



## THE CONFERENCE BOARD

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### *The Conference Board Leading Economic Index® (LEI) for the Euro Area*

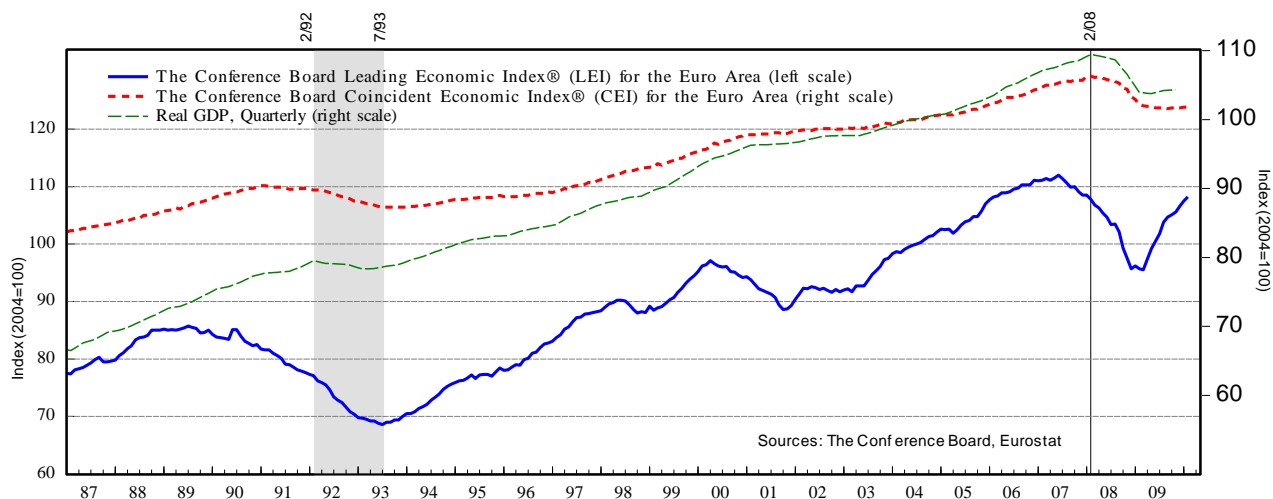
#### Increases Again in February

**BRUSSELS, March 29, 2010...** The Conference Board Leading Economic Index® (LEI) for the Euro Area increased 0.7 percent in February to 108.2 (2004 = 100), following a 0.8 percent increase in January and a 0.9 percent increase in December. Four of the eight components contributed positively to the index this month and its six-month growth rate has been slowing since September 2009.

Said Jean-Claude Manini, The Conference Board Senior Economist for Europe: “The LEI for the Euro Area remains on a rising trend, but it is losing momentum. The pickup in industrial activity is still not matched by a sustainable rebound in final domestic demand. As a result, the recovery should remain sluggish and is subject to downside risks from a weak job market and high levels of public debt.”

The Conference Board LEI for the Euro Area has increased by 13.3 percent since its March 2009 trough. Meanwhile, **The Conference Board Coincident Economic Index® (CEI)** for the Euro Area, a measure of current economic activity, was unchanged in February, remaining at 101.8 (2004 = 100) according to preliminary estimates\*. It increased by 0.1 percent in January and was unchanged in December. The six-month growth rate for The Conference Board CEI for the Euro Area has been positive during the past two months.

### **The Upward Trend in the Leading Economic Index has Grown More Slowly in Recent Months**



Note: Shaded areas represent recessions in the Euro Area as determined by The Conference Board

LEI Peak: June 2007

CEI Peak: February 2008

Real GDP Peak: Q1 2008

The Conference Board LEI for the Euro Area aggregates eight economic indicators that measure activity in the Euro Area as a whole (rather than indicators of individual member countries), each of which has proven accurate on its own. Aggregating individual indicators into a composite index filters out so-called “noise” to show underlying trends more clearly.

### **About The Conference Board Leading Economic Index® (LEI) for the Euro Area**

**The Conference Board Leading Economic Index®** for the Euro Area was launched in January 2009. Plotted back to 1987, this index has successfully signaled turning points in the business cycle of the bloc of countries that now constitute the Euro Area, defined by the common currency zone.

The Conference Board currently produces leading economic indexes for nine other individual countries, including the U.S., the U.K., Germany, France, Spain, Japan, Australia, Korea and Mexico.

The eight components of **The Conference Board Leading Economic Index®** for the Euro Area include:

Economic Sentiment Index (source: European Commission DG-ECFIN)

Index of Residential Building Permits Granted (source: Eurostat)

Index of Capital Goods New Orders (source: Eurostat)

Dow Jones EURO STOXX® Index (source: STOXX Limited)

Money Supply (M2) (source: European Central Bank)

Interest Rate Spread (source: ECB)

Eurozone Manufacturing Purchasing Managers’ Index (source: Markit Economics)

Eurozone Service Sector Future Business Activity Expectations Index (source: Markit Economics)

To view The Conference Board calendar of 2010 indicator releases:

<http://www.conference-board.org/economics/indicators.cfm>

\* Series in The Conference Board LEI for the Euro Area that are based on The Conference Board estimates are real money supply, residential building permits and new orders of capital goods. All series in The Conference Board CEI for the Euro Area are based on The Conference Board estimates (employment, industrial production, retail trade and manufacturing turnover).

### **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<br>Dec | 2010<br>Jan | Feb     | 6-month<br>Aug to Feb |
|--|-------------|-------------|---------|-----------------------|
| <b>Leading Economic Index (LEI)</b>    | 106.6 p     | 107.5 p     | 108.2 p |                       |
| Percent Change                         | 0.9 p       | 0.8 p       | 0.7 p   | 4.2 p                 |
| Diffusion                              | 68.8        | 75.0        | 43.8    | 68.8                  |
| <b>Coincident Economic Index (CEI)</b> | 101.7 p     | 101.8 p     | 101.8 p |                       |
| Percent Change                         | 0.0 p       | 0.1 p       | 0.0 p   | 0.1 p                 |
| Diffusion                              | 50.0        | 50.0        | 50.0    | 50.0                  |

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2004

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