



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 APRIL 2014

The Conference Board Leading Economic Index[®] (LEI) for Mexico increased 0.9 percent and **The Conference Board Coincident Economic Index[®] (CEI)** increased 0.3 percent in April.

- The Conference Board LEI for Mexico increased in April after four consecutive declines, with almost all leading indicators making positive contributions. Between October 2013 and April 2014, the leading economic index fell 1.3 percent (about a -2.6 percent annual rate), an improvement from the decline of 2.0 percent (about a -3.9 percent annual rate) for the previous six months. Moreover, the strengths among the leading indicators have been more widespread than the weaknesses in recent months.
- The Conference Board CEI for Mexico, a measure of current economic activity, also increased in April. The coincident economic index grew 1.3 percent (about a 2.6 percent annual rate) during the six-month period ending April 2014, up from the increase of 0.5 percent (about a 1.0 percent annual rate) for the previous six months. Meanwhile, real GDP grew by a 1.1 percent annual rate in the first quarter of 2014, up from the 0.5 percent increase (annual rate) in the fourth quarter of last year.
- The LEI for Mexico increased in April following declines in the previous four months. The six-month change in the index remains negative, but the rate of decline is moderating. Meanwhile, the rate of growth in the CEI has continued to pick up. Although it may be too early to predict an acceleration in the rate of economic expansion, the improvement in both the LEI and the CEI over the last six months suggests that downside risks are diminishing.

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 — were net insufficient inventories, the (inverted) real exchange rate, the US refiners’

acquisition cost of domestic and imported crude oil, the industrial production construction component, and stock prices. The (inverted) federal funds rate* remained unchanged.

With the 0.9 percent increase in April, The Conference Board LEI for Mexico now stands at 122.0 (2004=100). Based on revised data, this index declined 0.1 percent in March and declined 0.6 percent in February. During the six-month span through April, the index decreased 1.3 percent, with four of the six components increasing (diffusion index, six-month span equals 66.7 percent).

COINCIDENT INDICATORS. Two of the three components that make up The Conference Board CEI for Mexico increased in April. The positive contributors — from the larger positive contributor to the smaller one — were number of people employed (measured by IMSS beneficiaries) and industrial production. Retail sales declined in April.

With the increase of 0.3 percent in April, The Conference Board CEI for Mexico now stands at 123.6 (2004=100). Based on revised data, this index increased 0.3 percent in March and remained unchanged in February. During the six-month span through April, the index increased 1.3 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. June 18, 2014. Some series are estimated as noted below.

NOTES: There are no forecasted series in The Conference Board LEI. The series in The Conference Board CEI for Mexico is based on The Conference Board’s estimates for retail sales.

Summary Table of Composite Indexes

	<u>Feb</u>	2014 <u>Mar</u>	<u>Apr</u>	6-month <u>Oct to Apr</u>
Leading index	121.0 r	120.9 r	122.0	
Percent Change	-0.6 r	-0.1 r	0.9	-1.3
Diffusion	41.7 r	75.0	91.7	66.7
Coincident Index	122.8 r	123.2 r	123.6 p	
Percent Change	0.0	0.3 r	0.3 p	1.3 p
Diffusion	66.7	66.7	66.7	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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The next release is scheduled for Monday, July 14, 2014 at 11:00 A.M. (ET)
In Mexico – Monday, July 14, 2014 at 10:00 A.M. (Mexico City time)

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