Leading Economic Index for China Increases Again in October

Beijing, December 15, 2010...The Conference Board Leading Economic Index® (LEI) for China increased 0.9 percent in October to 152.1 (2004 = 100), following a 0.6 percent increase in September and a 0.7 percent increase in August. Five of the six components contributed positively to the index in October.

Says William Adams, resident economist at The Conference Board China Center for Economics and Business: “With October’s solid increase, the LEI for China continues to point to economic expansion into the first half of 2011. However, the consumer expectations component of the leading economic index remains weak in the face of high inflation. October’s slowdown in current economic conditions, as measured by the coincident economic index, will likely be short-lived in light of the leading indicators.”

The Conference Board Coincident Economic Index® (CEI) for China, which measures current economic activity, increased 0.1 percent in October to 191.8 (2004 = 100), following a 0.7 percent increase in September and a 1.0 percent increase in August. Two of the five components contributed positively to the index in October.
The Conference Board LEI for China aggregates six economic indicators that measure economic activity in China. Each of the LEI components has proven accurate on its own. Aggregating individual indicators into a composite index filters out so-called “noise” to show underlying trends more clearly.

**About The Conference Board Leading Economic Index® (LEI) for China**

The Conference Board Leading Economic Index® for China was launched in May 2010. Plotted back to 1986, this index has successfully signaled turning points in the economic cycles of China. The Conference Board also produces LEIs for Australia, the Euro Area, France, Germany, Japan, Korea, Mexico, Spain, the United Kingdom, and the United States.

The six components of The Conference Board Leading Economic Index® (LEI) for China include:

Total Loans Issued by Financial Institutions (source: People’s Bank of China)
5000 Industry Enterprises Diffusion Index: Raw Materials Supply Index (source: People’s Bank of China)
NBS Manufacturing PMI Sub-Indices: PMI Supplier Deliveries (source: National Bureau of Statistics)
Consumer Expectations Index (source: National Bureau of Statistics)
Total Floor Space Started (source: National Bureau of Statistics)
NBS Manufacturing PMI Sub-Indices: Export Orders (source: National Bureau of Statistics)

For more information including full press release and technical notes:

To view The Conference Board calendar of 2011 indicator releases:
http://www.conference-board.org/data/

* The series in The Conference Board LEI for China that is based on our estimates is the 5000 industry enterprises diffusion index: raw materials supply index. The series in The Conference Board CEI for China that is based on our estimates is manufacturing employment.

**About The Conference Board**

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<table>
<thead>
<tr>
<th>Summary Table of Composite Economic Indexes</th>
<th>2010</th>
<th>6-month Apr to Oct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading Economic index (LEI)</td>
<td>149.9</td>
<td>150.8 p 152.1 p</td>
</tr>
<tr>
<td>Percent Change</td>
<td>0.7</td>
<td>0.6 p 0.9 p</td>
</tr>
<tr>
<td>Diffusion</td>
<td>50.0</td>
<td>83.3 83.3 83.3</td>
</tr>
</tbody>
</table>

| Coincident Economic Index (CEI)            | 190.2| 191.6 p 191.8 p |
| Percent Change                             | 1.0  | 0.7 p 0.1 p      |
| Diffusion                                  | 100.0| 80.0 50.0 80.0   |

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board All Rights Reserved

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