



## News Release

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### ***The Conference Board Leading Economic Index® (LEI) for the U.S. Declines Slightly***

**NEW YORK, September 20, 2012...**The Conference Board Leading Economic Index® (LEI) for the U.S. declined 0.1 percent in August to 95.7 (2004 = 100), following a 0.5 percent increase in July, and a 0.5 percent decline in June.

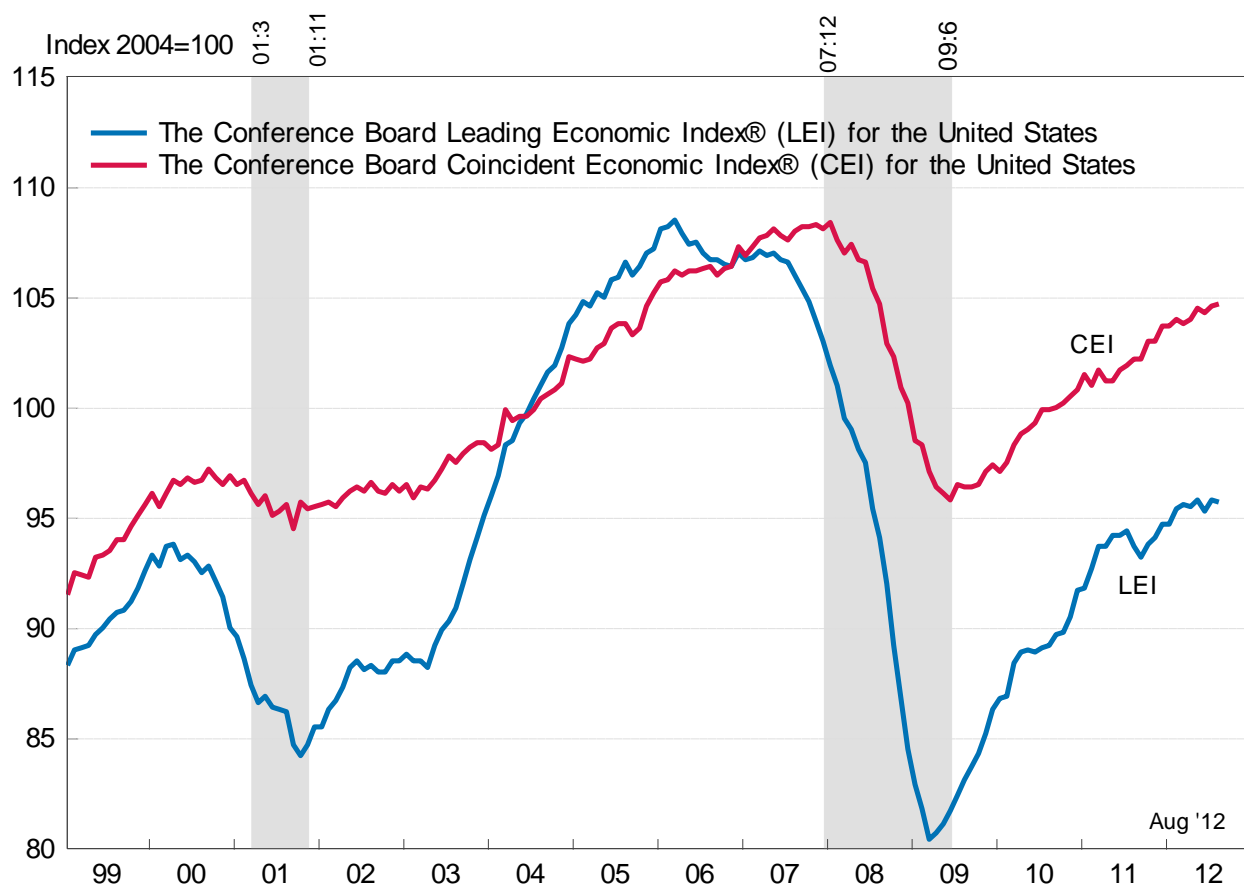
Says Ataman Ozyildirim, economist at The Conference Board: “The U.S. LEI has declined in three of the last six months. While its six-month growth rate has slowed substantially, it still remains in growth territory due to positive contributions from the financial components including stock prices, yield spread and the Leading Credit Index. Over the last several months, the U.S. LEI seems to be fluctuating around a flat trend, while strengths and weaknesses among its components remain balanced. Meanwhile, the coincident economic index, a measure of current economic activity, edged up in August. The strengths among the coincident indicators have become less widespread, with three out of four components advancing over the past six months.”

Says Ken Goldstein, economist at The Conference Board: “The economy continues to be buffeted by strong headwinds domestically and internationally. As a result, the pace of growth is unlikely to change much in the coming months. Weak domestic demand continues to be a major drag on the economy.”

**The Conference Board Coincident Economic Index® (CEI)** for the U.S. increased 0.1 percent in August to 104.7 (2004 = 100), following a 0.3 percent increase in July, and a 0.2 percent decline in June.

**The Conference Board Lagging Economic Index® (LAG)** increased 0.2 percent in August to 116.5 (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. Declines Slightly**



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

	2012			6-month Feb to Aug
	Jun	Jul	Aug	
Leading index	95.3 r	95.8	95.7 p	
Percent Change	-.5 r	.5	-.1 p	0.3
Diffusion	25.0	65.0	40.0	50.0
Coincident Index	104.3 r	104.6	104.7 p	
Percent Change	-.2 r	.3	.1 p	0.7
Diffusion	62.5	100.0	75.0	75.0
Lagging Index	115.9 r	116.3	116.5 p	
Percent Change	.3 r	.3	.2 p	2.3
Diffusion	50.0	42.9	57.1	85.7

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
- ISM Index of New Orders
- Manufacturers' new orders, nondefense capital goods excluding aircraft orders
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Leading Credit Index™*
- Interest rate spread, 10-year Treasury bonds less federal funds
- Average consumer expectations for business conditions

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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