



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (CST), WEDNESDAY, APRIL 29, 2009

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

The Conference Board Leading Economic Index™ (LEI) for Mexico declined 0.5 percent and **The Conference Board Coincident Economic Index™ (CEI)** for Mexico decreased 0.9 percent in February.

- The Conference Board LEI for Mexico declined again in February due to negative contributions from the real exchange rate (inverted) and the stock price index - offsetting positive contributions from net insufficient inventories and oil prices. During the previous six months, the leading economic index declined 17.3 percent (a -31.6 percent annual rate), which is well below the 2.2 percent increase (a 4.5 percent annual rate) between February and August 2008. In addition, the weaknesses among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico, a measure of current economic activity, also declined again in February. Between August 2008 and February 2009, the coincident economic index declined 5.2 percent (a -10.1 percent annual rate), faster than the decline of 0.9 percent (a -1.8 percent annual rate) during the previous six-month period. In addition, the weaknesses among the coincident indicators have remained very widespread, with none of the components increasing over the past six months. Meanwhile, real GDP contracted at an average annual rate of 4.5 percent in the second half of 2008 (including a decline of 10.3 percent annual rate in the fourth quarter), its sharpest decline since the 1994-95 economic downturn.
- The Conference Board LEI for Mexico has declined precipitously since its most recent peak in April 2008, falling by 18.4 percent during this period. Furthermore, the pace of the six-month decline has accelerated in recent months. At the same time, The Conference Board CEI for Mexico has been falling since June 2008, and its decrease over the past six months is the largest since 1995. Taken together, the recent behavior of the composite economic indexes suggests that the contraction in economic activity is unlikely to end soon and that economic conditions could deteriorate further in the near term.

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

The next release is scheduled for Friday, May 29, 2009 at 11:00 A.M. (ET)

In Mexico – Friday, May 29, 2009 at 10:00 A.M. (CST)

With the 0.5 percent decrease in February, The Conference Board LEI for Mexico now stands at 99.3 (2004=100). Based on revised data, this index declined 1.8 percent in January and declined 3.2 percent in December. During the six-month span through February, the index decreased 17.3 percent, with one of the six components increasing (diffusion index, six-month span equals 16.7 percent).

*See notes under data availability.

COINCIDENT INDICATORS. None of the three components that make up The Conference Board CEI for Mexico increased in February. Industrial production, number of people employed (measured by total IMSS beneficiaries), and retail sales declined in February.

With the decrease of 0.9 percent in February, The Conference Board CEI for Mexico now stands at 106.4 (2004=100). Based on revised data, this index decreased 1.6 percent in January and decreased 1.6 percent in December. During the six-month span through February, the index decreased 5.2 percent, with none of the three components increasing (diffusion index, six-month span equals 0.0 percent).

*See notes under data availability.

DATA AVAILABILITY. The data series used by The Conference Board to compute **The Conference Board Leading Economic Index™ (LEI)** for Mexico and **The Conference Board Coincident Economic Index™ (CEI)** for Mexico reported in this release are those available “as of” 10 A.M. April 27, 2009. Some series are estimated as noted below.

NOTES: With this month’s release, none of the components in The Conference Board LEI for Mexico or The Conference Board CEI for Mexico were based on our estimates.

Summary Table of Composite Indexes

	2008	2009		6-month
	<u>Dec</u>	<u>Jan</u>	<u>Feb</u>	<u>Aug. to Feb</u>
Leading index	101.6 r	99.8 r	99.3	
Percent Change	-3.2 r	-1.8 r	-0.5	-17.3
Diffusion	25.0 r	16.7	50.0	16.7
Coincident Index	109.2 r	107.4	106.4	
Percent Change	-1.6 r	-1.6 r	-0.9	-5.2
Diffusion	.0	.0	.0	0.0

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

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