

News Release

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The Conference Board Leading Economic Index® (LEI) for the U.S. Increases **Indicators Point to Slow Growth Through the Fall**

NEW YORK, July 21, 2011...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.3 percent in June to 115.3 (2004 = 100), following a 0.8 percent increase in May, and a 0.3 percent decline in April. The largest positive contributions came from money supply, the interest rate spread, and building permits.

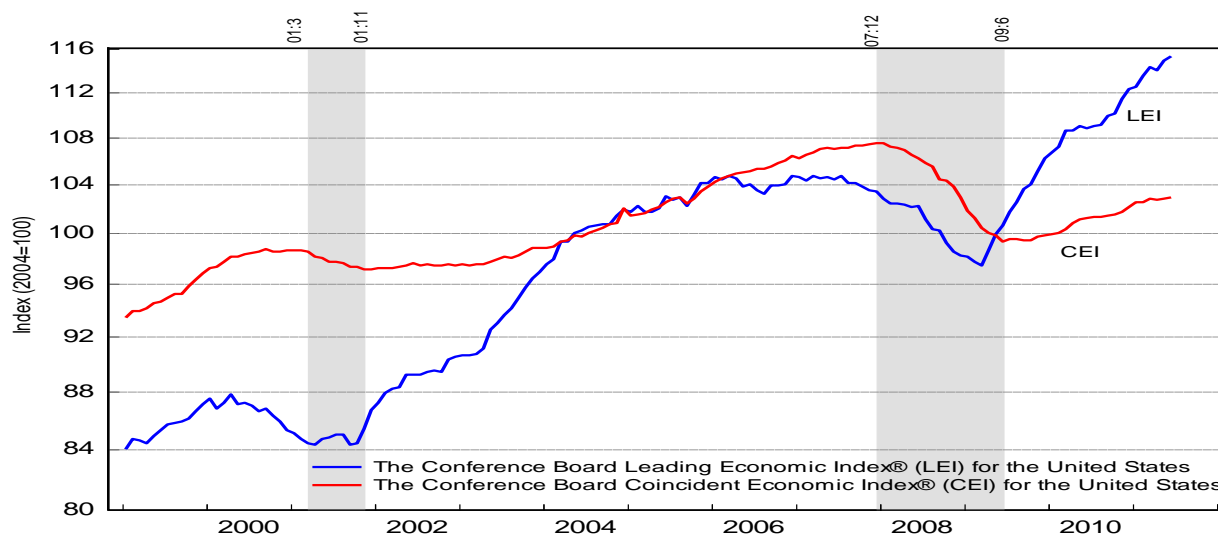
Says Ataman Ozyildirim, economist at The Conference Board: “The U.S. LEI continued to increase in June, but the strengths among the leading indicators have been balanced with the weaknesses in recent months. The Coincident Economic Index, a monthly measure of current economic activity, continued to increase slowly. The leading indicators point to slowly expanding economic activity in the coming months.”

Says Ken Goldstein, economist at The Conference Board: “The economy faced some recent unexpected headwinds, including a shortage of auto and electronic parts from Japan after the earthquake, and damaging tornado and flooding activity in the U.S. Another potential headwind is the debt ceiling issue, which could result in a financial crisis in the near term if not resolved. If these headwinds subside, the underlying trend of slow growth, as suggested by the LEI, should become more apparent over the next few months.

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.1 percent in June to 102.9 (2004 = 100), following a 0.1 percent increase in May, and a 0.1 percent decline in April. All of the four coincident indicators have advanced over the past six months.

The Conference Board Lagging Economic Index® (LAG) increased 0.3 percent in June to 109.5 (2004 = 100), following a 0.2 percent increase in May, and a 0.6 percent increase in April.

The Conference Board Leading Economic Index® (LEI) for the U.S. Increases in June



Latest LEI Trough March 2009, Latest CEI Trough June 2009
 Shaded areas represent recessions as determined by the National Bureau of Economic Research.
 Source: The Conference Board

Summary Table of Composite Economic Indexes

	2011			6-month
	Apr	May	Jun	Dec to Jun
Leading index	114.0 r	114.9 r	115.3 p	
Percent Change	-.3 r	.8	.3 p	2.7
Diffusion	45.0	80.0	50.0	50.0
Coincident Index	102.7 r	102.8 p	102.9 p	
Percent Change	-.1 r	.1 p	.1 p	0.8
Diffusion	37.5	62.5	87.5	100.0
Lagging Index	109.0 p	109.2 p	109.5 p	
Percent Change	.6 p	.2 p	.3 p	1.3
Diffusion	78.6	50.0	57.1	64.3

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

About The Conference Board Leading Economic Index® (LEI) for the U.S.

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. 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.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include:

- Average weekly hours, manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers' new orders, consumer goods and materials
- Index of supplier deliveries – vendor performance
- Manufacturers' new orders, nondefense capital goods
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Money supply, M2
- Interest rate spread, 10-year Treasury bonds less federal funds
- Index of consumer expectations

For full press release and technical notes:

<http://www.conference-board.org/data/bcicountry.cfm?cid=1>

For more information about The Conference Board global business cycle indicators:

<http://www.conference-board.org/data/bci.cfm>

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