



THE CONFERENCE BOARD

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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 MAY 2009

BRUSSELS, July 21, 2009... The Conference Board Leading Economic Index™ (LEI) for Germany increased 0.9 percent and The Conference Board Coincident Economic Index™ (CEI) increased 0.2 percent in May.

- The Conference Board LEI for Germany increased for the second consecutive month in May as positive contributions from new orders in investment goods industries, the yield spread and stock prices more than offset a negative contribution from consumer confidence. In addition, the index was revised upwards in April after new data for new residential construction orders became available. Between November 2008 and May 2009, the leading economic index decreased by 7.4 percent (about a -14.3 percent annual rate), slightly slower than the 8.5 percent decline (about a -16.2 percent annual rate) between May and November 2008. In addition, the weaknesses among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Germany, a measure of current economic activity, increased in May for the first time since August 2008 as a positive contribution from industrial production more than offset a negative contribution from retail sales. Between November 2008 and May 2009, the coincident economic index decreased by 2.9 percent (about a -5.7 percent annual rate), faster than the 0.9 percent decline (about a -1.9 percent annual rate) during the previous six months. Additionally, the weaknesses among the coincident indicators have remained very widespread, with all four components decreasing during the past six months. Meanwhile, real GDP fell at a 14.4 percent annual rate during the first quarter of this year, its largest one-quarter contraction since 1970, following a decline of 8.6 percent annual rate during the fourth quarter of 2008.
- After a long downtrend between July 2007 and March 2009, The Conference Board LEI for Germany has risen during the past two months. As a result, the pace of its six-month contraction has moderated significantly in recent months, though it remains sharp. The Conference Board CEI for Germany increased slightly in May but has been generally falling since August 2008. Taken together, the recent behavior of the composite indexes suggests that although the downturn is likely to continue in the near term, the pace of decline could begin to moderate.

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

With the 0.9 percent increase in May, The Conference Board LEI for Germany now stands at 87.2 (2004=100). Based on revised data, this index increased 1.1 percent in April and declined 0.9 percent in March. During the six-month span through May, the index decreased 7.4 percent, with two of the seven components increasing (diffusion index, six-month span equals 28.6 percent).

**See notes under data availability*

COINCIDENT INDICATORS. One of the four components that make up The Conference Board CEI for Germany increased in May. The only positive contributor was industrial production. Retail trade, employed persons and manufacturing sales declined in May.

With the 0.2 percent increase in May, The Conference Board CEI for Germany now stands at 101.5 (2004=100). Based on revised data, this index decreased 0.2 percent in April and decreased 0.2 percent in March. During the six-month period through May, the index decreased 2.9 percent, with none of the four components increasing (diffusion index, six-month span equals 0.0 percent).

** See notes under data availability.*

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

		2009		6-month
	Mar	Apr	May	Nov to May
Leading Economic Index (LEI)	85.5 p	86.4 p	87.2 p	
Percent Change	-0.9 p	1.1 p	0.9 p	-7.4 p
Diffusion	35.7	64.3	71.4	28.6
Coincident Economic Index (CEI)	101.5	101.3	101.5 p	
Percent Change	-0.2 r	-0.2	0.2 p	-2.9 p
Diffusion	50.0	37.5	37.5	0.0

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

Source: The Conference Board All Rights Reserved

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The next release is scheduled for Tuesday, August 18, 2009 at 10:00 A.M. Berlin Time (4:00 A.M. ET)