



THE CONFERENCE BOARD

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The Conference Board®  
Germany Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX<sup>TM</sup> (LEI)**  
**FOR GERMANY**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR OCTOBER 2009**

Next month's release will incorporate annual benchmark revisions to the composite indexes, 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 will no longer be directly comparable to those issued prior to the benchmark revision.

For more information, please visit our website at <http://www.conference-board.org/economics/bci/> or contact us at [indicators@conference-board.org](mailto:indicators@conference-board.org).

**BRUSSELS, December 22, 2009...** The Conference Board Leading Economic Index<sup>TM</sup> (LEI) for Germany increased 0.6 percent and The Conference Board Coincident Economic Index<sup>TM</sup> (CEI) decreased 0.3 percent in October.

- The Conference Board LEI for Germany increased again in October with the yield spread and consumer confidence again making the largest positive contributions. The index was revised up between May and September after new data for gross enterprises and properties income became available. Between April and October 2009, the leading economic index increased by 8.0 percent (about a 16.6 percent annual rate), a sharp reversal from the 10.0 percent decline (about a -19.0 percent annual rate) between October 2008 and April 2009. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Germany, a measure of current economic activity, decreased in October after increasing in September. Between April and October 2009, the coincident economic index increased by 0.4 percent (about a 0.8 percent annual rate), after declining 3.4 percent (about a -6.7 percent annual rate) during the previous six months. Additionally, the strengths and weaknesses among the leading indicators have remained balanced in recent months. At the same time, real GDP increased at a 2.9 percent annual rate during the third quarter of 2009, after rising at a 1.8 percent annual rate during the second quarter.
- After a long downtrend between July 2007 and March 2009, The Conference Board LEI has grown rapidly since April, though the pace of this growth has slowed in October. As a result, its six-month growth rate remains near its highest level since 1983. Despite falling this month, the six-month growth rate for The Conference Board CEI for Germany remains positive. Taken together, the recent behavior of the composite economic indexes suggests that economic conditions will continue to improve in the near term.

**LEADING INDICATORS.** Six of the seven components in The Conference Board LEI for Germany increased in October. The positive contributors — in order from the largest positive contributor to the smallest— are the yield spread, consumer confidence, stock prices, gross enterprises and properties income\*, inventory change series\* and new residential construction orders\*. New orders in investment goods industries was the only negative contributor in October.

With the 0.6 percent increase in October, The Conference Board LEI for Germany now stands at 93.5 (2004=100). Based on revised data, this index increased 1.4 percent in September and increased 1.9 percent in August. During the six-month span through October, the index increased 8.0 percent, with six of the seven components increasing (diffusion index, six-month span equals 92.9 percent).

**COINCIDENT INDICATORS.** None of the four components that make up The Conference Board CEI for Germany increased in October. Industrial production, employed persons and manufacturing sales declined in October, while retail trade remained unchanged.

With the 0.3 percent decrease in October, The Conference Board CEI for Germany now stands at 101.9 (2004=100). Based on revised data, this index increased 0.4 percent in September and decreased 0.1 percent in August. During the six-month period through October, the index increased 0.4 percent, with two of the four components increasing (diffusion index, six-month span equals 50.0 percent).

*\* See notes under data availability.*

### **ABOUT THE CONFERENCE BOARD**

The Conference Board is a global, independent business membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance *and* better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

### **Summary Table of Composite Indexes**

	Aug	2009 Sep	Oct	6-month Apr to Oct
<b>Leading Economic Index (LEI)</b>	91.6 r	92.9 p	93.5 p	
Percent Change	1.9 r	1.4 p	0.6 p	8.0 p
Diffusion	92.9	92.9	78.6	92.9
<b>Coincident Economic Index (CEI)</b>	101.8	102.2 r	101.9 p	
Percent Change	-0.1	0.4 r	-0.3 p	0.4 p
Diffusion	25.0	75.0	12.5	50.0

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2004

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#### **For more information:**

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The next release is scheduled for Friday, January 22, 2010 at 10:00 A.M. Berlin Time (4:00 A.M. ET)