

## 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 Decreased in December**

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This month's release of the composite economic indexes incorporates annual benchmark revisions which bring them up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision.

For more information, please visit <https://www.conference-board.org/topics/business-cycle-indicators/> or contact us at [indicators@conference-board.org](mailto:indicators@conference-board.org).

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**The Conference Board Leading Economic Index® (LEI)** for Mexico decreased by 0.2% in December 2024 to 118.1 (2016=100), following a large decrease of 1.2% in November. As a result, the LEI contracted by 4.2% over the second half of 2024, after also contracting by 4.0% over the first half of the last year.

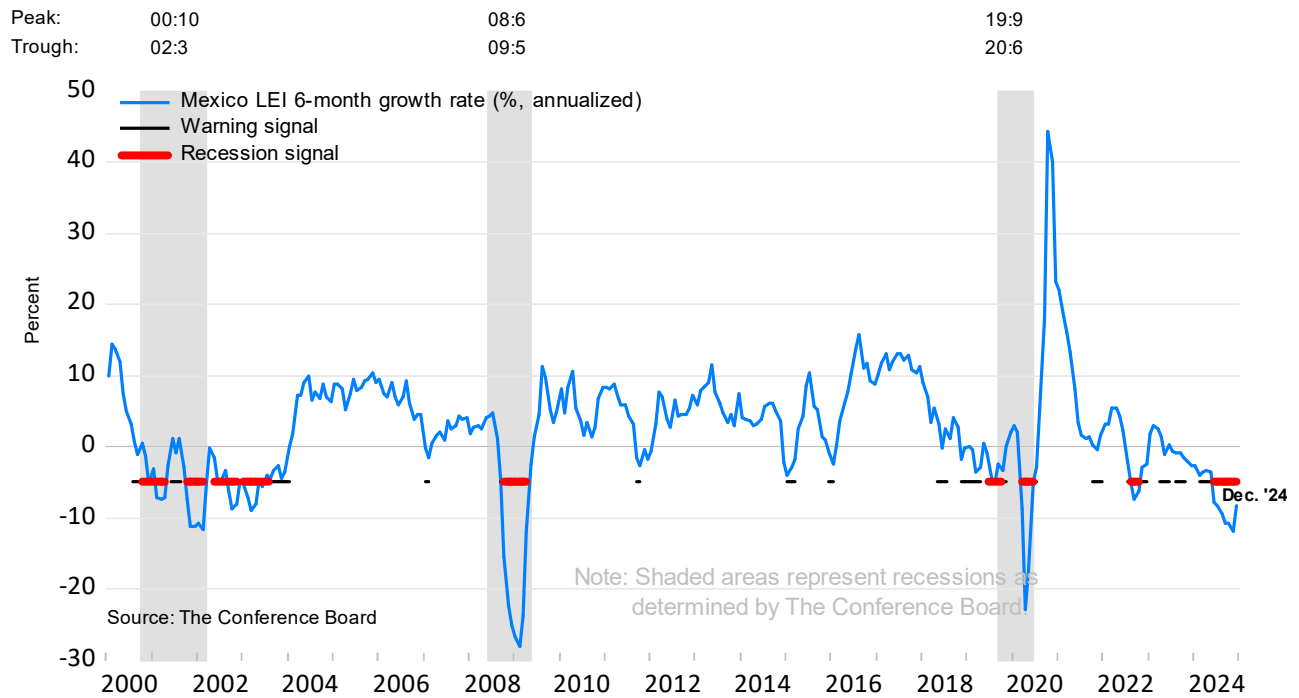
**The Conference Board Coincident Economic Index® (CEI)** for Mexico has remained unchanged at 117.1 (2016=100) since October 2024. Overall, the CEI increased by a meek 0.1% over the second half of 2024, after no growth over the first half of the past year.

“The Mexico LEI decreased in December, marking the fifth consecutive month of decline” said **Malala Lin, Economic Research Associate, at The Conference Board**. “As a result, the semiannual and annual growth rates of the LEI remained deeply negative and continued to signal recession risks, despite the December decline being smaller than the previous months. The LEI weakness was fueled by drops in industrial production for construction, price of oil exports, and stock prices. The bright side was the opinion balance for manufacturing inventories that improved for the first time in two years. While the LEI points to potential economic challenges ahead, inflation continued to slow in December and further rate cuts by the Bank of Mexico are expected to support the economy, which may ease headwinds. The Conference Board currently estimates that real GDP grew by 1.6% in 2024 and expects 1.5% growth for 2025.”

**The next release is scheduled for Tuesday, February 18, 2025 at 11 A.M. ET.**



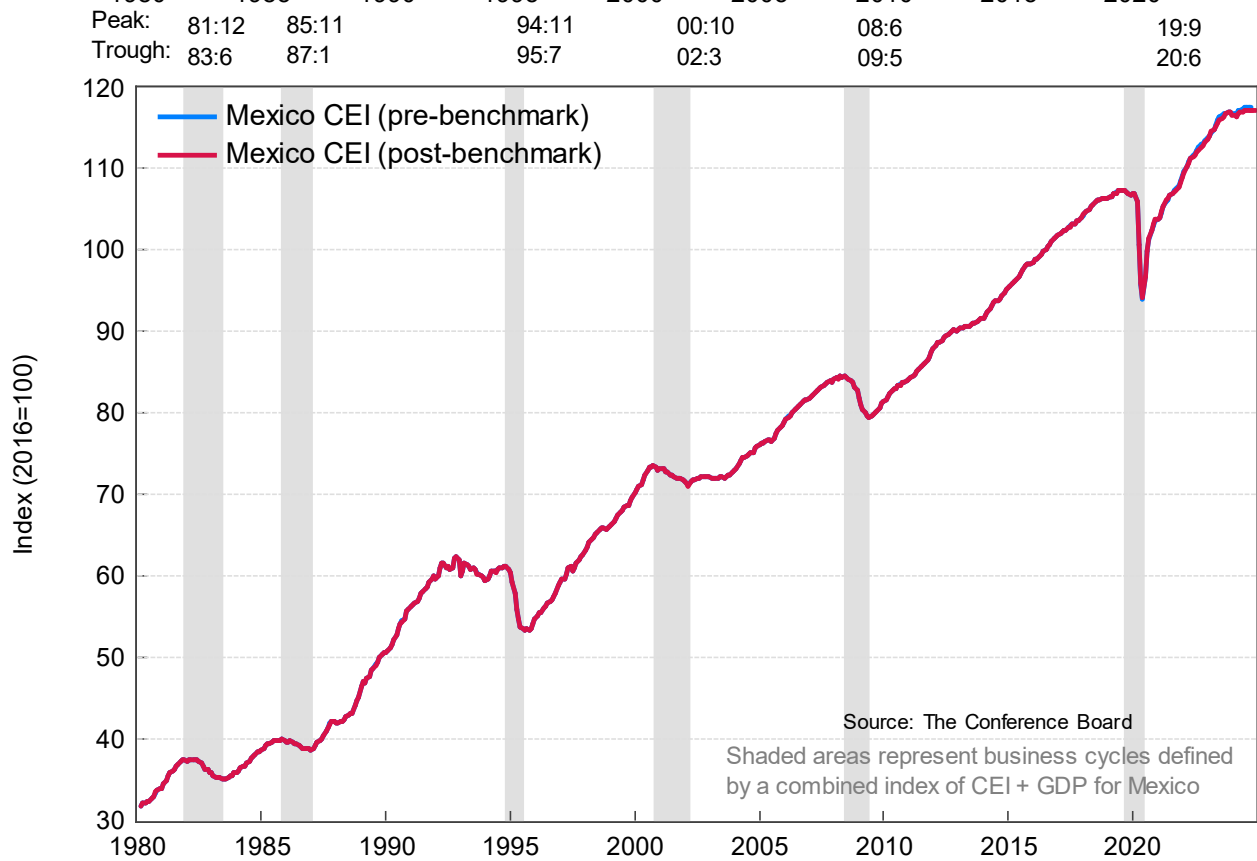
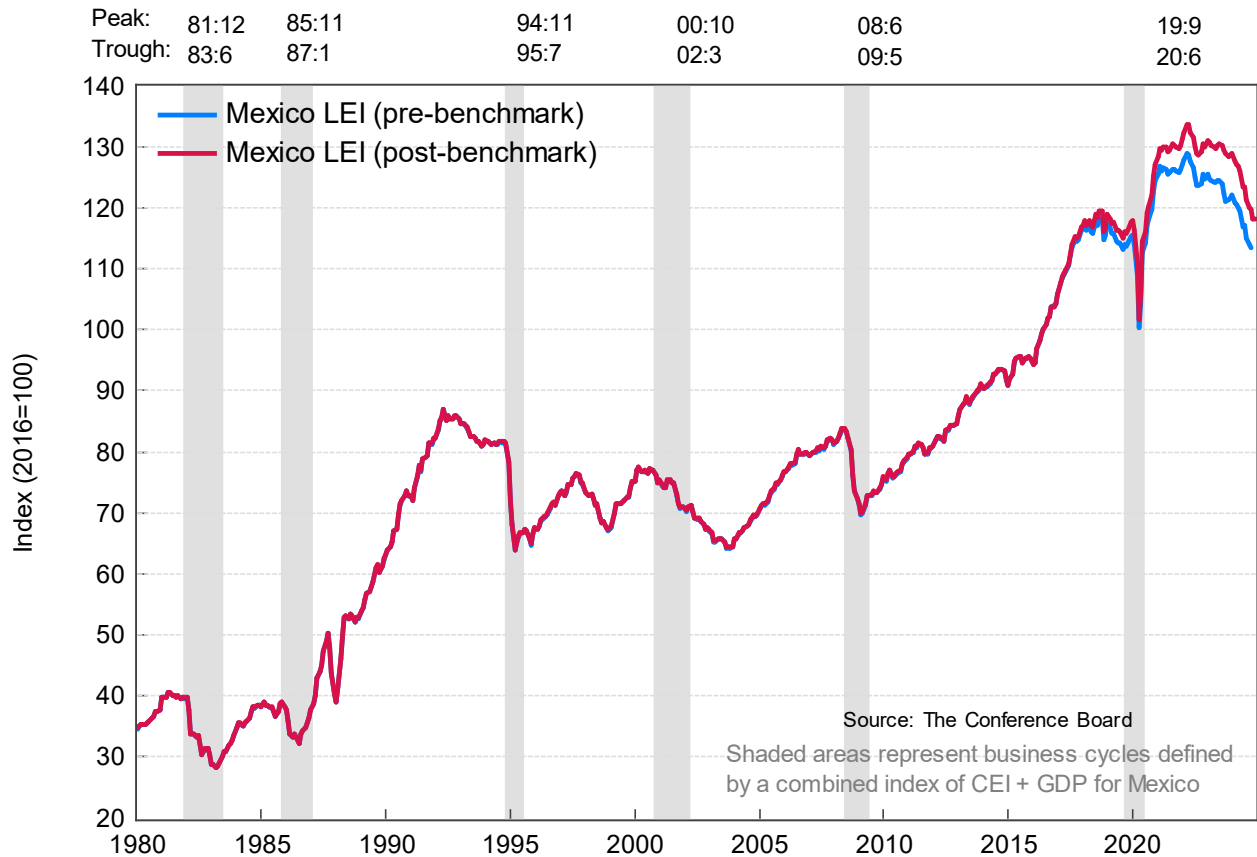
## The six-month growth rate of the LEI still signaled recession risks in December



**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.

## The composite business cycle indexes pre- and post- benchmark revisions: 1980-present



### **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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