



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (CST), FRIDAY, MAY 29, 2009

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

The Conference Board Leading Economic Index™ (LEI) for Mexico increased 1.3 percent and **The Conference Board Coincident Economic Index™ (CEI)** for Mexico decreased 0.8 percent in March.

- The Conference Board LEI for Mexico increased sharply in March, its first gain since July 2008. Positive contributions from oil prices and the stock price index more than offset negative contributions from the construction component of industrial production, net insufficient inventories, and the inverted real exchange rate. Between September 2008 and March 2009, the leading economic index declined 14.1 percent (a -26.2 percent annual rate), faster than the decrease of 1.0 percent (a -2.0 percent annual rate) during the previous six-month period. In addition, the weaknesses among the leading indicators remained widespread in recent months.
- The Conference Board CEI for Mexico, a measure of current economic activity, continued to decline in March. Industrial production continued to make a large negative contribution this month, while retail sales and employment (total IMSS beneficiaries) posted slight improvements. The six-month change in the coincident economic index stands at -5.6 percent (a -10.9 percent annual rate), significantly down from the -0.3 percent (a -0.5 percent annual rate) between March and September 2008. Meanwhile, real GDP fell at a 15.9 percent average annual rate in the fourth quarter of 2008 and first quarter of 2009 (contracting at a 21.5 percent annual rate during the first quarter of 2009), its lowest two-quarter growth rate since the peso crisis.
- The Conference Board LEI for Mexico has declined sharply from its most recent peak in April 2008, having fallen by 17.2 percent since then. However, the pace of its six-month decline has slowed somewhat in recent months. At the same time, The Conference Board CEI for Mexico has been falling since July 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 will continue and is likely to remain deep in the near term.

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

The next release is scheduled for Friday, June 26, 2009 at 11:00 A.M. (ET)

In Mexico – Friday, June 26, 2009 at 10:00 A.M. (CST)

With the 1.3 percent increase in March, The Conference Board LEI for Mexico now stands at 100.8 (2004=100). Based on revised data, this index declined 0.6 percent in February and declined 1.6 percent in January. During the six-month span through March, the index decreased 14.1 percent, with one of the six components increasing (diffusion index, six-month span equals 16.7 percent).

*See notes under data availability.

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

With the decrease of 0.8 percent in March, The Conference Board CEI for Mexico now stands at 105.8 (2004=100). Based on revised data, this index decreased 0.8 percent in February and decreased 1.6 percent in January. During the six-month span through March, the index decreased 5.6 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 to compute the two composite indexes reported in the tables in this release are those available “as of” 10 A.M. May 26, 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

	2009			6-month
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Sep. to Mar</u>
Leading index	100.1 r	99.5 r	100.8	
Percent Change	-1.6 r	-0.6 r	1.3	-14.1
Diffusion	16.7 r	66.7	50.0	16.7
Coincident Index	107.5 r	106.6 r	105.8	
Percent Change	-1.6	-0.8 r	-0.8	-5.6
Diffusion	.0	.0	66.7	0.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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