



News Release

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The Conference Board[®]
Germany Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®] (LEI) FOR
GERMANY**
AND RELATED COMPOSITE ECONOMIC INDEXES FOR MAY 2010

BRUSSELS, July 20, 2010... The Conference Board Leading Economic Index[®] (LEI) for Germany increased 0.5 percent and The Conference Board Coincident Economic Index[®] (CEI) increased 0.5 percent in May.

- The Conference Board LEI for Germany increased again in May. New orders in investment goods industries, new residential construction orders* and the yield spread made the largest positive contributions to the index this month, more than offsetting the negative contributions from stock prices and consumer confidence. Between November 2009 and May 2010, the leading economic index increased by 6.2 percent (about a 12.7 percent annual rate), moderately slower than the increase of 7.3 percent (about a 15.0 percent annual rate) during the previous six-month period. However, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Germany, a measure of current economic activity, also increased in May, with all four components contributing positively to the index this month. During the past six months, the coincident economic index increased by 1.6 percent (about a 3.2 percent annual rate), faster than the increase of 0.2 percent (about a 0.4 percent annual rate) between May and November 2009. In addition, the strengths among the coincident indicators have remained very widespread in recent months, with all four components increasing over the past six months. At the same time, real GDP grew at a 0.6 percent annual rate in the first quarter of 2010, following a 0.7 percent annual rate of increase in the fourth quarter of 2009.
- The Conference Board LEI for Germany has been generally increasing for more than a year now, while its six-month growth rate has picked up since February of this year. Meanwhile, The Conference Board CEI for Germany has been on a rising trend for more than a year, and its six-month growth rate is near its most recent high reached in March 2007. Taken together, the recent behavior of the composite indexes suggests that moderate expansion in economic activity should continue in the near term.

The next release is scheduled for Friday, August 20, 2010 at 10:00 A.M. (Berlin Time)

In the U.S. – Friday, August 20, 2010 at 4:00 A.M. (ET)

LEADING INDICATORS. Four of the seven components in The Conference Board LEI for Germany increased in May. The positive contributors — in order from the largest positive contributor to the smallest— were new orders in investment goods industries, new residential construction orders*, the yield spread, and inventory change*. Negative contributors—in order from largest to smallest— were stock prices and consumer confidence. Gross enterprises and properties income* remained unchanged in May.

With the 0.5 percent increase in May, The Conference Board LEI for Germany now stands at 103.5 (2004=100). Based on revised data, this index increased 2.4 percent in April and increased 2.0 percent in March. During the six-month span through May, the index increased 6.2 percent, with six of the seven components increasing (diffusion index, six-month span equals 85.7 percent).

COINCIDENT INDICATORS. All four components that make up The Conference Board CEI for Germany increased in May. The positive contributors - in order from largest to smallest - were industrial production, employed persons, manufacturing sales, and retail trade.

With the 0.5 percent increase in May, The Conference Board CEI for Germany now stands at 103.7 (2004=100). Based on revised data, this index increased 0.3 percent in April and increased 0.5 percent in March. During the six-month period through May, the index increased 1.6 percent, with all four components increasing (diffusion index, six-month span equals 100.0 percent).

* See notes under data availability.

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

		2010		6-month
	Mar	Apr	May	Nov to May
Leading Economic Index (LEI)	100.6	103.0 p	103.5 p	
Percent Change	2.0	2.4 p	0.5 p	6.2 p
Diffusion	92.9	92.9	50.0	85.7
Coincident Economic Index (CEI)	102.9 r	103.2 r	103.7	
Percent Change	0.5	0.3	0.5	1.6
Diffusion	62.5	75.0	100.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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