



THE CONFERENCE BOARD

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The Conference Board®
Germany Business Cycle Indicators™

THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR GERMANY AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2010

BRUSSELS, March 24, 2010... The Conference Board Leading Economic Index® (LEI) for Germany increased 0.5 percent and The Conference Board Coincident Economic Index® (CEI) remained unchanged in January.

- The Conference Board LEI for Germany increased again in January, with the yield spread and new orders in investment goods industries making the largest positive contributions. The index was revised downwards between September and December 2009 as new data for inventory change became available. Between July 2009 and January 2010, the leading economic index increased by 5.0 percent (about a 10.3 percent annual rate), faster than the 2.0 percent increase (about a 4.0 percent annual rate) between January and July 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, remained unchanged in January following two consecutive increases. Between July 2009 and January 2010, the coincident economic index increased by 0.2 percent (about a 0.4 percent annual rate), after declining by 0.5 percent (about a -1.0 percent annual rate) during the previous six months. Additionally, the strengths and weaknesses among the coincident indicators have been balanced in recent months. At the same time, real GDP remained unchanged in the fourth quarter of 2009, after growing during the previous two quarters.
- After increasing rapidly from March through September 2009, The Conference Board LEI for Germany has grown more slowly in recent months. As a result, its six-month growth rate has moderated from the high reached in September. The Conference Board CEI for Germany has been essentially flat since September 2009, after increasing modestly between April and September 2009. Taken together, the recent behavior of the composite indexes suggests that economic activity will likely expand at a slow pace in the near term.

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

With the 0.5 percent increase in January, The Conference Board LEI for Germany now stands at 98.5 (2004=100). Based on revised data, this index increased 0.5 percent in December and remained unchanged in November. During the six-month span through January, the index increased 5.0 percent, with six of the seven components increasing (diffusion index, six-month span equals 85.7 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Germany increased in January. The positive contributors were industrial production and employed persons. Manufacturing sales and retail trade declined in January.

After remaining unchanged in January, The Conference Board CEI for Germany now stands at 102.2 (2004=100). Based on revised data, this index increased 0.1 percent in December and increased 0.1 percent in November. During the six-month period through January, the index increased 0.2 percent, with two of the four components increasing (diffusion index, six-month span equals 50.0 percent).

* See notes under data availability.

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

	2009 Nov	2010 Dec	2010 Jan	6-month Jul to Jan
Leading Economic Index (LEI)	97.5 r	98.0 p	98.5 p	
Percent Change	0.0 r	0.5 p	0.5 p	5.0 p
Diffusion	50.0	42.9	71.4	85.7
Coincident Economic Index (CEI)	102.1	102.2 r	102.2 p	
Percent Change	0.1 r	0.1 r	0.0 p	0.2 p
Diffusion	62.5	75.0	37.5	50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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The next release is scheduled for Thursday, April 22, 2010 at 10:00 A.M. Berlin Time (4:00 A.M. ET)