

News Release

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FOR RELEASE: 10:00 A.M. KST, WEDNESDAY, JUNE 16, 2010

The Conference Board[®]

Korea Business Cycle IndicatorsSM

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®]
(LEI) FOR KOREA
AND RELATED COMPOSITE ECONOMIC INDEXES FOR APRIL 2010**

The Conference Board Leading Economic Index[®] (LEI) for Korea increased 0.2 percent and **The Conference Board Coincident Economic Index[®] (CEI)** for Korea increased 0.5 percent in April.

- The Conference Board LEI for Korea increased again in April. Positive contributions from exports, letter of credit arrivals, machinery orders, and financial indicators again more than offset large negative contributions from private construction orders and the (inverted) index of inventories to shipments. The leading economic index grew by 4.7 percent (about a 9.7 percent annual rate) from October 2009 to April 2010, down slightly from 5.8 percent (about an 11.9 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 increased in April. However, there were downward revisions to the index levels in the past several months, as actual data for monthly cash earnings became available. A significant gain in total employment more than offset declines in the wholesale and retail sales component and industrial production in April. Despite this month's gain, the six-month growth in the

coincident economic index has moderated to 1.6 percent (about a 3.3 percent annual rate) for the period through April, down from 2.7 percent (about a 5.5 percent annual rate) for the previous six months. At the same time, real GDP grew at an 8.8 percent annual rate in the first quarter of 2010, above the 6.9 percent average annual rate of increase in the second half of last year.

- The Conference Board LEI for Korea has been generally rising for more than a year now, although its six-month growth rate has moderated somewhat this year. At the same time, The Conference Board CEI for Korea has been on a slightly rising trend in recent months, after growing rapidly in 2009. Taken together, the current behavior of the composite indexes and their components suggests that the economy will continue to grow, albeit at a modest pace in the near term.

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

With the 0.2 percent increase in April, The Conference Board LEI for Korea now stands at 115.1 (2004=100). Based on revised data, this index increased 0.3 percent in March and increased 0.4 percent in February. During the six-month span through April, the leading economic index increased 4.7 percent, with five of the seven components advancing (diffusion index, six-month span equals 85.7 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Korea increased in April. The positive contributors were total employment and monthly cash earnings. The wholesale and retail sales component and industrial production declined in April.

With the 0.5 percent increase in April, The Conference Board CEI for Korea now stands at 111.5 (2004=100). Based on revised data, this index decreased 0.1 percent in March and increased 1.6 percent in February. During the six-month span through April, the coincident economic index increased 1.6 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 June 14, 2010.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. There is no forecasted series in the leading economic index.

Summary Table of Composite Economic Indexes

	2010			6-month <u>Oct to Apr</u>
	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	
Leading Economic index (LEI)	114.5	114.9	115.1	
Percent Change	0.4	0.3	0.2	4.7
Diffusion	57.1	71.4	64.3	85.7
Coincident Economic Index (CEI)	111.1 r	111.0 p	111.5 p	
Percent Change	1.6 p	-0.1 p	0.5 p	1.6 p
Diffusion	100.0	50.0	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, July 14, 2010 at 10:00 A.M. (KST)

In the U.S – Tuesday, July 13, 2009 at 9:00 P.M (ET)

For more information, visit The Conference Board website: <http://www.conference-board.org/economics/bci/>