

News Release

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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 Continued to Fall in September

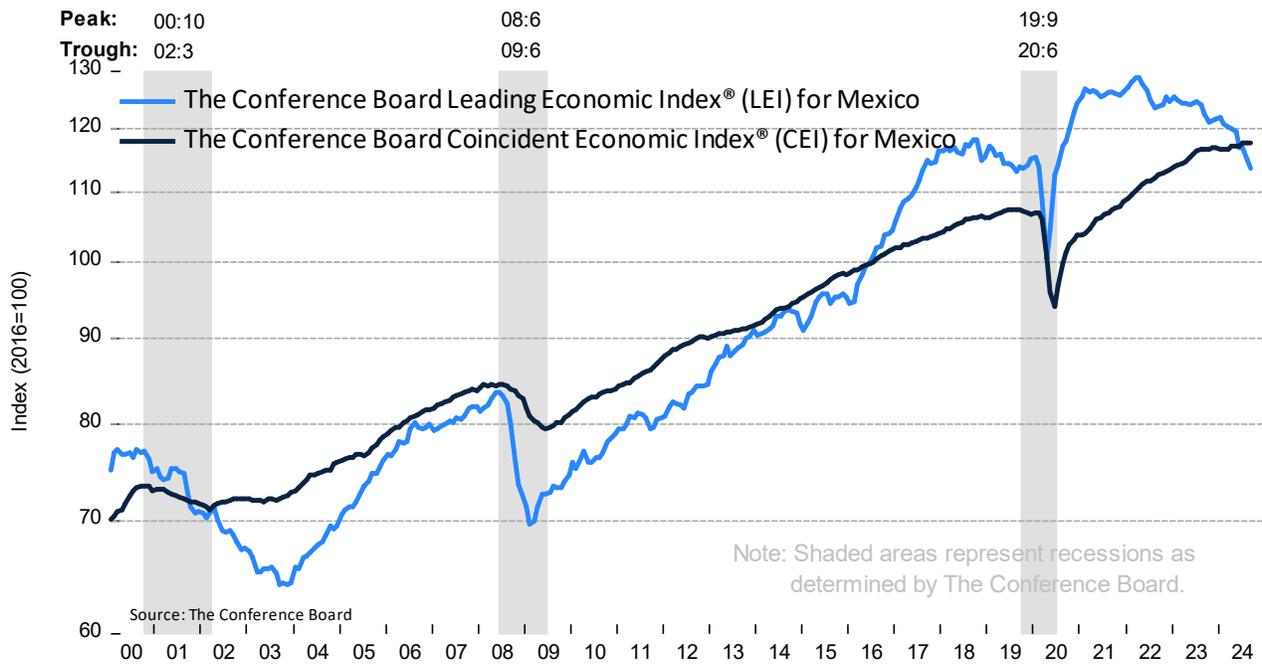
The Conference Board Leading Economic Index® (LEI) for Mexico fell by 1.1% in September 2024 to 113.7 (2016=100), following a 1.6% decline in August. As a result, the LEI contracted by 5.6% over the six-month period between March and September 2024, a significantly higher rate of decline than the 1.6% drop over the previous six-month period between September 2023 and March 2024.

The Conference Board Coincident Economic Index® (CEI) for Mexico remained unchanged at 117.6 (2016=100) in September and August 2024. However, overall, the CEI increased by 0.8% in the six-month period between March and September 2024, after stagnating over the previous six-month period.

“The Mexico LEI fell again in September,” said **Malala Lin, Economic Research Associate, at The Conference Board.** “Four of the six components of the Index contributed negatively. Both the semiannual and annual growth rates of LEI depict accelerated negative rates, signaling growing recession risks. In addition, foreign investors have been concerned since the passing of the controversial judicial reforms in September. Moreover, the potential policies surrounding immigration and trade, including tariffs and the renewal of the USMCA in 2026, from the incoming US administration create more uncertainties. Overall, Mexico may continue to face more economic challenges ahead that are not yet fully captured by the LEI.”

The next release is scheduled for Wednesday, December 18, 2024, at 11 A.M. ET.

The Mexico LEI continued to fall in September



Weakness was widespread among the LEI components

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

	Sep. '24	6 mo. ending Sep. '24
Financial Components		
Federal Funds, Money Market Rate*	0.01	0.05
Stock Prices, IPC35 (BOLSA)	-0.04	-0.46
Real Exchange Rate, Peso/US\$ *	-0.43	-1.88
Non-Financial Components		
Industrial Production, Construction Component	0.09	0.15
Manufacturing Inventories, Opinion Balance	-0.39	-3.30
Acquisition Cost of Imported Crude Oil, US Refiners	-0.44	-0.62

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 six-month growth rate of the LEI fell deeper into the negative territory, signaling persistent recession risks



NOTE: The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months. **Diffusion** is a measure of how widespread the decline is among the LEI’s component indicators—on a scale of 0 to 100, a **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies below 50, shown by the black warning signal lines in the chart; and 2) the LEI’s six-month rate of decline falls below the threshold of -4.9% . The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

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, Money Market 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

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