



## News Release

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The Conference Board®

Mexico Business Cycle Indicators<sup>SM</sup>

### THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR MEXICO AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2010

The Conference Board Leading Economic Index® (LEI) for Mexico increased 0.1 percent and The Conference Board Coincident Economic Index® (CEI) increased 0.3 percent in June.

- The Conference Board LEI for Mexico increased slightly in June, following a sharp decline in May. Index levels were revised slightly downwards for the last several months as a result of revisions to underlying data and seasonal factors. In June, positive contributions from oil prices and net insufficient inventories more than offset the negative contributions from industrial production (construction component) and stock prices. Between December 2009 and June 2010, the leading economic index increased 0.6 percent (about a 1.2 percent annual rate), substantially slower than the increase of 5.1 percent (about a 10.4 percent annual rate) during the last half of 2009. In addition, the strengths among the leading indicators have only been slightly more widespread than the weaknesses in recent months.
- The Conference Board CEI for Mexico continued to increase in June, as a result of gains in industrial production and employment. During the first half of 2010, the coincident economic index increased 2.6 percent (about a 5.2 percent annual rate), in line with the increase of 2.7 percent (about a 5.6 percent annual rate) during the previous six months. In addition, the strengths among the coincident indicators have remained very widespread, with all three components increasing over the past six months. Real GDP increased by a 13.5 percent annual rate in the second quarter of 2010, after declining by a 2.5 percent annual rate in the previous quarter.
- The Conference Board LEI for Mexico increased slightly in June, following a large decline in May - its first decline in over a year. As a result of the recent weakness in the LEI, its six-month growth rate has fallen sharply from the second half of 2009. Meanwhile, The Conference Board CEI for Mexico has continued to increase, and its six-month growth rate has been fairly stable in recent months. Despite the recent volatility, the behavior of the composite indexes still suggests that economic activity is likely to continue recovering, but at a slower pace in the near term.

The next release is scheduled for Thursday, September 30, 2010 at 11:00 A.M. (ET)

*In Mexico – Thursday, September 30, 2010 at 10:00 A.M. (CT)*

**LEADING INDICATORS.** Two of the six components that make up The Conference Board LEI for Mexico increased in June. The positive contributors to the index -- from the larger positive contributor to the smaller one -- are the US refiners' acquisition cost of domestic and imported crude oil and the net insufficient inventories component. The negative contributors to the index -- in order from the largest negative contributor to the smallest one -- are the industrial production construction component, stock prices, and the (inverted) real exchange rate. The (inverted) federal funds rate remained unchanged in June.

With the 0.1 percent increase in June, The Conference Board LEI for Mexico now stands at 117.0 (2004=100). Based on revised data, this index declined 1.8 percent in May and increased 1.0 percent in April. During the six-month span through June, the index increased 0.6 percent, with three of the six components increasing (diffusion index, six-month span equals 58.3 percent).

**COINCIDENT INDICATORS.** Two of the three components that make up The Conference Board CEI for Mexico increased in June. The positive contributors -- from the larger positive contributor to the smaller one -- are industrial production and the number of people employed (measured by IMSS total beneficiaries). Retail sales\* remained unchanged in June.

With the increase of 0.3 percent in June, The Conference Board CEI for Mexico now stands at 111.2 (2004=100). Based on revised data, this index increased 0.2 percent in May and increased 0.6 percent in April. During the six-month span through June, the index increased 2.6 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. August 20, 2010. Some series are estimated as noted below.

NOTES: None of the series in The Conference Board LEI for Mexico are based on The Conference Board estimates. The series in The Conference Board CEI for Mexico based on The Conference Board estimates are retail sales.

### Summary Table of Composite Indexes

	<u>Apr</u>	<u>2010</u> <u>May</u>	<u>Jun</u>	<u>6-month</u> <u>Dec. to Jun</u>
<b>Leading index</b>	119.1 r	116.9 r	117.0	
Percent Change	1.0 r	-1.8 r	0.1	0.6
Diffusion	58.3 r	8.3	41.7	58.3
<b>Coincident Index</b>	110.7 r	110.9 r	111.2 p	
Percent Change	0.6 r	0.2	0.3 p	2.6
Diffusion	100.0	83.3	83.3	100.0

n.a. Not available    p Preliminary    r Revised  
Indexes equal 100 in 2004

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