



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (CST), MONDAY, DECEMBER 21, 2009

The Conference Board®  
Mexico Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™  
(LEI) FOR MEXICO**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR OCTOBER 2009**

Next month's release will incorporate annual benchmark revisions to the composite indexes, which bring them up-to-date with revisions in the source data. 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 will no longer be directly comparable to those issued prior to the benchmark revision.

For more information, please visit our website at <http://www.conference-board.org/economics/bci/> or contact us at [indicators@conference-board.org](mailto:indicators@conference-board.org).

**The Conference Board Leading Economic Index™ (LEI)** for Mexico increased 0.4 percent and **The Conference Board Coincident Economic Index™ (CEI)** increased 0.1 percent in October.

- The Conference Board LEI for Mexico increased again in October. Oil prices and the real exchange rate contributed positively to the index this month, more than offsetting negative contributions from the construction component of industrial production, stock prices and net insufficient inventories. The leading economic index increased 7.1 percent (a 14.7 percent annual rate) between April and October 2009, a sharp reversal from the decline of 5.4 percent (about a -10.4 percent annual rate) from October 2008 and April 2009. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico also increased again in October, with employment contributing positively to the index. The six-month change in the index stands at 0.6 percent (a 1.1 percent annual rate) for the period through October, up sharply from -5.5 percent (a -10.6 percent annual rate) for the previous six months. In addition, the strengths among the coincident indicators have become more widespread than the weaknesses in recent months. Meanwhile, real GDP expanded at a 12.2 percent annual rate in the third quarter of 2009, its first increase in a year.
- The Conference Board LEI for Mexico has risen for more than half a year now amid widespread strength among its components. However, its growth rate has slowed in recent months. Meanwhile, The Conference Board CEI for Mexico began increasing in July 2009, and its six-month growth rate has picked up further. All in all, the recent behavior of the composite indexes suggests that economic conditions will continue to improve in the near term.

The next release is scheduled for Thursday, January 28, 2010 at 11:00 A.M. (ET)  
*In Mexico – Thursday, January 28, 2010 at 10:00 A.M. (CST)*

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

With the 0.4 percent increase in October, The Conference Board LEI for Mexico now stands at 111.5 (2004=100). Based on revised data, this index increased 0.2 percent in September and increased 0.6 percent in August. During the six-month span through October, the index increased 7.1 percent, with five of the six components increasing (diffusion index, six-month span equals 83.3 percent).

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

With the increase of 0.1 percent in October, The Conference Board CEI for Mexico now stands at 106.3 (2004=100). Based on revised data, this index increased 0.6 percent in September and increased 0.6 percent in August. During the six-month span through October, the index increased 0.6 percent, with two of the three components increasing (diffusion index, six-month span equals 66.7 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. December 17, 2009. Some series are estimated as noted below.

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

### Summary Table of Composite Indexes

	2009			6-month
	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Apr to Oct</u>
<b>Leading index</b>	110.9	111.1 r	111.5	
Percent Change	0.6	0.2 r	0.4	7.1
Diffusion	75.0	41.7	41.7	83.3
<b>Coincident Index</b>	105.6	106.2 r	106.3 p	
Percent Change	0.6	0.6 r	0.1 p	0.6
Diffusion	100.0	66.7	33.3	66.7

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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