



THE CONFERENCE BOARD

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

**BRUSSELS, July 13, 2009...** The Conference Board Leading Economic Index™ (LEI) for Spain declined 0.1 percent. The Conference Board Coincident Economic Index™ (CEI) decreased 0.5 percent in May.

- The Conference Board LEI for Spain decreased in May after increasing for the first time in eight months in April. A large negative contribution from the capital equipment component of industrial production more than offset positive contributions from order books survey and stock prices. Between November 2008 and May 2009, the leading economic index decreased by 2.3 percent (about a -4.6 percent annual rate), only slightly faster than the 2.2 percent decline (about a -4.3 percent annual rate) between May and November 2008. In addition, the strengths and weaknesses among the leading indicators have become balanced in recent months.
- The Conference Board CEI for Spain, a measure of current economic activity, decreased again in May. Industrial production (excluding construction) continued to make the largest negative contribution to the index. Between November 2008 and May 2009, the coincident economic index fell 4.2 percent (about a -8.1 percent annual rate), moderately slower than the 4.6 percent decline (about a -9.0 percent annual rate) for the previous six months. Additionally, the weaknesses among the coincident indicators have remained very widespread, with none of the components increasing during the past six months. At the same time, real GDP contracted at a 7.4 percent annual rate during the first quarter of 2009, its largest quarterly decline since 1991, following a decline of 3.8 percent annual rate for the fourth quarter of 2008.
- After trending downward for more than a year, The Conference Board LEI for Spain has been almost flat during the past two months and as a result, the pace of its six-month contraction has slowed recently. Meanwhile, The Conference Board CEI for Spain has been falling since its most recent peak in February 2008, though the rate of its decline has moderated slightly over the past few months. Taken together, the recent behavior of the composite economic indexes suggests that, although the pace of contraction may moderate slightly, the downturn in economic activity is likely to continue in the near term.

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

With the decrease of 0.1 percent in May, The Conference Board LEI for Spain now stands at 105.8 (2004=100). Based on revised data, this index increased 0.2 percent in April and declined 0.6 percent in March. During the six-month span through May, the index decreased 2.3 percent, and three of the six components advanced (diffusion index, six-month span equals 50.0 percent).

**COINCIDENT INDICATORS.** One of the five components that make up The Conference Board CEI for Spain increased in May. Real imports\* was the only positive contributor to the index this month. Industrial production excluding construction, final household consumption\*, retail sales survey and employment\* declined in May.

With the decrease of 0.5 percent in May, The Conference Board CEI for Spain now stands at 101.6 (2004=100). Based on revised data, this index decreased 0.5 percent in April and decreased 0.8 percent in March. During the six-month span through May, the index decreased 4.2 percent, and none of the five components advanced (diffusion index, six-month span equals 0.0 percent).

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### Summary Table of Composite Indexes

	2009			6-month
	Mar	Apr	May	Nov to May
Leading Economic Index (LEI)	105.7 r	105.9 r	105.8 p	
Percent Change	-0.6	0.2	-0.1 p	-2.3 p
Diffusion	66.7	66.7	58.3	50.0
Coincident Economic Index (CEI)	102.6 p	102.1 p	101.6 p	
Percent Change	-0.8 p	-0.5 p	-0.5 p	-4.2 p
Diffusion	0.0	40.0	20.0	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 Tuesday, August 11, 2009 at 10:00 A.M. (Madrid Time)

*In the U.S. – Tuesday, August 11, 2009 at 4:00 A.M. (ET)*