THE CONFERENCE BOARD

The Conference Board®
France Business Cycle Indicators℠

THE CONFERENCE BOARD LEADING ECONOMIC INDEX (LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR NOVEMBER 2008

This month's release incorporates annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in the source data. Also, the base year of the composite economic indexes has been changed to 2004=100 from 1990=100. 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 not be 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.

The Conference Board Leading Economic Index (LEI) for France declined 1.4 percent and The Conference Board Coincident Economic Index (CEI) decreased 0.2 percent in November.

- The Leading Economic Index declined sharply again in November as a result of a large decline in industrial new orders, followed by smaller declines in production expectations, new unemployment claims (inverted) and the stock price component. Between May and November, the leading index declined 4.9 percent (a -9.5 percent annual rate), which is below the 2.2 percent decline (a -4.3 percent annual rate) during the previous six months. In addition, the weaknesses among the leading indicators continue to remain widespread.
- The Coincident Economic Index, a measure of current economic activity, also declined in November, the fourth decline in the last six months primarily as a result of falling industrial production and employment. During the last six months, the CEI declined by 0.7 percent (a -1.3 percent annual rate), well below the 0.2 percent rate of increase (a 0.4 percent annual rate) between November 2007 and May 2008. Furthermore, the weaknesses among the coincident indicators have become very widespread in recent months. Meanwhile, real GDP declined at a 0.4 percent average annual rate in the second and third quarter of 2008 (including a 0.5 percent annual rate of growth in the third quarter), well below the 1.5 percent average annual rate of growth during the previous two quarters.
- The Leading Economic Index has been declining for more than a year while the weaknesses among its components have remained widespread during this period. Furthermore, the pace of decline has increased in recent months. The Coincident Economic Index began declining in February 2008, and its six-month change has remained slightly negative since June. The recent behavior of the composite indexes suggests that economic weakness is likely to continue into the first half of 2009 and that economic conditions could deteriorate further in the near term.

Please visit our website at http://www.conference-board.org/economics/bci
Also visit the web site of our research associate in France: http://www.rexecode.fr/index.jsv
The next release is scheduled for Tuesday, February 17, 2009 at 10:00 A.M. CET (04:00 A.M. ET)

LEADING INDICATORS. One of the seven components of the leading economic index increased in November. The yield spread was the only positive contributor. The negative contributors to the index— beginning with the largest negative contributor — are industrial new orders, production expectations, the inverted new unemployment claims, the stock price index, building permits (residential) and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing*.

   With the decrease of 1.4 percent in November, the leading economic index now stands at 101.9 (2004=100). Based on revised data, the index declined 1.9 percent in October and declined 0.5 percent in September. During the six-month span through November, the leading index decreased 4.9 percent, and one of the seven components increased (diffusion index, six-month span equals 14.3 percent).

COINCIDENT INDICATORS. Two of the four components of the coincident economic index increased in November. The positive contributors to the index were wage and salaries* and personal consumption. Industrial production and employment* declined in November.

   With the decrease of 0.2 percent in November, the coincident economic index now stands at 105.3 (2004=100). Based on revised data, this index decreased 0.2 percent in October and remained unchanged in September. During the six-month period through November, the coincident index decreased -0.7 percent, with one of the four series making a positive contribution (diffusion index, six-month span equals 25.0 percent).

* See notes under data availability.
   FOR TABLES AND CHARTS, SEE BELOW

   DATA AVAILABILITY. The data series used by The Conference Board to compute The Conference Board Leading Economic Index (LEI) for France and The Conference Board Coincident Economic Index (CEI) for France reported in this release are those available "as of" 10 A.M. ET on January 15, 2009. Some series are estimated as noted below.

   NOTES: Series in the leading economic index that are based on The Conference Board estimates are ratio deflator of manufacturing value added to unit labor cost in manufacturing. Series in the coincident economic index that are based on The Conference Board estimates are number of employees and wage and salaries.

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THE CYCLICAL INDICATOR APPROACH. The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading and coincident economic indexes are essentially composite averages of several leading or coincident indicators (see page 3 for details). They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component—primarily because they smooth out some of the volatility of individual components.

   Historically, the cyclical turning points in the leading economic index have occurred before those in aggregate economic activity, while the cyclical turning points in the coincident economic index have occurred at about the same time as those in aggregate economic activity.

   Further explanations of the cyclical indicator approach and the composite index methodology appear in The Conference Board's *Business Cycle Indicators* report and Web site:
   http://www.conference-board.org/economics/bci/

France Composite Economic Indexes: Components and Standardization Factors

Leading Economic Index	Factor
1. Yield Spread, 10 year minus Day-Day Loan	.1018
2. Stock Price SBF 250 Index	.0311
3. Building Permits, residential	.0380
4. New Unemployment Claims	.1283
5. Industrial New Orders	.0457
6. Production Expectations	.0356
7. Ratio Deflator of Manuf. Value Added to Unit Labor Cost	.6196

Coincident Economic Index	
1. Industrial Production	.0600
2. Personal Consumptions	.0517
3. Number of Employees	.5886
4. Wage and Salaries	.2997

Notes:
The component factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are "normalized" to sum to 1. Under normal circumstances, updates to the leading and coincident indexes only incorporate revisions to data over the past six months.

The factors above for the leading economic index were calculated using 1983-2007 as the sample period for measuring volatility. Separate sets of factors for the 1976-1982 period and 1970-1976 period are available upon request. The factors above for the coincident economic index were calculated using 1978-2007 as the sample period. Separate sets of factors for the 1972-1978 period and 1970-1972 period are available upon request. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1. For additional information on the standardization factors and the index methodology visit our Web site: http://www.conference-board.org/economics/bci.

The trend adjustment factor for the leading economic index is 0.0149 (calculated from January 1970 to December 2007).

To address the problem of lags in available data, those leading and coincident indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each component. The resulting indexes are constructed using real and estimated data, and will be revised as the data unavailable at the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the U.S. Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading index the data, such as stock prices, that are available sooner than other data on "real" aspects of the economy, such as new orders and changes in inventory. Empirical research by The Conference Board suggests there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

NOTICES

The schedule for 2009 for the France "Leading Economic Indicators" news release is:

December 2008 Data……….Tuesday, February 17, 2009
January 2009 Data……….Tuesday, March 17, 2009
February 2009 Data……….Wednesday, April 22, 2009
March 2009 Data……….Wednesday, May 20, 2009
April 2009 Data……….Tuesday, June 23, 2009
May 2009 Data……….Wednesday, July 22, 2009
June 2009 Data……….Wednesday, August 19, 2009
July 2009 Data……….Tuesday, September 22, 2009
August 2009 Data……….Wednesday, October 21, 2009
September 2009 Data……….Tuesday, November 17, 2009
October 2009 Data……….Wednesday, December 16, 2009

All releases are at 10:00 A.M. CET (04:00 A.M. ET)

About The Conference Board

For over 90 years, The Conference Board has created and disseminated knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. The Conference Board operates as a global independent membership organization working in the public interest. It publishes information and analysis, makes economics-based forecasts and assesses trends, and facilitates learning by creating dynamic communities of interest that bring together senior executives from around the world. The Conference Board is a not-for-profit organization and holds 501(c)(3) tax-exempt status in the United States. For additional information about The Conference Board and how it can meet your needs, visit our website at www.conference-board.org.

AVAILABLE FROM THE CONFERENCE BOARD:

France Business Cycle Indicators Internet Subscription $ 635 per year (1 user)
(Includes monthly release, data, charts and commentary)
Individual Data Series $ 35 per series downloaded
Monthly BCI Report $ 275 per year
(Sample available at http://www.conference-board.org/publications/describeBCI.cfm)
BCI Handbook (published 2001) $ 20
Corporate Site License   contact Indicators Program at (212) 339-0330

Business Cycle Indicators for France, Germany, Japan, Korea, Mexico, Spain and the U.K. are available at $635 per country per year (1 user). Discounts are available to Associates of The Conference Board and accredited academic institutions.

The Conference Board France Business Cycle Indicators

Table 1.--Summary of France Composite Economic Indexes

| | 2008 | | | | | | |
	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
Leading index	107.1 r	106.8 r	106.2 r	105.8 r	105.3 p	103.3 p	101.9 p
Percent change	-0.6	-0.3	-0.6 r	-0.4	-0.5 p	-1.9 p	-1.4 p
Diffusion index	42.9	35.7	21.4	21.4	28.6	21.4	21.4
Coincident index	106.0 r	105.8 r	105.8 r	105.7 r	105.7 p	105.5 p	105.3 p
Percent change	-0.2	-0.2	0.0 r	-0.1 r	0.0 p	-0.2 p	-0.2 p
Diffusion index	25.0	0.0	62.5	25.0	50.0	25.0	50.0

	Nov. to May	Dec. to Jun	Jan. to Jul	Feb. to Aug	Mar. to Sep	Apr. to Oct	May to Nov
Leading index							
Percent change	-2.2	-1.9 r	-2.1 r	-2.1 r	-2.4 p	-4.1 p	-4.9 p
Diffusion index	14.3	14.3	14.3	21.4	28.6	14.3	14.3
Coincident index							
Percent change	0.2	-0.2	-0.3 r	-0.7 r	-0.5 p	-0.7 p	-0.7 p
Diffusion index	75.0	12.5	25.0	.0	25.0	50.0	25.0

p Preliminary.   r Revised (noted only for index levels and one-month percent changes).

CALCULATION NOTE: The diffusion indexes measure the proportion of the components that are rising. Components that rise more than 0.05 percent are given a value of 1.0, components that change less than 0.05 percent are given a value of 0.5, and components that fall more than 0.05 percent are given a value of 0.0.

For more information, visit our Web site at http://w w w .conference-board.org/economics/bci

Source: The Conference Board

The Conference Board France Business Cycle Indicators

Table 2.--Data and Net Contributions for Components of the France Leading Economic Index

Component	2008						
	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
	France Leading Economic Index Component Data						
Yield Spread, 10 years minus Day-Day Loan Rate---	0.38	0.73	0.50	0.10	0.07	0.36	0.78
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	3557.68	3310.65	3027.15	3107.54	2998.79	2457.92	2295.16
Building Permits Residential, thousands, (3 month moving average), S.A.------------	34.79	33.97	33.24 r	32.07	30.22	29.05 r	28.29
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	371.30	366.87	361.63	362.87	364.50	375.93	384.43
Industrial New Orders opinion balance,---	-10.00	-13.00	-19.00	-23.00	-26.00	-31.00	-43.00
Production Expectations for Months Ahead Diffusion Index---	6.50	5.90	-0.10	-3.30	-2.60	-16.30	-25.90
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q---	101.30	101.29 r	101.27 r	101.26 r	101.25 **	101.23 **	101.21 **
LEADING INDEX (2004=100)..	**107.1 r**	**106.8 r**	**106.2 r**	**105.8 r**	**105.3 p**	**103.3 p**	**101.9 p**
Percent change from preceding month.........…………………….	-0.6	-0.3	-0.6 r	-0.4	-0.5 p	-1.9 p	-1.4 p
	France Leading Economic Index net contributions						
Yield Spread, 10 years minus Day-Day Loan Rate---	....	0.07 r	0.05	0.01	0.01	0.04	0.08
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	....	-0.22 r	-0.28 r	0.08 r	-0.11 r	-0.62 r	-0.21
Building Permits Residential, thousands, (3 month moving average), S.A.------------	....	-0.09 r	-0.08 r	-0.14 r	-0.23 r	-0.15 r	-0.10
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	....	0.15 r	0.18 r	-0.04	-0.06 r	-0.40 r	-0.29
Industrial New Orders opinion balance,---	....	-0.14	-0.27 r	-0.18 r	-0.14	-0.23 r	-0.55
Production Expectations for Months Ahead Diffusion Index---	....	-0.02	-0.21 r	-0.11 r	0.02 r	-0.49 r	-0.34
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q---	....	-0.01 r	-0.01 r	-0.01 r	-0.01 **	-0.01 **	-0.01 **

p Preliminary.   r Revised.   s.a. Seasonally Adjusted

*   Inverted series; a negative change in this component makes a positive contribution to the index.

** Statistical Imputation (See page 2 for more details)

Q Quarterly series; these series are converted to monthly through a linear interpolation.

Data Sources: COE-Rexecode, Thomson Financial, INSEE

CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions

of the individual components (because of rounding effects and base value differences).

The Conference Board France Business Cycle Indicators

Table 3.--Data and Net Contributions for Components of the France Coincident Economic Index

Component	2008						
	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
	France Coincident Economic Index Component Data						
Industrial Production, Volume (2000=100). S.A..	102.4 r	101.6 r	102.8 r	102.3 r	101.6 r	97.8 r	95.5
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	22.0	21.9	22.0	21.9	22.0	21.9	22.0
Numbers of Employees in the Private Sector Thous. Of Employees, S.A. Q..	16039.8	16024.1 r	16008.5 r	15992.8 r	15978.4 **	15965.2 **	15953.2 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q..	109263.5 r	108973.0 r	108928.5 r	109146.4 r	109341.7 **	109525.4 **	109703.1 **
COINCIDENT INDEX (2004=100)..........................	**106.0 r**	**105.8 r**	**105.8 r**	**105.7 r**	**105.7 p**	**105.5 p**	**105.3 p**
Percent change from preceding month................	-0.2	-0.2	0.0 r	-0.1 r	0.0 p	-0.2 p	-0.2 p
	France Coincident Economic Index net contributions						
Industrial Production, Volume (2000=100). S.A...	....	-.05	.07 r	-.03	-.04 r	-.23 r	-.14
Personal Consumption of Manuf. Goods Billions of Euros, S.A...	....	-.03 r	.01	-.02 r	.03 r	-.03 r	.01
Numbers of Employees in the Private Sector Thous. Of Employees, S.A. Q.................................	....	-.06 r	-.06 r	-.06 r	-.05 **	-.05 **	-.04 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q..	....	-.08	-.01 r	.06 r	.05 **	.05 **	.05 **

p Preliminary.   r Revised.   s.a. Seasonally adjusted

* Inverted series; a negative change in this component makes a positive contribution to the index.
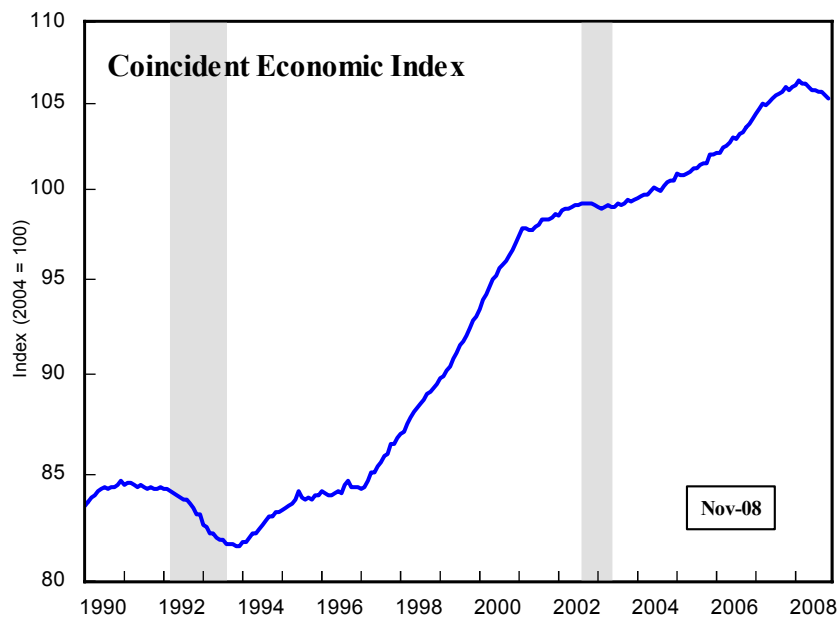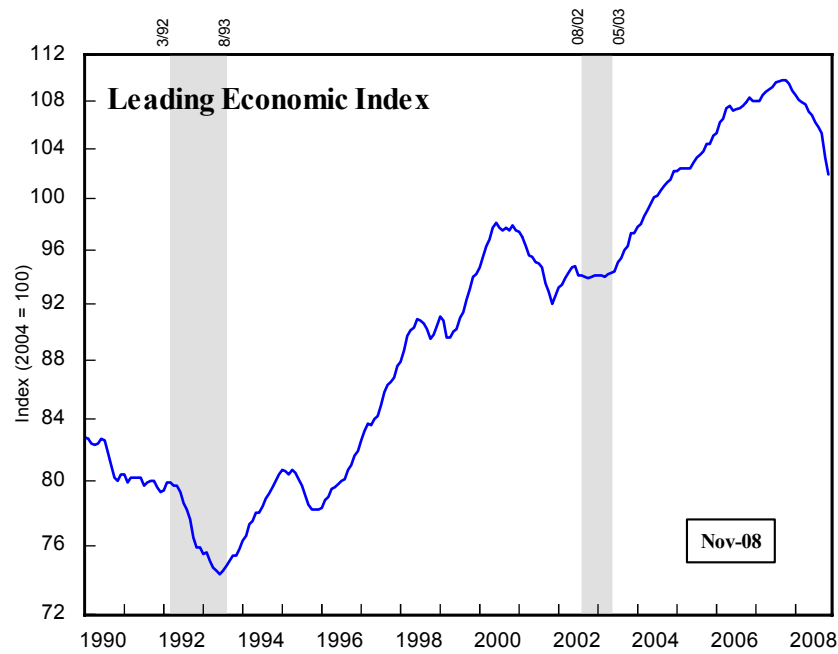
** Statistical Imputation (See page 2 for more details)

Q Quarterly series; these series are converted to monthly through a linear interpolation.

Data Sources: COE-Rexecode, Thomson Financial, INSEE

CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions

of the individual components (because of rounding effects and base value differences).

France

Leading Economic Index

Index (2004 = 100)

3/92 8/93 08/02 05/03

Nov-08

1990 1992 1994 1996 1998 2000 2002 2004 2006 2008

Coincident Economic Index

Index (2004 = 100)

Nov-08
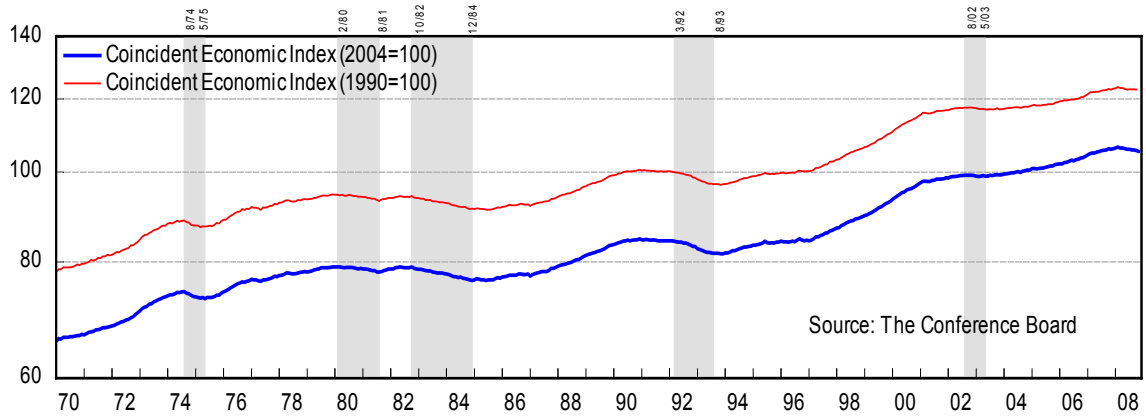
1990 1992 1994 1996 1998 2000 2002 2004 2006 2008

Note: The shaded areas represent business cycle recessions.
The peaks and troughs are designated by The Conference Board
based on the coincident index and real GDP.

Source: The Conference Board

The Conference Board Coincident Economic Index (CEI) Pre and Post-Benchmark Index Levels

The Conference Board Leading Economic Index (LEI) Pre and Post-Benchmark Index Levels