

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 2015

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 March.

- The Conference Board LEI for Mexico increased in March following a small decline in February. Gains in net inefficient inventories* and the construction component of industrial production slightly more than offset large negative contributions from oil prices and the real exchange rate. Despite the small gain in March, the six-month change in the leading economic index decelerated by 4.5 percent (about a -8.8 percent annual rate), a substantial reversal from the 2.4 percent increase (about a 4.9 percent annual rate) over the previous six months. Moreover, the weaknesses among the leading indicators have remained more widespread than the strengths in recent months.
- The Conference Board CEI for Mexico, a measure of current economic activity, increased again in March. Between September 2014 and March 2015, the coincident economic index grew 1.5 percent (about a 3.0 percent annual rate), down from 2.1 percent (about a 4.2 percent annual rate) over the previous six months. Meanwhile, real GDP expanded 2.7 percent (annual rate) in the last quarter of 2014, up from the 2.1 percent growth (annual rate) in the third quarter.
- The LEI for Mexico increased slightly in March after declining over the past three consecutive months. Its six-month change remains in negative territory, but the rate of decline is not as steep as earlier in the year. Meanwhile, the CEI continued its upward trend through March. Despite the small improvement in the six-month change in the LEI and the steady growth in the CEI, it is too early to conclude that the rate of Mexico's economic expansion will accelerate in the coming months.

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

With the 0.1 percent increase in March, The Conference Board LEI for Mexico now stands at 101.3 (2010=100). Based on revised data, this index declined 0.1 percent in February and declined 1.4 percent in January. During the six-month span through March, the index decreased 4.5 percent, with two of the six components increasing (diffusion index, six-month span equals 41.7 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—were number of people employed (measured by IMSS beneficiaries), retail sales*, and industrial production.

With the increase of 0.3 percent in March, The Conference Board CEI for Mexico now stands at 115.3 (2010=100). Based on revised data, this index increased 0.3 percent in both February and January. During the six-month span through March, the index increased 1.5 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 13, 2015. Some series are estimated as noted below.

NOTES: 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 that is based on The Conference Board’s estimates is retail sales.

Summary Table of Composite Indexes

	<u>Jan</u>	2015 <u>Feb</u>	<u>Mar</u>	<u>6-month Sep to Mar</u>
Leading index	101.3 r	101.2	101.3 p	
Percent Change	-1.4	-0.1 r	0.1 p	-4.5 p
Diffusion	25.0	41.7	41.7	41.7
Coincident Index	114.7	115.0 r	115.3 p	
Percent Change	0.3	0.3 r	0.3 p	1.5 p
Diffusion	66.7	83.3	83.3	100.0

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2010

Source: The Conference Board All Rights Reserved

The next release is scheduled for Friday, June 12, 2015 at 11:00 A.M. (ET)
In Mexico – Friday, June 12, 2015 at 10:00 A.M. (Mexico City time)

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