



News Release

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Further information:

Barbara Rosen: 212-339-0441

Barbara.rosen@conference-board.org

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The Conference Board®

Mexico Business Cycle Indicators SM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR MEXICO

AND RELATED COMPOSITE ECONOMIC INDEXES FOR AUGUST 2010

The Conference Board Leading Economic Index® (LEI) for Mexico increased 0.8 percent and **The Conference Board Coincident Economic Index® (CEI)** increased 0.5 percent in August.

- The Conference Board LEI for Mexico increased in August, and July's gain was revised to no change due mainly to a downward revision in the oil price component. Apart from stock prices, most of the components contributed positively to the index this month. The six-month growth rate in the index has slowed to 0.9 percent (a 1.9 percent annual rate) in the period through August 2010, down from 3.4 percent (a 6.9 percent annual rate) for the previous six months. However, the strengths among the leading indicators have been widespread in recent months.
- The Conference Board CEI for Mexico increased again in August, and all of its components continued to advance. The six-month change in the index stands at 2.3 percent (a 4.6 percent annual rate), moderately lower than the increase of 2.9 percent (about a 5.9 percent annual rate) for the previous six months. In addition, the strengths among the coincident indicators have remained very widespread, with all three components increasing over the past six months. Real GDP increased at a 13.5 percent annual rate in the second quarter of 2010, following a decline of 2.5 percent annual rate in the first quarter.
- After rising strongly from early 2009 through April 2010, The Conference Board LEI for Mexico has moved sideways in recent months, and its six-month growth rate has fallen rapidly. Meanwhile, The Conference Board CEI for Mexico, a measure of current economic activity, has continued to increase, although its six-month growth rate has moderated slightly. Taken together, the behavior of the composite indexes suggests that economic activity will continue to recover, but at a slower pace in the near term.

The next release is scheduled for Wednesday, November 24, 2010 at 11:00 A.M. (ET)

In Mexico – Wednesday, November 24, 2010 at 10:00 A.M. (CT)

LEADING INDICATORS. Four of the six components that make up The Conference Board LEI for Mexico increased in August. 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, industrial production (construction component), net insufficient inventories, and the (inverted) real exchange rate. Stock prices decreased in August, while the (inverted) federal funds rate remained unchanged.

With the 0.8 percent increase in August, The Conference Board LEI for Mexico now stands at 117.5 (2004=100). Based on revised data, this index remained unchanged in July and declined 0.1 percent in June. During the six-month span through August, the index increased 0.9 percent, with four of the six components increasing (diffusion index, six-month span equals 75.0 percent).

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

With the increase of 0.5 percent in August, The Conference Board CEI for Mexico now stands at 112.0 (2004=100). Based on revised data, this index increased 0.3 percent in July and increased 0.2 percent in June. During the six-month span through August, the index increased 2.3 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. October 25, 2010.

NOTES: None of the series in The Conference Board LEI for Mexico and The Conference Board CEI for Mexico were based on our estimates this month.

Summary Table of Composite Indexes

	2010			6-month
	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Feb. to Aug</u>
Leading index	116.6	116.6 r	117.5	
Percent Change	-0.1	0.0 r	0.8	0.9
Diffusion	33.3	58.3	75.0	75.0
Coincident Index	111.1	111.4	112.0	
Percent Change	0.2	0.3	0.5	2.3
Diffusion	66.7	100.0	100.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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