



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 DECEMBER 2009

BRUSSELS, February 24, 2010... The Conference Board Leading Economic Index® (LEI) for Germany increased 0.7 percent and The Conference Board Coincident Economic Index® (CEI) decreased 0.1 percent in December.

- The Conference Board LEI for Germany increased again in December, with the yield spread and consumer confidence making the largest positive contributions to the index this month. Between June and December 2009, the leading economic index increased by 7.0 percent (about a 14.5 percent annual rate), a sharp reversal from the 2.2 percent decline (about a -4.4 percent annual rate) during the first half of 2009. In addition, the strengths among the leading indicators have remained very widespread, with all the components improving during the last six months.
- The Conference Board CEI for Germany, a measure of current economic activity, declined in December, its second decrease in the last three months. Despite this decline, the coincident economic index increased by 0.1 percent (about a 0.2 percent annual rate) between June and December 2009, after declining by 1.7 percent (about a -3.4 percent annual rate) during the previous six months. Additionally, the strengths among the coincident indicators have become more widespread than the weaknesses in recent months. At the same time, real GDP remained unchanged in the fourth quarter of 2009, after growing during the previous two quarters.
- After increasing rapidly from March through September 2009, The Conference Board LEI for Germany grew more slowly during the fourth quarter. As a result, its six-month growth rate has moderated from the high reached in September. The Conference Board CEI for Germany declined slightly during the fourth quarter, after increasing modestly between April and September. Taken together, the recent behavior of the composite indexes suggests that the economy will likely grow at a slow pace in the near term.

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

With the 0.7 percent increase in December, The Conference Board LEI for Germany now stands at 99.0 (2004=100). Based on revised data, this index increased 0.3 percent in November and increased 0.9 percent in October. During the six-month span through December, the index increased 7.0 percent, with all seven components increasing (diffusion index, six-month span equals 100.0 percent).

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

With the 0.1 percent decrease in December, The Conference Board CEI for Germany now stands at 102.0 (2004=100). Based on revised data, this index remained unchanged in November and decreased 0.1 percent in October. During the six-month period through December, the index increased 0.1 percent, with two of the four components increasing (diffusion index, six-month span equals 62.5 percent).

** See notes under data availability.*

ABOUT THE CONFERENCE BOARD

The Conference Board is a global, independent business membership and research association working in the public interest. Our mission is unique: To provide the world’s leading organizations with the practical knowledge they need to improve their performance *and* better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

Summary Table of Composite Indexes

| | Oct | 2009 Nov | Dec | 6-month Jun to Dec |
|--|---------|-------------|---------|-----------------------|
| Leading Economic Index (LEI) | 98.0 p | 98.3 p | 99.0 p | |
| Percent Change | 0.9 p | 0.3 p | 0.7 p | 7.0 p |
| Diffusion | 78.6 | 64.3 | 71.4 | 100.0 |
| Coincident Economic Index (CEI) | 102.1 r | 102.1 r | 102.0 p | |
| Percent Change | -0.1 | 0.0 r | -0.1 p | 0.1 p |
| Diffusion | 25.0 | 62.5 | 62.5 | 62.5 |

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

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The next release is scheduled for Wednesday, March 24, 2010 at 10:00 A.M. Berlin Time (5:00 A.M. ET)