

## News Release

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**For Release 11:00 AM ET, March 19, 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 Decreased in February**

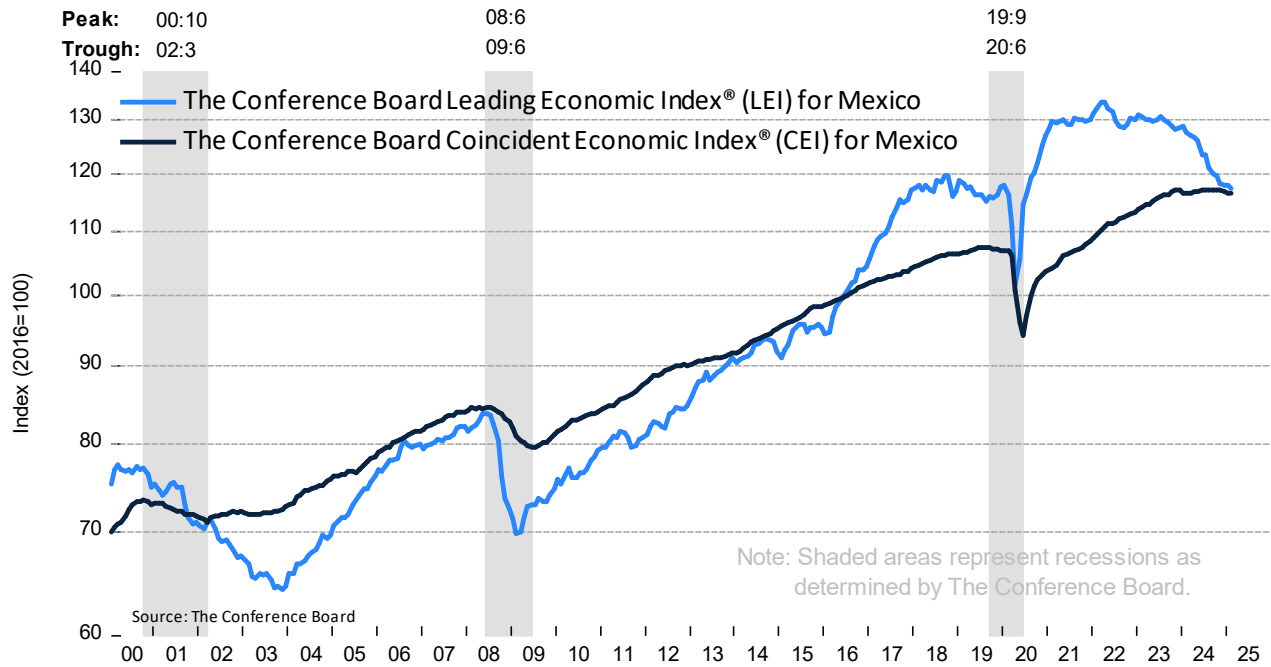
**The Conference Board Leading Economic Index® (LEI)** for Mexico decreased by 0.3% in February 2025 to 117.4 (2016=100), following a decrease of 0.2% in January. The LEI contracted by 3.1% over the six-month period between August 2024 and February 2025, after contracting by 4.9% over the previous six-month period.

**The Conference Board Coincident Economic Index® (CEI)** for Mexico remained at 116.6 (2016=100) in February 2025, after decreasing by 0.1% in January. As a result, the CEI contracted by 0.5% over the six-month period between August 2024 and February 2025, almost reversing the 0.6% expansion over the previous six-month period.

“The Mexico LEI decreased in February, marking the 7<sup>th</sup> consecutive month of decline,” said **Malala Lin, Economic Research Associate, at The Conference Board**. “Five of the six components improved but these improvements were small and were offset by a large negative contribution from the opinion balance for manufacturing inventories. Some of the weakness in inventories was potentially due to anticipated US tariffs. Both the LEI six-month and annual growth rates continue to signal headwinds and recession risks. In addition, persisting trade tensions and related uncertainties continue to present downside risks for the Mexican economy. In line with this, The Conference Board currently forecasts that real GDP will remain sluggish in the first half of 2025 and overall grow only by 0.7% this year.”

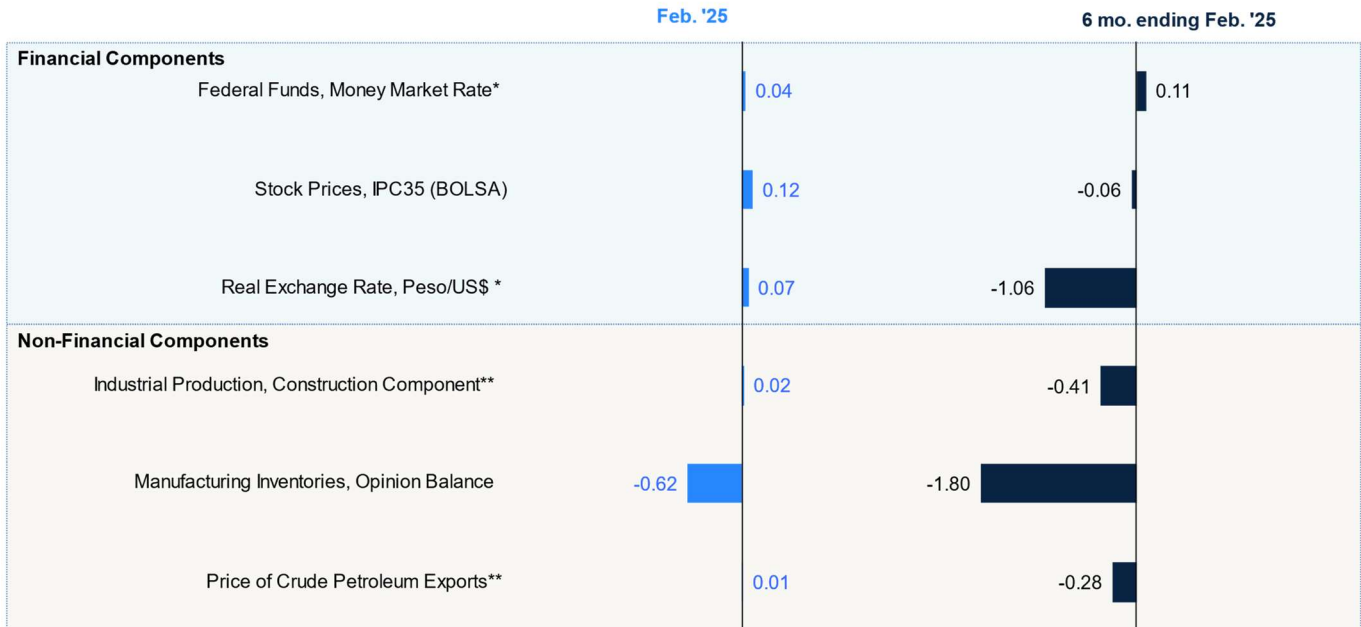
**The next release is scheduled for Thursday, April 17, 2025, at 11 A.M. ET.**

## The Mexico LEI decreased in February



## The February drop was driven by a decline in opinion balance for manufacturing inventories

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



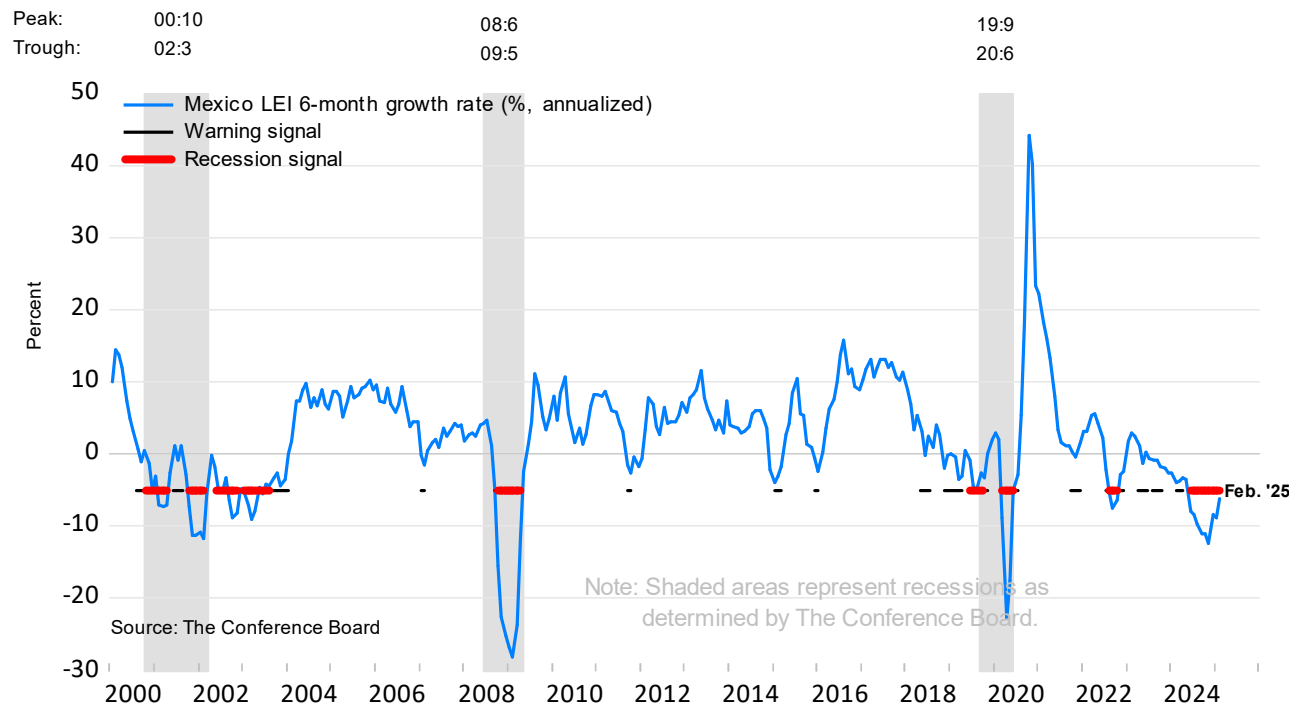
Source: The Conference Board

\* 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 together with weakness among its components over the same time span continued to signal 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 -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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