

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

For Release 11:00 AM ET, August 20, 2024

Using the Composite Indexes: *The Leading Economic Index (LEI) provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index (CEI) provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for Mexico Dropped Sharply in June

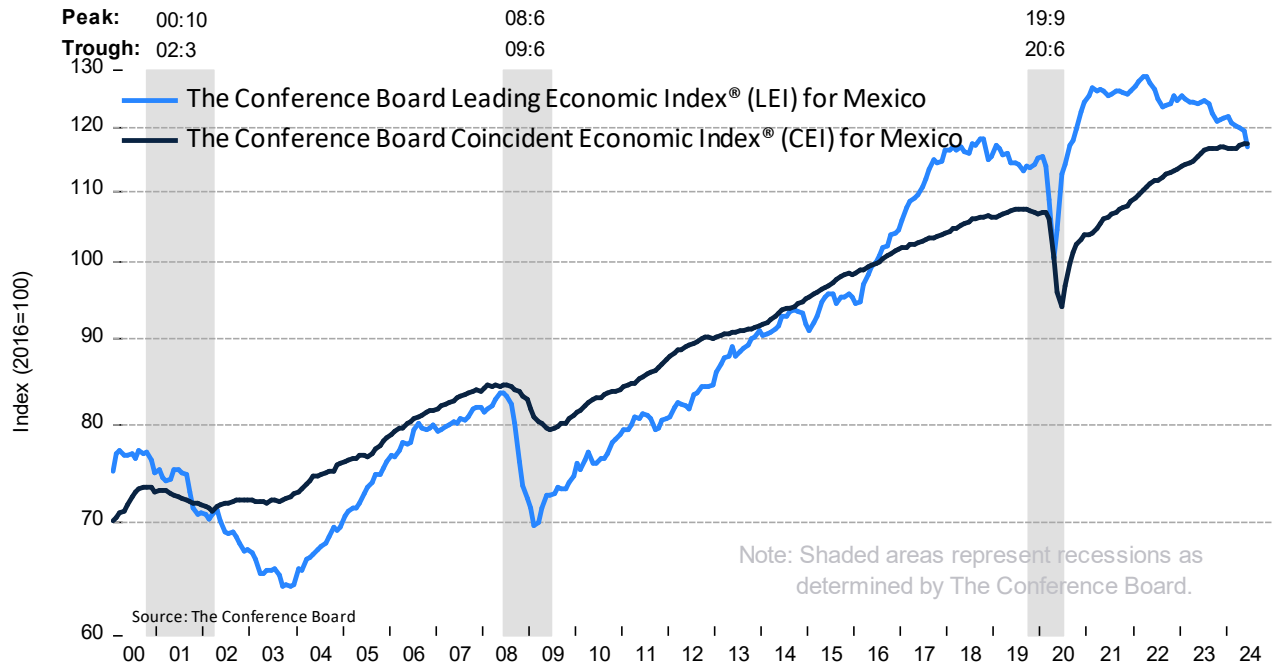
The Conference Board Leading Economic Index® (LEI) for Mexico declined by 2.1 percent in June 2024 to 116.9 (2016=100), after decreasing by 0.5 percent in May. As a result, the LEI declined by 3.8 percent over the first half of 2024, a much larger contraction than the 2.3 percent decline over the second half of 2023.

The Conference Board Coincident Economic Index® (CEI) for Mexico ticked up by 0.1 percent in June 2024 to 117.5 (2016=100), after increasing by 0.2 percent in May. Overall, the CEI expanded by 0.5 percent over the first half of this year, a slower rate of growth than the 0.9 percent increase over the second half of last year.

“The Mexico LEI continued its downward trend with a sharp drop in June,” said **Malala Lin, Economic Research Associate, at The Conference Board**. “Marking the fifth consecutive month of decline, this was the largest contraction since the spring of 2020. Aside from the neutral contribution from the federal funds rate, all components contributed negatively in June. The depreciation of the peso vis-a-vis the US dollar (by over 7 percent in June in both nominal and real terms) weighed especially on the Index, as did the opinion balance on manufacturing inventories. Both the six-month and annual growth rates became more negative, signaling headwinds to GDP growth ahead after an already relatively weak first half of 2024. The Conference Board currently expects annual real GDP to grow at a meek 1.6 percent in 2024, compared to 3.2 percent in 2023.”

The next release is scheduled for Monday, September 16, 2024, at 11 A.M. ET.

The Mexico LEI decreased further in June



Weakness among all components drove the LEI's decline in June

The Conference Board Leading Economic Index® and Component Contributions (Percent)

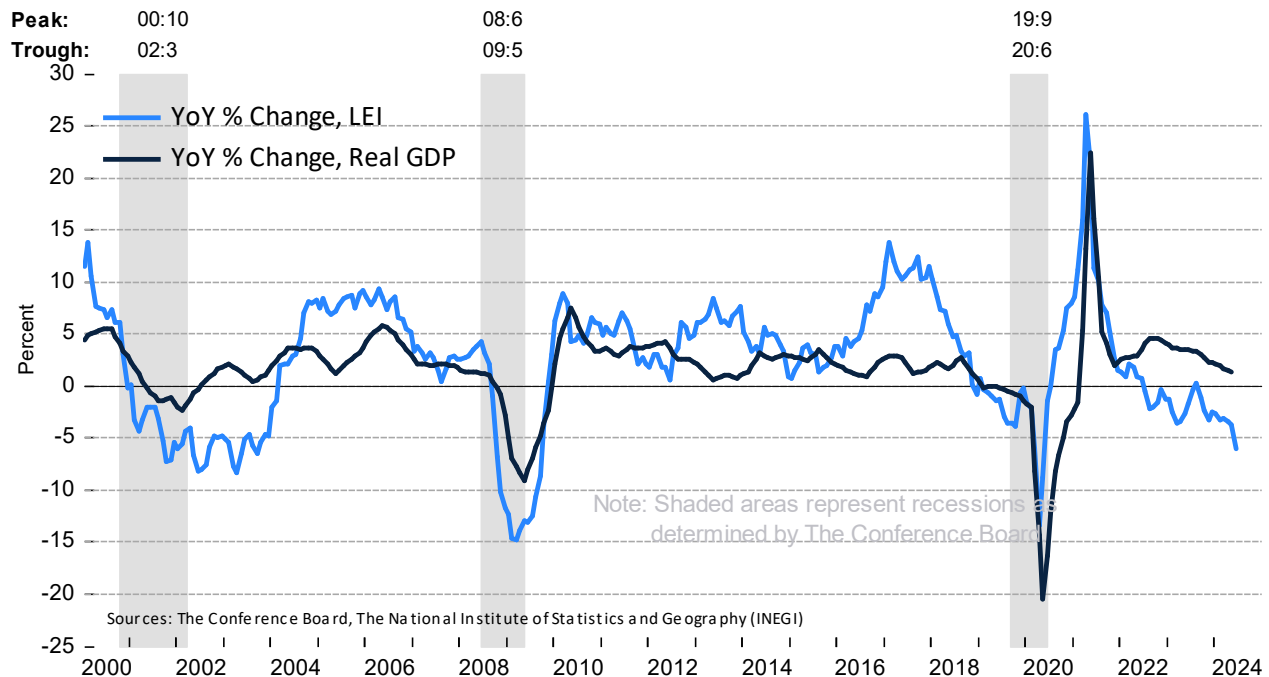
	Jun. '24	6 mo. ending Jun. '24
Financial Components		
Federal Funds, Money Market Rate*	0.00	0.03
Stock Prices, IPC35 (BOLSA)	-0.26	-0.46
Real Exchange Rate, Peso/US\$ *	-0.93	-0.57
Non-Financial Components		
Industrial Production, Construction Component	-0.30	0.24
Manufacturing Inventories, Opinion Balance	-0.61	-3.68
Acquisition Cost of Imported Crude Oil, US Refiners	-0.08	0.30

Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

The annual growth rate of the LEI has become increasingly negative, pointing to more headwinds in the near term



About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for Mexico

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around five months.

The six components of the *Leading Economic Index*® for Mexico are:

- Industrial Production (Construction)
- Stock Prices
- U.S. Refiners’ Acquisition Cost of Domestic and Imported Crude Oil
- Manufacturing Inventories (Opinion Balance)
- Federal Funds Rate
- Real Exchange Rate

The three components of the *Coincident Economic Index*® for Mexico are:

- Industrial Production
- Retail Sales
- Employment, IMSS Beneficiaries

To access data, please visit: <https://data-central.conference-board.org/>

About The Conference Board

The Conference Board is the member-driven think tank that delivers Trusted Insights for What’s Ahead™. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [ConferenceBoard.org](https://www.conferenceboard.org)