



News Release

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The Conference Board®
Germany Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR
GERMANY**
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JULY 2010

BRUSSELS, September 22, 2010... The Conference Board Leading Economic Index® (LEI) for Germany increased 1.0 percent and The Conference Board Coincident Economic Index® (CEI) decreased 0.1 percent in July.

- The Conference Board LEI for Germany increased again in July, and index levels were revised up between March and May as second quarter data for gross enterprise and property income and inventory change became available. In July, consumer confidence made a very large positive contribution to the index. Between January and July 2010, the leading economic index increased 6.9 percent (about a 14.3 percent annual rate), above the 4.8 percent increase (about a 9.8 percent annual rate) during the previous six-month period. In addition, the strengths among the leading indicators have remained very widespread in recent months.
- The Conference Board CEI for Germany, a measure of current economic activity, fell slightly in July as a result of a decline in manufacturing sales. During the six-month period ending July 2010, the coincident economic index increased 1.6 percent (about a 3.2 percent annual rate), up from the increase of 0.3 percent (about a 0.6 percent annual rate) between July 2009 and January 2010. In addition, the strengths among the coincident indicators have remained very widespread, with all four components increasing over the past six months. Real GDP increased at a 9.0 percent annual rate in the second quarter of 2010, following a 1.9 percent annual rate of increase in the first quarter.
- The Conference Board LEI for Germany has been on an increasing trend since April 2009. Its six-month growth rate has picked up lately, but it remains well below its September 2009 peak. Although The Conference Board CEI for Germany decreased slightly this month, it has been generally rising for more than a year, and its six-month growth rate has been fairly stable. Taken together, the recent behavior of the composite indexes suggests that economic activity should continue expanding in the near term.

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

In the U.S. – Friday, October 22, 2010 at 4:00 A.M. (ET)

LEADING INDICATORS. Five of the seven components in The Conference Board LEI for Germany increased in July. The positive contributors -- in order from the largest positive contributor to the smallest -- were consumer confidence, the yield spread, new orders in investment goods industries, inventory change*, and gross enterprises and properties income*. Negative contributors -- in order from largest to smallest -- were new residential construction orders* and stock prices.

With the 1.0 percent increase in July, The Conference Board LEI for Germany now stands at 105.1 (2004=100). Based on revised data, this index increased 0.5 percent in June and increased 0.5 percent in May. During the six-month span through July, the index increased 6.9 percent, with six of the seven components increasing (diffusion index, six-month span equals 85.7 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Germany increased in July. The positive contributors were employed persons and industrial production. Manufacturing sales and retail trade declined in July.

With the 0.1 percent decrease in July, The Conference Board CEI for Germany now stands at 103.9 (2004=100). Based on revised data, this index increased 0.1 percent in June and increased 0.6 percent in May. During the six-month period through July, the index increased 1.6 percent, with all four components increasing (diffusion index, six-month span equals 100.0 percent).

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

		2010		6-month
	May	Jun	Jul	Jan to Jul
Leading Economic Index (LEI)	103.6 r	104.1 p	105.1 p	
Percent Change	0.5 r	0.5 p	1.0 p	6.9 p
Diffusion	57.1	64.3	64.3	85.7
Coincident Economic Index (CEI)	103.9	104.0 r	103.9	
Percent Change	0.6	0.1 r	-0.1	1.6
Diffusion	100.0	75.0	37.5	100.0

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2004

Source: The Conference Board

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