THE CONFERENCE BOARD

The Conference Board®
France Business Cycle Indicators℠
THE CONFERENCE BOARD LEADING ECONOMIC INDEX™ (LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR NOVEMBER 2009

This month's release incorporates annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes will not be comparable to those issued prior to the benchmark revision.

For more information, please visit our website at http://www.conference-board.org/economics/bci/ or contact us at indicators@conference-board.org.

Brussels, January 20, 2010…The Conference Board Leading Economic Index™ (LEI) for France increased 0.6 percent and **The Conference Board Coincident Economic Index™** (CEI) remained unchanged in November.

- The Conference Board LEI for France increased again in November. The yield spread and production expectations index components made the largest positive contributions. Between May and November 2009, the leading economic index increased by 4.5 percent (about a 9.3 percent annual rate), a reversal from the 1.3 percent decline (about a -2.5 percent annual rate) in the previous six months. In addition, the strengths among the leading indicators have remained widespread in recent months.

- The Conference Board CEI for France, a measure of current economic activity, remained unchanged in November following four consecutive declines. Between May and November 2009, the coincident economic index declined by 0.4 percent (about a -0.8 percent annual rate), slower than the 1.7 percent decline (about a -3.4 percent annual rate) during the previous six months. Additionally, the strengths and weaknesses among the coincident indicators have remained balanced in recent months. At the same time, real GDP expanded at a 1.0 percent annual rate in the third quarter of 2009. Following a slightly higher 1.3 percent annual rate of growth in the second quarter, this is a continued improvement from the previous four consecutive quarters of decline.

- After falling from November 2007 through March 2009, The Conference Board LEI has risen sharply since the first quarter of this year. Its six-month growth rate is now slightly below its highest level since 1999. Meanwhile, The Conference Board CEI for France has been mostly falling since reaching a peak in February 2008, but the pace of its decline has gradually eased. Taken together, the recent behavior of the composite economic indexes suggests that economic conditions will continue to improve in the near term.

LEADING INDICATORS. Four of the seven components of the leading economic index increased in November. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, production expectations, building permits (residential), and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing*. The negative contributors to the index— beginning with the largest negative contributor— are the stock price index and the inverted new unemployment claims.   Industrial new orders remained unchanged in November.

With the increase of 0.6 percent in November, the leading economic index now stands at 106.1 (2004=100). Based on revised data, this index increased 0.8 percent in October and increased 0.9 percent in September. During the six-month span through November, the index increased 4.5 percent, and six of the seven components increased (diffusion index, six-month span equals 85.7 percent).

COINCIDENT INDICATORS. Two of the four components of the coincident economic index increased in November. The positive contributors to the index were industrial production and wage and salaries*. Number of employees* and personal consumption declined in November.

After remaining unchanged in November, the coincident economic index now stands at 103.2 (2004=100). Based on revised data, this index decreased 0.1 percent in October and decreased 0.1 percent in September. During the six-month period through November, the index decreased 0.4 percent, with two of the four series making a positive contribution (diffusion index, six-month span equals 50.0 percent).

* *See notes under data availability.*

FOR TABLES AND CHARTS, SEE BELOW

DATA AVAILABILITY. The data series used to compute **The Conference Board Leading Economic Index™** (LEI) for France and **The Conference Board Coincident Economic Index™** (CEI) for France reported in this release are those available "as of" 10 A.M. ET on January 14, 2010. Some series are estimated as noted below.

*The series in The Conference Board LEI for France that is based on our estimate is the ratio of the deflator of manufacturing value added to unit labor cost in manufacturing. Series in The Conference Board CEI for France that are based on our estimates are number of employees and wage and salaries.

Prior to March 2009, the residential building permits component of the LEI for France is calculated as permits granted minus permits canceled. From March 2009 going forward, the permits granted series replaces residential building permits because of delays in the publication of permits canceled by the source agency. The same standardization factor is applied to both series since their volatilities are similar. If the missing series becomes available, the original definition of the housing permits series may be restored at the next benchmark revision.

For more information:

The Conference Board Europe: + 32 2 675 5405
Email: indicators@conference−board.org
Website: http://www.conference-board.org/economics/bci/

*** *** ***

THE CYCLICAL INDICATOR APPROACH. The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading and coincident economic indexes are essentially composite averages of several leading or coincident indicators. (See page 3 for details.) 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.

Historically, the cyclical turning points in The Conference Board LEI for France have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for France have occurred at about the same time as those in aggregate economic activity.

Further explanations of the cyclical indicator approach and the composite index methodology appear in The Conference Board's *Business Cycle Indicators* report and website: http://www.conference-board.org/economics/bci/

France Composite Economic Indexes: Components and Standardization Factors

Leading Economic Index	Factor
1. Yield Spread, 10 year minus Day-Day Loan	.1047
2. Stock Price SBF 250 Index	.0307
3. Building Permits, residential	.0388
4. New Unemployment Claims	.1279
5. Industrial New Orders	.0446
6. Production Expectations	.0355
7. Ratio Deflator of Manuf. Value Added to Unit Labor Cost	.6178

Coincident Economic Index	
1. Industrial Production	.0609
2. Personal Consumptions	.0489
3. Number of Employees	.5710
4. Wage and Salaries	.3192

Notes:
The component factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are "normalized" to sum to 1.

These factors were revised effective on the release for January 2010, and all historical values for the two composite indexes were revised at this time to reflect the changes. Under normal circumstances, updates to the leading and coincident indexes only incorporate revisions to data over the past six months.
The factors above for The Conference Board LEI for France were calculated using 1983-2008 as the sample period for measuring volatility. Separate sets of factors for the 1976-1982 period and 1970-1976 period are available upon request. The factors above for The Conference Board CEI for France were calculated using 1978-2008 as the sample period. Separate sets of factors for the 1972-1978 period and 1970-1972 period are available upon request. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1. For additional information on the standardization factors and the index methodology visit our website: http://www.conference-board.org/economics/bci.

The trend adjustment factor for The Conference Board LEI for France is 0.0283 (calculated from January 1970 to December 2008).

To address the problem of lags in available data, those leading and coincident indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each component. The resulting indexes are constructed using real and estimated data, and will be revised as the data unavailable at the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the U.S. Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading index the data, such as stock prices, that are available sooner than other data on "real" aspects of the economy, such as new orders and changes in inventory. Empirical research by The Conference Board suggests there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

NOTICES

The schedule for 2010 for the France "Leading Economic Indicators" news release is:

December 2009 ……... Monday, February 22, 2010
January 2010 ……...... Tuesday, March 23, 2010
February 2010 …….... Wednesday, April 21, 2010
March 2010 ……..…. Wednesday, May 19, 2010
April 2010 ………..…. Monday, June 21, 2010
May 2010 ………..…. Monday, July 19, 2010
June 2010 ……………Wednesday, August 18, 2010
July 2010 ……………Tuesday, September 21, 2010
August 2010 ……...…Wednesday, October 20, 2010
September 2010 ….…..Monday, November 22, 2010
October 2010 …..……Monday, December 20, 2010

All releases are at 4:00 A.M. ET (10:00 A.M. Paris Time).

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.

AVAILABLE FROM THE CONFERENCE BOARD:

France Business Cycle Indicators Internet Subscription $ 635 per year (1 user)
(Includes monthly release, data, charts and commentary)
Individual Data Series $ 35 per series downloaded
Monthly BCI Report $ 275 per year
(Sample available at http://www.conference-board.org/publications/describeBCI.cfm)
BCI Handbook (published 2001) $ 20
Corporate Site License   contact Indicators Program at (212) 339-0330

Business Cycle Indicators for France, Germany, Japan, Korea, Mexico, Spain and the U.K. are available at $635 per country per year (1 user). Discounts are available to Associates of The Conference Board and accredited academic institutions.

The Conference Board France Business Cycle Indicators

Table 1.--Summary of France Composite Economic Indexes

	2009						
	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
Leading index	101.5	102.4	102.9	103.8	104.7 p	105.5 p	106.1 p
Percent change	0.6	0.9	0.5	0.9	0.9 p	0.8 p	0.6 p
Diffusion index	71.4	71.4	71.4	57.1	78.6	71.4	50.0
Coincident index	103.6	103.6	103.5	103.4	103.3 p	103.2 p	103.2 p
Percent change	0.0	0.0	-0.1	-0.1	-0.1 p	-0.1 p	0.0 p
Diffusion index	62.5	62.5	50.0	25.0	25.0	37.5	50.0

	Nov. to May	Dec. to Jun	Jan. to Jul	Feb. to Aug	Mar. to Sep	Apr. to Oct	May. to Nov
Leading index							
Percent change	-1.3	0.5	1.1	2.8	4.3 p	4.6 p	4.5 p
Diffusion index	28.6	57.1	57.1	71.4	71.4	85.7	85.7
Coincident index							
Percent change	-1.7	-1.3	-1.0	-0.5	-0.5 p	-0.4 p	-0.4 p
Diffusion index	25.0	25.0	12.5	50.0	50.0	50.0	50.0

p Preliminary.   r Revised (noted only for index levels and one-month percent changes).

CALCULATION NOTE: The diffusion indexes measure the proportion of the components that are rising. Components that rise more than 0.05 percent are given a value of 1.0, components that change less than 0.05 percent are given a value of 0.5, and components that fall more than 0.05 percent are given a value of 0.0.

For more information, visit our Web site at http://www.conference-board.org/economics/bci

Source: The Conference Board

The Conference Board France Business Cycle Indicators

Table 2.--Data and Net Contributions for Components of the France Leading Economic Index

Component	2009						
	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
	France Leading Economic Index Component Data						
Yield Spread, 10 years minus Day-Day Loan Rate	3.01	3.20	3.31	3.22	3.22	3.20	3.19
Stock Price SBF250 Index, index 1000=12/31/1990,	2292.63	2296.83	2278.63	2513.81	2660.06	2702.05	2669.95
Building Permits Residential, (3 month moving average), S.A.	31078.10	30488.55	30599.67	30313.14	31961.27	33892.80	34553.38
New Unemployment Claims* thousands, (3 month moving average), S.A.	501.63	488.47	483.60	493.00	509.23	516.73	517.27
Industrial New Orders opinion balance,	-64.00	-65.00	-63.00	-59.00	-55.00	-52.00	-52.00
Production Expectations for Months Ahead Diffusion Index	-19.70	-13.70	-17.50	-11.90	-4.40	0.50	5.50
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q	100.82	100.95 r	101.07 r	101.20 r	101.28 **	101.32 **	101.34 **
LEADING INDEX (2004=100)	**101.5**	**102.4**	**102.9**	**103.8**	**104.7 p**	**105.5 p**	**106.1 p**
Percent change from preceding month	0.6	0.9	0.5	0.9	0.9 p	0.8 p	0.6 p
	France Leading Economic Index net contributions						
Yield Spread, 10 years minus Day-Day Loan Rate	....	0.33	0.35	0.34	0.34	0.33	0.33
Stock Price SBF250 Index, index 1000=12/31/1990,	....	0.01	-0.02	0.30	0.17	0.05	-0.04
Building Permits Residential, (3 month moving average), S.A.	....	-0.07	0.01	-0.04	0.21	0.23	0.07
New Unemployment Claims* thousands, (3 month moving average), S.A.	....	0.34	0.13	-0.25	-0.41	-0.19	-0.01
Industrial New Orders opinion balance,	....	-0.04	0.09	0.18	0.18	0.13	0.00
Production Expectations for Months Ahead Diffusion Index	....	0.21	-0.13	0.20	0.27	0.17	0.18
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q	....	0.08	0.08	0.08	0.05 **	0.03 **	0.01 **

p Preliminary.   r Revised.   s.a. Seasonally Adjusted

*   Inverted series; a negative change in this component makes a positive contribution to the index.

** Statistical Imputation (See page 2 for more details)

Q Quarterly series; these series are converted to monthly through a linear interpolation.

Data Sources: COE-Rexecode, Thomson Financial, INSEE

CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions

of the individual components (because of rounding effects and base value differences).

The Conference Board France Business Cycle Indicators

Table 3.--Data and Net Contributions for Components of the France Coincident Economic Index

Component	2009						
	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.
	France Coincident Economic Index Component Data						
Industrial Production, Volume (2005=100). S.A..	87.0 r	87.2 r	87.7 r	90.2 r	89.1 r	88.6 r	89.6
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	21.8 r	22.0	21.8	21.5	22.1	22.3	22.3
Number of Employees in the Private Sector Thous. Of Employees, S.A. Q...................................	16151.6	16120.6	16089.5	16058.5	16031.1 **	16006.8 **	15985.3 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q...	109146.8 r	109096.7 r	109174.0 r	108812.5 r	108683.5 **	108678.1 **	108738.5 **
COINCIDENT INDEX (2004=100).....................	**103.6**	**103.6**	**103.5**	**103.4**	**103.3 p**	**103.2 p**	**103.2 p**
Percent change from preceding month............	0.0	0.0	-0.1	-0.1	-0.1 p	-0.1 p	0.0 p
	France Coincident Economic Index net contributions						
Industrial Production, Volume (2005=100). S.A..	....	.01	.03	.17	-.07	-.03	.07
Personal Consumption of Manuf. Goods Billions of Euros, S.A..	....	.05	-.06	-.06	.12	.05	-.01
Number of Employees in the Private Sector Thous. Of Employees, S.A. Q............................	....	-.11	-.11	-.11	-.10 **	-.09 **	-.08 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q....................................	....	-.01	.02	-.11	-.04 **	.00 **	.02 **

p Preliminary.   r Revised.   s.a. Seasonally adjusted

*   Inverted series; a negative change in this component makes a positive contribution to the index.

** Statistical Imputation (See page 2 for more details)

Q Quarterly series; these series are converted to monthly through a linear interpolation.

Data Sources: COE-Rexecode, Thomson Financial, INSEE

CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions

of the individual components (because of rounding effects and base value differences).
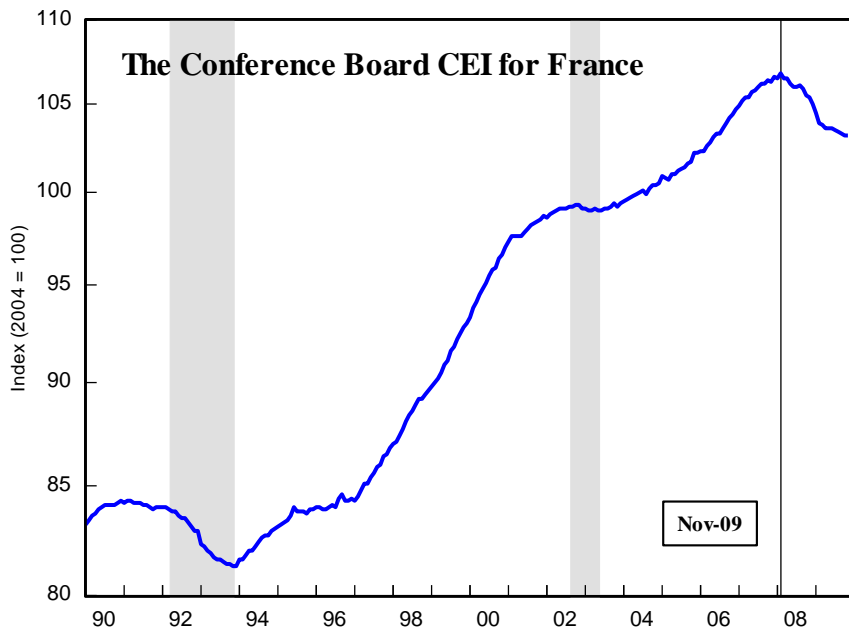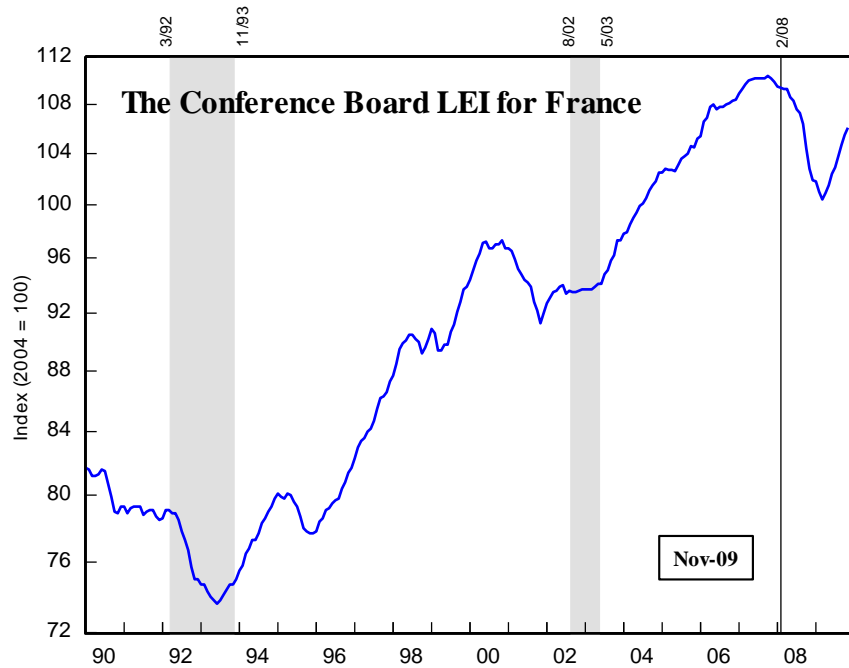
France Composite Economic Indexes

The Conference Board LEI for France

Index (2004 = 100)

Nov-09

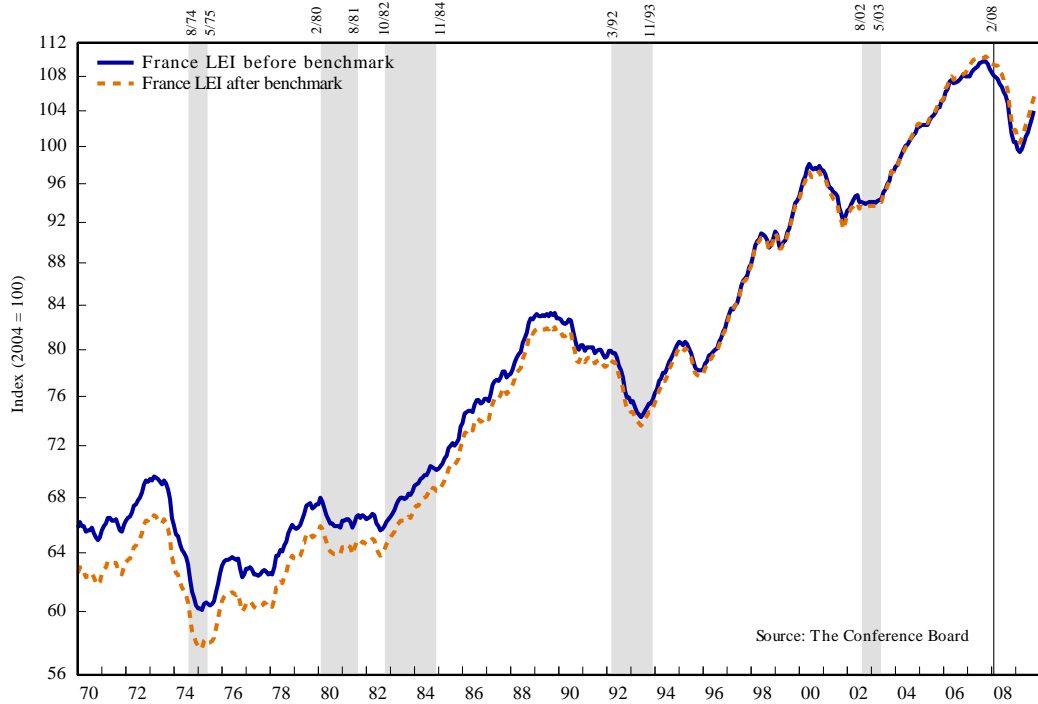3/92 11/93 8/02 5/03 2/08

The Conference Board CEI for France
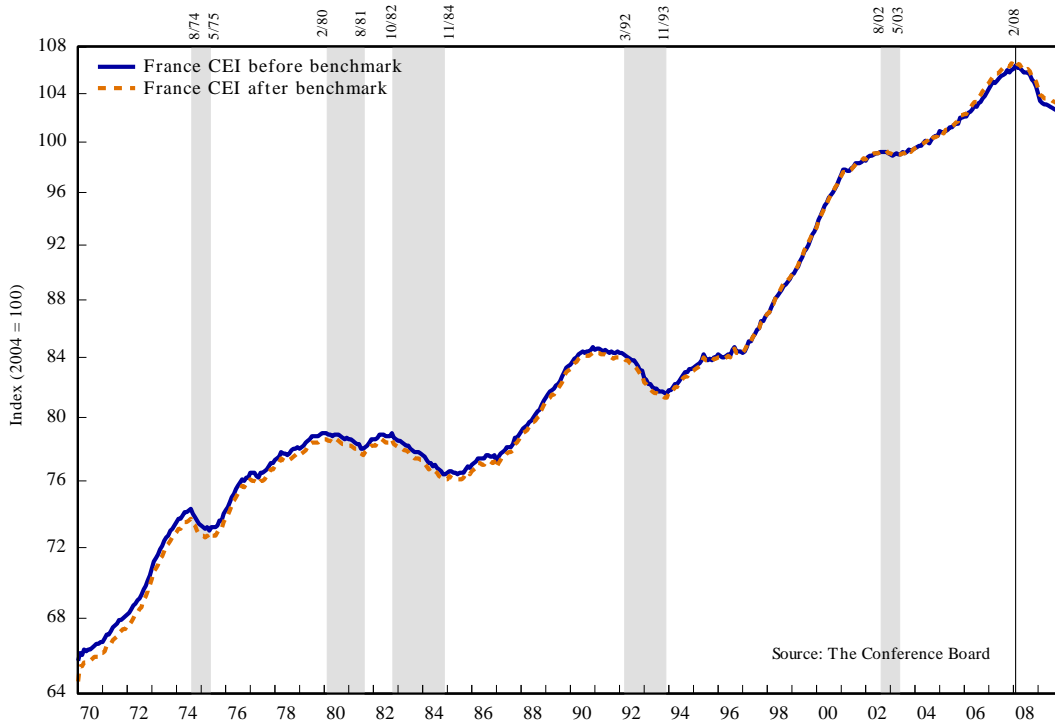
Index (2004 = 100)

Nov-09

Note: The shaded areas represent business cycle recessions.
The peaks and troughs are designated by The Conference Board
based on the coincident index and real GDP.

Source: The Conference Board

The Conference Board Leading Economic Index™ (LEI) for France before and after benchmark revision

The Conference Board Coincident Economic Index™ (CEI) for France before and after benchmark revision

Note: The shaded areas represent business cycle recessions. The peaks and troughs are designated by The Conference Board based on the Coincident Economic Index and real GDP.