



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (CST), THURSDAY, FEBRUARY 25, 2010

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

The Conference Board Leading Economic Index[®] (LEI) for Mexico increased 0.7 percent and **The Conference Board Coincident Economic Index[®]** (CEI) increased 0.3 percent in December.

- The Conference Board LEI for Mexico continued to increase in December. The real exchange rate, net insufficient inventories and stock prices made large positive contributions to the index this month, more than offsetting the negative contributions from oil prices and industrial production (construction component). The six-month growth rate in the index has continued to slow to 5.2 percent (a 10.8 percent annual rate) in the period through December 2009, down from 10.9 percent (about a 23.0 percent annual rate) in the six months ending August 2009. However, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico also continued to increase in December, with industrial production again making the largest positive contribution. The coincident economic index increased 2.8 percent (a 5.8 percent annual rate) between June and December 2009, a reversal from the decline of 4.0 percent (about a -7.8 percent annual rate) in the first half of last year. In addition, the strengths among the coincident indicators have remained widespread, with all the components rising over the past six months. Meanwhile, real GDP grew at an 8.4 percent annual rate in the fourth quarter of 2009, following an expansion of 10.4 percent annual rate in the previous quarter.
- The Conference Board LEI for Mexico has risen for ten months now amid widespread strength among its components. However, its six-month growth rate has slowed from the rapid rates in the middle of last year. Meanwhile, The Conference Board CEI for Mexico has been increasing since July 2009, and its six-month growth rate has picked up in recent months. All in all, the recent behavior of the composite indexes suggests 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 December. The positive contributors to the index—from the largest positive contributor to the smallest one—are net insufficient inventories, the (inverted) real exchange rate, and stock prices. The US refiners' acquisition cost of domestic and imported crude oil, and the industrial production construction component decreased in December. The (inverted) federal funds rate remained unchanged.

The next release is scheduled for Wednesday, March 24, 2010 at 12:00 P.M. (ET)
In Mexico – Wednesday, March 24, 2010 at 10:00 A.M. (CST)

With the 0.7 percent increase in December, The Conference Board LEI for Mexico now stands at 116.5 (2004=100). Based on revised data, this index increased 1.8 percent in November and increased 0.5 percent in October. During the six-month span through December, the index increased 5.2 percent, with five of the six components increasing (diffusion index, six-month span equals 83.3 percent).

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

With the increase of 0.3 percent in December, The Conference Board CEI for Mexico now stands at 108.5 (2004=100). Based on revised data, this index increased 0.9 percent in November and increased 0.2 percent in October. During the six-month span through December, the index increased 2.8 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. February 23, 2010. Some series are estimated as noted below.

NOTES: There are no estimated series this month.

Summary Table of Composite Indexes

	2009			6-month
	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Jun. to Dec</u>
Leading index	113.6 r	115.7 r	116.5	
Percent Change	0.5 r	1.8 r	0.7	5.2
Diffusion	41.7 r	75.0	58.3	83.3
Coincident Index	107.2 r	108.2 r	108.5	
Percent Change	0.2 r	0.9 r	0.3	2.8
Diffusion	66.7	100.0	66.7	100.0

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2004

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