



News Release

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The Conference Board Leading Economic Index® (LEI) for the U.S. Increases Economy to Expand at Modest Pace Through the Fall

NEW YORK, August 18, 2011...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.5 percent in July to 115.8 (2004 = 100), following a 0.3 percent increase in June, and a 0.7 percent increase in May. The largest positive contributions came from money supply, the interest rate spread, and average weekly initial claims for unemployment insurance (inverted).

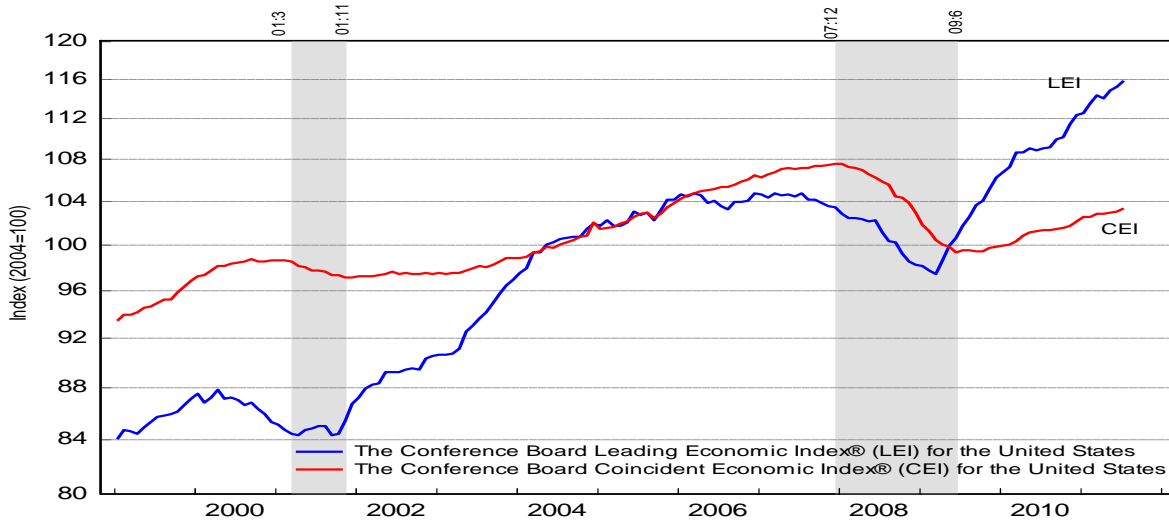
Says Ataman Ozyildirim, economist at The Conference Board: “The U.S. LEI continued to increase in July. However, with the exception of the money supply and interest rate components, other leading indicators show greater weakness – consistent with increasing concerns about the health of the economic expansion. Despite rising volatility, the leading indicators still suggest economic activity should be slowly expanding through the end of the year.”

Says Ken Goldstein, economist at The Conference Board: “The economy is slow, with little momentum, and shows no indication of acceleration. The gains in the LEI are modest, especially the nonfinancial indicators. Despite these growing risks, the economy should continue to expand at a modest pace through the fall.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.3 percent in July to 103.3 (2004 = 100), following a 0.1 percent increase in June, and a 0.1 percent increase in May. Three of the four coincident indicators advanced over the past six months.

The Conference Board Lagging Economic Index® (LAG) increased 0.2 percent in July to 110.0 (2004 = 100), following a 0.4 percent increase in June, and a 0.4 percent increase in May.

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



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

	May	2011 Jun	Jul	6-month Jan to Jul
Leading index	114.8 r	115.2 r	115.8 p	
Percent Change	.7 r	.3	.5 p	2.9
Diffusion	75.0	45.0	65.0	70.0
Coincident Index	102.9 r	103.0 p	103.3 p	
Percent Change	.1	.1 p	.3 p	0.8
Diffusion	62.5	87.5	100.0	75.0
Lagging Index	109.4 r	109.8 p	110.0 p	
Percent Change	.4 r	.4 p	.2 p	2.1
Diffusion	78.6	50.0	50.0	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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