



THE CONFERENCE BOARD

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The Conference Board®
Spain Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX™ (LEI)
FOR SPAIN
AND RELATED COMPOSITE INDEXES FOR JANUARY 2009

BRUSSELS, MAR. 11, 2009... The Conference Board Leading Economic Index™ (LEI) for Spain declined 0.5 percent. The Conference Board Coincident Economic Index™ (CEI) for Spain decreased 0.8 percent in January.

- TCB LEI for Spain decreased for a fifth consecutive month as negative contributions by job placings, stock prices, long-term government bond yield (inverted) and the order books survey more than offset a large positive contribution by the Spanish contribution to Euro money supply (M2). Between July 2008 and January 2009, TCB LEI for Spain declined by 2.2 percent (about a -4.3 percent annual rate), about the same rate of decline as that between January 2008 and July 2008. In addition, the weaknesses among the leading indicators have been widespread in recent months.
- TCB CEI for Spain, a measure of current economic activity, decreased for the ninth consecutive month in January, according to preliminary estimates. The index was also revised downwards from September 2008 through December 2008 as fourth quarter data for employment and final household consumption became available. During the past six months, TCB CEI for Spain has fallen by 5.0 percent (about a -9.8 percent annual rate), well below the 1.6 percent decline (about a -3.2 percent annual rate) for the previous six months. Additionally, the weaknesses among the coincident indicators have remained very widespread in recent months, with none of the components increasing. At the same time, real GDP contracted at a 2.5 percent average annual rate during the third and fourth quarter of 2008 (including a -3.8 percent annual rate during the fourth quarter), its lowest two quarter growth rate since 1993.
- TCB LEI for Spain has been falling since the first quarter of 2008, decreasing by 4.4 percent during this period, its largest decline since 1992. TCB CEI for Spain has also been falling since its most recent peak in February 2008. This decline has accelerated in recent months with the six-month growth rate for the index now at the lowest level in its 25 year history. Taken together, the recent behavior of the composite economic indexes suggests that the contraction in economic activity should continue in the near term.

LEADING INDICATORS. Two of the six components that make up TCB LEI for Spain increased in January. The positive contributors—in order from the largest positive contributor to the smallest—are the Spanish contribution to Euro M2, and the capital equipment component of industrial production*. The negative contributors—in order from the largest negative contributor to the smallest—are job placings, the Spanish equity price index, the inverted long-term government bond yield and order books survey.

With the decrease of 0.5 percent in January, TCB LEI for Spain now stands at 107.5 (2004=100). Based on revised data, this index declined 0.4 percent in December and declined 0.5 percent in November. During the six-month span through January, the index decreased 2.2 percent, and two of the six components advanced (diffusion index, six-month span equals 33.3 percent).

COINCIDENT INDICATORS. None of the five components that make up TCB CEI for Spain increased in January. Industrial production excluding construction*, employment*, final household consumption*, and retail sales survey* declined in January. Real imports* remained unchanged.

With the decrease of 0.8 percent in January, TCB CEI for Spain now stands at 104.5 (2004=100). Based on revised data, this index decreased 0.8 percent in December and decreased 1.1 percent in November. During the six-month span through January, the index decreased 5.0 percent, and none of the five components advanced (diffusion index, six-month span equals 0.0 percent).

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Summary Table of Composite Indexes

	2008		2009	6-month
	Nov	Dec	Jan	Jul to Jan
Leading Economic Index (LEI)	108.4	108.0 r	107.5 p	
Percent Change	-0.5	-0.4 r	-0.5 p	-2.2 p
Diffusion	50.0	50.0	33.3	33.3
Coincident Economic Index (CEI)	106.2 r	105.3 p	104.5 p	
Percent Change	-1.1 r	-0.8 p	-0.8 p	-5.0 p
Diffusion	0.0	20.0	10.0	0.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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The next release is scheduled for Monday, April 13, 2009 at 10:00 A.M. (CET)

In the U.S. – Monday, April 13, 2009 at 4:00 A.M. (ET)