



## News Release

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**FOR RELEASE: 10:00 A.M. (MEXICO CITY TIME), TUESDAY, SEPTEMBER 15, 2015**

The Conference Board<sup>®</sup>

Mexico Business Cycle Indicators<sup>SM</sup>

### **THE CONFERENCE BOARD LEADING ECONOMIC INDEX<sup>®</sup> (LEI) FOR MEXICO AND RELATED COMPOSITE ECONOMIC INDEXES FOR JULY 2015**

**The Conference Board Leading Economic Index<sup>®</sup> (LEI)** for Mexico declined 1.6 percent and **The Conference Board Coincident Economic Index<sup>®</sup> (CEI)** increased 0.3 percent in July.

- The Conference Board LEI for Mexico fell sharply in July for the third consecutive month, with the majority of its components making negative contributions. The leading economic index declined by 1.9 percent (about a -3.7 percent annual rate) between January and July 2015, but the contraction was not as deep as the decline of 5.5 percent (about a -10.7 percent annual rate) over the previous six months. The strengths and weaknesses among the leading indicators were somewhat balanced in the last six months.
- The Conference Board CEI for Mexico, a measure of current economic activity, increased slightly again in July. Between January and July of this year, the coincident economic index increased by 1.4 percent (about a 2.8 percent annual rate), only slightly slower than its 1.7 percent increase (about a 3.4 percent annual rate) over the previous six months. Meanwhile, real GDP expanded by 2.0 percent (annual rate) in the second quarter, slightly up from the 1.7 percent growth (annual rate) in the first quarter.
- The LEI for Mexico continued its downward trend through July, with widespread weaknesses among its components. The six-month change in the LEI remains negative, but the rate of decline seems to have stabilized. Meanwhile, the six-month growth rate of the CEI remains relatively steady. Despite the sharp decline in the LEI in July, its six-month rate of decline has not intensified in recent months, suggesting that the current rate of economic expansion in Mexico is likely to continue through the end of this year.

**LEADING INDICATORS.** Only one of the six components that make up The Conference Board LEI for Mexico increased in July. The positive contributor to the index is the industrial production construction component. The US refiners' acquisition cost of domestic and imported crude oil, net insufficient inventories\*, the (inverted) real exchange rate, and stock prices decreased in July. The (inverted) federal funds rate remained unchanged.

With the 1.6 percent decrease in July, The Conference Board LEI for Mexico now stands at 99.5 (2010=100). Based on revised data, this index declined 0.7 percent in June and declined 0.9 percent in May. During the six-month span through July, the index decreased 1.9 percent, with three of the six components increasing (diffusion index, six-month span equals 58.3 percent).

**COINCIDENT INDICATORS.** Two of the three components that make up The Conference Board CEI for Mexico increased in July. The positive contributors are number of people employed (measured by IMSS beneficiaries) and retail sales\*. Industrial production remained unchanged in July.

With the increase of 0.3 percent in July, The Conference Board CEI for Mexico now stands at 116.3 (2010=100). Based on revised data, this index increased 0.3 percent in June and remained unchanged in May. During the six-month span through July, the index increased 1.4 percent, with two of the three components increasing (diffusion index, six-month span equals 66.7 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. September 11, 2015. Some series are estimated as noted below.

NOTES: The series in The Conference Board CEI for Mexico that’s based on The Conference Board’s estimates is retail sales. The series in The Conference Board LEI for Mexico that’s based on The Conference Board’s estimates is net insufficient inventories.

### Summary Table of Composite Indexes

	2015			6-month <u>Jan to</u> <u>Jul</u>
	<u>May</u>	<u>Jun</u>	<u>Jul</u>	
<b>Leading index</b>	101.8 r	101.1 r	99.5 p	
Percent Change	-0.9 r	-0.7 r	-1.6 p	-1.9 p
Diffusion	41.7 r	58.3	25.0	58.3
<b>Coincident Index</b>	115.6	116.0 r	116.3 p	
Percent Change	0.0	0.3	0.3 p	1.4 p
Diffusion	66.7	66.7	83.3	66.7

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2010

Source: The Conference Board

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The next release is scheduled for Wednesday, October 14, 2015 at 11:00 A.M. (ET)  
*In Mexico – Wednesday, October 14, 2015 at 10:00 A.M. (Mexico City time)*

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