



News Release

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Further information:

Professional Contacts at The Conference Board:

Indicator Program: 1-212-339-0330

indicators@conference-board.org

Media Contacts:

Frank Tortorici: 908-875-8908

f.tortorici@conference-board.org

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The Conference Board®

Korea Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR KOREA AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2010

The Conference Board Leading Economic Index® (LEI) for Korea remained unchanged and **The Conference Board Coincident Economic Index® (CEI)** for Korea also remained unchanged in June.

- The Conference Board LEI for Korea was unchanged in June following four consecutive increases. Positive contributions from private construction orders and the stock price index were offset by negative contributions from value of machinery orders and real exports. The six-month growth rate of the leading economic index has continued to slow, to 2.2 percent (about a 4.4 percent annual rate) from December 2009 to June 2010, sharply down from 8.0 percent (about a 16.7 percent annual rate) for the previous six months. However, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Korea, a measure of current economic activity, also remained unchanged in June. A decline in total employment was balanced by gains in wholesale and retail sales and monthly cash earnings*. Between December 2009 and June 2010, the coincident economic index increased by 1.4 percent (about a 2.7 percent annual rate), slightly slower than the 1.8 percent increase (about a 3.7 percent annual rate) for the previous six months. At the same time,

real GDP grew at a 6.0 percent annual rate in the second quarter of 2010, after growing at an 8.8 percent annual rate during the first quarter.

- Though it remained unchanged this month, The Conference Board LEI for Korea has been on an upward trend since early 2009. However, its six-month growth rate has slowed sharply this year. Meanwhile, The Conference Board CEI for Korea has also remained on a rising trend, though its growth rate has gradually slowed in recent months. Taken together, the current behavior of the composite indexes suggests that the economy will continue to grow, albeit at a modest pace in the near term.

LEADING INDICATORS. Three of the seven components that make up The Conference Board LEI for Korea increased in June. The positive contributors – from the largest positive contributor to the smallest – were private construction orders, stock prices, and the (inverted) index of inventories to shipments. Negative contributors – from the largest negative contributor to the smallest – were value of machinery orders, real exports FOB, letter of credit arrivals*, and the (inverted) yield of government public bonds.

After remaining unchanged in June, The Conference Board LEI for Korea now stands at 116.7 (2004=100). Based on revised data, this index increased 1.0 percent in May and increased 0.5 percent in April. During the six-month span through June, the leading economic index increased 2.2 percent, with five of the seven components advancing (diffusion index, six-month span equals 71.4 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Korea increased in June. The positive contributors– in order from the largest positive contributor to the smallest – were the wholesale and retail sales component and monthly cash earnings*. Total employment and industrial production declined in June.

After remaining unchanged in June, The Conference Board CEI for Korea now stands at 112.1 (2004=100). Based on revised data, this index increased 0.5 percent in May and increased 0.4 percent in April. During the six-month span through June, the coincident economic index increased 1.4 percent, with two of the four components advancing (diffusion index, six-month span equals 50.0 percent).

FOR TABLES AND CHARTS, SEE BELOW

DATA AVAILABILITY. The data series used to compute **The Conference Board Leading Economic Index[®]** (LEI) and **The Conference Board Coincident Economic Index[®]** (CEI) for Korea reported in this release are those available “as of” 10 A.M. (ET) on August 9, 2010.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. The series in the leading economic index based on The Conference Board’s estimates is letter of credit arrivals.

Summary Table of Composite Economic Indexes

	2010			6-month
	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Dec to Jun</u>
Leading Economic index (LEI)	115.6 r	116.7 r	116.7 p	
Percent Change	0.5 r	1.0 p	0.0	2.2 p
Diffusion	64.3 r	42.9 p	42.9	71.4
 Coincident Economic Index (CEI)	 111.5 p	 112.1 p	 112.1 p	
Percent Change	0.4 p	0.5 p	0.0 p	1.4 p
Diffusion	50.0	62.5	50.0	50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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The next release is scheduled for Wednesday, September 15, 2010 at 10:00 A.M. (KST)

In the U.S – Tuesday, September 14, 2010 at 9:00 P.M (ET)

For more information, visit The Conference Board website: www.conference-board.org/data/bci.cfm