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The Conference Board® U.S. Business Cycle Indicators<sup>SM</sup>

# **U.S. LEADING ECONOMIC INDICATORS AND RELATED COMPOSITE INDEXES FOR MARCH 2008**

This month's release incorporates annual benchmark revisions to the composite indexes, which bring them up-to-date with revisions in the source data. Also, with this benchmark revision, the base year of the composite indexes has been changed to 2004 = 100 from 1996 = 100. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the annual benchmark revision when the standardization factors of components and trend adjustment factors of the leading and lagging indexes are recalculated based on revised data and entire histories of the composite indexes are recomputed. In the past, these benchmark revisions were normally done in January. However, because a number of underlying data series, such as industrial production and employment, underwent benchmark revisions in early 2008, by the source agencies, a later annual benchmark for the LEI and related composite indexes allowed for the incorporation of more up-to-date component data.

For more information please see page 4 or visit our website at <http://www.conference-board.org/economics/bci/> or contact us by email or phone at [indicators@conference-board.org](mailto:indicators@conference-board.org) or 212-339-0330.

The Conference Board announced today that U.S. leading index increased 0.1 percent, the coincident index increased 0.1 percent, and the lagging index increased 0.3 percent in March.

- The leading index increased slightly in March, following five consecutive monthly declines. Money supply (real M2)\*, index of supplier deliveries (vendor performance) and the interest rate spread made large positive contributions to the index this month, offsetting the large negative contributions from initial claims for unemployment insurance (inverted), building permits and stock prices. During the six-month period ending in March, the leading index declined 1.6 percent (a -3.3 percent annual rate), and the weaknesses among its components have been very widespread.
- The coincident index also increased slightly in March, following a decline in February. Industrial production contributed positively to the index in March, more than offsetting the decline in employment. Despite this month's gain, the six-month change in the coincident index has fallen to -0.1 percent (a -0.2 percent annual rate) from September 2007 to March 2008, down from 0.6 percent (about a 1.1 percent annual rate) in the six-month period through December 2007. In addition, the weaknesses among the coincident indicators have been very widespread in recent months. The lagging index continued to increase in March, and as a result, the coincident to lagging ratio continued to decrease for the third consecutive month.
- Since the middle of 2007, the leading index has been declining while the coincident index, a measure of current economic activity, has also deteriorated in recent months. In addition, the weaknesses have also become more widespread among the components of both indexes. Meanwhile, real GDP growth slowed substantially to 0.6 percent in the fourth quarter of 2007, down from 4.9 percent in the third quarter and an average of 2.2 percent, annual rate, in the first half of 2007. The current behavior of the composite indexes suggests economic weakness is likely to continue in the near term.

The next release is scheduled for May 19, Monday at 10 A.M. ET.

LEADING INDICATORS. Five of the ten indicators that make up the leading index increased in March. The positive contributors – beginning with the largest positive contributor – were real money supply\*, index of supplier deliveries (vendor performance), interest rate spread, average weekly manufacturing hours and manufacturers’ new orders for consumer goods and materials\*. The negative contributors – beginning with the largest negative contributor – were average weekly initial claims for unemployment insurance (inverted), building permits, stock prices, and index of consumer expectations. Manufacturers’ new orders for nondefense capital goods\* held steady in March.

The leading index now stands at 102 (2004=100). Based on revised data, this index decreased 0.3 percent in February and decreased 0.4 percent in January. During the six-month span through March, the leading index decreased 1.6 percent, with three out of ten components advancing (diffusion index, six-month span equals 30 percent).

COINCIDENT INDICATORS. Three of the four indicators that make up the coincident index increased in March. The positive contributors to the index – beginning with the largest positive contributor – were industrial production, personal income less transfer payments\*, and manufacturing and trade sales\*. The negative contributor was employees on nonagricultural payrolls.

The coincident index now stands at 107.1 (2004=100). This index decreased 0.2 percent in February and remained unchanged in January. During the six-month period through March, the coincident index decreased 0.1 percent.

LAGGING INDICATORS. The lagging index stands at 111.6 (2004=100) in March, with five of the seven components advancing. The positive contributors to the index – beginning with the largest positive contributor – were average duration of unemployment (inverted), change in CPI for services, change in labor cost per unit of output\*, commercial and industrial loans outstanding\*, and the ratio of consumer installment credit to personal income\*. The negative contributor was the average prime rate charged by banks. The ratio of manufacturing and trade inventories to sales\*\* held steady in March. Based on revised data, the lagging index increased 0.3 percent in February and increased 0.1 percent in January.

DATA AVAILABILITY AND NOTES.

The data series used by The Conference Board to compute the three composite indexes and reported in the tables in this release are those available “as of” 12 Noon on April 16, 2008. Some series are estimated as noted below.

\* Series in the leading index that are based on The Conference Board estimates are manufacturers’ new orders for consumer goods and materials, manufacturers’ new orders for nondefense capital goods, and the personal consumption expenditure used to deflate the money supply. Series in the coincident index that are based on The Conference Board estimates are personal income less transfer payments and manufacturing and trade sales. Series in the lagging index that are based on The Conference Board estimates are inventories to sales ratio, consumer installment credit to income ratio, change in labor cost per unit of output, the consumer price index, and the personal consumption expenditure used to deflate commercial and industrial loans outstanding.

The procedure used to estimate the current month’s personal consumption expenditure deflator (used in the calculation of real money supply and commercial and industrial loans outstanding) now incorporates the current month’s consumer price index when it is available before the release of the U.S. Leading Economic Indicators.

Effective with the September 18, 2003 release, the method for calculating manufacturers’ new orders for consumer goods and materials (A0M008) and manufacturers’ new orders for nondefense capital goods (A0M027) has been revised. Both series are now constructed by deflating nominal aggregate new orders data instead of aggregating deflated industry level new orders data. Both the new and the old methods utilize appropriate producer price indices. This simplification remedies several issues raised by the recent conversion of industry data to the North American Classification System (NAICS), as well as several other issues, e.g. the treatment of semiconductor orders. While this simplification caused a slight shift in the levels of both new orders series, the growth rates were essentially the same. As a result, this simplification had no significant effect on the leading index.

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THE CYCLICAL INDICATOR APPROACH. The composite indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging indexes are essentially composite averages of between four and ten individual leading, coincident, or lagging indicators. (See page 4 for details.) 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.

Historically, the cyclical turning points in the leading index have occurred before those in aggregate economic activity, while the cyclical turning points in the coincident index have occurred at about the same time as those in aggregate economic activity. The cyclical turning points in the lagging index generally have occurred after those in aggregate economic activity.

## U.S. Composite Indexes: Components and Standardization Factors

| <u>Leading Index</u>  | <u>Factor</u> |
|---|---------------|
| 1 Average weekly hours, manufacturing                             | 0.2552        |
| 2 Average weekly initial claims for unemployment insurance        | 0.0307        |
| 3 Manufacturers' new orders, consumer goods and materials         | 0.0773        |
| 4 Vendor performance, slower deliveries diffusion index           | 0.0668        |
| 5 Manufacturers' new orders, nondefense capital goods             | 0.0183        |
| 6 Building permits, new private housing units                     | 0.0271        |
| 7 Stock prices, 500 common stocks                                 | 0.0391        |
| 8 Money supply, M2  | 0.3550        |
| 9 Interest rate spread, 10-year Treasury bonds less federal funds | 0.1021        |
| 10 Index of consumer expectations                                 | 0.0284        |
| <br>  |               |
| <u>Coincident Index</u>   |               |
| 1 Employees on nonagricultural payrolls                           | 0.5426        |
| 2 Personal income less transfer payments                          | 0.1890        |
| 3 Industrial production   | 0.1493        |
| 4 Manufacturing and trade sales                                   | 0.1191        |
| <br>  |               |
| <u>Lagging Index</u>  |               |
| 1 Average duration of unemployment                                | 0.0373        |
| 2 Inventories to sales ratio, manufacturing and trade             | 0.1239        |
| 3 Labor cost per unit of output, manufacturing                    | 0.0615        |
| 4 Average prime rate  | 0.2822        |
| 5 Commercial and industrial loans                                 | 0.1112        |
| 6 Consumer installment credit to personal income ratio            | 0.1880        |
| 7 Consumer price index for services                               | 0.1959        |

### Notes:

The component factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are “normalized” to sum to 1. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1.

These factors were revised effective on the release for April 2008, and all historical values for the three composite indexes were revised at this time to reflect the changes. (Under normal circumstances, updates to the leading, coincident, and lagging indexes only incorporate revisions to data over the past six months.) The factors for the leading index were calculated using 1984-2006 as the sample period for measuring volatility. A separate set of factors for the 1959-1983 period is available upon request. The primary sample period for the coincident and lagging indexes was 1959-2006. For additional information on the standardization factors and the index methodology see: “Benchmark Revisions in the Composite Indexes,” *Business Cycle Indicators* December 1997 and “Technical Appendix: Calculating the Composite Indexes” *Business Cycle Indicators* December 1996, or the Web site: [www.conference-board.org/economics/bci](http://www.conference-board.org/economics/bci).

The trend adjustment factor for the leading index is -0.0164, and the trend adjustment factor for the lagging index is 0.1644.

To address the problem of lags in available data, those leading, coincident and lagging indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each unavailable component. The resulting indexes are therefore constructed using real and estimated data, and will be revised as the unavailable data during the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the U.S. Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading index data such as stock prices, interest rate spread, and manufacturing hours that are available sooner than other data on real aspects of the economy such as manufacturers’ new orders. Empirical research by The Conference Board suggests that there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

**U.S. Leading Economic Indicators news release schedule for 2008:**

|                              |                         |
|------------------------------|-------------------------|
| Monday, May 19, 2008         | for April 2008 data     |
| Thursday, June 19, 2008      | for May 2008 data       |
| Monday, July 21, 2008        | for June 2008 data      |
| Thursday, August 21, 2008    | for July 2008 data      |
| Thursday, September 18, 2008 | for August 2008 data    |
| Monday, October 20, 2008     | for September 2008 data |
| Thursday, November 20, 2008  | for October 2008 data   |
| Thursday, December 18, 2008  | for November 2008 data  |

All releases are at 10:00 AM ET.

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This role is part of a long tradition of research and education that stretches back to the compilation of the first continuous measure of the cost of living in the United States in 1919. In 1995, The Conference Board assumed responsibility for computing the composite indexes from the U.S. Department of Commerce. The Conference Board now produces business cycle indexes for the U.S., Australia, France, Germany, Korea, Japan, Mexico, Spain and the U.K. To subscribe to any of these indexes, please visit [www.conference-board.org/economics/bci](http://www.conference-board.org/economics/bci) or contact the customer service department at 212-339-0345 or email [indicators@conference-board.org](mailto:indicators@conference-board.org).

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**Table 1.--Summary of Composites Indexes**

|                          | 2007   |        |        |        |        |        |        |   | 2008  |   |       |   |       |   |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|---|-------|---|-------|---|-------|---|
|                          | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    | Mar    |   |       |   |       |   |       |   |
| Leading index            | 103.7  | r      | 103.2  | r      | 102.7  | r      | 102.6  | r | 102.2 |   | 101.9 | r | 102.0 | p |
| Percent change           | .1     | r      | -.5    |        | -.5    |        | -.1    |   | -.4   |   | -.3   |   | .1    | p |
| Diffusion index          | 70.0   |        | 25.0   |        | 30.0   |        | 40.0   |   | 45.0  |   | 30.0  |   | 60.0  |   |
| Coincident index         | 107.2  | r      | 107.3  | r      | 107.2  | r      | 107.2  | r | 107.2 | r | 107.0 | p | 107.1 | p |
| Percent change           | .1     |        | .1     |        | -.1    | r      | .0     |   | .0    |   | -.2   | p | .1    | p |
| Diffusion index          | 87.5   |        | 75.0   |        | 37.5   |        | 50.0   |   | 50.0  |   | 50.0  |   | 75.0  |   |
| Lagging index            | 110.0  | r      | 110.2  | r      | 110.6  | r      | 110.9  | r | 111.0 | p | 111.3 | p | 111.6 | p |
| Percent change           | .5     |        | .2     |        | .4     |        | .3     |   | .1    | p | .3    | p | .3    | p |
| Diffusion index          | 64.3   |        | 35.7   |        | 71.4   |        | 42.9   |   | 57.1  |   | 71.4  |   | 71.4  |   |
| Coincident-lagging ratio | 97.5   | r      | 97.4   | r      | 96.9   | r      | 96.7   | r | 96.6  | p | 96.1  | p | 96.0  | p |
|                          | Mar to | Apr to | May to | Jun to | Jul to | Aug to | Sep to |   |       |   |       |   |       |   |
|                          | Sep    | Oct    | Nov    | Dec    | Jan    | Feb    | Mar    |   |       |   |       |   |       |   |
| Leading index            |        |        |        |        |        |        |        |   |       |   |       |   |       |   |
| Percent change           | -.4    |        | -.7    |        | -1.3   |        | -1.3   |   | -2.3  |   | -1.6  |   | -1.6  |   |
| Diffusion index          | 40.0   |        | 40.0   |        | 40.0   |        | 30.0   |   | 20.0  |   | 20.0  |   | 30.0  |   |
| Coincident index         |        |        |        |        |        |        |        |   |       |   |       |   |       |   |
| Percent change           | .8     |        | .8     |        | .7     |        | .6     |   | .3    |   | -.1   |   | -.1   |   |
| Diffusion index          | 100.0  |        | 100.0  |        | 100.0  |        | 100.0  |   | 87.5  |   | 25.0  |   | 12.5  |   |
| Lagging index            |        |        |        |        |        |        |        |   |       |   |       |   |       |   |
| Percent change           | 1.3    |        | 1.6    |        | 1.7    |        | 1.4    |   | 1.6   |   | 1.6   |   | 1.5   |   |
| Diffusion index          | 50.0   |        | 35.7   |        | 35.7   |        | 50.0   |   | 57.1  |   | 85.7  |   | 85.7  |   |

p Preliminary. r Revised (noted only for index levels and one-month percent changes). c Corrected.

CALCULATION NOTE: The diffusion indexes measure the proportion of the components that are rising. Components that rise more than 0.05 percent are given a value of 1.0, components that change less than 0.05 percent are given a value of 0.5, and components that fall more than 0.05 percent are given a value of 0.0.

The full history of composite and diffusion indexes is available by subscription on our web site at [www.conference-board.org/economics/bci](http://www.conference-board.org/economics/bci)

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**Table 2.--Data and Net Contributions for Components of the Leading Index**

| Component   | 2007      |           |           |           |           |           |            | 2008 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|------------|------|
|   | Sep       | Oct       | Nov       | Dec       | Jan       | Feb       | Mar        |      |
| Leading index component data  |           |           |           |           |           |           |            |      |
| Average workweek, production workers, mfg. (hours).....                       | 41.4      | 41.2 r    | 41.3      | 41.1      | 41.1      | 41.2 r    | 41.3       |      |
| Average weekly initial claims, state unemployment insurance (thousands)*..... | 318.4 r   | 330.0 r   | 341.0 r   | 344.6 r   | 339.2 r   | 346.0 r   | 375.9      |      |
| Manufacturers' new orders, consumer goods and materials (mil. 1982 dol.)..... | 141,899   | 142,736 r | 141,049   | 140,926   | 138,735 r | 135,885 r | 136,342 ** |      |
| Index of supplier deliveries -- vendor performance (percent).....             | 51.7      | 50.7      | 51.5      | 52.6      | 52.8      | 50.1      | 53.6       |      |
| Manufacturers' new orders, nondefense capital goods (mil. 1982 dol.).....     | 50,057    | 48,746 r  | 51,238    | 53,977    | 49,621 r  | 48,951 r  | 49,053 **  |      |
| Building permits (thous.).....  | 1,261     | 1,170     | 1,162     | 1,080     | 1,061     | 984 r     | 927        |      |
| Stock prices, 500 common stocks (c) (index: 1941-43=10).....                  | 1,497.12  | 1,539.66  | 1,463.39  | 1,479.23  | 1,378.76  | 1,354.87  | 1,316.94   |      |
| Money supply, M2 (bil. chn. 2000 dol.).....                                   | 6,221.3 r | 6,223.8 r | 6,208.6 r | 6,216.5 r | 6,239.2 r | 6,318.7 r | 6,367.6 ** |      |
| Interest rate spread, 10-year Treasury bonds less federal funds.....          | -0.42     | -0.23     | -0.34     | -0.14     | -0.20     | 0.76      | 0.90       |      |
| Index of consumer expectations (c) (1966:1=100).....                          | 74.1      | 70.1      | 66.2      | 65.6      | 68.1      | 62.4      | 60.1       |      |
| LEADING INDEX (2004=100).....   | 103.7 r   | 103.2 r   | 102.7 r   | 102.6 r   | 102.2 r   | 101.9 r   | 102.0 p    |      |
| Percent change from preceding month.....                                      | 0.1 r     | -0.5      | -0.5      | -0.1      | -0.4      | -0.3      | 0.1 p      |      |
| Leading index net contributions   |           |           |           |           |           |           |            |      |
| Average workweek, production workers, mfg.....                                | ....      | -.12      | .06       | -.12      | .00       | .06 r     | .06        |      |
| Average weekly initial claims, state unemployment insurance.....              | ....      | -.11 r    | -.10 r    | -.03 r    | .05 r     | -.06 r    | -.25       |      |
| Manufacturers' new orders, consumer goods and materials.....                  | ....      | .05 r     | -.09 r    | -.01      | -.12      | -.16 r    | .03 **     |      |
| Index of supplier deliveries -- (vendor performance).....                     | ....      | -.07      | .05       | .07       | .01       | -.18      | .23        |      |
| Manufacturers' new orders, nondefense capital goods.....                      | ....      | -.05      | .09       | .10       | -.15 r    | -.02 r    | .00 **     |      |
| Building permits.....   | ....      | -.20      | -.02      | -.20      | -.05      | -.20 r    | -.16       |      |
| Stock prices, 500 common stocks (c)   | ....      | .11       | -.20      | .04       | -.27      | -.07      | -.11       |      |
| Money supply, M2.....   | ....      | .01 r     | -.09 r    | .05 r     | .13 r     | .45       | .27 **     |      |
| Interest rate spread, 10-year Treasury bonds less federal funds.....          | ....      | -.02      | -.03      | -.01      | -.02      | .08       | .09        |      |
| Index of consumer expectations (c)  | ....      | -.11      | -.11      | -.02      | .07       | -.16      | -.07       |      |

p Preliminary. r Revised. c Corrected.

\* Inverted series; a negative change in this component makes a positive contribution to the index.

\*\* Statistical Imputation (See page 3 for more details)

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CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions of the individual components (because of rounding effects and base value differences).

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**Table 3.--Data and Net Contributions for Components of the Coincident and Lagging Indexes**

| Component   | 2007      |           |           |           |           |            |            | 2008 |
|---|-----------|-----------|-----------|-----------|-----------|------------|------------|------|
|   | Sep       | Oct       | Nov       | Dec       | Jan       | Feb        | Mar        |      |
| Coincident index component data   |           |           |           |           |           |            |            |      |
| Employees on nonagricultural payrolls<br>(thousands).....                                   | 137,837   | 137,977   | 138,037   | 138,078   | 138,002 r | 137,926 r  | 137,846    |      |
| Personal income less transfer payments<br>(ann. rate, bil. chn. 2000 dol.).....             | 8,522.0   | 8,530.1 r | 8,514.2 r | 8,514.9 r | 8,485.5 r | 8,490.2 r  | 8,511.8 ** |      |
| Industrial production (index: 2002=100).....  | 112.260   | 111.826   | 112.296   | 112.446 r | 112.589 r | 111.761 r  | 112.128    |      |
| Manufacturing and trade sales<br>(mil. chn. 2000 dol.).....                                 | 977,810   | 986,580 r | 974,572 r | 967,797 r | 973,394 r | 974,532 ** | 976,651 ** |      |
| COINCIDENT INDEX (2004=100).....  | 107.2 r   | 107.3 r   | 107.2 r   | 107.2 r   | 107.2 r   | 107.0 p    | 107.1 p    |      |
| Percent change from preceding month.....  | 0.1       | 0.1       | -0.1 r    | 0.0       | 0.0       | -0.2 p     | 0.1 p      |      |
| Coincident index net contributions  |           |           |           |           |           |            |            |      |
| Employees on nonagricultural payrolls.....  | ....      | .06       | .02       | .02       | -.03 r    | -.03 r     | -.03       |      |
| Personal income less transfer payments.....   | ....      | .02 r     | -.04 r    | .00       | -.07 r    | .01 r      | .05 **     |      |
| Industrial production.....  | ....      | -.06 r    | .06 r     | .02 r     | .02 r     | -.11 r     | .05        |      |
| Manufacturing and trade sales.....  | ....      | .11       | -.15      | -.08 r    | .07 r     | .01 **     | .03 **     |      |
| Lagging index component data  |           |           |           |           |           |            |            |      |
| Average duration of unemployment<br>(weeks)*.....   | 16.6      | 17.0      | 17.2      | 16.6      | 17.5      | 16.8       | 16.2       |      |
| Ratio, manufacturing and trade inventories<br>to sales (chain 2000 dol.).....               | 1.313     | 1.301 r   | 1.315 r   | 1.323 r   | 1.321 r   | 1.322 **   | 1.322 **   |      |
| Change in index of labor cost per unit of<br>output, mfg. (6-month percent, ann. rate)..... | -4.1 r    | -1.4 r    | -6 r      | -.80 r    | -.6 **    | -.3 **     | -.1 **     |      |
| Average prime rate charged by banks<br>(percent).....                                       | 8.03      | 7.74      | 7.50      | 7.33      | 6.98      | 6.00       | 5.66       |      |
| Commercial and industrial loans<br>outstanding (mil. chn. 2000 dol.).....                   | 752,912 r | 766,235 r | 769,385 r | 774,613 r | 780,454 r | 794,365 r  | 795,132 ** |      |
| Ratio, consumer installment credit out-<br>standing to personal income (percent).....       | 21.16 r   | 21.13 r   | 21.21 r   | 21.13 r   | 21.24 r   | 21.18      | 21.19 **   |      |
| Change in CPI for services<br>(6-month percent, ann. rate).....                             | 3.1       | 3.1       | 3.2       | 3.1       | 3.3       | 3.4        | 3.5        |      |
| LAGGING INDEX (2004=100).....   | 110.0 r   | 110.2 r   | 110.6 r   | 110.9 r   | 111.0 p   | 111.3 p    | 111.6 p    |      |
| Percent change from preceding month.....  | .5        | .2        | .4        | .3 r      | .1 p      | .3 p       | .3 p       |      |
| Lagging index net contributions   |           |           |           |           |           |            |            |      |
| Average duration of unemployment.....   | ....      | -.09      | -.04      | .13       | -.20      | .15        | .14        |      |
| Ratio, manufacturing and trade inventories<br>to sales.....                                 | ....      | -.11 r    | .13 r     | .08       | -.02 r    | .01 **     | .00 **     |      |
| Change in index of labor cost per unit of<br>output, mfg.....                               | ....      | .17 r     | .05 r     | -.01 r    | .01 r     | .02 **     | .01 **     |      |
| Average prime rate charged by banks.....  | ....      | -.08      | -.07      | -.05      | -.10      | -.28       | -.10       |      |
| Commercial and industrial loans<br>outstanding.....   | ....      | .20 r     | .05 r     | .08 r     | .08 r     | .20        | .01 **     |      |
| Ratio, consumer installment credit out-<br>standing to personal income.....                 | ....      | -.03      | .07       | -.07 r    | .10 r     | -.05 r     | .01 **     |      |
| Change in CPI for services.....   | ....      | .00       | .02       | -.02      | .04       | .02        | .02        |      |

CPI Consumer Price Index. For additional notes see table 2.

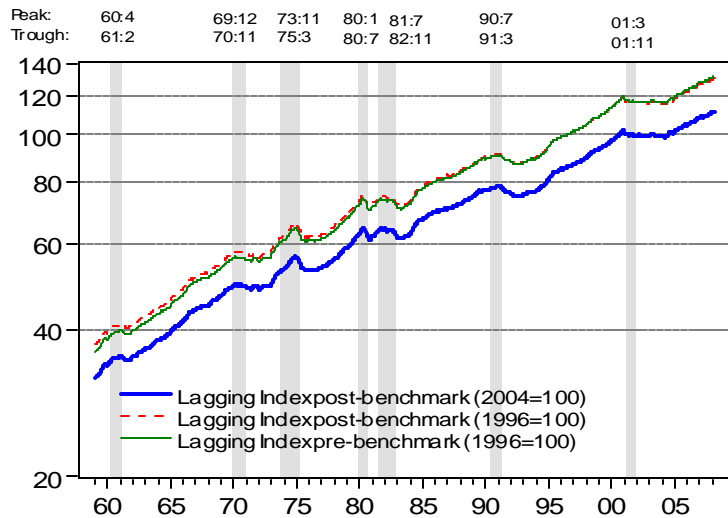
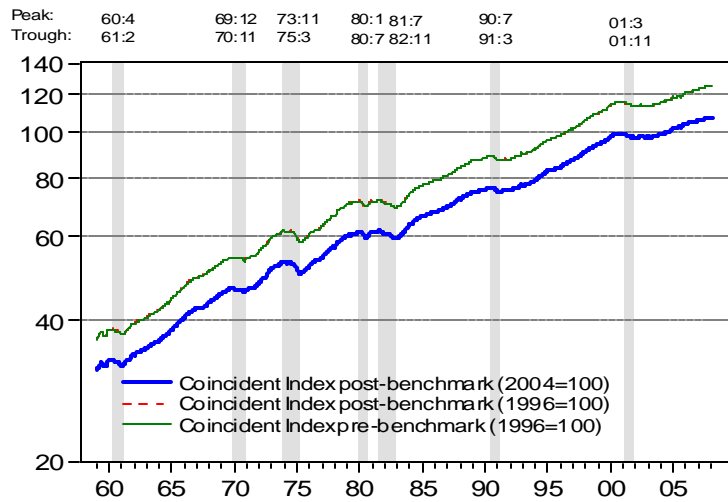
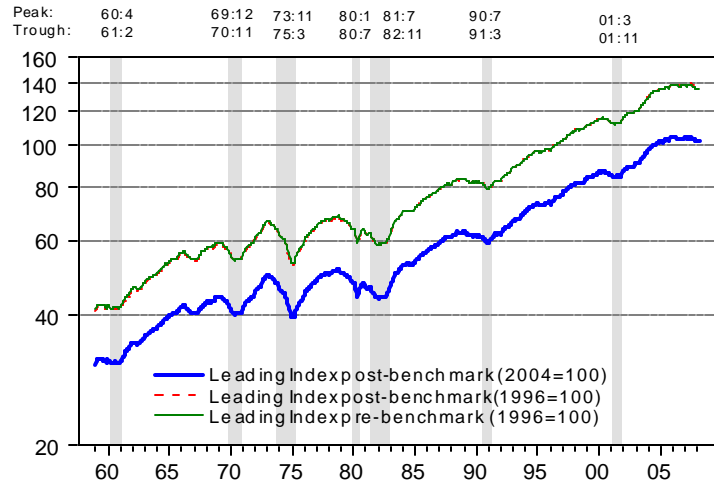
\* Inverted series; a negative change in this component makes a positive contribution to the index.

\*\* Statistical Imputation (See page 3 for more details)



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## U.S. Composite Indexes



Shaded areas represent recessions.

Source: The Conference Board