



News Release

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

The Conference Board Leading Economic Index[®] (LEI) for Mexico increased 1.3 percent and **The Conference Board Coincident Economic Index[®] (CEI)** increased 0.5 percent in March.

- The Conference Board LEI for Mexico increased sharply in March after remaining unchanged the previous month. Oil prices, the real exchange rate, and stock prices made very strong contributions to the index, more than offsetting the decline in the net insufficient inventories component. As a result, the six-month change increased to 4.5 percent (about a 9.2 percent annual rate), up from the 3.5 percent growth (about a 7.0 percent annual rate) in the six-month period ending February 2010. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico also increased in March, with employment continuing to make the largest positive contribution. The coincident index increased 2.9 percent (a 5.9 percent annual rate) between September 2009 and March 2010, well above the 0.2 percent growth (a 0.4 percent annual rate) between March and September 2009. In addition, the strengths among the coincident indicators have been very widespread, with all three components increasing over the past six months. However, real GDP declined by 1.4 percent (seasonally adjusted annual rate) in the first quarter of 2010 (primarily due to a drop in agricultural activity).
- After remaining unchanged in February, The Conference Board LEI for Mexico resumed its upward trend in March. Meanwhile, The Conference Board CEI for Mexico, a measure of current economic activity, has been improving since July 2009, while its six-month change has been fairly stable in recent months. All in all, the behavior of the composite indexes suggests that the improvement in economic activity will continue in the near term.

The next release is scheduled for Thursday, June 24, 2010 at 11:00 A.M. (ET)

In Mexico –Thursday, June 24, 2010 at 10:00 A.M. (CST)

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

With the 1.3 percent increase in March, The Conference Board LEI for Mexico now stands at 118.0 (2004=100). Based on revised data, this index remained unchanged in February and increased 0.2 percent in January. During the six-month span through March, the index increased 4.5 percent, with five of the six components increasing (diffusion index, six-month span equals 91.7 percent).

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

With the increase of 0.5 percent in March, The Conference Board CEI for Mexico now stands at 110.1 (2004=100). Based on revised data, this index increased 0.6 percent in February and increased 0.4 percent in January. During the six-month span through March, the index increased 2.9 percent, with all three components increasing (diffusion index, six-month span equals 100.0 percent).

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. May 25, 2010. Some series are estimated as noted below.

NOTES: In March, there were no forecasted components.

Summary Table of Composite Indexes

	<u>Jan</u>	<u>2010 Feb</u>	<u>Mar</u>	<u>6-month Sep. to Mar</u>
Leading index	116.5 r	116.5 r	118.0	
Percent Change	0.2 r	0.0	1.3	4.5
Diffusion	58.3 r	41.7	75.0	91.7
Coincident Index	108.8	109.5	110.1	
Percent Change	0.4	0.6	0.5	2.9
Diffusion	100.0	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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