



THE CONFERENCE BOARD

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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 JULY 2009

BRUSSELS, September 23, 2009... The Conference Board Leading Economic Index™ (LEI) for Germany increased 1.1 percent and The Conference Board Coincident Economic Index™ (CEI) remained unchanged in July.

- The Conference Board LEI for Germany increased for the fourth consecutive month in July as new orders in investment goods industries, the yield spread and consumer confidence made the largest positive contributions. Between January and July 2009, the leading economic index increased by 0.7 percent (about a 1.4 percent annual rate), a reversal from the 12.2 percent decline (about a -22.9 percent annual rate) between July 2008 and January 2009. In addition, the strengths among the leading indicators have become more widespread than the weaknesses over the past six months.
- The Conference Board CEI for Germany, a measure of current economic activity, remained unchanged in July after decreasing slightly in June. Positive contributions from retail trade and manufacturing sales were offset by negative contributions from industrial production and employment. Between January and July 2009, the coincident economic index declined by 0.8 percent (about a -1.6 percent annual rate), slower than the 2.8 percent decline (about a -5.6 percent annual rate) between July 2008 and January 2009. However, the weaknesses among the coincident indicators have remained very widespread, with all four components decreasing during the past six months. Meanwhile, real GDP rose at a 1.3 percent annual rate during the second quarter of 2009, its first increase since the first quarter of 2008, after falling at a 13.4 percent annual rate during the first quarter of this year.
- After a long downtrend between July 2007 and March 2009, The Conference Board LEI for Germany has risen during the past four months. As a result, its six-month growth rate has become positive for the first time since October 2007. The Conference Board CEI for Germany has been essentially flat since March 2009 after falling rapidly between August 2008 and February 2009. Taken together, the recent behavior of the composite economic indexes suggests that the downturn in economic activity could be bottoming out and that economic conditions will likely improve in the months ahead.

LEADING INDICATORS. Six of the seven components in The Conference Board LEI for Germany increased in July. The positive contributors — in order from the largest positive contributor to the smallest— are new orders in investment goods industries, yield spread, consumer confidence, new residential construction orders*, inventory change series* and stock prices. Gross enterprises and properties income* was the only negative contributor this month.

With the 1.1 percent increase in July, The Conference Board LEI for Germany now stands at 89.1 (2004=100). Based on revised data, this index increased 1.1 percent in June and increased 0.6 percent in May. During the six-month span through July, the index increased 0.7 percent, with five of the seven components increasing (diffusion index, six-month span equals 71.4 percent).

**See notes under data availability*

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Germany increased in July. The positive contributors were retail trade and manufacturing sales. Industrial production and employed persons declined in July.

After remaining unchanged in July, The Conference Board CEI for Germany now stands at 101.7 (2004=100). Based on revised data, this index decreased 0.1 percent in June and increased 0.3 percent in May. During the six-month period through July, the index decreased 0.8 percent, with none of the four components increasing (diffusion index, six-month span equals 0.0 percent).

** See notes under data availability.*

ABOUT THE CONFERENCE BOARD

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Summary Table of Composite Indexes

		2009		6-month
	May	Jun	Jul	Jan to Jul
Leading Economic Index (LEI)	87.1	88.1 p	89.1 p	
Percent Change	0.6 r	1.1 p	1.1 p	0.7 p
Diffusion	57.1	71.4	85.7	71.4
Coincident Economic Index (CEI)	101.8 r	101.7 r	101.7 p	
Percent Change	0.3 r	-0.1	0.0 p	-0.8 p
Diffusion	37.5	50.0	50.0	0.0

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2004

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The next release is scheduled for Tuesday, October 20, 2009 at 10:00 A.M. Berlin Time (4:00 A.M. ET)