



THE CONFERENCE BOARD

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The Conference Board®
Spain Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™
(LEI) FOR SPAIN
AND RELATED COMPOSITE INDEXES FOR MARCH 2009**

BRUSSELS, MAY. 12, 2009... The Conference Board Leading Economic Index™ (LEI) for Spain declined 0.1 percent. The Conference Board Coincident Economic Index™ (CEI) decreased 0.9 percent in March.

- The Conference Board LEI for Spain decreased for a seventh consecutive month in March. The capital equipment component of industrial production continued to make a large negative contribution to the index, more than offsetting positive contributions from the Spanish contribution to Euro money supply (M2), the long-term government bond yield (inverted) and stock prices. Between September 2008 and March 2009, the leading economic index decreased by 3.6 percent (about a -7.1 percent annual rate), well below the 1.1 percent decline (about a -2.1 percent annual rate) between March and September 2008. In addition, the weaknesses among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Spain, a measure of current economic activity, decreased again in March. Industrial production and employment* continued to make the largest negative contributions to the index. Between September 2008 and March 2009, the coincident economic index fell 5.8 percent (about a -11.3 percent annual rate), well below the 2.8 percent decline (about a -5.5 percent annual rate) during the previous six months. Additionally, the weaknesses among the coincident indicators remained very widespread, with none of the components increasing during the past six months. At the same time, real GDP fell at a 2.5 percent average annual rate during the second half of 2008 (contracting at a 3.8 percent annual rate during the fourth quarter), its lowest two-quarter growth rate since 1993.
- The Conference Board LEI for Spain has been falling for more than a year now, amid widespread weaknesses among its components. The index has decreased by 5.6 percent since the first quarter of 2008, its largest drop since the decline during the 1991-92 downturn. The Conference Board CEI for Spain has also been on a downtrend since its most recent peak in February 2008. This decline has accelerated in recent months, with the six-month growth rate for the index now at the lowest level in its 25-year history. Taken together, the recent behavior of the composite economic indexes suggests that the contraction in economic activity should continue in the near term.

LEADING INDICATORS. Four of the six components that make up The Conference Board LEI for Spain increased in March. The positive contributors—in order from the largest positive contributor to the smallest—are the Spanish contribution to Euro M2, the inverted long-term government bond yield, the Spanish equity price index and order books survey. The capital equipment component of industrial production was the only negative contributor to the index this month while job placings* remained unchanged.

With the decrease of 0.1 percent in March, The Conference Board LEI for Spain now stands at 106.2 (2004=100). Based on revised data, this index declined 0.7 percent in February and declined 0.7 percent in January. During the six-month span through March, the index decreased 3.6 percent, and two of the six components advanced (diffusion index, six-month span equals 33.3 percent).

COINCIDENT INDICATORS. One of the five components that make up The Conference Board CEI for Spain increased in March. Real imports* was the only positive contributor to the index this month. Industrial production excluding construction, employment*, final household consumption*, and retail sales survey declined in March.

With the decrease of 0.9 percent in March, The Conference Board CEI for Spain now stands at 102.1 (2004=100). Based on revised data, this index decreased 0.9 percent in February and decreased 1.0 percent in January. During the six-month span through March, the index decreased 5.8 percent, and none of the five components advanced (diffusion index, six-month span equals 0.0 percent).

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Summary Table of Composite Indexes

	2009			6-month
	Jan	Feb	Mar	Sep to Mar
Leading Economic Index (LEI)	107.1 r	106.3 r	106.2 p	
Percent Change	-0.7 r	-0.7	-0.1 p	-3.6 p
Diffusion	16.7	16.7	83.3	33.3
Coincident Economic Index (CEI)	103.9 p	103.0 p	102.1 p	
Percent Change	-1.0 p	-0.9 p	-0.9 p	-5.8 p
Diffusion	20.0	20.0	20.0	0.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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The next release is scheduled for Wednesday, June 17, 2009 at 10:00 A.M. (CET)

In the U.S. – Wednesday, June 17, 2009 at 4:00 A.M. (ET)