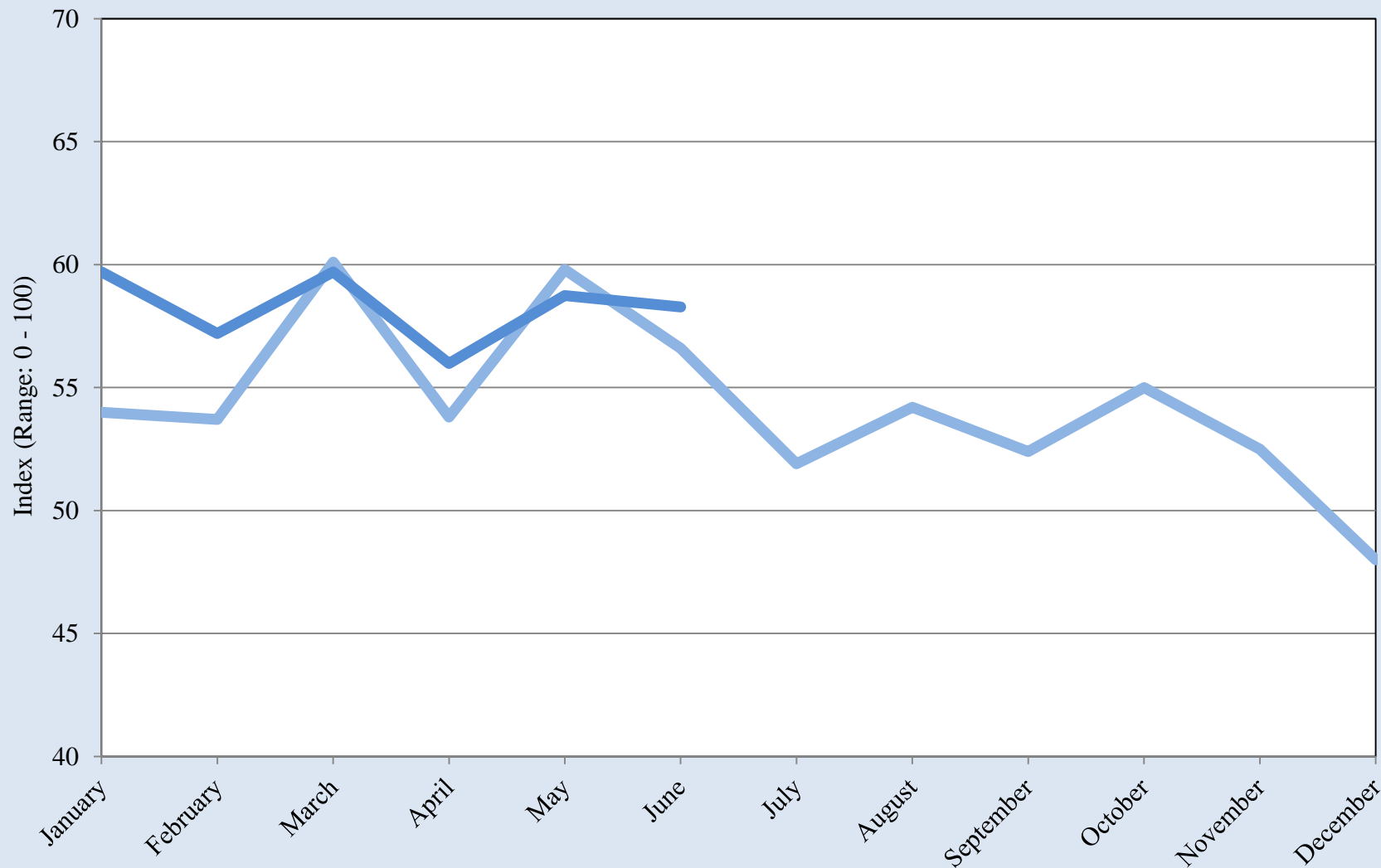
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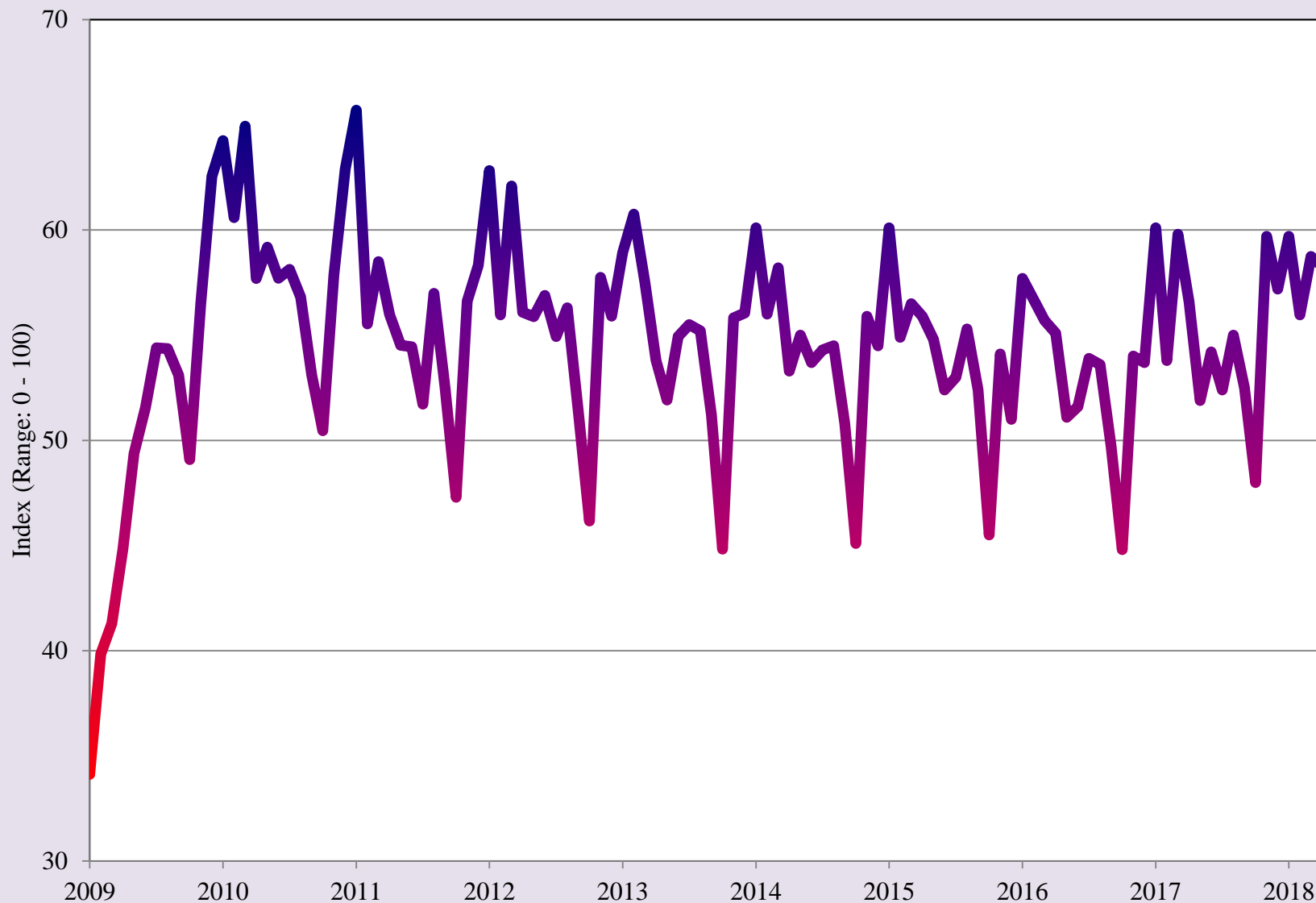
## Northern Mexico Manufacturing Orders Index

— 2017 — 2018



Source: Banco de México

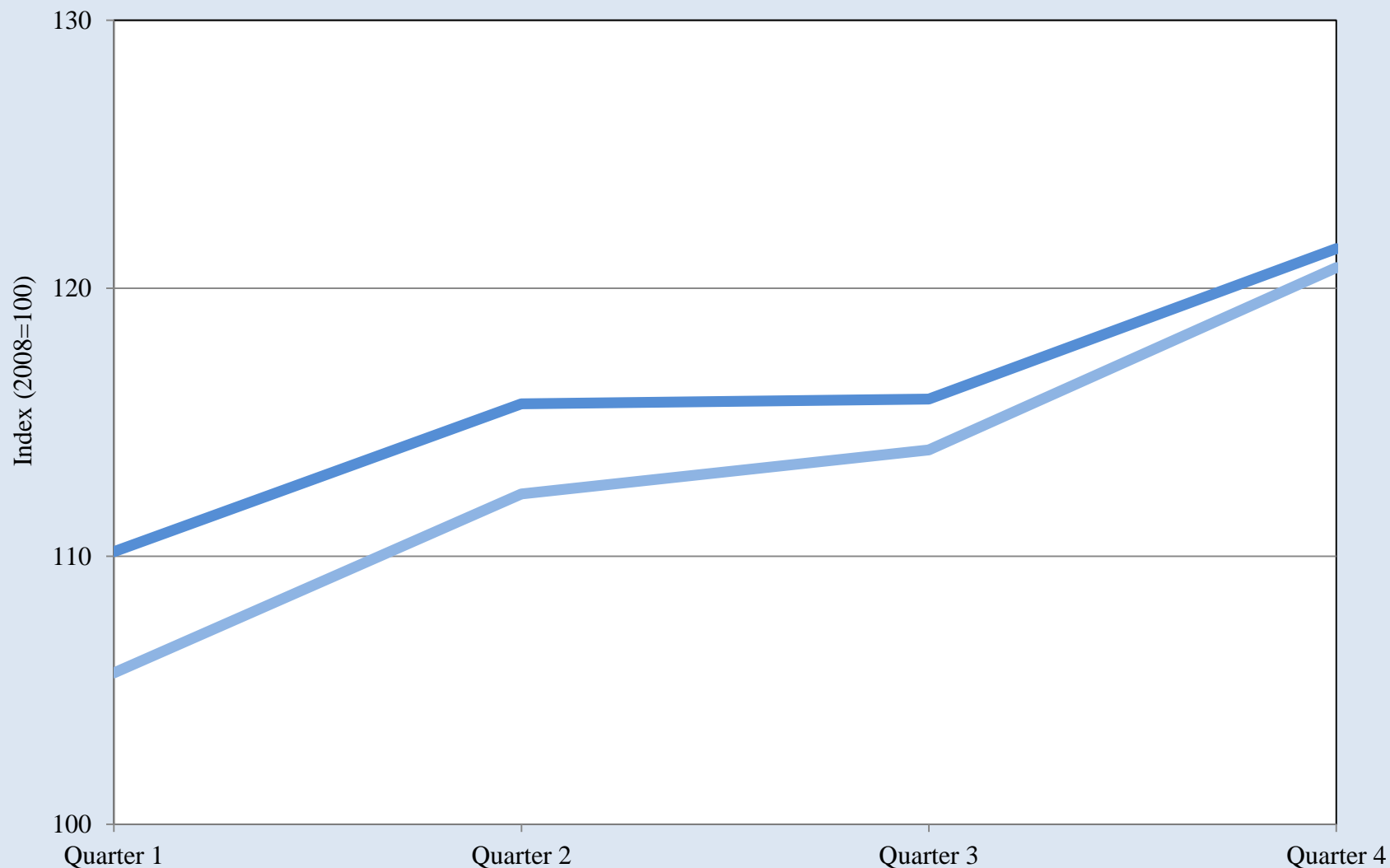
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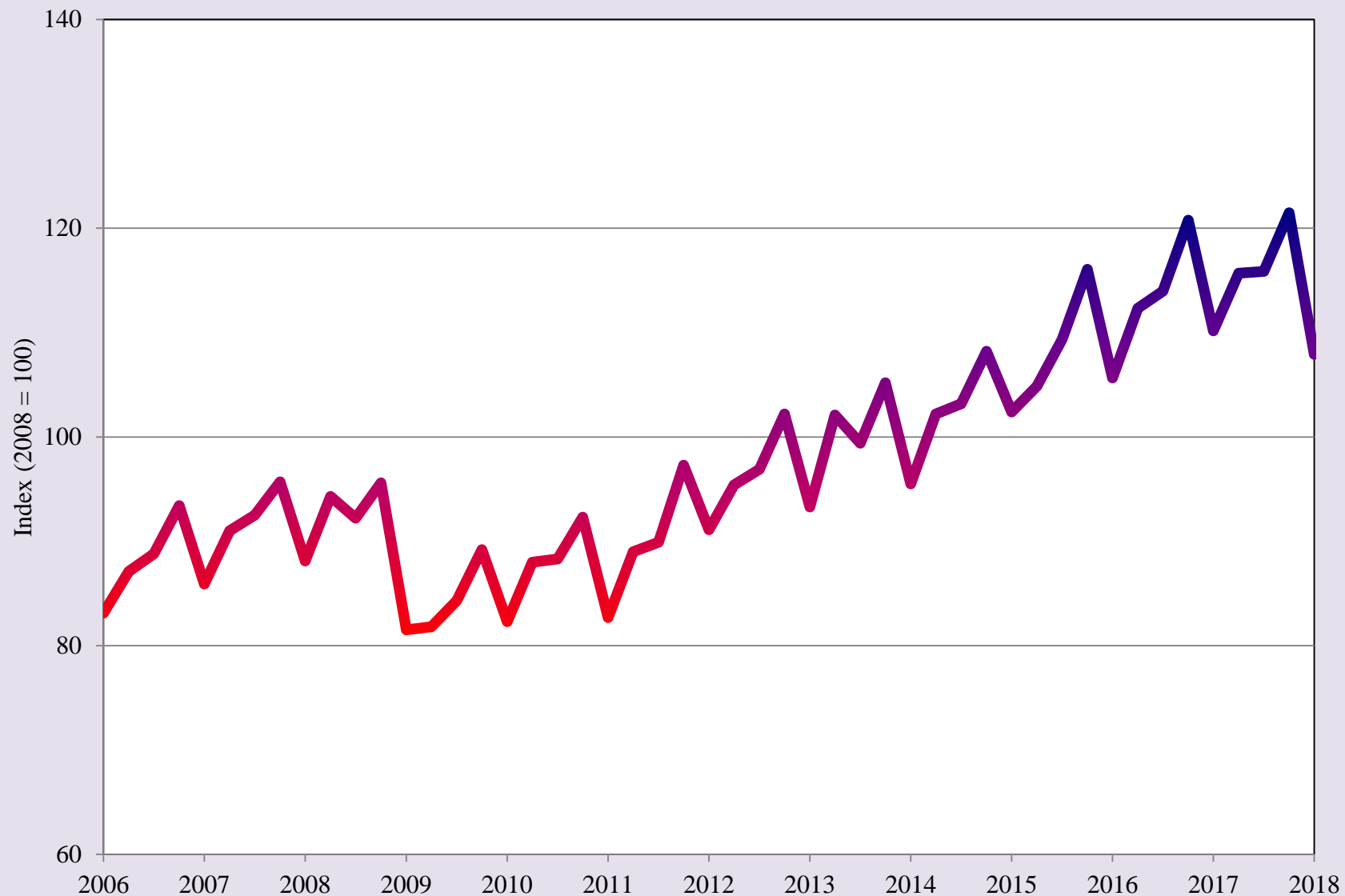
## Quarterly Indicator of Economic Activity for the State of Chihuahua

— 2016 — 2017



Source: INEGI

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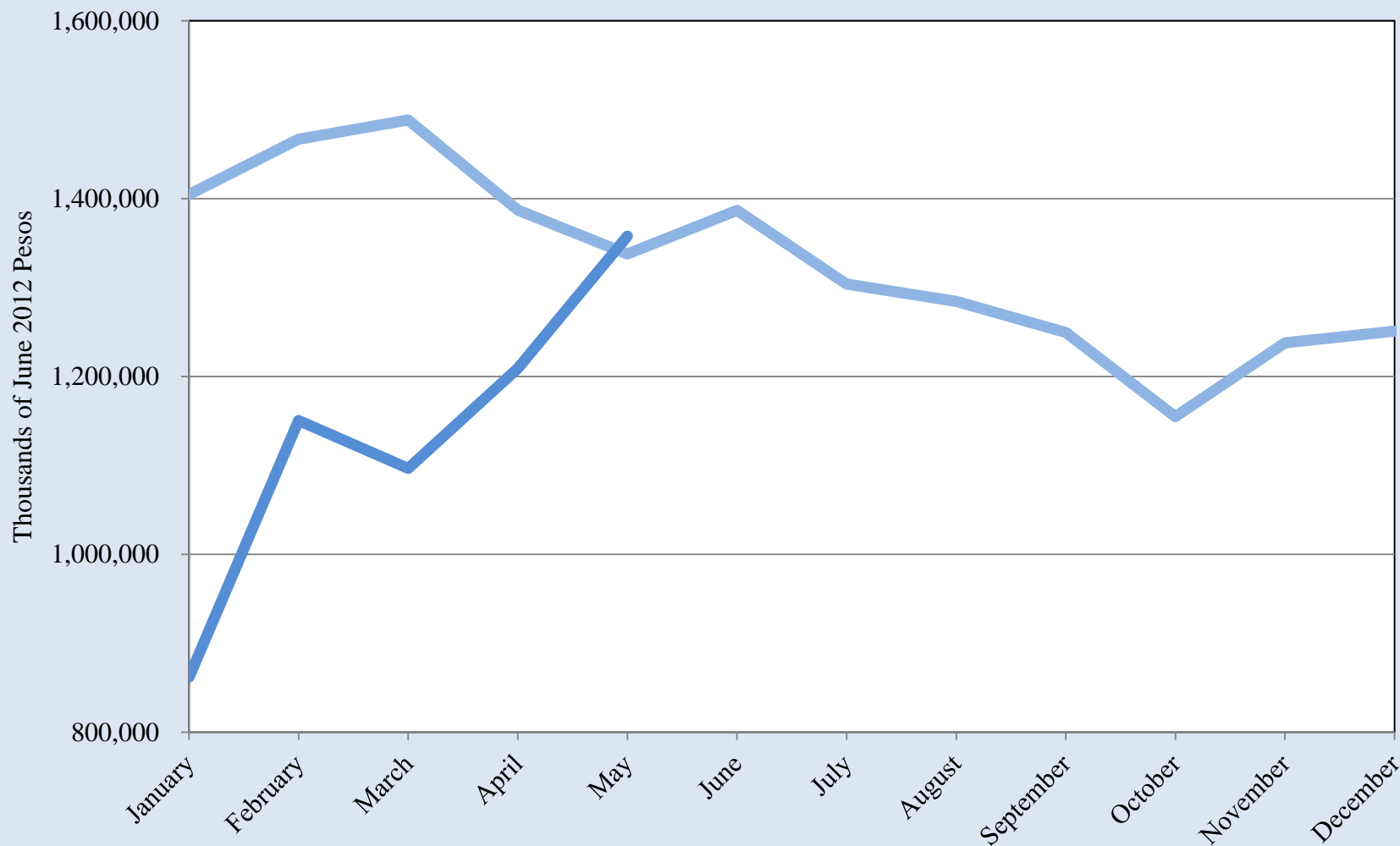


Source: INEGI



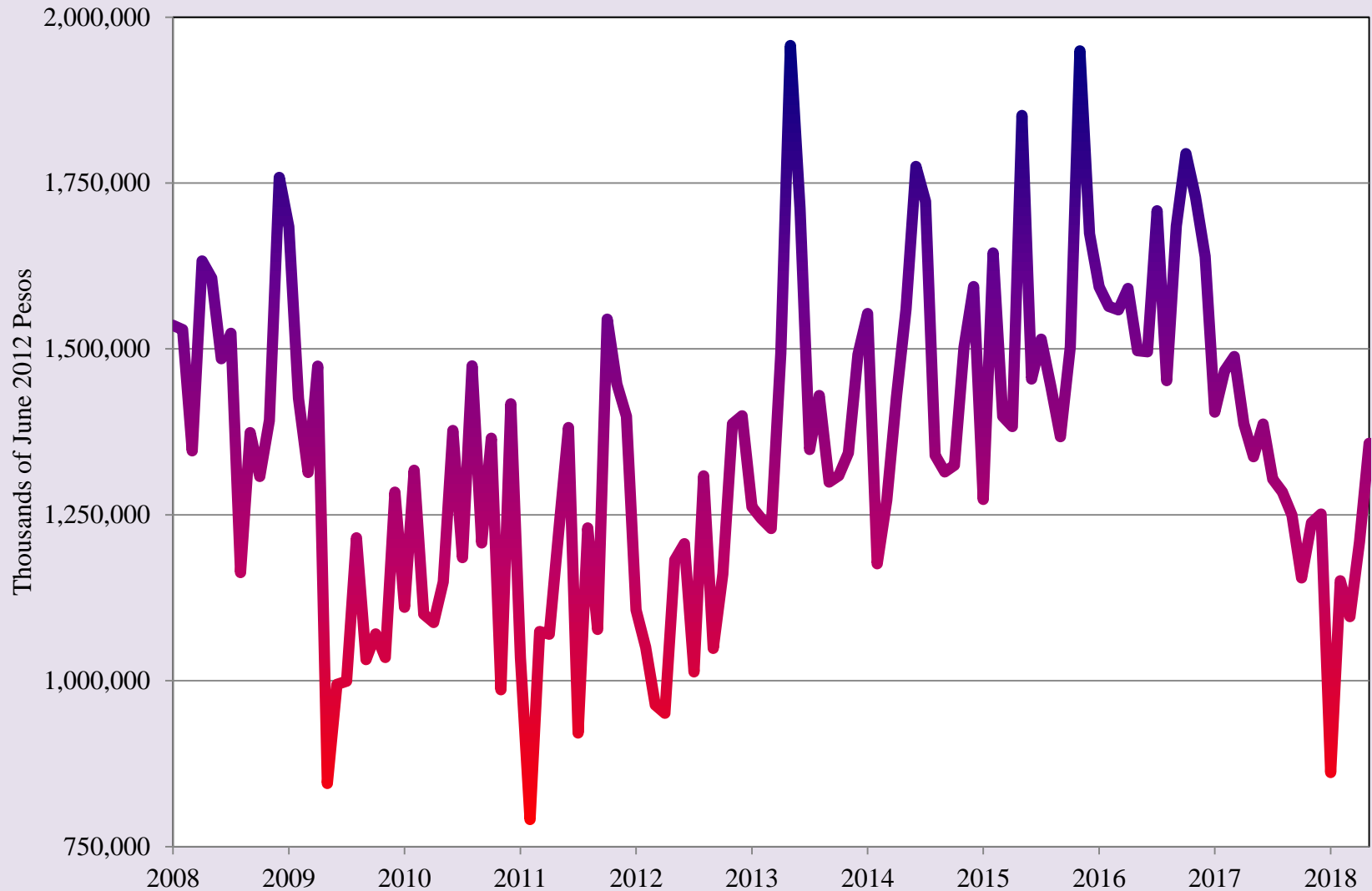
## Total Value of Construction in the State of Chihuahua

— 2017 — 2018



Source: INEGI

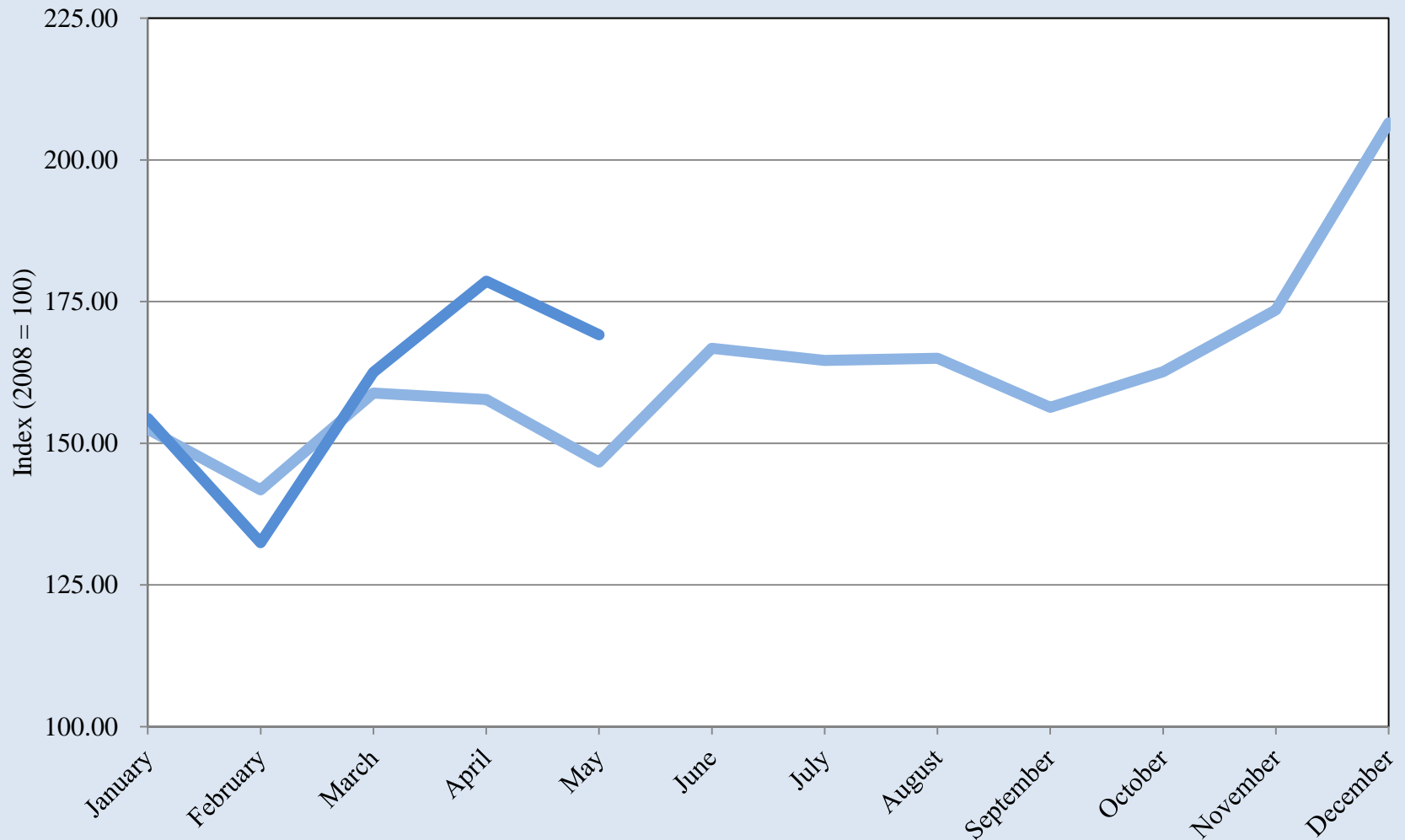
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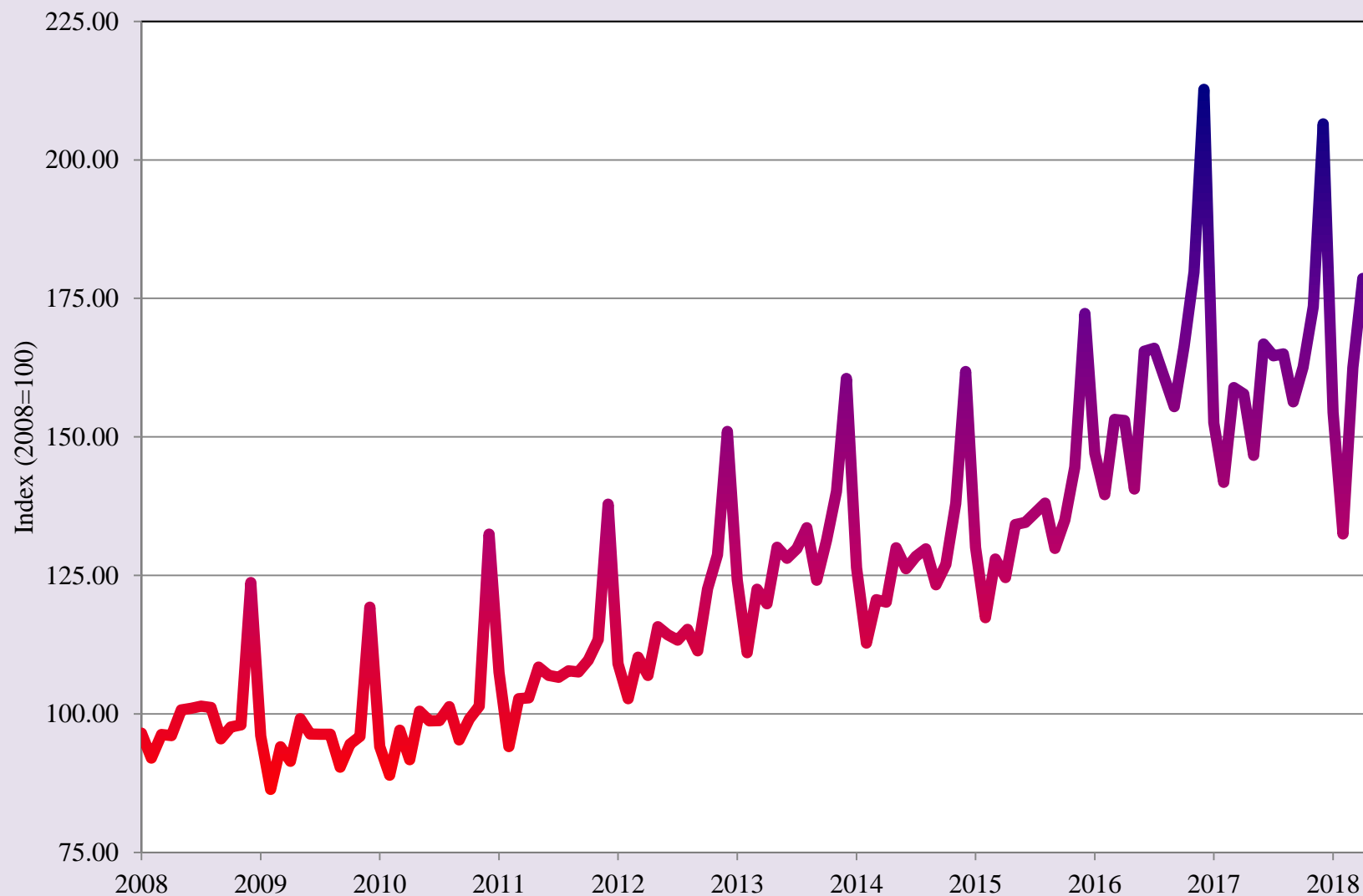
## Real Retail Activity Index for the State of Chihuahua

— 2017 — 2018



Source: INEGI

## Real Retail Activity Index for the State of Chihuahua



Source: INEGI



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