



THE CONFERENCE BOARD

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The Conference Board®  
Germany Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™  
(LEI) FOR GERMANY**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2009**

**BRUSSELS, August 18, 2009...** The Conference Board Leading Economic Index™ (LEI) for Germany increased 1.1 percent and The Conference Board Coincident Economic Index™ (CEI) decreased 0.1 percent in June.

- The Conference Board LEI for Germany increased for the third consecutive month in June as consumer confidence, new orders in investment goods industries and the yield spread made the largest positive contributions. The six-month decline in the leading economic index stands at 3.4 percent (about a -6.7 percent annual rate) for the period through June, far slower than the 13.8 percent decline (about a -25.7 percent annual rate) between September 2008 and March 2009. In addition, the strengths among the leading indicators have grown more widespread lately, though the weaknesses exceeded them slightly over the last six months.
- The Conference Board CEI for Germany, a measure of current economic activity, fell in June, following its first gain in nine months in May. Employment and retail trade made the largest negative contributions to the index. Between December 2008 and June 2009, the coincident economic index declined by 2.1 percent (about a -4.2 percent annual rate), slower than the 3.6 percent decline (about a -7.1 percent annual rate) in the six-month period through March. 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 2009.
- After a long downtrend between July 2007 and March 2009, The Conference Board LEI for Germany has strengthened during the past quarter. As a result, the pace of its six-month contraction has slowed substantially in recent months. The Conference Board CEI for Germany has been generally falling since August 2008; however the pace of this decline has moderated recently. Taken together, the recent behavior of the composite indexes suggests that although the downturn in economic activity is likely to continue in the near term, 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 June. The positive contributors — in order from the largest positive contributor to the smallest — are consumer confidence, new orders in investment goods industries, yield spread, new residential construction orders\*, inventory change series\*, and stock prices. Gross enterprises and properties income\* was the only negative contributor in June.

With the 1.1 percent increase in June, The Conference Board LEI for Germany now stands at 88.1 (2004=100). Based on revised data, this index increased 0.8 percent in May and increased 1.2 percent in April. During the six-month span through June, the index decreased 3.4 percent, with three of the seven components increasing (diffusion index, six-month span equals 42.9 percent).

*\*See notes under data availability*

**COINCIDENT INDICATORS.** One of the four components that make up The Conference Board CEI for Germany increased in June. Manufacturing sales was the only positive contributor. Retail trade, employed persons, and industrial production declined in June.

With the 0.1 percent decrease in June, The Conference Board CEI for Germany now stands at 101.6 (2004=100). Based on revised data, this index increased 0.2 percent in May and decreased 0.2 percent in April. During the six-month period through June, the index decreased 2.1 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**

	Apr	2009 May	Jun	6-month Dec to Jun
<b>Leading Economic Index (LEI)</b>	86.4 p	87.1 p	88.1 p	
Percent Change	1.2 p	0.8 p	1.1 p	-3.4 p
Diffusion	64.3	71.4	85.7	42.9
<b>Coincident Economic Index (CEI)</b>	101.5 r	101.7 r	101.6 p	
Percent Change	-0.2	0.2	-0.1 p	-2.1 p
Diffusion	50.0	25.0	25.0	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 Wednesday, September 23, 2009 at 10:00 A.M. Berlin Time (4:00 A.M. ET)