



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 AUGUST 2009

BRUSSELS, October 13, 2009... The Conference Board Leading Economic Index™ (LEI) for Spain increased 1.8 percent. The Conference Board Coincident Economic Index™ (CEI) decreased 0.2 percent in August.

- The Conference Board LEI for Spain increased for the third consecutive month in August, and this month's increase was the largest since 1991. All six components increased, with the capital equipment component of industrial production and order books survey making the largest positive contributions. From February to August 2009, the leading economic index increased by 2.5 percent (about a 5.1 percent annual rate), a reversal from the 3.7 percent decline (about a -7.3 percent annual rate) from August 2008 to February 2009. In addition, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Spain, a measure of current economic activity, declined again in August, with final household consumption* and industrial production (excluding construction) making the largest negative contributions. Between February and August 2009, the coincident economic index decreased by 2.0 percent (about a -4.0 percent annual rate), slower than the 5.7 percent decline (about a -11.0 percent annual rate) for the previous six months. Additionally, the weaknesses among the coincident indicators have become less widespread in recent months. At the same time, real GDP contracted at a 4.2 percent annual rate during the second quarter of 2009, following a decline of 6.2 percent annual rate during the first quarter.
- After trending downward for more than a year, The Conference Board LEI for Spain rose slightly during the second quarter before increasing sharply in July and August. As a result, the six-month growth rate reached its highest level since the first quarter of 2007. Meanwhile, The Conference Board CEI for Spain has been falling since its most recent peak in February 2008, though the rate of its decline has moderated considerably during the past few months. Taken together, the recent behavior of the composite economic indexes suggests that the pace of contraction will continue to moderate and economic activity may even improve in the months ahead.

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

With the increase of 1.8 percent in August, The Conference Board LEI for Spain now stands at 109.1 (2004=100). Based on revised data, this index increased 0.9 percent in July and increased 0.3 percent in June. During the six-month span through August, the index increased 2.5 percent, and five of the six components advanced (diffusion index, six-month span equals 83.3 percent).

COINCIDENT INDICATORS. Two of the five components that make up The Conference Board CEI for Spain increased in August. The positive contributors — in order from the largest positive contributor to the smallest — are employment* and real imports*. Final household consumption*, industrial production (excluding construction) and the retail sales survey declined in August.

With the decrease of 0.2 percent in August, The Conference Board CEI for Spain now stands at 100.9 (2004=100). Based on revised data, this index decreased 0.1 percent in July and decreased 0.2 percent in June. During the six-month span through August, the index decreased 2.0 percent, and two of the five components advanced (diffusion index, six-month span equals 40.0 percent).

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Summary Table of Composite Indexes

	2009			6-month
	Jun	Jul	Aug	Feb to Aug
Leading Economic Index (LEI)	106.2 r	107.2 r	109.1 p	
Percent Change	0.3 r	0.9	1.8 p	2.5 p
Diffusion	50.0	83.3	100.0	83.3
Coincident Economic Index (CEI)	101.2 p	101.1 p	100.9 p	
Percent Change	-0.2 p	-0.1 p	-0.2 p	-2.0 p
Diffusion	60.0	60.0	40.0	40.0

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2004

Source: The Conference Board All Rights Reserved

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The next release is scheduled for Wednesday, November 11, 2009 at 10:00 A.M. (Madrid Time)

In the U.S. – Wednesday, November 11, 2009 at 4:00 A.M. (ET)