

News Release

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

For Release 11:00 AM ET, June 17, 2025

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 Increased in May

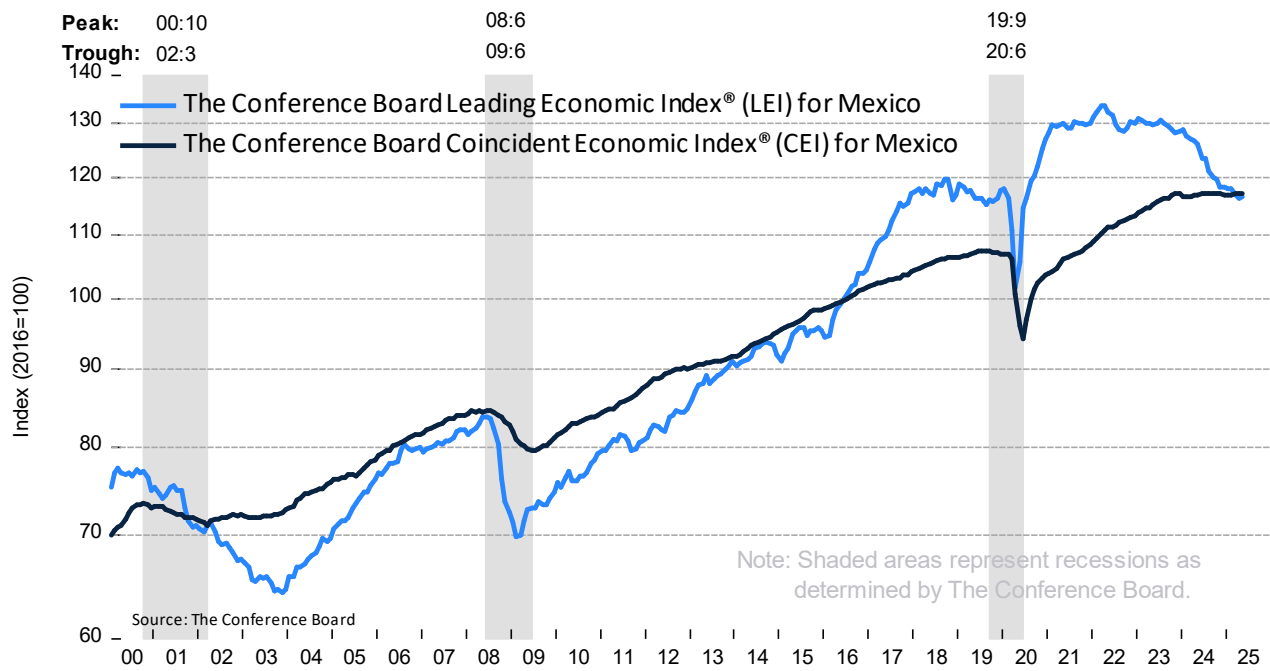
The Conference Board Leading Economic Index® (LEI) for Mexico increased by 0.3% in May 2025 to 116.6 (2016=100), after declining by 0.5% April. The LEI still contracted by 1.4% over the six-month period between November 2024 and May 2025, a slower rate than the 6.2% decline over the previous six-month period (May to November 2024).

The Conference Board Coincident Economic Index® (CEI) for Mexico was unchanged in May 2025 at 117.2 (2016=100), after ticking up by 0.1% in April. Overall, the CEI grew by 0.2% over the six-month period between November 2024 and May 2025, after growing by 0.1% over the previous six-month period.

“The Mexico LEI increased May, primarily driven by the appreciation of the peso against the US dollar and higher stock prices,” said **Malala Lin, Economic Research Associate, at The Conference Board**. “Improvements in the construction component of industrial production and federal funds rate also supported the Index up. Meanwhile, negative contributions from the opinion balance for manufacturing inventories and the price of oil exports continued to weigh on the Index. Though they no longer signaled recession risks, the LEI semi-annual and annual growth rates remained in the negative, suggesting possible slower growth in the near term. Taking into account weak growth and rising inflation so far in 2025 as well as the negative impact of the US tariffs, The Conference Board forecasts that real GDP growth will only reach 0.7% in 2025 down from 1.2% in 2024.”

The next release is scheduled for Friday, July 18th, 2025, at 11 A.M. ET.

The Mexico LEI increased in May



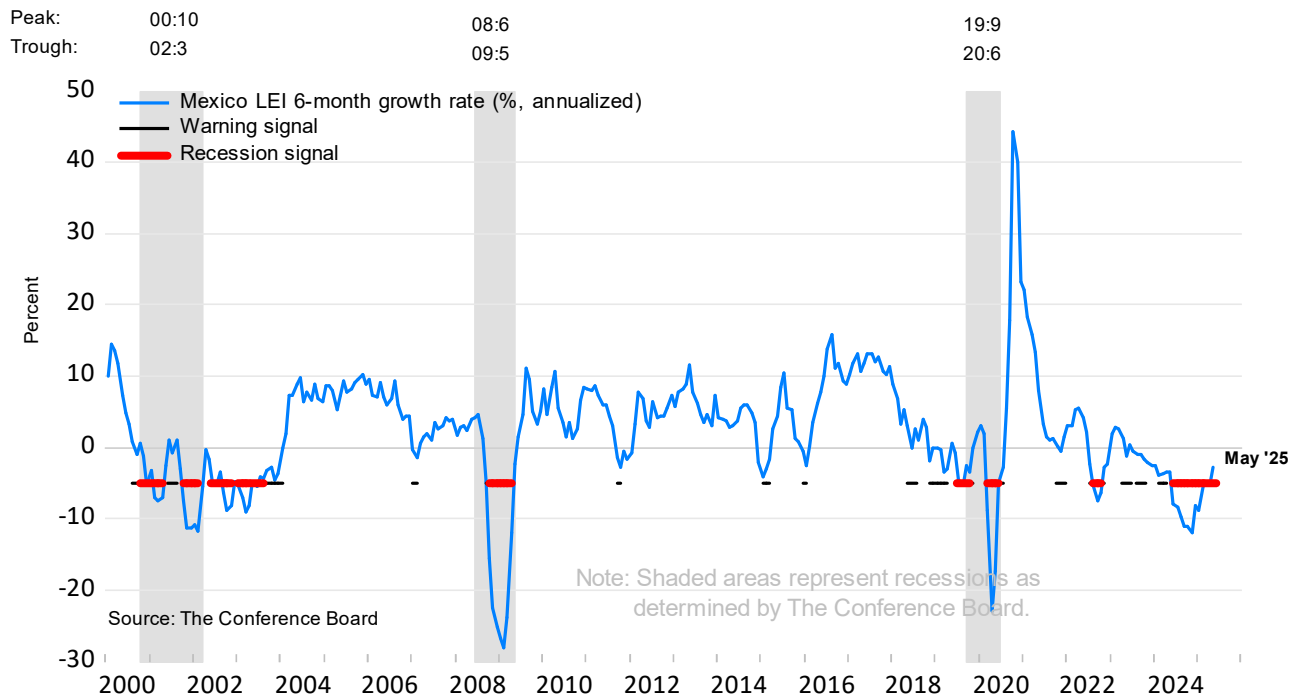
The increase in the LEI was mainly driven by a stronger Peso and higher stock prices

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

	May '25	6 mo. ending May '25
Financial Components		
Federal Funds, Money Market Rate*	0.02	0.15
Stock Prices, IPC35 (BOLSA)	0.15	0.82
Real Exchange Rate, Peso/US\$ *	0.60	0.77
Non-Financial Components		
Industrial Production, Construction Component**	0.05	0.00
Manufacturing Inventories, Opinion Balance	-0.29	-2.79
Price of Crude Petroleum Exports**	-0.31	-0.69

Source: The Conference Board
* Inverted series; a negative change in this component makes a positive contribution.
** Statistical Imputation
LEI change might not equal sum of its contributions due to application of trend adjustment factor

The LEI six-month growth remained negative, but above its threshold of triggering the recession signal in May



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 at an annualized rate. **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 at or below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month growth rate (annualized) falls below the threshold of -5.0%. 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
- Petroleum Exports: Crude (US\$/Barrel)
- 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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