



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (CST), MONDAY, NOVEMBER 23, 2009

The Conference Board®
Mexico Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™
(LEI) FOR MEXICO**
AND RELATED COMPOSITE ECONOMIC INDEXES FOR SEPTEMBER 2009

The Conference Board Leading Economic Index™ (LEI) for Mexico increased 0.4 percent and **The Conference Board Coincident Economic Index™ (CEI)** increased 0.7 percent in September.

- The Conference Board LEI for Mexico increased for the seventh consecutive month in September. Net insufficient inventories and stock prices made large positive contributions to the index this month, more than offsetting the substantial negative contribution from the real exchange rate. The leading economic index increased 10.1 percent (a 21.2 percent annual rate) between March and September 2009, a sharp reversal from the decline of 13.8 percent (a -25.7 percent annual rate) for the previous six months. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico increased for the third straight month in September, with all its components again making positive contributions. The six-month change in the index has increased to 0.4 percent (a 0.8 percent annual rate) in the period through September, up from -5.5 percent (a -10.8 percent annual rate) for the previous six months. However, the weaknesses among the coincident indicators have remained more widespread than the strengths in recent months. Meanwhile, real GDP declined at a 4.4 percent annual rate in the second quarter of 2009, a large improvement from the contraction of 21.2 percent annual rate in the first quarter of the year.
- The Conference Board LEI for Mexico, which was on a steep downtrend between July 2008 and February 2009, has risen sharply for more than half a year now amid widespread strength among its components. Meanwhile, The Conference Board CEI for Mexico has increased for the past three months, and its six-month change has turned positive for the first time since July 2008. All in all, the recent behavior of the composite indexes suggests that the downturn in economic activity is bottoming out, and that economic conditions will continue to improve in the near term.

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

The next release is scheduled for Monday, December 21, 2009 at 11:00 A.M. (ET)
In Mexico – Monday, December 21, 2009 at 10:00 A.M. (CST)

With the 0.4 percent increase in September, The Conference Board LEI for Mexico now stands at 111.3 (2004=100). Based on revised data, this index increased 0.6 percent in August and increased 1.2 percent in July. During the six-month span through September, the index increased 10.1 percent, with five of the six components increasing (diffusion index, six-month span equals 83.3 percent).

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

With the increase of 0.7 percent in September, The Conference Board CEI for Mexico now stands at 106.3 (2004=100). Based on revised data, this index increased 0.6 percent in August and increased 0.4 percent in July. During the six-month span through September, the index increased 0.4 percent, with one of the three components increasing (diffusion index, six-month span equals 33.3 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. November 20, 2009. Some series are estimated as noted below.

NOTE: The series in The Conference Board CEI for Mexico based on our estimates is retail sales.

Summary Table of Composite Indexes

	2009			6-month
	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Mar to Sep</u>
Leading index	110.2 r	110.9 r	111.3	
Percent Change	1.2	0.6 r	0.4	10.1
Diffusion	83.3	75.0	58.3	83.3
Coincident Index	105.0	105.6	106.3	
Percent Change	0.4	0.6	0.7	0.4
Diffusion	83.3	100.0	100.0	33.3

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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