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Halcyon Days, Indeed?

The Metropolitan Business Cycle Index for El Paso continued its ascent in September, reaching record heights, yet again. Jobs growth, healthy retail sales, and somewhat improved wage and salary disbursements underlie the performance of this indicator. In similar fashion, the El Paso Household Economic Stress Index dropped from 4.1 in July to 3.6 in August.

Unemployment remained low by historical standards again in September. The 4.2 percent rate represents the nineteenth consecutive month that joblessness has remained below the 5.0 percent mark in El Paso. Labor market fitness of that caliber translates into reduced demands for social assistance. Supplemental Nutrition Assistance Program (SNAP) enrollments in El Paso County declined again in October, and remain approximately 5% below year-ago levels.

The median price for single-family homes in El Paso increased to $155,000 in September. That is 4% higher than in September 2017. Housing demand is strong relative to supply. The Months of Housing Inventory for El Paso remained at 4.2 months in September. Until that measure increases, price growth is likely to persist.

Average unleaded gasoline prices in El Paso rose to $2.77 in October. That is $0.14 above the average price from one year ago when Hurricane Harvey disrupted domestic supplies in the United States. In 2018, prices have ramped up primarily due to robust demand. Global supply dislocations may cause additional price hikes during the fourth quarter and on into 2019.

Doña Ana County unemployment continued to decline on a year-over-year basis in September. Although the total number of jobs remained stationary, the Mesilla Valley Civilian Labor Force declined for a third straight month. Much of that decline is likely due to labor migration to oil patch regions such as Carlsbad or Hobbs. Las Cruces SNAP program counts remained below 28,000 cases, again, in August.

The peso-per-dollar nominal exchange rate increased by 25 centavos in September. There is a sizable gap between the nominal exchange rate and the Borderplex restaurant price ratio due to economic and financial uncertainty. At least part of that is attributable to the upcoming executive and legislative branch changes in Mexico City. Currency market edginess is not likely to subside anytime soon, but further divergence between those measures should be avoided as long as major economic derailments do not occur in Mexico or the United States.

Pedestrian crossings into Ciudad Juarez declined to below year-ago levels in September, the first time that has occurred in 2018. Personal vehicle crossings have remained below year-ago levels since August. These trends probably reflects the uptick in cartel violence in recent months. Cargo truck international bridge traffic was slightly above year-ago levels in September. Not surprisingly, total trade through the El Paso Customs District was up during that month. Although real trade volumes were relatively strong in September, export manufacturing has lagged below year-ago levels for much of 2018. That unexpected development is also out-of-step with northern Mexico manufacturing orders and may reflect increased mechanization at export-oriented plants. In spite of reduced manufacturing payrolls, construction activity and retail sales have increased in recent months across the state of Chihuahua as a whole.
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

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

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

Unemployment Rate (Not Seasonally Adjusted)

Source: Bureau of Labor Statistics
El Paso County Unemployment Rate

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

Number of SNAP Recipients

Source: Texas Health and Human Services Commission
Start in 2014, the number of SNAP recipients is recorded for the end of each month.

El Paso County SNAP (Food Stamp) Enrollment

Source: Texas Health and Human Services Commission
El Paso Median Housing Prices

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


Nominal Price

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

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Price (Dollars per Gallon)</th>
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<tbody>
<tr>
<td>2017</td>
<td>$3.50</td>
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<tr>
<td>2018</td>
<td>$3.00</td>
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Source: GasBuddy.com
Doña Ana County Unemployment Rate

Source: Bureau of Labor Statistics
Doña Ana County Unemployment Rate

Unemployment Rate (Not Seasonally Adjusted)

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

2017 Restaurant Price Ratio

2018 Restaurant Price Ratio

2017 Nominal Exchange Rate

2018 Nominal Exchange Rate

Pesos per Dollar

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
Real Peso-per-Dollar Exchange Rate Index

Index (March 1997 = 100)

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

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

Number of Cargo Trucks

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

Export-Oriented Manufacturing Employment in Ciudad Juárez

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Jobs</th>
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<tbody>
<tr>
<td>2017</td>
<td>290,000</td>
</tr>
<tr>
<td>2018</td>
<td>280,000</td>
</tr>
</tbody>
</table>

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

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

Source: INEGI
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: http://academics.utep.edu/border. 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.