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Thomas M. Fullerton Jr.

Aaron Nazarian

Steven L. Fullerton

Sergio Olivas

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Seasons Greetings

The Federal Reserve Bank of Dallas Business Cycle Index for the El Paso metropolitan economy reached another record in October. The combination of private sector payroll growth and a historically low El Paso unemployment rate continue to bolster the local index. Personal income data are still not available, but wage and salary disbursements have undoubtedly strengthened this year, also.

With the metropolitan economy performing so well, the El Paso Household Economic Stress Index continues to perform well. In October, this gauge remained below 4 for a third consecutive month. Continued increases in interest rates are likely to cause this index to rise at least slightly in coming months. Barring a national downturn, local households should remain in relatively good shape in 2019. Along those lines, supplemental nutrition assistance program (SNAP or food stamp) enrollments dropped to 170,000 in November for the first time since May 2014.

At $155,000, the median housing price for single-family units was 5.3 percent above its corresponding level in October 2017. The months of housing supply for El Paso remained below 5.0 months again in October. How tight are inventories? Average sales time dipped below 90 days for the third time in 2018 in October.

The average price for regular unleaded gasoline in El Paso fell below $2.50 per gallon in November. Although gasoline and diesel prices often decline after Labor Day each year, national stocks have been higher than anticipated for several months. International producing regions are attempting to cut oil output. If those cuts materialize, gasoline prices may not increase very much due to relatively weak global economic conditions. If those cuts do not occur, pump prices may decline further.

The Doña Ana County unemployment rate fell again in October. In a marked change from prior months, the Mesilla Valley civilian labor force grew on a year-over-year basis. That growth was more than offset by payroll expansions. The improvement in labor market strength was accompanied by another slight decline in Las Cruces Area SNAP caseloads. SNAP enrollments have remained below 28,000 for nineteen straight months.

The peso-per-dollar nominal exchange rate held steady in October. The magnitude of the gap between the nominal exchange rate and the Borderplex restaurant price ratio indicates that the peso could easily appreciate in coming months. Currency market jitters have been pronounced in 2018, however, as uncertainties abound with respect to international trade agreements, macroeconomic policy decisions, and global business cycle developments. In spite of the latter, cargo vehicle traffic volumes across the international bridges increased on a year-to-year basis, again, in October. On a nominal basis, El Paso Customs District total trade flows exceeded $10 billion.

Ciudad Juárez export manufacturing employment increased to nearly 273,000 in September. More increases are likely. Northern region manufacturing orders increased on a year-over-year basis for a sixth consecutive month in November. Construction activity in the State of Chihuahua also grew on year-over-year basis in both August and September.
Borderplex Business Barometer

Border Region Modeling Project
Department of Economics & Finance
University of Texas at El Paso
Metro Business-Cycle Index for El Paso

Seasonally Adjusted Index (October 1980 = 100)

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

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
Starting in September 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

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

Source: GasBuddy.com
Doña Ana County Unemployment Rate

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

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

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
Cargo Truck International Bridge Crossings to El Paso

- **Number of Cargo Trucks**
- **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
Real Total Trade through the El Paso Customs District

Real Total Trade through the El Paso Customs District

Export-Oriented Manufacturing Employment in Ciudad Juárez

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
Quarterly Indicator of Economic Activity for the State of Chihuahua

Index (2008 = 100)

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.