FOR RELEASE: 10:00 A.M. KST, FRIDAY, NOVEMBER 12, 2010

The Conference Board®
Korea Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX®
(LEI) FOR KOREA
AND RELATED COMPOSITE ECONOMIC INDEXES FOR SEPTEMBER 2010

The Conference Board Leading Economic Index® (LEI) for Korea increased 0.8 percent while The Conference Board Coincident Economic Index® (CEI) for Korea declined 0.1 percent in September.

- The Conference Board LEI for Korea increased in September following three consecutive declines, and the strengths among the leading indicators were widespread. With the gain in September, the leading economic index grew by 0.3 percent (about a 0.7 percent annual rate) from March to September 2010, substantially lower than the increase of 4.5 percent (about a 9.1 percent annual rate) for the previous six months. Moreover, the strengths among the leading indicators have just been largely balanced with the weaknesses in recent months.

- The Conference Board CEI for Korea, a measure of current economic activity, fell for the second consecutive month in September. All of its components decreased this month except for monthly earnings. With the small decline in September, the coincident economic index grew by 1.3 percent (about a 2.5 percent annual rate) in the six-month period ending in September 2010, slightly below
the increase of 1.8 percent (about a 3.7 percent annual rate) for the previous six months. At the same time, real GDP grew at a 3.0 percent annual rate in the third quarter of 2010, slower than the growth of 5.8 percent annual rate in the second quarter and 8.8 percent annual rate during the first quarter.

- Before this month’s increase, The Conference Board LEI for Korea had been declining for several months. As a result, its six-month growth rate has fallen sharply from early 2010. Meanwhile, The Conference Board CEI for Korea declined in the past two months, and its growth rate in the last six months has also slowed. Taken together, the current behavior of the composite indexes and their components suggest that economic growth will remain modest in the near term.

LEADING INDICATORS. Five of the seven components that make up The Conference Board LEI for Korea increased in September. The positive contributors – from the largest positive contributor to the smallest – were stock prices, the (inverted) yield of government public bonds, letter of credit arrivals, private construction orders, and value of machinery orders. Negative contributors – from the larger negative contributor – were the (inverted) index of inventories to shipments and real exports FOB.

With the 0.8 percent increase in September, The Conference Board LEI for Korea now stands at 115.2 (2004=100). Based on revised data, this index declined 0.9 percent in August and declined 0.7 percent in July. During the six-month span through September, the leading economic index increased 0.3 percent, with four of the seven components advancing (diffusion index, six-month span equals 57.1 percent).

COINCIDENT INDICATORS. Only one of the four components that make up The Conference Board CEI for Korea increased in September. The positive contributor was monthly cash earnings*. Total employment, industrial production, and the wholesale and retail sales component declined in September.

With the 0.1 percent decrease in September, The Conference Board CEI for Korea now stands at 112.6 (2004=100). Based on revised data, this index decreased 0.4 percent in August and increased 0.7 percent in July. During the six-month span through September, the coincident economic index increased 1.3 percent, with all four components advancing (diffusion index, six-month span equals 100.0 percent).

DATA AVAILABILITY. The data series used to compute The Conference Board Leading Economic Index® (LEI) and The Conference Board Coincident Economic Index® (CEI) for Korea reported in this release are those available “as of” 10 A.M. (ET) on November 10, 2010.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. There is no forecasted series in the leading economic index.
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<thead>
<tr>
<th></th>
<th>2010</th>
<th>6-month</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Jul</td>
<td>Aug</td>
</tr>
<tr>
<td><strong>Leading Economic index (LEI)</strong></td>
<td>115.3 r</td>
<td>114.3 r</td>
</tr>
<tr>
<td>Percent Change</td>
<td>-0.7</td>
<td>-0.9</td>
</tr>
<tr>
<td>Diffusion</td>
<td>42.9</td>
<td>28.6</td>
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<tr>
<td><strong>Coincident Economic Index (CEI)</strong></td>
<td>113.1 p</td>
<td>112.7 p</td>
</tr>
<tr>
<td>Percent Change</td>
<td>0.7 p</td>
<td>-0.4 p</td>
</tr>
<tr>
<td>Diffusion</td>
<td>100.0</td>
<td>12.5</td>
</tr>
</tbody>
</table>

n.a. Not available  
 p Preliminary  
 r Revised  
 Indexes equal 100 in 2004  
 Source: The Conference Board  
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The next release is scheduled for Friday, December 10, 2010 at 10:00 A.M. (KST)  
_In the U.S – Thursday, December 9, 2010 at 8:00 P.M (EST)_

For more information, visit The Conference Board website: [www.conference-board.org/data/bci.cfm](http://www.conference-board.org/data/bci.cfm)