



## News Release

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Further information:

The Conference Board Europe, Brussels: + 32 2 675 5405 (main line)

Rosa Correia + 32 2 679 5059 / [rosa.correia@conference-board.org](mailto:rosa.correia@conference-board.org)

Derek Servais + 32 2 679 5054 / [derek.servais@conference-board.org](mailto:derek.servais@conference-board.org)

**FOR RELEASE: 10:00 A.M. (MADRID TIME), THURSDAY, AUGUST 12, 2010**

The Conference Board<sup>®</sup>  
Spain Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX<sup>®</sup> (LEI)**  
**FOR SPAIN**  
**AND RELATED COMPOSITE INDEXES FOR JUNE 2010**

**BRUSSELS, August 12, 2010...** The Conference Board Leading Economic Index<sup>®</sup> (LEI) for Spain declined 0.5 percent and The Conference Board Coincident Economic Index<sup>®</sup> (CEI) increased 0.2 percent in June.

- The Conference Board LEI for Spain declined again in June. Index levels were revised slightly lower for April and May as a result of downward data revisions to the order books survey component. During the first half of 2010, the leading economic index declined 1.3 percent (about a 2.5 percent annual rate), a reversal from the 2.5 percent increase (about a 5.1 percent annual rate) between June and December 2009. In addition, the weaknesses among the leading indicators have become more widespread than the strengths in recent months.
- The Conference Board CEI for Spain, a measure of current economic activity, increased in June. Retail sales made the largest positive contribution to the index this month. During the six-month period ending in June, the coincident economic index increased 0.8 percent (about a 1.6 percent annual rate), after remaining unchanged during the previous six-month period. In addition, the strengths among the coincident indicators have remained widespread in recent months. At the same time, real GDP increased at a 0.3 percent annual rate in the first quarter of 2010, its first quarter of growth in two years.
- The Conference Board LEI for Spain has been generally declining since October 2009, while its six-month growth rate has been negative since February of this year. Although the LEI is 2.1 percent above its most recent trough in March 2009, it is still 3.6 percent below the most recent peak in February 2008. At the same time, The Conference Board CEI for Spain has increased slightly in 2010, after remaining essentially flat in the second half of 2009. Taken together, the recent behavior of the composite indexes suggests that the recovery is likely to remain weak in the near term.

The next release is scheduled for Wednesday, September 15, 2010 at 10:00 A.M. (Madrid Time)

*In the U.S. – Wednesday, September 15, 2010 at 4:00 A.M. (ET)*

**LEADING INDICATORS.** One of the six components that make up The Conference Board LEI for Spain increased in June. The capital equipment component of industrial production was the only positive contributor to the index this month. The negative contributors—in order from the largest negative contributor to the smallest—are the inverted long-term government bond yield, the order books survey, the Spanish contribution to Euro M2, job placings, and the Spanish equity price index.

With the decrease of 0.5 percent in June, The Conference Board LEI for Spain now stands at 108.2 (2004=100). Based on revised data, this index declined 0.2 percent in May and increased 0.1 percent in April. During the six-month span through June, the index decreased 1.3 percent, and two of the six components advanced (diffusion index, six-month span equals 33.3 percent).

**COINCIDENT INDICATORS.** Four of the five components that make up The Conference Board CEI for Spain increased in June. The positive contributors—in order from the largest positive contributor to the smallest—are retail sales survey, final household consumption\*, industrial production (excluding construction), and real imports\*. Employment\* remained unchanged in June.

With the increase of 0.2 percent in June, The Conference Board CEI for Spain now stands at 100.9 (2004=100). Based on revised data, this index increased 0.1 percent in May and remained unchanged in April. During the six-month span through June, the index increased 0.8 percent, and three of the five components advanced (diffusion index, six-month span equals 70.0 percent).

NOTES: Series in The Conference Board CEI for Spain that are based on our estimates include final household consumption, employment, and real imports.

The Order Books Survey component of the leading economic index has been revised by the source agency starting in 1993. These revisions are the result of methodological changes in this component. (Further information can be obtained by following the link: <http://www.meh.es/en-GB/Paginas/Home.aspx>.) As a result, index levels of the LEI were revised slightly lower for April and May.

### Summary Table of Composite Indexes

		2010		6-month
	Apr	May	Jun	Dec to Jun
Leading Economic Index (LEI)	108.9 r	108.7 r	108.2	
Percent Change	0.1 r	-0.2 r	-0.5	-1.3
Diffusion	50.0	41.7	16.7	33.3
Coincident Economic Index (CEI)	100.6 p	100.7 p	100.9 p	
Percent Change	0.0 p	0.1 p	0.2 p	0.8 p
Diffusion	70.0	80.0	90.0	70.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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