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 JUNE 2009

Brussels, August 19, 2009…The Conference Board Leading Economic Index™ (LEI) for France increased 0.9 percent and **The Conference Board Coincident Economic Index™** (CEI) decreased 0.1 percent in June.

- The Conference LEI for France increased for the third consecutive month in June as new unemployment claims, the yield spread and production expectations made the largest positive contributions. Between December 2008 and June 2009, the leading economic index increased by 1.0 percent (about a 2.0 percent annual rate), a large improvement over the 5.3 percent decline (about a -10.4 percent annual rate) between September 2008 and March 2009. In addition, the strengths among the leading indicators have grown more widespread lately, though the weaknesses exceeded them slightly over the last six months.

- The Conference Board CEI for France, a measure of current economic activity, declined in June after remaining unchanged in May. The six-month decline in the coincident economic index now stands at 1.6 percent (about a -3.2 percent annual rate), slower than the 2.3 percent decline (about a -4.5 percent annual rate) between September 2008 and March 2009. However, the weaknesses among the coincident indicators have remained widespread over the past six months. At the same time, real GDP increased at a 1.4 percent annual rate during the second quarter of 2009, its first quarterly increase since the beginning of 2008, following a contraction of 5.3 percent annual rate during the first quarter.

- After falling from November 2007 through March 2009, The Conference Board LEI for France has strengthened throughout the past quarter. As a result, its six-month growth rate has become positive for the first time since November 2007. Meanwhile, The Conference Board CEI for France has been contracting since reaching its peak in February 2008, but the pace of this decline has eased in recent months. Taken together, the recent behavior of the composite economic indexes suggests that the contraction in economic activity should continue to ease in the near term, and that the economy may be moving closer to a recovery.

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

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, September 22, 2009 at 4:00 A.M. ET (10:00 A.M. Paris Time)

With the increase of 0.9 percent in June, the leading economic index now stands at 101.5 (2004=100). Based on revised data, the index increased 0.7 percent in May and increased 0.6 percent in April. During the six-month span through June, the index increased 1.0 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

COINCIDENT INDICATORS. Three of the four components of the coincident economic index increased in June. The positive contributors to the index were personal consumption, wage and salaries* and industrial production. Employment* declined in June.

With the decrease of 0.1 percent in June, the coincident economic index now stands at 102.9 (2004=100). Based on revised data, this index remained unchanged in May and decreased 0.2 percent in April. During the six-month period through June, the index decreased -1.6 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 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 August 17, 2009. Some series are estimated as noted below.

*Series in The Conference Board LEI for France that are based on our estimates are ratio deflator of manufacturing value added to unit labor cost in manufacturing and building permits (residential). Series in The Conference Board CEI for France that are based on our estimates are number of employees and wage and salaries.

The building permits (residential) component of **The Conference Board Leading Economic Index™** (LEI) for France was forecasted from March through June. This is due to partial data availability for the component from the source agency. Once all data has been made available, the series will be updated at that time.

For more information:

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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 Conference Board LEI for France have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for France 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	.6195

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.

These factors were revised effective on the release for January 2009, and all historical values for the two composite indexes were revised at this time to reflect the changes. 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 Conference Board LEI for France 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 Conference Board CEI for France 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 Conference Board LEI for France 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:

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 4:00 A.M. ET (10:00 A.M. Paris Time).

About The Conference Board

The Conference Board is a global, independent business-membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance AND better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

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 Dec.	2009 Jan.	Feb.	Mar.	Apr.	May.	Jun.
Leading index	100.5	100.5	99.7 r	99.3 p	99.9 p	100.6 p	101.5 p
Percent change	-0.9	0.0	-0.8 r	-0.4 p	0.6 p	0.7 p	0.9 p
Diffusion index	14.3	35.7	28.6	42.9	71.4	78.6	78.6
Coincident index	104.6	104.0	103.4	103.2 p	103.0 p	103.0 p	102.9 p
Percent change	-0.4	-0.6	-0.6	-0.2 p	-0.2 p	0.0 p	-0.1 p
Diffusion index	0.0	25.0	0.0	50.0	50.0	50.0	75.0

	Jun. to Dec	Jul. to Jan	Aug. to Feb	Sep. to Mar	Oct. to Apr	Nov. to May	Dec. to Jun
Leading index							
Percent change	-5.9	-5.4	-5.8 r	-5.3 p	-3.0 p	-0.8 p	1.0 p
Diffusion index	14.3	14.3	14.3	14.3	14.3	28.6	42.9
Coincident index							
Percent change	-1.1	-1.7	-2.3	-2.3 p	-2.1 p	-1.9 p	-1.6 p
Diffusion index	25.0	50.0	0.0	0.0	25.0	25.0	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://www.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	2009					
	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.
		France Leading Economic Index Component Data					
Yield Spread, 10 years minus Day-Day Loan Rate---	1.06	1.79	2.44	2.59	2.82	3.01	3.20
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	2227.74	2182.19	2051.78	1919.76	2124.95	2292.63	2296.83
Building Permits Residential, thousands, (3 month moving average), S.A.-----------	27.66	26.97	26.28	26.31	26.50 **	26.72 **	26.95 **
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	461.80	469.70	480.03	495.47	504.53	501.63	488.47
Industrial New Orders opinion balance,--	-56.00	-52.00	-61.00	-64.00	-63.00	-64.00	-65.00
Production Expectations for Months Ahead Diffusion Index---	-31.80	-31.80	-30.50	-28.90	-23.40	-19.70	-13.70
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q--	101.03 r	100.94 r	100.84 r	100.77 **	100.71 **	100.67 **	100.64 **
LEADING INDEX (2004=100)..	**100.5**	**100.5**	**99.7 r**	**99.3 p**	**99.9 p**	**100.6 p**	**101.5 p**
Percent change from preceding month..............................	-0.9	0.0	-0.8 r	-0.4 p	0.6 p	0.7 p	0.9 p
		France Leading Economic Index net contributions					
Yield Spread, 10 years minus Day-Day Loan Rate---	....	0.18	0.25	0.26	0.29	0.31	0.33
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	....	-0.06	-0.19	-0.21	0.32	0.24	0.01
Building Permits Residential, thousands, (3 month moving average), S.A.-----------	....	-0.10	-0.10	0.00	0.03 **	0.03 **	0.03 **
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	....	-0.22	-0.28	-0.41	-0.23	0.07	0.34
Industrial New Orders opinion balance,--	....	0.18	-0.41	-0.14	0.05	-0.05	-0.05
Production Expectations for Months Ahead Diffusion Index---	....	0.00	0.05	0.06	0.20	0.13	0.21
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q--	....	-0.06 r	-0.06 r	-0.04 **	-0.03 **	-0.03 **	-0.02 **

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	2009					
	Dec.	Jan.	Feb.	Mar.	Apr.	May.	Jun.
	France Coincident Economic Index Component Data						
Industrial Production, Volume (2005=100). S.A..	91.7 r	87.5 r	87.1 r	85.5 r	84.3 r	86.7 r	87.0
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	21.6	21.9	21.4	21.6	21.7	21.7	22.0
Number of Employees in the Private Sector Thous. Of Employees, S.A. Q...................................	15825.2	15761.1	15696.9	15636.9 **	15580.9	15528.5 **	15479.5 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q...	110169.3 r	109725.4 r	109045.6 r	109307.1 r	109542.4 r	109783.3 r	109979.6 **
COINCIDENT INDEX (2004=100).......................	**104.6**	**104.0**	**103.4**	**103.2 p**	**103.0 p**	**103.0 p**	**102.9 p**
Percent change from preceding month............	-0.4	-0.6	-0.6	-0.2 p	-0.2 p	0.0 p	-0.1 p
	France Coincident Economic Index net contributions						
Industrial Production, Volume (2005=100). S.A..	....	-.28 r	-.03 r	-.11 r	-.08 r	.17 r	.02
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	....	.08 r	-.11 r	.04 r	.03	-.01	.07
Number of Employees in the Private Sector Thous. Of Employees, S.A. Q............................	....	-.24	-.24	-.23 **	-.21	-.20 **	-.19 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q....................................	....	-.12	-.19	.07 r	.06 r	.07 r	.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

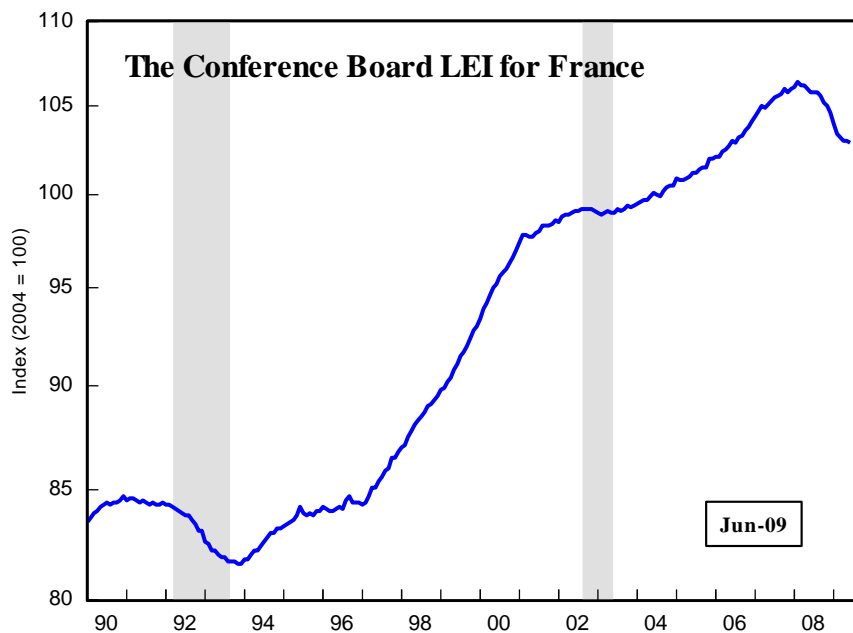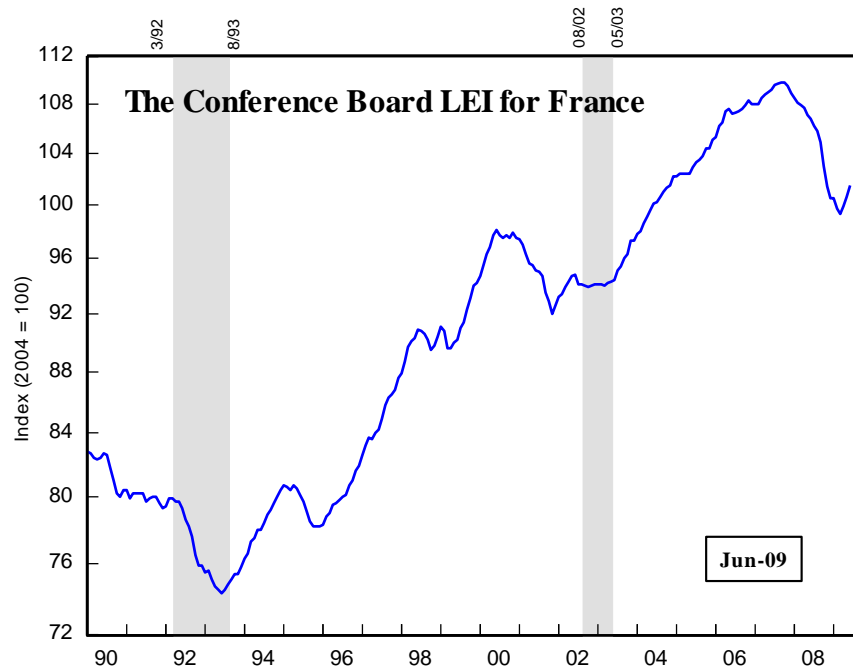of the individual components (because of rounding effects and base value differences).

France Composite Economic Indexes

The Conference Board LEI for France

Index (2004 = 100)

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

Jun-09

The Conference Board LEI for France

Index (2004 = 100)

Jun-09

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