



THE CONFERENCE BOARD

FOR RELEASE: 9:30 A.M. (ET), WEDNESDAY, NOVEMBER 25, 2015

The Conference Board®
Euro Area Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX®
(LEI) FOR THE EURO AREA
AND RELATED COMPOSITE ECONOMIC INDEXES FOR OCTOBER 2015

New York, November 25, 2015... The Conference Board Leading Economic Index® (LEI) for the Euro Area increased 0.4 percent and The Conference Board Coincident Economic Index® (CEI) remained unchanged in October.

- The Conference Board LEI for the Euro Area increased in October. The yield spread, consumer expectations of general economic situation and stock prices made the largest positive contributions. In the six-month period ending October 2015, the leading economic index grew by 1.4 percent (about a 2.8 percent annual rate), down from its 3.5 percent increase (about a 7.1 percent annual rate) over the previous six months. In addition, the strengths among the leading indicators have become slightly more widespread than the weaknesses over the past six months.
- The Conference Board CEI for the Euro Area, a measure of current economic activity, was unchanged in October, according to preliminary estimates. Between April and October 2015, the coincident economic index increased 0.4 percent (about a 0.8 percent annual rate), after its growth of 0.7 percent (about a 1.4 percent annual rate) over the previous six months. Meanwhile, real GDP expanded by 1.2 percent (annual rate) in the third quarter, slightly below its growth of 1.4 percent (annual rate) in the second quarter.
- The LEI has increased in five of the last six months, however, its six-month growth rate has moderated in recent months. Meanwhile, the CEI six-month change has remained modest. Taken together, the recent behavior of the composite indexes suggests that the current economic expansion in the Euro Area is likely to continue into next year, but some downside risks still exist.

LEADING INDICATORS. Five of the eight components that make up The Conference Board LEI for the Euro Area increased in October. The positive contributors — in order from the largest positive contributor to the smallest — were the interest rate spread, Consumer expectations of general economic situation, the EURO STOXX® Index, the Systemic Stress Composite Indicator (inverted) and the Markit® Manufacturing New Orders Index. Negative contributors—in order from largest to smallest—were the Markit® Business Expectations Index (services), residential building permits*, and capital goods new orders*.

With the 0.4 percent increase in October, The Conference Board LEI for the Euro Area now stands at 108.2 (2010=100). Based on revised data, this index was unchanged in September and increased 0.1 percent in August. During the six-month span through October, the index increased 1.4 percent, with four of the eight components increasing (diffusion index, six-month span equals 56.3 percent).

The next release is scheduled for Wednesday, December 23, 2015 at 3:30 P.M. (Brussels time)
In New York – Wednesday, December 23, 2015 at 9:30 A.M. (ET)

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for the Euro Area increased in October. The positive contributors were employment* and retail trade*. Industrial production* and manufacturing turnover* remained unchanged in October.

After no change in October, The Conference Board CEI for the Euro Area now stands at 100.8 (2010=100). Based on revised data, this index increased 0.1 percent in September and remained unchanged in August. During the six-month period through October, the index increased 0.4 percent, with three of the four components increasing (diffusion index, six-month span equals 75.0 percent).

* See notes under data availability.

FOR TABLES AND CHARTS, SEE BELOW

DATA AVAILABILITY The data series used to compute **The Conference Board Leading Economic Index[®]** (LEI) for the Euro Area and **The Conference Board Coincident Economic Index[®]** (CEI) for the Euro Area reported in this release are those available “as of” 10:00 A.M. ET November 20, 2015. Some series are estimated as noted below.

NOTES: Series in The Conference Board LEI for the Euro Area that are based on our estimates are capital goods new orders and residential building permits. Series in The Conference Board CEI for the Euro Area that are based on our estimates are employment, industrial production, retail trade, and manufacturing turnover.

Professional Contacts at The Conference Board:
Indicators Program:
Email: indicators@conference-board.org
Website: <http://www.conference-board.org/data/bci.cfm>

Media Contacts:
Carol Courter: 212- 339-0232
Jonathan Liu: 212- 339-0257

THE CYCLICAL INDICATOR APPROACH. The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading and coincident economic indexes are essentially composite averages of several individual leading or coincident indicators. (See page 3 for details.) They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component—primarily because they smooth out some of the volatility of individual components.

Historically, the cyclical turning points in The Conference Board LEI for the Euro Area have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for the Euro Area have occurred at about the same time as those in aggregate economic activity.

Further explanations of the cyclical indicator approach and the composite economic index methodology appear in The Conference Board’s *Business Cycle Indicators* report and website: <http://www.conference-board.org/data/bci.cfm>.

Euro Area Composite Economic Indexes: Components and Standardization Factors

<u>Leading Economic Index</u>		<u>Factor</u>
1	Yield Spread, ECB 10 year minus minimum bid rate	0.1916
2	Consumer expectations of general economic situation over next 12 months	0.1732
3	Markit Manufacturing New Orders Index	0.1718
4	Markit Business Expectations Index (Services)	0.1727
5	Eurostoxx® Index	0.0374
6	Systemic Stress Composite Indicator	0.1739
7	Capital Goods New Orders	0.0515
8	Building Permits	0.0279
<u>Coincident Economic Index</u>		<u>Factor</u>
1	Number of Employees	0.7469
2	Industrial Production	0.0760
3	Retail Trade	0.1125
4	Manufacturing Turnover	0.0646

Notes:

The standardization factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are “normalized” to sum to 1.

These factors were revised effective with the release in January 2015, and all historical values for the two composite indexes were revised at this time to reflect the changes. (Under normal circumstances, updates to the leading and coincident indexes only incorporate revisions to data over the past six months.) The factors above were calculated using August 2000 – December 2013 as the sample period for measuring volatility for The Conference Board LEI for the Euro Area. Separate sets of factors for February 1987 – December 1993, January 1994, February 1994 – January 1995, February 1995 – June 1997, July 1997 – July 1998, August 1998 – December 1998, January 1999 – June 2000, and July 2000 are available upon request. The factors above for The Conference Board CEI for the Euro Area were calculated using February 1995 – December 2013 as the sample period. A separate set of factors is available for February 1987 – January 1995. These multiple sample periods are the result of different starting dates for the component data. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1. For additional information on the standardization factors and the index methodology visit our website: <http://www.conference-board.org/data/bci.cfm>.

The trend adjustment factors for The Conference Board LEI for the Euro Area are -0.4166 calculated over 1987-1999 and -0.1881 calculated over 2000-2013.

To address the problem of lags in available data, those leading and coincident indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each component. The resulting indexes are constructed using real and estimated data, and will be revised as the data unavailable at the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the U.S. Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading economic index the data, such as stock prices, that are available sooner than other data on “real” aspects of the economy, such as new orders and changes in inventory. Empirical research by The Conference Board suggests there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

NOTICES

The Conference Board Leading Economic Index[®] (LEI) for the Euro Area news release schedule for 2015:

Wednesday, December 23, 2015 For November 2015 data

All releases are at 9:30 A.M. (ET)

ABOUT THE CONFERENCE BOARD

The Conference Board is a global, independent business membership and research association working in the public interest. Our mission is unique: To provide the world's leading organizations with the practical knowledge they need to improve their performance *and* better serve society. The Conference Board is a non-advocacy, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States.

AVAILABLE FROM THE CONFERENCE BOARD:

Euro Area Business Cycle Indicators Internet Subscription

(Includes monthly release, data, charts and commentary)

\$ 735 (for TCB members)/\$ 935 (for non-TCB members) per year (1 user)

Individual Data Series

\$ 70 per series downloaded

Monthly BCI Report (PDF)

(Sample available at <http://www.conference-board.org/publications/publicationdetail.cfm?publicationid=852>)

\$ 295 (for TCB members)/\$ 365 (for non-TCB members) per year

BCI Handbook (published 2001) PDF only – website download

Corporate Site License Contact Indicators Program at Indicators@conference-board.org

Business Cycle Indicators for the U.S., Brazil, China, the Euro Area, France, Germany, India, Japan, Korea, Mexico, Spain and U.K. are available at \$ 735 (for TCB members)/\$ 935 (for non-TCB members) per country per year (1 user). Discounts are available to Associates of The Conference Board and accredited academic institutions.

The Conference Board Euro Area Business Cycle Indicators

Table 1.--Summary of Euro Area Composite Economic Indexes

	2015							
	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	
Leading index	106.7	106.8	107.5	107.7 r	107.8 p	107.8 p	108.2 p	
Percent change	0.6	0.1	0.7	0.2 r	0.1 p	0.0 p	0.4 p	
Diffusion index	93.8	56.3	81.3	81.3	62.5	75.0	62.5	
Coincident index	100.4	100.5	100.5 p	100.7 p	100.7 p	100.8 p	100.8 p	
Percent change	0.1	0.1	0.0 p	0.2 p	0.0 p	0.1 p	0.0 p	
Diffusion index	87.5	75.0	25.0	100.0	37.5	50.0	87.5	

	Oct to	Nov to	Dec to	Jan to	Feb to	Mar to	Apr to
	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading index							
Percent change	3.5	3.2	3.5	3.2 r	2.4 p	1.6 p	1.4 p
Diffusion index	75.0	87.5	100.0	100.0	100.0	81.3	56.3
Coincident index							
Percent change	0.7	0.7	0.5 p	0.6 p	0.4 p	0.5 p	0.4 p
Diffusion index	100.0	100.0	100.0	100.0	62.5	75.0	75.0

© The Conference Board 2015. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board consistent with a subscriber or license agreement and the Terms of Use displayed on our website at www.conference-board.org. The data and analysis contained herein may not be used, redistributed, published, or posted by any means without express written permission from The Conference Board.

COPYRIGHT TERMS OF USE. All material in this data table, this press release, and on Our Sites are protected by United States and international copyright laws. You must abide by all copyright notices and restrictions contained in Our Sites. You may not reproduce, distribute (in any form including over any local area or other network or service), display, perform, create derivative works of, sell, license, extract for use in a database, or otherwise use any materials (including computer programs and other code) in this data table, this press release, and on Our Sites (collectively, "Site Material"), except that you may download Site Material in the form of one machine readable copy that you will use only for personal, noncommercial purposes, and only if you do not alter Site Material or remove any trademark, copyright or other notice displayed on the Site Material. If you are a subscriber to any of the services offered on Our Sites, you may be permitted to use Site Material, according to the terms of your subscription agreement.

TRADEMARKS. "THE CONFERENCE BOARD", the TORCH LOGO, "THE CONFERENCE BOARD LEADING ECONOMIC INDEX", "THE CONFERENCE BOARD COINCIDENT ECONOMIC INDEX", "THE CONFERENCE BOARD LAGGING ECONOMIC INDEX", and any other logos, indicia and trademarks featured in this data table, this press release, or on Our Sites are trademarks owned by The Conference Board, Inc. in the United States and other countries ("Our Trademarks"). You may not use Our Trademarks in connection with any product or service that does not belong to us or in any manner that is likely to cause confusion among users about whether The Conference Board is the source, sponsor, or endorser of the product or service, nor in any manner that disparages or discredits us.

Violators of these rights will be prosecuted to the full extent of the law. Nothing herein shall restrict the use of the information by news journalists using the information in a legitimate news publication or periodical.

The Conference Board Euro Area Business Cycle Indicators

Table 2.--Data and Net Contributions for Components of the Euro Area Leading Economic Index

Component	2015						
	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.
Euro Area Leading Economic Index component data							
Yield Spread, 10 year ECB Benchmark Rate minus ECB Minimum Bid Rate-----	0.8	1.3	1.6	1.5	1.3	1.4	1.2
Consumer expectations of general economic situation over next 12 months Balances, percent -----	-1.3	-2.1	-3.1	-6.6	-3.1	-4.7	-3.9
Markit® Manufacturing New Orders***-----	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Markit® Business Expectations Index (Services)*** -----	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Stock Price (Average Closing Price)----- EURO STOXX® Index, 12/31/1991=100	383.3	373.4	364.0	366.3	356.7	330.9	342.2
Systemic Stress Composite Indicator* ----- Index, monthly average	0.07	0.09	0.08	0.12	0.14	0.18	0.15
Capital Goods New Orders ¹ ----- Index (2010=100)	115.8	114.8	118.3	119.1 r	114.4 r	116.0 **	115.9 **
Index of Residential Building Permits (Index, 2010 = 100) ----- Square meters of usable floor area	89.7 r	84.9 r	90.4 r	86.0 r	86.5 **	86.5 **	86.0 **
LEADING INDEX (2010=100) -----	106.7	106.8	107.5	107.7 r	107.8 p	107.8 p	108.2 p
Percent change from preceding month.....	0.6	0.1	0.7	0.2 r	0.1 r	0.0 p	0.4 p
Euro Area Leading Economic Index net contributions							
Yield Spread, 10 year ECB Benchmark Rate minus ECB Minimum Bid Rate-----	----	0.25	0.31	0.28	0.26	0.27	0.22
Consumer expectations of general economic situation over next 12 months (std. dev. ¹) -----	----	0.19	0.17	0.11	0.17	0.14 r	0.16
Markit® Manufacturing New Orders ----- (std. dev. ¹)	----	0.03	0.03	0.02	0.03	0.03	0.04
Markit® Business Expectations Index (Services) ----- (std. dev. ¹)	----	0.00	0.01 r	0.00 r	-0.01 r	-0.02	-0.03
Stock Price (Average Closing Price)----- EURO STOXX® Index, 12/31/1991=100	----	-0.10	-0.10	0.02	-0.10	-0.28	0.13
Systemic Stress Composite Indicator* ----- (std. dev. ¹)	----	0.11	0.12	0.08	0.06	0.02	0.05
Capital Goods New Orders ¹ ----- Index (2010=100)	----	-0.05	0.16 r	0.03 r	-0.21 r	0.07 **	-0.01 **
Index of Residential Building Permits (Index, 2010 = 100) ----- Square meters of usable floor area	----	-0.15	0.17 r	-0.14 r	0.01 **	0.00 **	-0.02 **

© The Conference Board 2015. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board consistent with a subscriber or license agreement and the Terms of Use displayed on our website at www.conference-board.org. The data and analysis contained herein may not be used, redistributed, published, or posted by any means without express written permission from The Conference Board.

COPYRIGHT TERMS OF USE. All material in this data table, this press release, and on Our Sites are protected by United States and international copyright laws. You must abide by all copyright notices and restrictions contained in Our Sites. You may not reproduce, distribute (in any form including over any local area or other network or service), display, perform, create derivative works of, sell, license, extract for use in a database, or otherwise use any materials (including computer programs and other code) in this data table, this press release, and on Our Sites (collectively, "Site Material"), except that you may download Site Material in the form of one machine readable copy that you will use only for personal, noncommercial purposes, and only if you do not alter Site Material or remove any trademark, copyright or other notice displayed on the Site Material. If you are a subscriber to any of the services offered on Our Sites, you may be permitted to use Site Material, according to the terms of your subscription agreement.

TRADEMARKS. "THE CONFERENCE BOARD", the TORCH LOGO, "THE CONFERENCE BOARD LEADING ECONOMIC INDEX", "THE CONFERENCE BOARD COINCIDENT ECONOMIC INDEX", "THE CONFERENCE BOARD LAGGING ECONOMIC INDEX", and any other logos, indicia and trademarks featured in this data table, this press release, or on Our Sites are trademarks owned by The Conference Board, Inc. in the United States and other countries ("Our Trademarks"). You may not use Our Trademarks in connection with any product or service that does not belong to us or in any manner that is likely to cause confusion among users about whether The Conference Board is the source, sponsor, or endorser of the product or service, nor in any manner that disparages or discredits us.

Violators of these rights will be prosecuted to the full extent of the law. Nothing herein shall restrict the use of the information by news journalists using the information in a legitimate news publication or periodical.

The Conference Board Euro Area Business Cycle Indicators

Table 3.--Data and Net Contributions for Components of the Euro Area Coincident Economic Index

Component	2015						
	Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.
Euro Area Coincident Economic Index Component Data							
Number of Employees							
Thous. Of Employees, S.A. Q	150802.2	150966.5	150958.3 **	151106.5 **	151247.5 **	151381.8 **	151510.0 **
Industrial Production, Volume Index (2010=100). S.A.	102.6	102.5 r	102.2 r	102.9	102.5 r	102.2 r	102.2 **
Retail Trade, Volume Index (2010=100). S.A.	99.9 r	100.2 r	100.1	100.7	100.7	100.7 **	100.8 **
Manufacturing Turnover, Index (2010=100). S.A.	104.9 r	105.2 r	104.8 r	105.5 r	105.0 r	105.1 **	105.2 **
COINCIDENT INDEX (2004=100).....	100.4	100.5	100.5 p	100.7 p	100.7 p	100.8 p	100.8 p
Percent change from preceding month.....	0.1	0.1	0.0 p	0.2 p	0.0 p	0.1 p	0.0 p
Euro Area Coincident Economic Index net contributions							
Number of Employees	----	0.08	0.00 **	0.07 **	0.07 **	0.07 **	0.06 **
Thous. Of Employees, S.A. Q							
Industrial Production, Volume Index (2010=100). S.A.	----	-0.01	-0.02	0.06	-0.03 r	-0.03 r	0.00 **
Retail Trade, Volume Index (2010=100). S.A.	----	0.02	0.00	0.07 r	0.00	-0.01 **	0.02 **
Manufacturing Turnover, Index (2010=100). S.A.	----	0.02	-0.03 r	0.05	-0.03 r	0.01 **	0.00 **

p Preliminary. r Revised. s.a. Seasonally Adjusted

* Inverted series; a negative change in this component makes a positive contribution to the index.

** Statistical Imputation (See page 2 for more details)

Q Quarterly series; these series are converted to monthly through a linear interpolation.

Data Sources: Eurostat

CALCULATION NOTE--The percent change in the index does not always equal the sum of the net contributions of the individual components (because of rounding effects and base value differences).

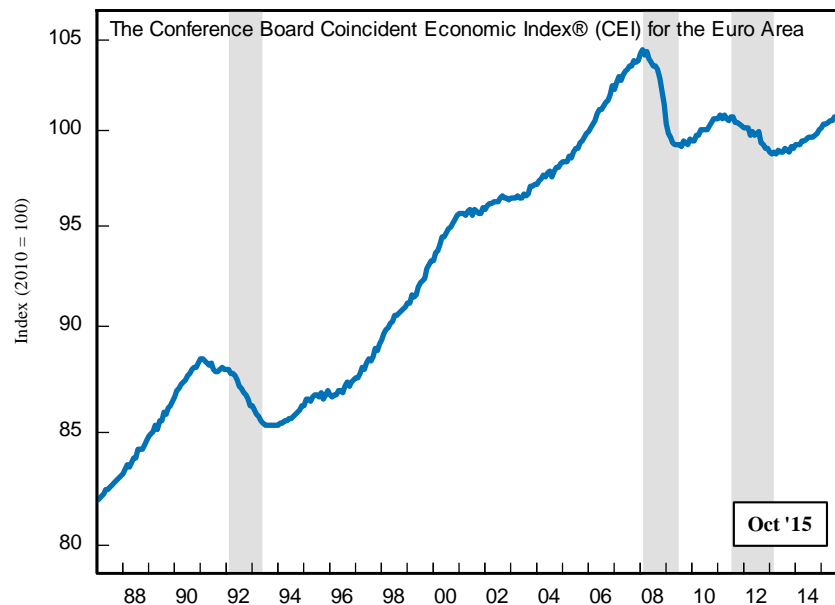
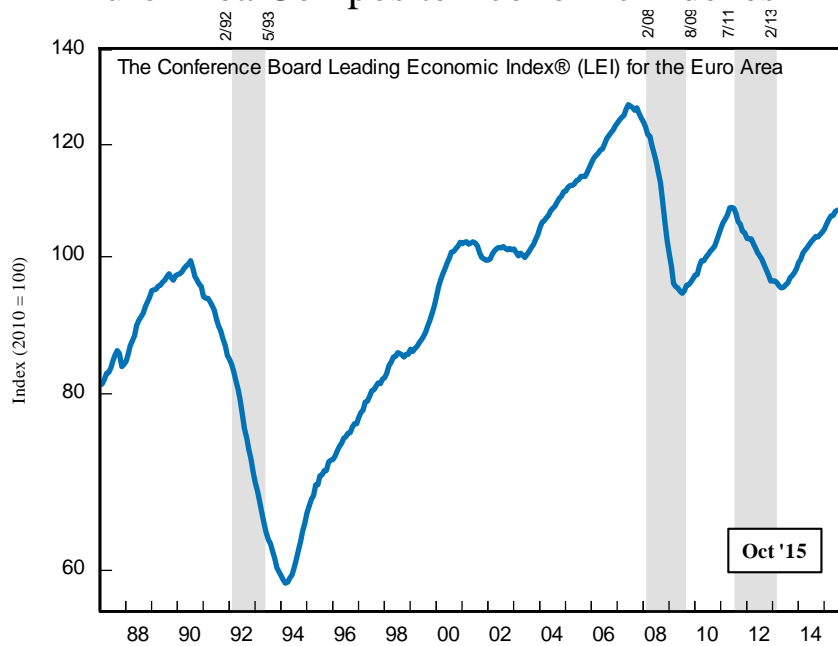
© The Conference Board 2015. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board consistent with a subscriber or license agreement and the Terms of Use displayed on our website at www.conference-board.org. The data and analysis contained herein may not be used, redistributed, published, or posted by any means without express written permission from The Conference Board.

COPYRIGHT TERMS OF USE. All material in this data table, this press release, and on Our Sites are protected by United States and international copyright laws. You must abide by all copyright notices and restrictions contained in Our Sites. You may not reproduce, distribute (in any form including over any local area or other network or service), display, perform, create derivative works of, sell, license, extract for use in a database, or otherwise use any materials (including computer programs and other code) in this data table, this press release, and on Our Sites (collectively, "Site Material"), except that you may download Site Material in the form of one machine readable copy that you will use only for personal, noncommercial purposes, and only if you do not alter Site Material or remove any trademark, copyright or other notice displayed on the Site Material. If you are a subscriber to any of the services offered on Our Sites, you may be permitted to use Site Material, according to the terms of your subscription agreement.

TRADEMARKS. "THE CONFERENCE BOARD", the TORCH LOGO, "THE CONFERENCE BOARD LEADING ECONOMIC INDEX", "THE CONFERENCE BOARD COINCIDENT ECONOMIC INDEX", "THE CONFERENCE BOARD LAGGING ECONOMIC INDEX", and any other logos, indicia and trademarks featured in this data table, this press release, or on Our Sites are trademarks owned by The Conference Board, Inc. in the United States and other countries ("Our Trademarks"). You may not use Our Trademarks in connection with any product or service that does not belong to us or in any manner that is likely to cause confusion among users about whether The Conference Board is the source, sponsor, or endorser of the product or service, nor in any manner that disparages or discredits us.

Violators of these rights will be prosecuted to the full extent of the law. Nothing herein shall restrict the use of the information by news journalists using the information in a legitimate news publication or periodical.

Euro Area Composite Economic Indexes



Note: The shaded areas represent business cycle recessions. The peaks and troughs are designated by The Conference Board based on the coincident index and real GDP.

Source: The Conference Board

© The Conference Board 2015. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board consistent with a subscriber or license agreement and the Terms of Use displayed on our website at www.conference-board.org. The data and analysis contained herein may not be used, redistributed, published, or posted by any means without express written permission from The Conference Board.

COPYRIGHT TERMS OF USE. All material in this data table, this press release, and on Our Sites are protected by United States and international copyright laws. You must abide by all copyright notices and restrictions contained in Our Sites. You may not reproduce, distribute (in any form including over any local area or other network or service), display, perform, create derivative works of, sell, license, extract for use in a database, or otherwise use any materials (including computer programs and other code) in this data table, this press release, and on Our Sites (collectively, "Site Material"), except that you may download Site Material in the form of one machine readable copy that you will use only for personal, noncommercial purposes, and only if you do not alter Site Material or remove any trademark, copyright or other notice displayed on the Site Material. If you are a subscriber to any of the services offered on Our Sites, you may be permitted to use Site Material, according to the terms of your subscription agreement.

TRADEMARKS. "THE CONFERENCE BOARD", the TORCH LOGO, "THE CONFERENCE BOARD LEADING ECONOMIC INDEX", "THE CONFERENCE BOARD COINCIDENT ECONOMIC INDEX", "THE CONFERENCE BOARD LAGGING ECONOMIC INDEX", and any other logos, indicia and trademarks featured in this data table, this press release, or on Our Sites are trademarks owned by The Conference Board, Inc. in the United States and other countries ("Our Trademarks"). You may not use Our Trademarks in connection with any product or service that does not belong to us or in any manner that is likely to cause confusion among users about whether The Conference Board is the source, sponsor, or endorser of the product or service, nor in any manner that disparages or discredits us.

Violators of these rights will be prosecuted to the full extent of the law. Nothing herein shall restrict the use of the information by news journalists using the information in a legitimate news publication or periodical.