Borderplex Business Barometer, Volume 3, Number 10

Thomas M. Fullerton Jr.
Steven L. Fullerton
Ana Gutierrez Zubiate
Ignacio Santana

Follow this and additional works at: https://digitalcommons.utep.edu/border_region
Part of the Regional Economics Commons
More 2019 Regional Expansion

The Federal Reserve Bank of Dallas metropolitan business cycle index for El Paso grew by 1.2 percent in the year to September. Much of the BCI growth in September is due to a salubrious labor market. Total nonfarm jobs rose by 1.2 percent during the 12-month period ending in September. Much of the new jobs were created in construction, lodging, finance, and health care.

The yield curve moved toward a more traditional curvature in September. In particular, the yields on 2-, 3-, and 5-year Treasury bonds all moved back above the 1.50 percent threshold after dipping sharply in August. The rate of return on 30-year T-bonds rose 12 basis points in September to 2.16 percent.

The BRMP El Paso Household Economic Stress Index declined to its lowest level since June 2007. Low unemployment, sluggish inflation, plus a healthy housing market allowed the index to continue to drift downward in September. That good news was also accompanied by a reduction in Supplemental Nutrition Assistance Program (SNAP or food stamp) enrollments in September.

The median housing price for El Paso rose to a record high $165,950 in September. The seller’s market is fully intact, with the inventory of units available remaining below 4 months for an eleventh consecutive month. Because household incomes are still rising and mortgage rates remain below 4 percent, more price increases may occur during the fourth quarter.

Gasoline supplies have been relatively stable in El Paso. The price of regular gasoline hovered near $2.50 per gallon throughout the second and third quarters. If the October upticks in crude oil prices are not reversed, fourth quarter gasoline prices may break out of that holding pattern.

The Las Cruces unemployment rate rose by 20 basis points rate on a year-over-year basis in August. The most notable job gains occurred in the construction and health care sectors. Greater stability has also characterized public sector payrolls, a good sign for this region of the state. SNAP enrollments remained below year-ago levels for a seventh consecutive month in August. Caseloads fell by 164 caseloads relative to the same month in 2018.

The peso-per-dollar nominal exchange rate has mostly held steady in recent weeks. September marked the ninth straight month of sub-20 nominal exchange rates. The gap between the exchange rate and the BRMP Restaurant Price Ratio narrowed slightly to 28.7 percent in September. The latter is still high by historical standards. The BRMP Nominal Price Ratio for Brand Name Medicines moved sideways, again, in September. On average, online medicine prices in Mexico were 44 percent below the online prices charged in the United States. The online prices do not include the cost of doctor appointments, nor shipping and handling costs.

Monthly wait times declined at all three of the primary international bridges that connect El Paso to Ciudad Juarez. While that is a welcome development, September wait times still remained above year-ago levels. As usually occurs, increased queue times have depressed personal vehicle traffic flows, while boosting volumes. Although, the port of entry snarls have also hampered cargo vehicle movements, total real volumes through the El Paso Customs District have increased in 2019. IMMEX export manufacturing payrolls have also exceeded year-ago levels throughout 2019.
El Paso Metropolitan Business Cycle Index

Seasonally Adjusted Index (October 1980 = 100)

Source: Federal Reserve Bank of Dallas
El Paso Metropolitan Business Cycle Index

Source: Federal Reserve Bank of Dallas
Average Treasury Yield Curve Rates

<table>
<thead>
<tr>
<th>Interest Rate %</th>
<th>t1mon</th>
<th>t2mon</th>
<th>t3mon</th>
<th>t6mon</th>
<th>t12mon</th>
<th>t2yr</th>
<th>t3yr</th>
<th>t5yr</th>
<th>t7yr</th>
<th>t10yr</th>
<th>t20yr</th>
<th>t30yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep-18</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Sep-19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Source: U.S. Treasury, Daily Treasury Yield Curve Rates and BRMP Calculations
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 Enrollment. Two year period 2018 to 2019

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 Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of SNAP Recipients</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>120,000</td>
</tr>
<tr>
<td>2007</td>
<td>140,000</td>
</tr>
<tr>
<td>2008</td>
<td>160,000</td>
</tr>
<tr>
<td>2009</td>
<td>180,000</td>
</tr>
<tr>
<td>2010</td>
<td>200,000</td>
</tr>
<tr>
<td>2011</td>
<td>180,000</td>
</tr>
<tr>
<td>2012</td>
<td>160,000</td>
</tr>
<tr>
<td>2013</td>
<td>140,000</td>
</tr>
<tr>
<td>2014</td>
<td>120,000</td>
</tr>
<tr>
<td>2015</td>
<td>100,000</td>
</tr>
<tr>
<td>2016</td>
<td>80,000</td>
</tr>
<tr>
<td>2017</td>
<td>60,000</td>
</tr>
<tr>
<td>2018</td>
<td>40,000</td>
</tr>
<tr>
<td>2019</td>
<td>20,000</td>
</tr>
</tbody>
</table>

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
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

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

Unemployment Rate (Not Seasonally Adjusted)

Source: Bureau of Labor Statistics
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
Source: UTEP Border Region Modeling Project
Real Peso-per-Dollar Exchange Rate Index

Index (March 1997 = 100)

Source: UTEP Border Region Modeling Project
Pharmaceutical Nominal Price Ratio in the USA and Mexico

Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com
Pharmaceutical Nominal Price Ratio in the USA and Mexico

Source: UTEP Border Region Modeling Project, healthwarehouse.com, medicinesmexico.com, medsmex.com
Paso del Norte Monthly Wait Times

Source: UTEP Border Region Modeling Project
Ysleta Monthly Wait Times

Source: UTEP Border Region Modeling Project
Bridge of the Americas Monthly Wait Times

Source: UTEP Border Region Modeling Project
Monthly Border Wait Times

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
Aggregate Personal vehicle bridge crossing to El Paso

Number of Vehicles

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 Juarez

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>240,000</td>
</tr>
<tr>
<td>2019</td>
<td>250,000</td>
</tr>
<tr>
<td>2020</td>
<td>260,000</td>
</tr>
<tr>
<td>2021</td>
<td>270,000</td>
</tr>
<tr>
<td>2022</td>
<td>280,000</td>
</tr>
<tr>
<td>2023</td>
<td>290,000</td>
</tr>
</tbody>
</table>

Source: INEGI
Export-Oriented Manufacturing Employment in Ciudad Juárez

Source: INEGI
Northern Mexico Manufacturing Orders Index

Index (Range: 0 - 100)

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

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

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

Thousands of June 2013 Pesos

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Index (2013 = 100)

Source: INEGI
Real Retail Activity Index for the State of Chihuahua

Index (2013 = 100)

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.