



THE CONFERENCE BOARD

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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 APRIL 2009

The Conference Board Leading Economic Index™ (LEI) for Mexico increased 2.9 percent and **The Conference Board Coincident Economic Index™ (CEI)** decreased 0.2 percent in April.

- The Conference Board LEI for Mexico increased sharply again in April. The real effective exchange rate (inverted), stock prices, the US refiners' acquisition cost of domestic and imported crude oil, and the construction component of industrial production made large positive contributions to the index, more than offsetting the negative contribution from net insufficient inventories. Between October 2008 and April 2009, the leading economic index declined 5.5 percent (a -10.6 percent annual rate), an improvement from the decrease of 9.6 percent (a -18.3 percent annual rate) during the previous six-month period. However, the weaknesses among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico continued to decline in April. After rising slightly in March, employment fell in April, while industrial production continued to decrease. Between October 2008 and April 2009, the coincident economic index declined 5.5 percent (a -10.6 percent annual rate), faster than the decrease of 1.2 percent (a -2.5 percent annual rate) during the previous six months. Furthermore, the weaknesses among the coincident indicators have remained very widespread, with none of the components increasing in the past six months. Meanwhile, real GDP declined at a 21.5 percent annual rate in the first quarter of 2009, following a decline of 9.8 percent annualized in the fourth quarter of 2008.
- The Conference Board LEI for Mexico, which had been declining since the third quarter of 2008, increased sharply in March and April. Concurrently, The Conference Board CEI for Mexico, a measure of current economic activity, has been falling since June 2008. Although its decrease over the past six months is the deepest since 1995, its rate of decline has stabilized somewhat in recent months. Taken together, the recent behavior of the composite economic indexes suggests that the downturn in economic activity is likely to continue in the near term, although the pace of the contraction could moderate slightly.

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

With the 2.9 percent increase in April, The Conference Board LEI for Mexico now stands at 104.0 (2004=100). Based on revised data, this index increased 1.6 percent in March and declined 0.6 percent in February. During the six-month span through April, the index decreased 5.5 percent, with two of the six components increasing (diffusion index, six-month span equals 33.3 percent).

The next release is scheduled for Thursday, July 30, 2009 at 11:00 A.M. (ET)

In Mexico – Thursday, July 30, 2009 at 10:00 A.M. (CST)

COINCIDENT INDICATORS. One of the three components that make up The Conference Board CEI for Mexico increased in April. The positive contributor was the retail sales* component. Number of people employed (measured by total IMSS beneficiaries) and industrial production declined in April.

With the decrease of 0.2 percent in April, The Conference Board CEI for Mexico now stands at 105.7 (2004=100). Based on revised data, this index decreased 0.7 percent in March and decreased 0.8 percent in February. During the six-month span through April, the index decreased 5.5 percent, with none of the three components increasing (diffusion index, six-month span equals 0.0 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. June 23, 2009. Some series are estimated as noted below.

NOTES: None of the series in The Conference Board LEI for Mexico were based on our estimates. The retail sales component in The Conference Board CEI for Mexico was based on our estimates for the month of April.

Summary Table of Composite Indexes

	2009			6-month
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>Oct. to Apr</u>
Leading index	99.5	101.1 r	104.0	
Percent Change	-0.6	1.6 r	2.9	-5.5
Diffusion	66.7	50.0	83.3	33.3
Coincident Index	106.6	105.9 r	105.7 p	
Percent Change	-0.8	-0.7 r	-0.2 p	-5.5 p
Diffusion	0.0	66.7	33.3	0.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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