



News Release

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Further information:

Carol Courter: 212-339-0232 / courter@conference-board.org

Jonathan Liu: 212-339-0257 / jonathan.liu@conference-board.org

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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 NOVEMBER 2014

This month's release incorporates annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in the source data. Also, with this benchmark revision, the base year of the composite indexes was changed to 2010 = 100 from 2004 = 100. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision. For more information, please visit our website at <http://www.conference-board.org/data/bci.cfm> or contact us at indicators@conference-board.org.

The Conference Board Leading Economic Index® (LEI) for Mexico declined 0.1 percent and **The Conference Board Coincident Economic Index® (CEI)** increased 0.2 percent in November.

- The Conference Board LEI for Mexico fell slightly in November for the fourth consecutive month. Despite some improvement in the construction sector, oil prices continued to fall and contributed largely to the decline in the index this month. Between May and November 2014, the leading economic index grew by only 0.1 percent (about a 0.2 percent annual rate), slightly above no growth for the previous six months. The strengths among the leading indicators remained little more widespread than the weaknesses in the last six months.
- The Conference Board CEI for Mexico, a measure of current economic activity, increased slightly in November. The coincident economic index grew by 1.9 percent (about a 3.8 percent annual rate) during the six-month period ending November 2014, faster than its growth of 1.5 percent (about a 3.1 percent annual rate) between November 2013 and May 2014. Meanwhile, real GDP expanded by 2.0 percent (annual rate) in the third quarter of 2014, down from the 3.6 percent growth (annual rate) reached in the second quarter.
- The LEI for Mexico has been on a downward trend during the second half of 2014, mainly driven by rapidly falling oil prices. As a result, the six-month growth rate of the LEI has slowed significantly compared to the first half of 2014. Meanwhile, the slightly upward trend in the CEI

for Mexico continued through November 2014. Despite steady growth in the CEI, growth in the LEI continues to slow, suggesting that the pace of Mexico's economic expansion is unlikely to accelerate in early 2015.

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

With the 0.1 percent decrease in November, The Conference Board LEI for Mexico now stands at 105.6 (2010=100). Based on revised data, this index declined 0.4 percent in October and declined 0.7 percent in September. During the six-month span through November, the index increased 0.1 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 November. The positive contributors —from the larger positive contributor to the smaller one— are number of people employed (measured by IMSS beneficiaries) and industrial production. Retail sales remained unchanged in November.

With the increase of 0.2 percent in November, The Conference Board CEI for Mexico now stands at 114.1 (2010=100). Based on revised data, this index increased 0.3 percent in October and increased 0.4 percent in September. During the six-month span through November, the index increased 1.9 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. January 13, 2015. Some series are estimated as noted below.

The series in The Conference Board LEI for Mexico that is based on The Conference Board's estimates is net insufficient inventories. The series in The Conference Board CEI for Mexico is based on The Conference Board's estimates is retail sales.

Summary Table of Composite Indexes

	2014			6-month
	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>May to Nov</u>
Leading index	106.1	105.7	105.6 p	
Percent Change	-0.7	-0.4	-0.1 p	0.1 p
Diffusion	41.7	8.3	41.7	66.7
Coincident Index	113.6	113.9	114.1 p	
Percent Change	0.4	0.3	0.2 p	1.9 p
Diffusion	100.0	100.0	83.3	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 Tuesday, February 17, 2015 at 11:00 A.M. (ET)
In Mexico – Tuesday, February 17, 2015 at 10:00 A.M. (Mexico City time)

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