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 FEBRUARY 2010

Brussels, April 21, 2010…The Conference Board Leading Economic Index® (LEI) for France increased 0.2 percent and **The Conference Board Coincident Economic Index®** (CEI) decreased 0.1 percent in February.

- The Conference Board LEI for France increased again in February as positive contributions from the yield spread and inverted new unemployment claims more than offset negative contributions from stock prices and production expectations. Between August 2009 and February 2010, the leading economic index increased by 3.4 percent (about a 6.9 percent annual rate), below the 4.5 percent increase (about a 9.1 percent annual rate) between April and October 2009. In addition, the strengths among the leading indicators have been widespread in recent months.

- The Conference Board CEI for France, a measure of current economic activity, decreased slightly in February. Between August 2009 and February 2010, the index was unchanged after decreasing 0.5 percent (about a -1.0 percent annual rate) during the previous six months. Additionally, the strengths among the coincident indicators have been widespread in recent months. At the same time, real GDP expanded at a 2.4 percent annual rate in the fourth quarter of 2009, its third consecutive quarter of growth.

- The Conference Board LEI for France has risen sharply since the first quarter of 2009, though its six-month growth rate has moderated from the high it reached in October 2009. Meanwhile, The Conference Board CEI for France has remained flat during the past six months, after a long period of decline. Taken together, the recent behavior of the composite indexes suggests that the improvement in economic activity should continue in the near term.

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

With the increase of 0.2 percent in February, the leading economic index now stands at 107.3 (2004=100). Based on revised data, this index increased 0.7 percent in January and increased 0.5 percent in December. During the six-month span through February, the index increased 3.4 percent, and five of the seven components increased (diffusion index, six-month span equals 71.4 percent).

COINCIDENT INDICATORS. One of the four components of the coincident economic index increased in February. Wage and salaries* was the only positive contributor. Personal consumption and employment* declined in February, while industrial production remained unchanged.

        With the decrease of 0.1 percent in February, the coincident economic index now stands at 103.4 (2004=100). Based on revised data, this index remained unchanged in both January and December. During the six-month period through February, the index remained unchanged, with three of the four series making a positive contribution (diffusion index, six-month span equals 75.0 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 April 19, 2010. Some series are estimated as noted below.

        *The series in The Conference Board LEI for France that is based on our estimates 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 Conference Board LEI for France is calculated as permits granted minus permits cancelled. From March 2009 going forward, the permits granted series replaces residential building permits because of delays in the publication of permits cancelled data by the source agency. The same standardization factor is applied to both series because 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.

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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 2007).

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:

<div align="center">

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

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All releases are at 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				2010	
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
Leading index	103.8	104.6 r	105.4 r	105.9 r	106.4 p	107.1 p	107.3 p
Percent change	0.9	0.8 r	0.8 r	0.5	0.5 p	0.7 p	0.2 p
Diffusion index	57.1	64.3	64.3	42.9	57.1	71.4	35.7
Coincident index	103.4	103.4 r	103.4 r	103.5 r	103.5 p	103.5 p	103.4 p
Percent change	-0.1	0.0 r	0.0	0.1	0.0 p	0.0 p	-0.1 p
Diffusion index	25.0	62.5	50.0	75.0	50.0	62.5	50.0

	Feb. to Aug	Mar. to Sep	Apr. to Oct	May. to Nov	Jun. to Dec	Jul. to Jan	Aug. to Feb
Leading index							
Percent change	2.8	4.2 r	4.5 r	4.3 r	3.9 p	4.1 p	3.4 p
Diffusion index	71.4	71.4	85.7	78.6	57.1	57.1	71.4
Coincident index							
Percent change	-0.5	-0.4 r	-0.2 r	-0.1 r	-0.1 p	0.0 p	0.0 p
Diffusion index	25.0	50.0	50.0	50.0	50.0	50.0	75.0

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					2010	
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
	France Leading Economic Index Component Data						
Yield Spread, 10 years minus Day-Day Loan Rate---	3.22	3.22	3.20	3.19	3.15	3.19	3.10
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	2513.81	2660.06	2702.05	2669.95	2732.20	2793.09	2639.22
Building Permits Residential, (3 month moving average), S.A.--------------------------	30480.07 r	32110.09 r	34015.81 r	34487.65 r	35045.72 r	33472.29 r	33963.48
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	498.17	509.33	514.33	516.07	511.37	505.53	496.33
Industrial New Orders opinion balance,---	-59.00	-55.00	-52.00	-52.00	-52.00	-46.00	-48.00
Production Expectations for Months Ahead Diffusion Index--	-11.90	-4.40	0.50	5.50	1.30	3.10	-1.70
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q--	100.83 r	100.74 r	100.65 r	100.56 r	100.49 **	100.44 **	100.41 **
LEADING INDEX (2004=100)..............................	**103.8**	**104.6 r**	**105.4 r**	**105.9 r**	**106.4 p**	**107.1 p**	**107.3 p**
Percent change from preceding month................................	0.9	0.8 r	0.8 r	0.5	0.5 p	0.7 p	0.2 p
	France Leading Economic Index net contributions						
Yield Spread, 10 years minus Day-Day Loan Rate--	....	0.34	0.33	0.33	0.33	0.33	0.33
Stock Price SBF250 Index, index 1000=12/31/1990,--------------------------------	....	0.17	0.05	-0.04	0.07	0.07	-0.17
Building Permits Residential, (3 month moving average), S.A.--------------------------	....	0.20	0.22	0.05 r	0.06	-0.18	0.06
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	....	-0.28	-0.12	-0.04	0.12	0.15	0.23
Industrial New Orders opinion balance,--	....	0.18	0.13	0.00	0.00	0.27	-0.09
Production Expectations for Months Ahead Diffusion Index---	....	0.27	0.17	0.18	-0.15	0.06	-0.17
Ratio Deflator of Value Added to Unit Labor Cost (1995=100), Q--	....	-0.06 r	-0.06 r	-0.06 r	-0.04 **	-0.03 **	-0.02 **

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).

The Conference Board France Business Cycle Indicators

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

Component	2009				2010		
	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.
	France Coincident Economic Index Component Data						
Industrial Production, Volume (2005=100). S.A...	90.1 r	88.9 r	88.9	89.7 r	89.4	90.4 r	90.4
Personal Consumption of Manuf. Goods Billions of Euros, S.A...	21.6 r	22.1	22.3	22.5	22.8	22.2	21.9
Number of Employees in the Private Sector Thous. Of Employees, S.A. Q....................................	15869.5	15862.7	15856.0	15849.2	15843.3 **	15838.2 **	15833.7 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q...	108721.3 r	108889.0 r	108767.1 r	108722.0 r	108762.4 **	108847.6 **	108956.2 **
COINCIDENT INDEX (2004=100).......................	**103.4**	**103.4 r**	**103.4 r**	**103.5 r**	**103.5 p**	**103.5 p**	**103.4 p**
Percent change from preceding month............	-0.1	0.0 r	0.0	0.1	0.0 p	0.0 p	-0.1 p
	France Coincident Economic Index net contributions						
Industrial Production, Volume (2005=100). S.A...	....	-.08	.00 r	.05	-.02 r	.07 r	.00
Personal Consumption of Manuf. Goods Billions of Euros, S.A...	....	.12	.04	.04 r	.07 r	-.13	-.06
Number of Employees in the Private Sector Thous. Of Employees, S.A. Q...........................	....	-.02	-.02	-.02	-.02 **	-.02 **	-.02 **
Wage and Salaries, Financial and Non-Financial Millions of Euros, S.A. Q..................................	....	.05 r	-.04 r	-.01 r	.01 **	.02 **	.03 **

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

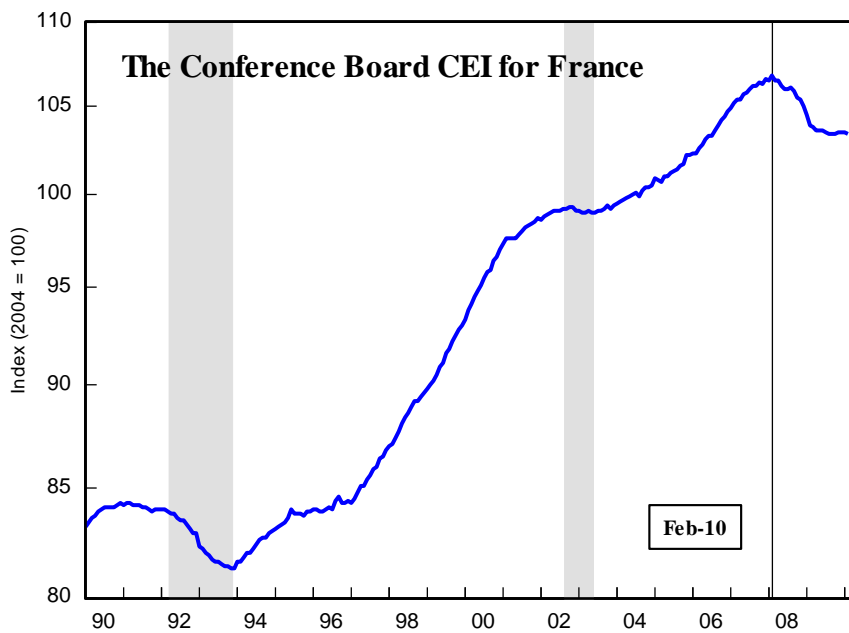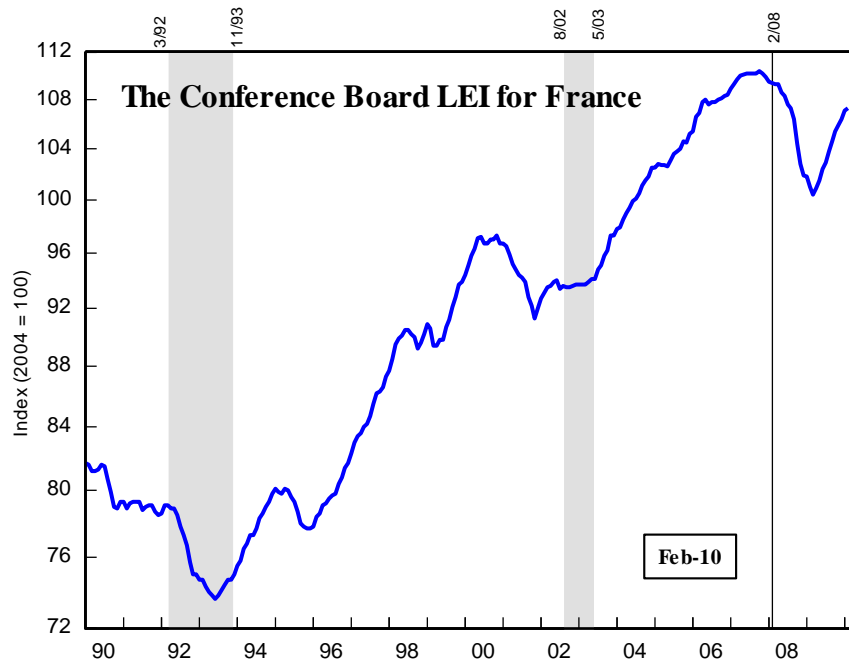of the individual components (because of rounding effects and base value differences).

France Composite Economic Indexes

The Conference Board LEI for France

Index (2004 = 100)

Feb-10

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

The Conference Board CEI for France

Index (2004 = 100)

Feb-10

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