



THE CONFERENCE BOARD

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

BRUSSELS, October 20, 2009... The Conference Board Leading Economic Index™ (LEI) for Germany increased 1.3 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.2 percent in August.

- The Conference Board LEI for Germany increased for the fifth consecutive month in August, with stock prices and new orders in investment goods industries making the largest positive contributions. Between February and August 2009, the leading economic index increased by 4.3 percent (about an 8.7 percent annual rate), a sharp reversal from the 13.9 percent decline (about a -25.8 percent annual rate) between August 2008 and February 2009. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Germany, a measure of current economic activity, declined in August after remaining unchanged in July and June. A positive contribution from industrial production was more than offset by negative contributions from employment and retail trade. Between February and August 2009, the coincident economic index declined by 0.3 percent (about a -0.6 percent annual rate), far slower than the 3.6 percent decline (about a -7.1 percent annual rate) between August 2008 and February 2009. However, the weaknesses among the coincident indicators have remained widespread. Meanwhile, real GDP rose at a 1.3 percent annual rate during the second quarter of 2009, its first increase since the first quarter of 2008, after falling at a 13.4 percent annual rate during the first quarter of this year.
- After a long downtrend between July 2007 and March 2009, The Conference Board LEI for Germany has risen during the past five months. As a result, its six-month growth rate has reached its highest rate since 2003. The Conference Board CEI for Germany has remained essentially flat since March 2009 after falling rapidly between August 2008 and February 2009. Taken together, the recent behavior of the composite economic indexes suggests that the downturn in economic activity could be bottoming out and that economic conditions will continue to improve in the months ahead.

LEADING INDICATORS. Five of the seven components in The Conference Board LEI for Germany increased in August. The positive contributors — in order from the largest positive contributor to the smallest— are stock prices, new orders in investment goods industries, yield spread, consumer confidence and inventory change series*. Negative contributors—in order from largest to smallest— are new residential construction orders* and gross enterprises and properties income*.

With the 1.3 percent increase in August, The Conference Board LEI for Germany now stands at 90.1 (2004=100). Based on revised data, this index increased 0.9 percent in July and increased 1.1 percent in June. During the six-month span through August, the index increased 4.3 percent, with five of the seven components increasing (diffusion index, six-month span equals 71.4 percent).

* See notes under data availability.

COINCIDENT INDICATORS. One of the four components that make up The Conference Board CEI for Germany increased in August. The only positive contributor was industrial production. Retail trade, employed persons and manufacturing sales declined in August.

With the 0.2 percent decrease in August, The Conference Board CEI for Germany now stands at 101.6 (2004=100). Based on revised data, this index remained unchanged in both July and June. During the six-month period through August, the index decreased 0.3 percent, with one of the four components increasing (diffusion index, six-month span equals 25.0 percent).

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.

Summary Table of Composite Indexes

		2009		6-month
	Jun	Jul	Aug	Feb to Aug
Leading Economic Index (LEI)	88.1 p	88.9 p	90.1 p	
Percent Change	1.1 p	0.9 p	1.3 p	4.3 p
Diffusion	71.4	71.4	71.4	71.4
Coincident Economic Index (CEI)	101.8 r	101.8 r	101.6 p	
Percent Change	0.0 r	0.0	-0.2 p	-0.3 p
Diffusion	50.0	50.0	25.0	25.0

n.a. Not available p Preliminary r Revised
 Indexes equal 100 in 2004

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The next release is scheduled for Wednesday, November 18, 2009 at 10:00 A.M. Berlin Time (4:00 A.M. ET)