Corrections: LEI for China Increased 0.3 Percent in April

NOTE: This release corrects and replaces the June 15, 2010 release of The Conference Board Leading Economic Index® (LEI) for China.

Beijing, June 29, 2010...The Conference Board Leading Economic Index® (LEI) for China increased 0.3 percent in April to 145.0 (2004 = 100), following a 1.2 percent increase in March and a 0.4 percent increase in February. Three of the six components contributed positively to the index in April.

The LEI for China was previously reported to have increased 1.7 percent in April but has been revised to correct a calculation error: the Total Floor Space Started component contributed a negative value, minus 0.1 percent in April, rather than a positive 1.3 percent as originally reported. The correction has produced a lower value and monthly change in the LEI, but does not affect the outlook or the historical cyclical behavior of the index. Only the values of the April LEI for China itself and the Total Floor Space Started component have changed. The correction does not affect any of the other LEI components, nor does it impact The Conference Board Coincident Economic Index® (CEI) for China.

Said Bill Adams, resident economist for The Conference Board China Center in Beijing: “The rising trend of the LEI has been moderating since the middle of last year, suggesting there is no strong basis for assuming accelerating growth. The majority of LEI components have been increasing, but consumer expectations fell in April and new export orders have been weakening for most of the previous six months.”
Meanwhile, The Conference Board Coincident Economic Index® (CEI) for China, a measure of current economic activity, increased 1.2 percent in April to 182.1 (2004 = 100), following a 0.4 percent increase in March and a 1.8 percent increase in February. All five components contributed positively to the index this month.

The Conference Board Leading Economic Index® (LEI) for China Increased in April

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 currently produces leading economic indexes for ten other individual countries, including the United States, the United Kingdom, Germany, France, Spain, the Euro Area, Japan, Australia, Korea, and Mexico.

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)

To view The Conference Board calendar of 2010 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.

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**Summary Table of Composite Economic Indexes**

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<th>Feb</th>
<th>2010</th>
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<tr>
<td><strong>Leading Economic Index (LEI)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Percent Change</td>
<td>0.4</td>
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<td>Diffusion</td>
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<tr>
<td><strong>Coincident Economic Index (CEI)</strong></td>
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<td></td>
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<td>Percent Change</td>
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<td>0.4</td>
<td>1.2</td>
<td>6.2</td>
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<td>Diffusion</td>
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<td>100.0</td>
</tr>
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</table>

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2004
Source: The Conference Board All Rights Reserved

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