



News Release

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The Conference Board®
France Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX®
(LEI) FOR FRANCE
AND RELATED COMPOSITE ECONOMIC INDEXES FOR OCTOBER 2010

Next month's release will incorporate annual benchmark revisions to the composite indexes. These regular benchmark revisions bring the indexes up-to-date with revisions in the source data. The revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are incorporated when the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes and their month-over-month changes will no longer be directly comparable to those issued prior to the benchmark revision.

For more information, please visit our website at <http://www.conference-board.org/data/bci.cfm> or contact indicators@conference-board.org.

Brussels, December 20, 2010... The Conference Board Leading Economic Index® (LEI) for France increased 0.1 percent and The Conference Board Coincident Economic Index® (CEI) remained unchanged in October.

- The Conference Board LEI for France rose slightly in October, following three consecutive strong monthly increases. Positive contributions from the yield spread and production expectations more than offset the large decline in building permits. Between April and October 2010, the leading economic index increased 2.7 percent (a 5.4 percent annual rate), modestly slower than the growth of 3.6 percent (a 7.3 percent annual rate) during the previous six months. In addition, the weaknesses among the leading indicators have been slightly more widespread than the strengths in recent months.
- The Conference Board CEI for France, a measure of current economic activity, remained unchanged in October after increasing slightly in September. During the last six months, the coincident economic index rose by 0.4 percent (a 0.8 percent annual rate), in line with the 1.0 percent annual rate of growth between October 2009 and April 2010. 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 1.4 percent annual rate in the third quarter of 2010, following an increase of 2.7 percent annual rate in the second quarter.
- The Conference Board LEI for France remains on an upward trend that began in April 2009. However, its six-month growth rate has moderated from the very fast pace reached late last year. Meanwhile, The Conference Board CEI for France has increased slightly in 2010, though its six-month growth rate has slowed somewhat as well. Taken together, the behavior of the composite indexes suggests that economic activity should continue to grow moderately in the near term.

Please visit our website at <http://www.conference-board.org/data/bci.cfm>
 Also, visit the website of our research associate in France: <http://www.coe-rexecode.fr/public>
 The next release is scheduled for Friday, January 21, 2011 at 4:00 A.M. ET (10:00 A.M. Paris Time)

LEADING INDICATORS. Four of the seven components of the leading economic index increased in October. The positive contributors to the index -- in order from the largest positive contributor to the smallest -- are the yield spread, production expectations, the stock price index, and the inverted new unemployment claims. The negative contributors to the index -- beginning with the largest negative contributor -- are building permits (residential), industrial new orders, and the ratio of the deflator of manufacturing value added to unit labor cost in manufacturing*.

With the increase of 0.1 percent in October, the leading economic index now stands at 112.1 (2004=100). Based on revised data, this index increased 0.8 percent in September and increased 0.9 percent in August. During the six-month span through October, the index increased 2.7 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

COINCIDENT INDICATORS. Two of the four components of the coincident economic index increased in October. The positive contributors to the index were wage and salaries* and employment*. Industrial production and personal consumption* declined in October.

After remaining unchanged in October, the coincident economic index now stands at 104.3 (2004=100). Based on revised data, this index increased 0.1 percent in September and decreased 0.1 percent in August. During the six-month period through October, the index increased 0.4 percent, and all four components increased (diffusion index, six-month span equals 100.0 percent).

Prior to March 2009, the residential building permits component of The Conference Board LEI for France is calculated as permits granted minus permits cancelled. From March 2009 going forward, the permits granted series replaces residential building permits because of delays in the publication of permits cancelled data by the source agency. The same standardization factor is applied to both series because their volatilities are similar. If the missing series becomes available, the original definition of the housing permits series may be restored at the next benchmark revision.

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Summary Table of Composite Indexes

	Aug	2010 Sep	Oct	6-month Apr. to Oct
Leading Economic Index (LEI)	111.1 p	112.0 p	112.1 p	
Percent Change	0.9 p	0.8 p	0.1 p	2.7 p
Diffusion	64.3	85.7	50.0	42.9
Coincident Economic Index (CEI)	104.2 r	104.3 p	104.3 p	
Percent Change	-0.1 r	0.1 p	0.0 p	0.4 p
Diffusion	37.5	75.0	37.5	100.0

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

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