Could be Worse!

The El Paso Metropolitan Business Cycle Index increased, again, in April. That marks 21 consecutive months of upward movements in this gauge. Against that backdrop, the El Paso Household Economic Stress Index declined for the fourth straight month in March. That metric is now at its lowest level since June 2007, prior to the onset of the Great Recession. Similarly, the El Paso County Unemployment Rate declined to 3.9 percent in March, more than 50 basis points below the rate observed in March 2018. El Paso County Supplemental Nutrition Assistance Program (SNAP or Food Stamp) enrollment declined sharply to 150,553 in April. That represents a reduction of more than 23,000 cases compared to year-ago levels.

On a year-over-year basis, the median housing price for existing units in El Paso rose by 3.2 percent to $159,500 in April. Underlying that upward movement in prices, the April 2019 housing inventory levels remain below 4 months for a sixth consecutive month. The average price for regular gasoline inched above $2.53 per gallon in April. That price is close to year-ago levels, but remains comfortably below what was observed throughout 2014 when prices averaged more than $3 per gallon for most of the year.

At 5.7 percent, the March Doña Ana County unemployment rate was 20 basis points below year-ago levels. Because the labor force expanded during the twelve preceding months, the drop in the jobless rate reflects local labor market strength. Along those lines, Las Cruces Area SNAP (Food Stamp) enrollments declined to 26,958 in March.

The peso-per-dollar nominal exchange rate has lingered near P/$ 19.00 during the first four months of 2019. The 40 percent gap separating the exchange rate from Borderplex restaurant price ratio indicates that peso is substantially undervalued against the dollar. Barring any financial or economic disasters, more peso strengthening is likely. As downtown retailers in El Paso are aware, real peso appreciation makes goods and services priced in dollars become more affordable to customers from Mexico.

The extended delays caused by insufficient bridge staffing continues to impact personal vehicle traffic flows across the international bridges. In spite of those delays, cargo vehicle flows across the bridges increased during the first quarter, suggesting that regional trade relations between the United States and Mexico remain salubrious. Even after adjusting for inflation, total trade through the El Paso Customs District also grew during the first quarter.

Export manufacturing employment in Ciudad Juarez grew at a fast clip in both January and February. That is not surprising. The Northern Mexico Manufacturing Orders Index was six percentage points higher, on average, in 2018 than in 2017. The quarterly indicator of Economic activity for the State of Chihuahua was also higher during most of 2018 than it was in 2017. Unfortunately, policy uncertainties seem to have affected regional investment flows and Chihuahua State construction volumes fell on a year-to-year basis in February 2019. On a more positive note, real retail activity was higher in both January and February than it was during the corresponding months in 2018.
Metro Business-Cycle Index for El Paso

Source: Federal Reserve Bank of Dallas
Metro Business-Cycle Index for El Paso

Seasonally Adjusted Index (October 1980 = 100)

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
<table>
<thead>
<tr>
<th>Month</th>
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</table>

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
EP Median Housing Prices

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 for El Paso

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

Source: GasBuddy.com
El Paso Gasoline Prices

Source: GasBuddy.com
Doña Ana County Unemployment Rate

Unemployment Rate (Not Seasonally Adjusted)

Source: Bureau of Labor Statistics
Unemployment rate for Doña Ana County

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

Number of SNAP Cases

Source: New Mexico Human Services Department
Restaurant Price Ratio and Exchange Rate

- 2018 Restaurant Price Ratio
- 2019 Restaurant Price Ratio
- 2018 Nominal Exchange Rate
- 2019 Nominal 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

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
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
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

Real Total Trade through the El Paso Customs District

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

Index (2008 = 100)

Source: INEGI
Total Value of Construction in the State of Chihuahua

Thousands of June 2012 Pesos

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: 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.