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For further information:

Frank Tortorici 212-339-0231 / f.tortorici@conference-board.org

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The Conference Board Leading Economic Index® (LEI) for the U.S. Increases

Indicators Point to Slow Expansion Through 2010

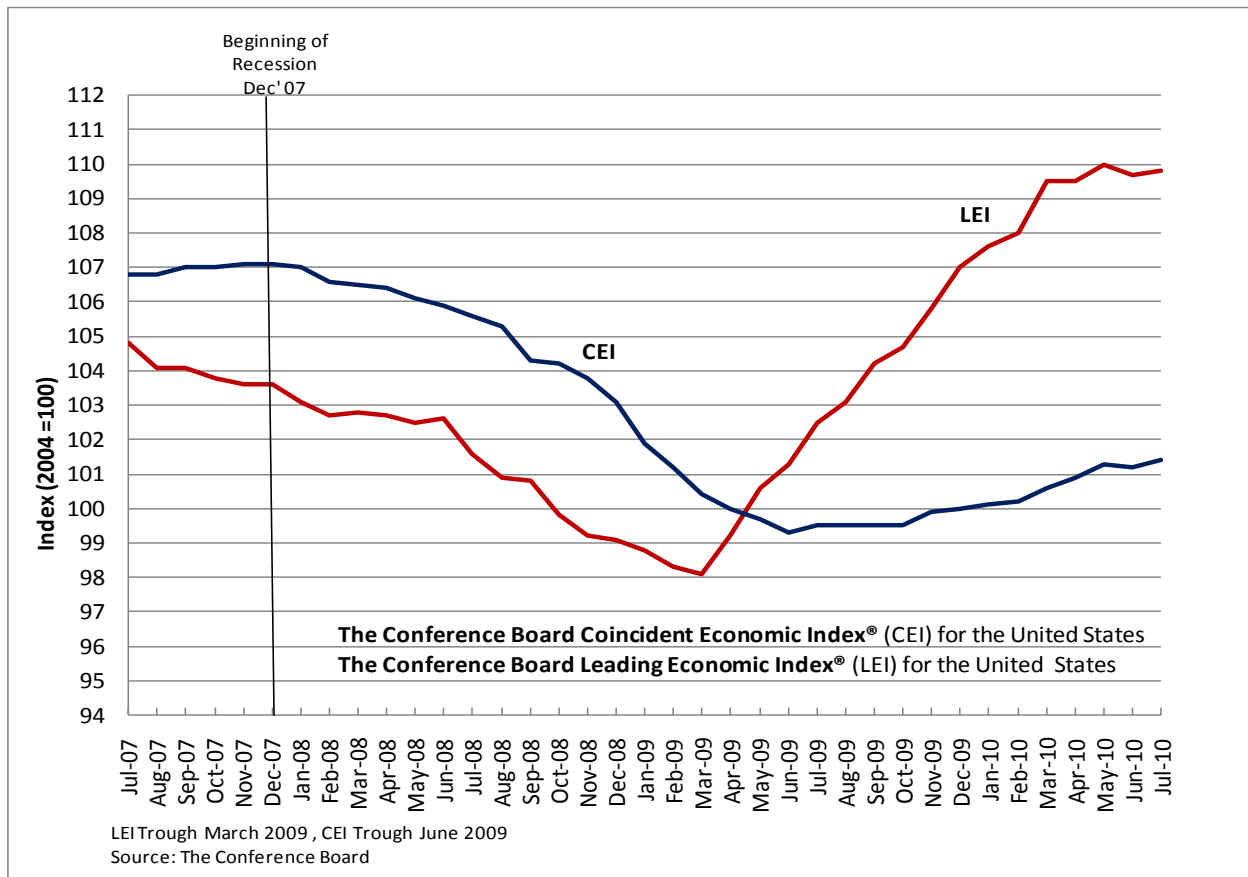
NEW YORK, August 19, 2010...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.1 percent in July to 109.8, following a 0.3 percent decline in June, and a 0.5 percent increase in May.

“The indicators point to a slow expansion through the end of the year,” says Ken Goldstein, economist at The Conference Board. “With inventory rebuilding moderating, the industrial core of the economy has moved to a slower pace. There appears to be no change in the pace of the service sector. Combined, the result is a weak economy with little forward momentum. However, the good news is that the data do not point to a recession.”

Says Ataman Ozyildirim, economist at The Conference Board: “The economy should continue expanding, albeit slowly. The LEI is growing at its slowest pace since mid-2009 and it has been essentially flat since March. However, the index is still well above pre-recession levels and the CEI remains on a rising trend that began in late 2009. All four coincident indicators have risen over the last six months, with July’s gain in industrial production offsetting the recent weakness in employment.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.2 percent in July to 101.4, following a 0.1 percent decline in June, and a 0.4 percent increase in May. **The Conference Board Lagging Economic Index® (LAG)** increased 0.4 percent in July to 107.9, following a 0.1 percent increase in June, and a 0.1 percent decline in May.

Indicators Point to Slow Expansion Through 2010



Summary Table of Composite Economic Indexes

	2010			6-month Jan to Jul
	May	Jun	Jul	
Leading index	110.0	109.7 r	109.8 p	
Percent Change	.5	-.3 r	.1 p	2.0
Diffusion	40.0	50.0	55.0	50.0
Coincident Index	101.3 r	101.2 p	101.4 p	
Percent Change	.4 r	-.1 p	.2 p	1.3
Diffusion	75.0	50.0	75.0	100.0
Lagging Index	107.4 r	107.5 p	107.9 p	
Percent Change	-.1	.1 p	.4 p	0.1
Diffusion	35.7	42.9	64.3	50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

About The Conference Board Leading Economic Index® (LEI) for the U.S.

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. 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.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include:

- Average weekly hours, manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers' new orders, consumer goods and materials
- Index of supplier deliveries – vendor performance
- Manufacturers' new orders, nondefense capital goods
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Money supply, M2
- Interest rate spread, 10-year Treasury bonds less federal funds
- Index of consumer expectations

For more information about The Conference Board global business cycle indicators:

<http://www.conference-board.org/data/bci.cfm>

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