

News Release

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

Indicators Point to Continued Weak Growth Through Fall and Winter

NEW YORK, September 22, 2011...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.3 percent in August to 116.2 (2004 = 100), following a 0.6 percent increase in July and a 0.3 percent increase in June.

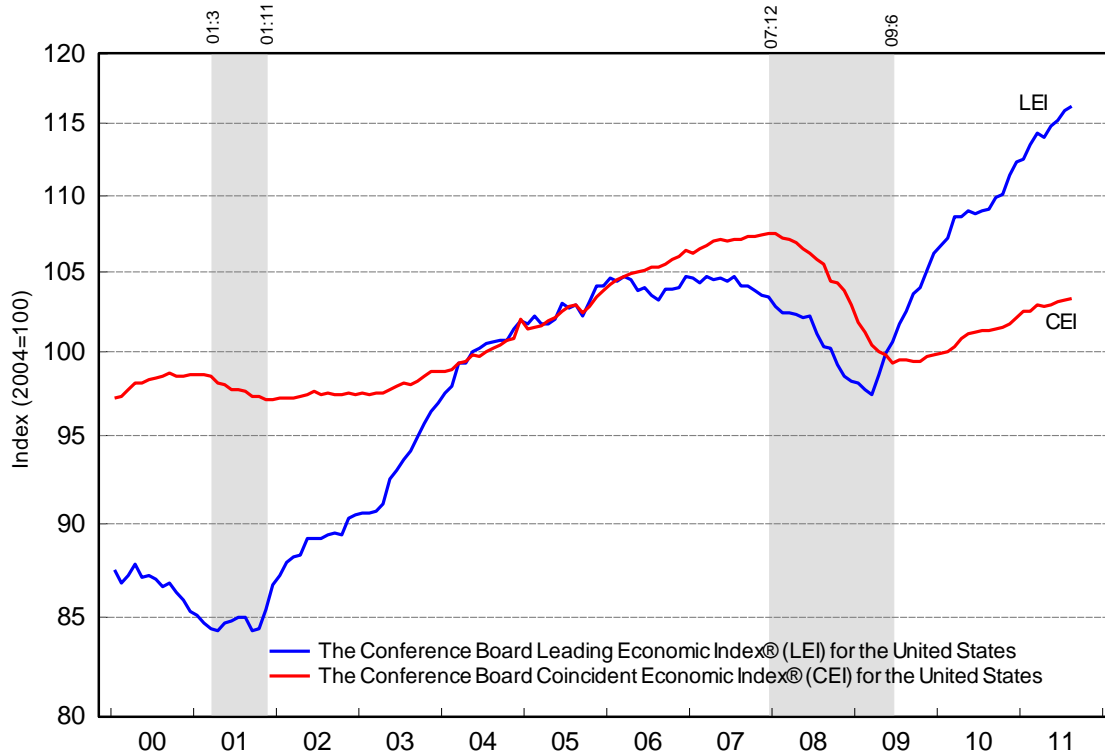
Says Ataman Ozyildirim, economist at The Conference Board: “The August increase in the U.S. LEI was driven by components measuring financial and monetary conditions which offset substantially weaker components measuring expectations. The growth trend in the LEI has moderated and positive and negative contributors to the index have been roughly balanced. The leading indicators point to rising risks and volatility, and increasing concerns about the health of the expansion.”

Says Ken Goldstein, economist at The Conference Board: “There is growing risk that sustained weak confidence could put downward pressure on demand and business activity, causing the economy to potentially dip into recession. While the chance of that happening remains below 50-50, the odds have certainly increased in recent months.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.1 percent in August to 103.3 (2004 = 100), following a 0.1 percent increase in July, and a 0.2 percent increase in June.

The Conference Board Lagging Economic Index® (LAG) increased 0.3 percent in August to 110.3 (2004 = 100), following a 0.3 percent increase in July, and a 0.3 percent increase in June.

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



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

	Jun	2011 Jul	Aug	6-month Feb to Aug
Leading index	115.2	115.9 r	116.2 p	
Percent Change	.3	.6 r	.3 p	2.4
Diffusion	45.0	65.0	40.0	55.0
Coincident Index	103.1 r	103.2 p	103.3 p	
Percent Change	.2 r	.1 p	.1 p	0.8
Diffusion	87.5	75.0	87.5	100.0
Lagging Index	109.7 r	110.0 p	110.3 p	
Percent Change	.3 r	.3 p	.3 p	2.0
Diffusion	50.0	64.3	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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