



News Release

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FOR RELEASE: 10:00 A.M. (CST), WEDNESDAY, NOVEMBER 24, 2010

The Conference Board[®]
Mexico Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®] (LEI)
FOR MEXICO
AND RELATED COMPOSITE ECONOMIC INDEXES FOR SEPTEMBER 2010**

The Conference Board Leading Economic Index[®] (LEI) for Mexico increased 0.6 percent and **The Conference Board Coincident Economic Index[®] (CEI)** increased 0.4 percent in September.

- The Conference Board LEI for Mexico increased for the third consecutive month in September. Industrial production (construction component), stock prices, and oil prices contributed positively to the index this month, more than offsetting the negative contributions from net insufficient inventories and the real exchange rate (inverted). The six-month growth rate in the index has slowed to 0.2 percent (about a 0.3 percent annual rate) through September 2010, down sharply from 4.3 percent (about an 8.9 percent annual rate) for the previous six months. In addition, the weaknesses among the indicators have become more widespread than the strengths in recent months.
- The Conference Board CEI for Mexico continued to increase in September, with all of its components advancing. The index grew 2.1 percent (a 4.2 percent annual rate) between March and September 2010, moderately slower than the increase of 2.8 percent (a 5.7 percent annual rate) for the previous six months. However, the strengths among the coincident indicators have remained very widespread, with all three components increasing over the past six months. Real GDP expanded at a 3.0 percent annual rate in the third quarter of 2010, following an increase of 9.5 percent annual rate in the second quarter.
- The Conference Board LEI for Mexico has risen slightly in the third quarter, after declining modestly during the summer. Its six-month growth rate has slowed sharply, and the weaknesses among its components have become more widespread than the strengths in recent months. Meanwhile, The Conference Board CEI for Mexico, a measure of current economic activity, has continued to increase, although its six-month growth rate has moderated slightly. Taken together, the behavior of the composite indexes suggests that despite the recent volatility, the economy will continue to grow, but at a modest pace in the near term.

The next release is scheduled for Wednesday, December 22, 2010 at 11:00 A.M. (EST)

In Mexico – Wednesday, December 22, 2010 at 10:00 A.M. (CST)

LEADING INDICATORS. Three of the six components that make up The Conference Board LEI for Mexico increased in September. The positive contributors to the index—from the largest positive contributor to the smallest one—are the industrial production construction component, stock prices, and the US refiners’ acquisition cost of domestic and imported crude oil. Net insufficient inventories and the (inverted) real exchange rate decreased in September. The (inverted) federal funds rate remained unchanged.

With the 0.6 percent increase in September, The Conference Board LEI for Mexico now stands at 118.0 (2004=100). Based on revised data, this index increased 0.4 percent in August and increased 0.2 percent in July. During the six-month span through September, the index increased 0.2 percent, with two of the six components increasing (diffusion index, six-month span equals 41.7 percent).

COINCIDENT INDICATORS. All three components that make up The Conference Board CEI for Mexico increased in September. The positive contributors —from the largest positive contributor to the smallest one—are number of people employed (measured by total IMSS beneficiaries), industrial production, and retail sales*.

With the increase of 0.4 percent in September, The Conference Board CEI for Mexico now stands at 112.3 (2004=100). Based on revised data, this index increased 0.4 percent in August and increased 0.2 percent in July. During the six-month span through September, the index increased 2.1 percent, with all three components increasing (diffusion index, six-month span equals 100.0 percent).

*See notes under data availability.

DATA AVAILABILITY. The data series used to compute the two composite indexes reported in the tables in this release are those available “as of” 10 A.M. November 22, 2010. Some series are estimated as noted below.

NOTES: The series in The Conference Board CEI for Mexico based on The Conference Board estimates is retail sales. No series were estimated in The Conference Board LEI for Mexico.

Summary Table of Composite Indexes

	<u>Jul</u>	<u>2010</u> <u>Aug</u>	<u>Sep</u>	<u>6-month</u> <u>Mar. to Sep</u>
Leading index	116.8 r	117.3 r	118.0	
Percent Change	0.2 r	0.4 r	0.6	0.2
Diffusion	58.3 r	75.0	58.3	41.7
Coincident Index	111.4	111.9 r	112.3 p	
Percent Change	0.2 r	0.4 r	0.4 p	2.1
Diffusion	66.7	100.0	100.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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