



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (CST), FRIDAY, AUGUST 28, 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 JUNE 2009

**The Conference Board Leading Economic Index™ (LEI)** for Mexico increased 2.3 percent and **The Conference Board Coincident Economic Index™ (CEI)** decreased 0.2 percent in June.

- The Conference Board LEI for Mexico increased sharply for the fourth consecutive month in June. Oil prices, the construction component of industrial production and net insufficient inventories made large positive contributions to the index this month, more than offsetting the negative contribution from the real effective exchange rate (inverted). The leading economic index rose 7.0 percent (about a 14.5 percent annual rate) between December 2008 and June 2009, which is a sharp reversal from the decrease of 16.0 percent (about a -29.4 percent annual rate) during the previous six months. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Mexico fell again in June amid further declines in retail sales and industrial production. The coincident economic index decreased 4.3 percent (about a -8.4 percent annual rate) between December 2008 and June 2009, moderately faster than the decline of 3.5 percent (about a -6.9 percent annual rate) for the previous six months. In addition, the weaknesses among the coincident indicators have remained very widespread, with none of the components increasing in the past six 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 the past four months. The large and widespread gains in the index have pushed its six-month growth rate to the highest rate since early 2004. The Conference Board CEI for Mexico, a measure of current economic activity, has been falling since the middle of 2008, although the pace of its decline has slowed in recent months. Taken together, the recent behavior of the composite indexes suggest that the downturn in economic activity should continue to ease in the months ahead.

**LEADING INDICATORS.** Five of the six components that make up The Conference Board LEI for Mexico increased in June. 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, the industrial production construction component, net insufficient inventories, the (inverted) federal funds rate, and stock prices. The (inverted) real exchange rate decreased in June.

With the 2.3 percent increase in June, The Conference Board LEI for Mexico now stands at 108.8 (2004=100). Based on revised data, this index increased 2.3 percent in May and increased 2.9 percent in April. During the six-month span through June, the index increased 7.0 percent, with five of the six components increasing (diffusion index, six-month span equals 83.3 percent).

The next release is scheduled for Thursday, September 24, 2009 at 11:00 A.M. (ET)  
*In Mexico – Thursday, September 24, 2009 at 10:00 A.M. (CST)*

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

With the decrease of 0.2 percent in June, The Conference Board CEI for Mexico now stands at 104.5 (2004=100). Based on revised data, this index decreased 0.9 percent in May and decreased 0.2 percent in April. During the six-month span through June, the index decreased 4.3 percent, with none of the three components increasing (diffusion index, six-month span equals 0.0 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. August 26, 2009.

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

### Summary Table of Composite Indexes

	2009			6-month
	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Dec. to Jun</u>
<b>Leading index</b>	104.0	106.4 r	108.8	
Percent Change	2.9 r	2.3 r	2.3	7.0
Diffusion	83.3 r	83.3	83.3	83.3
 <b>Coincident Index</b>	 105.7 r	 104.7 r	 104.5	
Percent Change	-0.2 r	-0.9	-0.2	-4.3
Diffusion	.0	.0	16.7	0.0

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2004

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