



## THE CONFERENCE BOARD

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### *The Conference Board Leading Economic Index™ (LEI) for the U.K.*

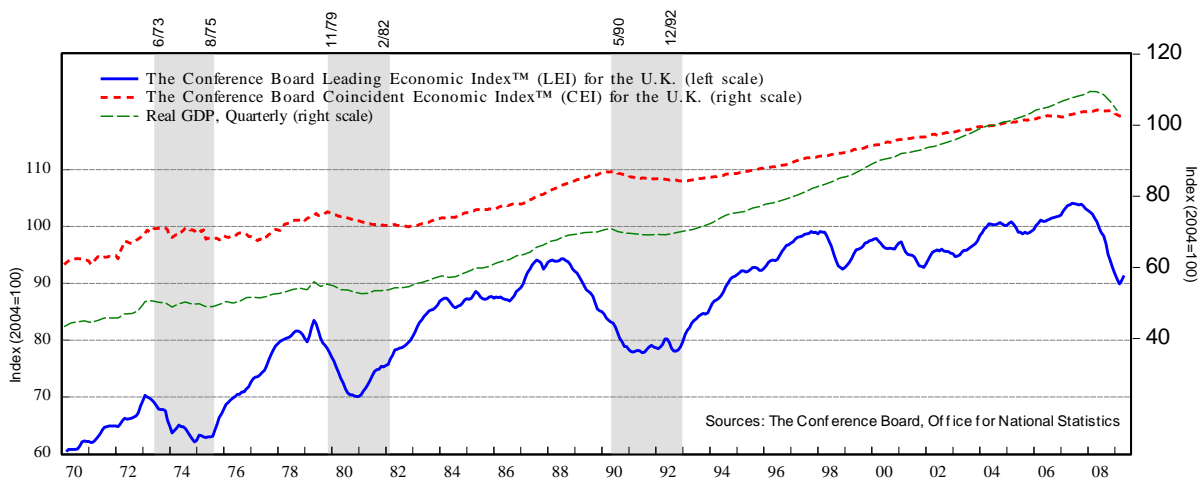
#### Increases again in May

**BRUSSELS, July 9, 2009...** The Conference Board Leading Economic Index™ (LEI) for the U.K. increased by 1.0 percent in May to 91.4 (2004 = 100), following a 0.7 percent rise in April and a 0.9 percent drop in March. Volume of expected output, consumer confidence, stock prices and the yield spread made the largest positive contributions to the index.

Said Jean-Claude Manini, The Conference Board Senior Economist for Europe: “Although the leading economic index for the United Kingdom increased substantially for two consecutive months, it still does not provide a recovery signal, unlike the leading economic indexes for the [Euro Area](#) and the [United States](#). The current conditions of the U.K. economy still remain weak and a recovery is not around the corner.”

The Conference Board LEI for the U.K. increased for a second consecutive month in May after a long period of decline. At the same time, **The Conference Board Coincident Economic Index™ (CEI)** for the U.K., a measure of current economic activity, decreased 0.1 percent in May, after remaining unchanged in April and decreasing 0.3 percent in March. The decline in the CEI was mainly due to falling industrial production and retail sales and the index now stands at 102.5 (2004 = 100).

#### **The Conference Board LEI for the U.K. shows improvement in April and May**



Note: Shaded areas represent recessions in the U.K. as determined by The Conference Board

LEI Peak: June 2007

CEI Peak: May 2008

Real GDP Peak: Q1 2008

The Conference Board LEI for the U.K. aggregates seven economic indicators that measure activity in the U.K., each of which has proven accurate on its own. Aggregating individual indicators into a composite index filters out so-called “noise” to show underlying trends more clearly.

The seven components of **The Conference Board Leading Economic Index™** for the U.K. include:

- Order Book Volume (source: Confederation of British Industry)
- Volume of Expected Output (source: Confederation of British Industry)
- Consumer Confidence Indicator (source: European Commission)
- FTSE All-Share Index (source: FTSE Group)
- Yield Spread (source: Bank of England)
- Productivity, Whole Economy (Office for National Statistics)
- Total Gross Operating Surplus of Corporations (Office for National Statistics)

Plotted back to 1970, this index has successfully signaled turning points in the U.K. business cycles. The Conference Board currently produces leading economic indexes for the Euro Area and eight other countries, including the U.S., Germany, France, Spain, Japan, Australia, Korea and Mexico.

To view The Conference Board calendar of 2009 indicator releases:

<http://www.conference-board.org/economics/indicators.cfm>

For more information: <http://www.conference-board.org/economics/bci/>

For full press release: [http://www.conference-board.org/economics/bci/pressRelease\\_output.cfm?cid=2](http://www.conference-board.org/economics/bci/pressRelease_output.cfm?cid=2)

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

		2009		6-month	
	Mar	Apr	May	Nov to May	
Leading Economic Index (LEI)	89.9 p	90.5 p	91.4 p		
Percent Change	-0.9 p	0.7 p	1.0 p	-2.7	
Diffusion	28.6	57.1	64.3	42.9	
Coincident Economic Index (CEI)	102.6 p	102.6 p	102.5 p		
Percent Change	-0.3 p	0.0 p	-0.1 p	-1.4	
Diffusion	25.0	50.0	25.0	25.0	

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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