



News Release

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The Conference Board®
France Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX®
(LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR MAY 2010

Brussels, July 19, 2010...The Conference Board Leading Economic Index® (LEI) for France increased 0.3 percent and **The Conference Board Coincident Economic Index® (CEI)** increased 0.2 percent in May.

- The Conference Board LEI for France increased again in May. The yield spread, industrial new orders, and building permits (residential) contributed positively to the index this month, more than offsetting the negative contributions from stock prices and new unemployment claims (inverted). Between November 2009 and May 2010, the leading economic index increased by 3.5 percent (about a 7.1 percent annual rate), modestly slower than the increase of 4.2 percent (about an 8.7 percent annual rate) during the previous six-month period. However, the weaknesses among the leading indicators have become more widespread than the strengths in recent months.
- The Conference Board CEI for France increased in May, after remaining unchanged in April. All four components of the coincident economic index contributed positively to the index this month, with industrial production making the largest positive contribution. Between November 2009 and May 2010, the index increased 0.3 percent (about a 0.6 percent annual rate), an improvement from no growth between May and November 2009. Additionally, the strengths among the coincident indicators have been widespread in recent months. At the same time, real GDP increased at a 0.5 percent annual rate in the first quarter of 2010, slowing from an increase of 2.3 percent annual rate in the fourth quarter of 2009.
- The Conference Board LEI for France has risen sharply for more than a year now, and its six-month growth rate remains just slightly below its recent high reached in October 2009. Meanwhile, The Conference Board CEI for France, a measure of current economic activity, has increased slightly this year, after remaining largely flat in the second half of 2009. Taken together, the recent behavior of the composite indexes suggests that the improvement in economic activity should continue in the near term.

Please visit our website at <http://www.conference-board.org/data/bci.cfm>

Also visit the website of our research associate in France: <http://www.rexecode.fr/index.jsv>

The next release is scheduled for Wednesday, August 18, 2010 at 4:00 A.M. ET (10:00 A.M. Paris Time)

LEADING INDICATORS. Four of the seven components of the leading economic index increased in May. The positive contributors to the index— in order from the largest positive contributor to the smallest— are the yield spread, industrial new orders, building permits (residential), and production expectations. The negative contributors to the index— beginning with the largest negative contributor— are the stock price index, the inverted new unemployment claims, and the ratio of the deflator of manufacturing value added to unit labor cost in manufacturing*.

With the increase of 0.3 percent in May, the leading economic index now stands at 109.5 (2004=100). Based on revised data, this index increased 0.7 percent in April and increased 1.2 percent in March. During the six-month span through May, the index increased 3.5 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

COINCIDENT INDICATORS. All four components of the coincident economic index increased in May. The positive contributors to the index--beginning with the largest --were industrial production, personal consumption, wage and salaries*, and employment*.

With the increase of 0.2 percent in May, the coincident economic index now stands at 103.9 (2004=100). Based on revised data, this index remained unchanged in April and increased 0.2 percent in March. During the six-month period through May, the index increased 0.3 percent, with three of the four series making a positive contribution (diffusion index, six-month span equals 75.0 percent).

Prior to March 2009, the residential building permits component of The Conference Board LEI for France is calculated as permits granted minus permits cancelled. From March 2009 going forward, the permits granted series replaces residential building permits because of delays in the publication of permits cancelled data by the source agency. The same standardization factor is applied to both series because their volatilities are similar. If the missing series becomes available, the original definition of the housing permits series may be restored at the next benchmark revision.

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

	Mar	2010 Apr	May	6-month Nov. to May
Leading Economic Index (LEI)	108.4 p	109.2 p	109.5 p	
Percent Change	1.2 p	0.7 p	0.3 p	3.5 p
Diffusion	78.6	64.3	42.9	42.9
Coincident Economic Index (CEI)	103.7 p	103.7 p	103.9 p	
Percent Change	0.2 p	0.0 p	0.2 p	0.3 p
Diffusion	75.0	37.5	87.5	75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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