

News Release

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

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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 Inched Up in January

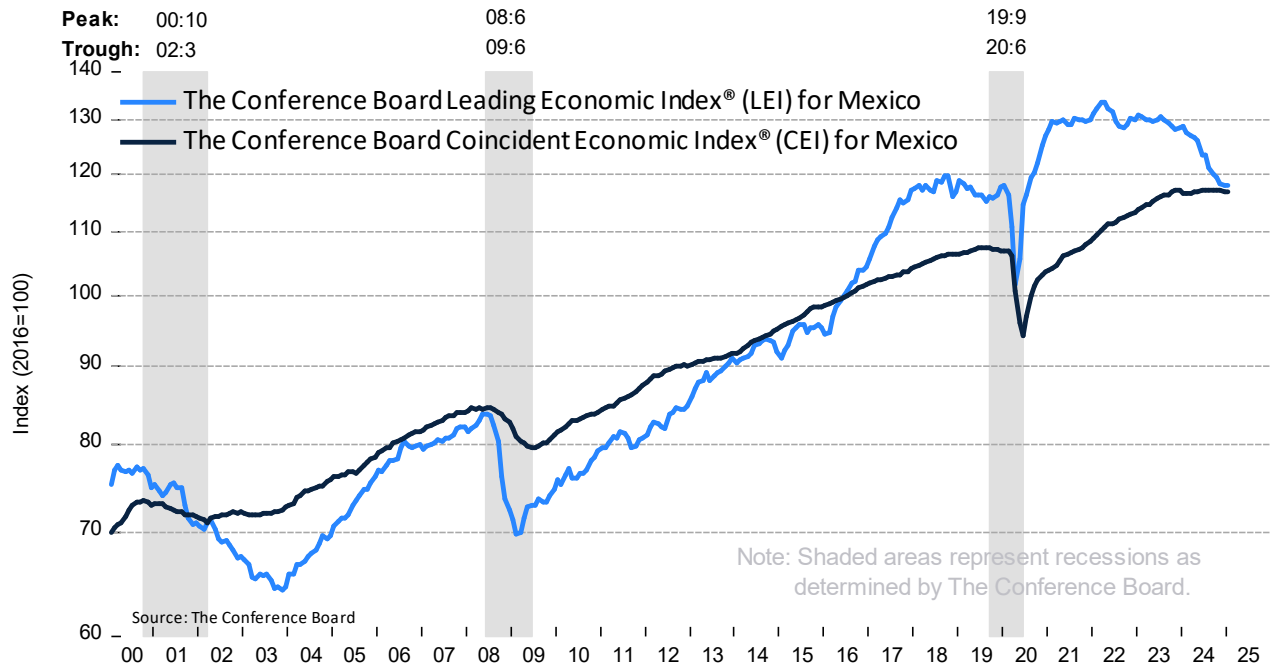
The Conference Board Leading Economic Index® (LEI) for Mexico increased by 0.1% in January 2025 to 118.0 (2016=100), following a decrease of 0.2% in December 2024. Despite the uptick, the previous consecutive monthly declines resulted in the LEI contracting by 4.4% over the six-month period between July 2024 and January 2025, following a 4.3% contraction over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for Mexico decreased by 0.1% in January 2025 to 116.7 (2016=100), after decreasing by 0.2% in December 2024. As a result, the CEI contracted by 0.4% the six-month period between July 2024 and January 2025, partially reversing the 0.5% expansion over the previous six-month period.

“The Mexico LEI ticked up in January after five consecutive monthly declines” said **Malala Lin, Economic Research Associate, at The Conference Board**. “A rise in oil export prices, stock prices, construction industrial production, and the lower money market rate led to the January increase. Nevertheless, nearly all components have remained weak for the last six months, driving the LEI semi-annual and annual growth rates deeper into the negative. Overall, the LEI continues to point to strong headwinds to growth and recession risks. GDP already contracted by 2.4% (annualized quarter over quarter) in Q4 2024. While the slowing inflation and further monetary policy support may curb some of these headwinds going forward, uncertainties continue to loom due to escalating trade tensions in North America. Currently, The Conference Board forecasts that real GDP will grow only by 1.2% in 2025.”

The next release is scheduled for Wednesday, March 19, 2025 at 11 A.M. ET.

The Mexico LEI ticked up in January



The January uptick was mainly driven by improvements in oil export and stock prices

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

	Jan. '25	6 mo. ending Jan. '25
Financial Components		
Federal Funds, Money Market Rate*	0.01	0.09
Stock Prices, IPC35 (BOLSA)	0.18	-0.20
Real Exchange Rate, Peso/US\$ *	-0.28	-1.91
Non-Financial Components		
Industrial Production, Construction Component**	0.06	-1.04
Manufacturing Inventories, Opinion Balance	-0.35	-1.62
Price of Crude Petroleum Exports**	0.38	-0.15

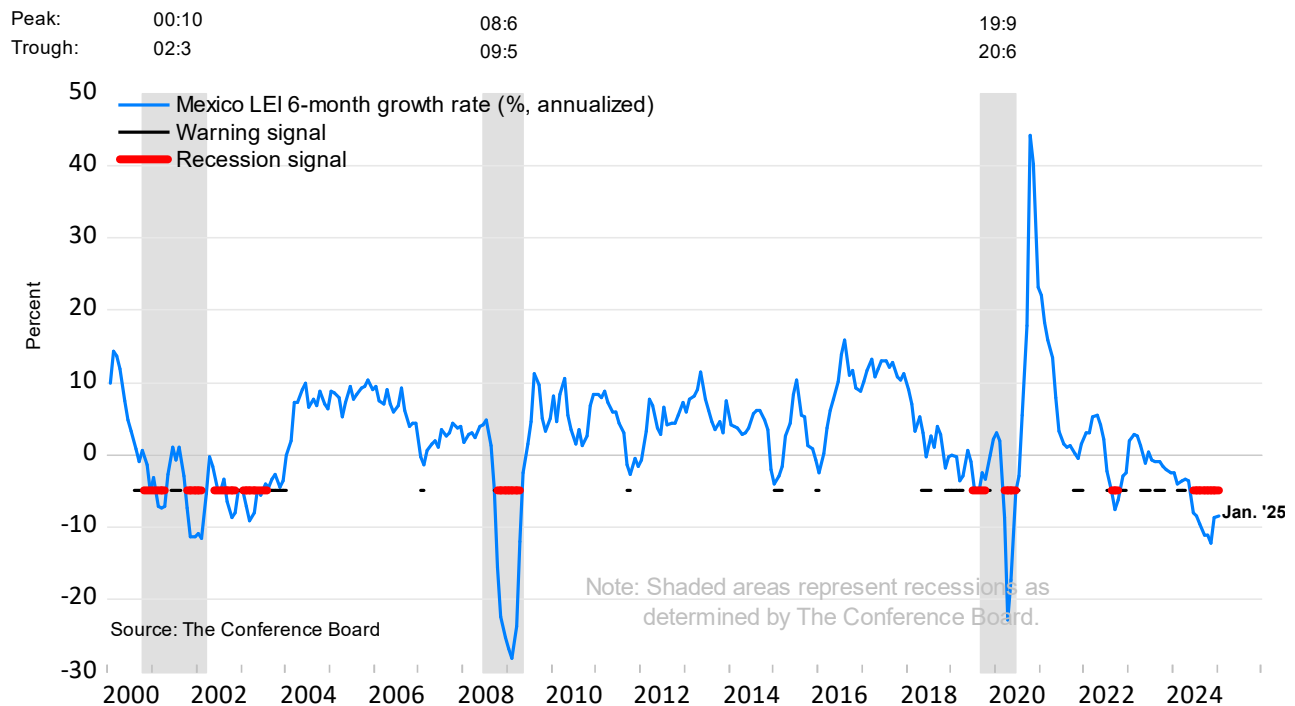
Source: The Conference Board

* 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 six-month growth rate of the LEI and widespread weakness among its components have signaled recession risks since June 2024



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
- 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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