



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. (BERLIN TIME), FRIDAY, JUNE 20, 2014

The Conference Board®
Germany Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX®
(LEI) FOR GERMANY
AND RELATED COMPOSITE ECONOMIC INDEXES FOR APRIL 2014

BRUSSELS, June 20, 2014... The Conference Board Leading Economic Index® (LEI) for Germany increased 0.2 percent and The Conference Board Coincident Economic Index® (CEI) remained unchanged in April.

- The Conference Board LEI for Germany increased slightly in April. The index was revised upward between December 2013 and February 2014, after fourth quarter data for inventory change and gross enterprises and properties surplus became available. In the six-month period ending in April, the leading economic index increased 2.4 percent (about a 4.9 percent annual rate), up from 1.7 percent (about a 3.4 percent annual rate) during the previous six months. In addition, the strengths among the leading indicators have become very widespread with all indicators advancing over the past six months.
- The Conference Board CEI for Germany, a measure of current economic activity, was unchanged in April. Between October 2013 and April 2014, the coincident economic index increased 0.9 percent (about a 1.9 percent annual rate), up from its increase of 0.2 percent (about a 0.4 percent annual rate) over the previous six months. In addition, the strengths among the components have remained very widespread in recent months. Meanwhile, real GDP grew 3.3 percent (annual rate) in the first quarter of 2014, up from 1.5 percent (annual rate) in the fourth quarter of 2013.
- The LEI for Germany has been on an upward trend since the end of 2012, and as a result its six-month growth rate continues improving. Meanwhile, despite month-to-month volatility, the CEI has been advancing over the past year and its six-month growth has moderately improved. Taken together, the recent behavior of the composite indexes suggests that economic activity is likely to continue to expand in the near term.

LEADING INDICATORS. Six of the seven components in The Conference Board LEI for Germany increased in April. The positive contributors — in order from the largest positive contributor to the smallest — were the yield spread, new orders in investment goods industries, consumer confidence, stock prices, inventory change*, and gross enterprises and properties income*. The only negative contributor was new residential construction orders*.

With the 0.2 percent increase in April, The Conference Board LEI for Germany now stands at 110.1 (2004=100). Based on revised data, this index remained unchanged in March and increased 0.5 percent in February. During the six-month span through April, the index increased 2.4 percent, with all seven components increasing (diffusion index, six-month span equals 100.0 percent).

The next release is scheduled for Tuesday, July 22, 2014 at 10:00 A.M. (Berlin Time)

In the U.S. – Tuesday, July 22, 2014 at 4:00 A.M. (ET)

COINCIDENT INDICATORS. Three of the four components that make up The Conference Board CEI for Germany increased in April. The positive contributors were employed persons, manufacturing sales, and industrial production. Only retail trade declined in April.

With no change in April, The Conference Board CEI for Germany now stands at 108.5 (2004=100). Based on revised data, this index increased 0.1 percent in March and increased 0.2 percent in February. During the six-month period through April, the index increased 0.9 percent, with all four components increasing (diffusion index, six-month span equals 100.0 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 Germany and **The Conference Board Coincident Economic Index[®]** (CEI) for Germany reported in this release are those available “as of” 10:00 A.M. ET June 18, 2014. Some series are estimated as noted below.

NOTES: Series in The Conference Board LEI for Germany that are based on our estimates are inventory change, new residential construction orders, and gross enterprises and properties income.

For more information:

The Conference Board Europe: + 32 2 675 5405

Email: indicators@conference-board.org

Website <http://www.conference-board.org/data/bci.cfm/>

THE CYCLICAL INDICATOR APPROACH. The composite 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 Germany have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for Germany 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>.

Germany Composite Indexes: Components and Standardization Factors

<u>Leading Economic Index</u>	<u>Factor</u>
1 New Orders for Investment Goods	0.1313
2 Yield Spread	0.1468
3 Consumer Confidence Index	0.1681
4 Inventory Change	0.2694
5 New Residential Construction Order	0.0863
6 Stock Price Index	0.0498
7 Gross Enterprises and Property Income	0.1483

<u>Coincident Economic Index</u>	<u>Factor</u>
1 Industrial Production	0.0840
2 Employed Persons	0.7588
3 Retail Trade	0.0962
4 Manufacturing Sales	0.0610

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 2014, 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 economic indexes only incorporate revisions to data over the past six months.) The factors above for The Conference Board LEI for Germany were calculated using April 1991 to December 2012 (except January to February 1999) as the sample period for measuring volatility. Separate sets of factors are available for February 1965 to March 1971, April 1971 to January 1973, February 1973 to January 1974, February 1974 to November 1990, December 1990 to February 1991, March 1991 and January to February 1999. The factors above for The Conference Board CEI for Germany were calculated using February 1994 to December 2012 as the sample period. Separate sets of factors are available for February 1965 to December 1990, January 1991 to February 1991, March 1991, April 1991 and May 1991 to January 1994. These additional 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 Germany are -0.2281 for the 1965-1990 period and -0.1692 for the 1991-2012 period.

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 2014 schedule for “**The Conference Board Leading Economic Index**[®] (LEI) for Germany” news release is:

May 2014	.....	Tuesday, July 22, 2014
June 2014	.....	Wednesday, August 13, 2014
July 2014	.....	Friday, September 19, 2014
August 2014	.....	Wednesday, October 15, 2014
September 2014	.....	Friday, November 21, 2014
October 2014	.....	Monday, December 15, 2014

All releases are at 10:00 A.M. (Berlin Time)

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:

Germany Business Cycle Indicators Internet Subscription

(Includes monthly release, data, charts and commentary)

\$ 680 (for TCB members)/\$865 (for non-TCB members) per year (1 user)

Individual Data Series

\$65 per series downloaded

Monthly BCI Report (PDF)

(Sample available at <http://www.conference-board.org/data/monthlybci.cfm>)

\$ 275 (for TCB members)/\$340(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., China, the Euro Area, France, Germany, Korea, Mexico, Japan, U.K., Spain and India are available at \$680 (for TCB members)/\$865 (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 Germany Business Cycle Indicators

Table 1.--Summary of Germany Composite Economic Indexes

	2013			2014			
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Leading index	107.5	108.1	108.5 r	109.3 r	109.9 r	109.9 p	110.1 p
Percent change	0.2	0.6	0.4 r	0.7 r	0.5 r	0.0 p	0.2 p
Diffusion index	64.3	78.6	85.7	92.9	71.4	57.1	85.7
Coincident index	107.5	107.8	107.7	108.2 r	108.4	108.5	108.5
Percent change	-0.1	0.3	-0.1	0.5 r	0.2 r	0.1	0.0
Diffusion index	12.5	87.5	75.0	100.0	100.0	75.0	75.0
	Apr to	May to	Jun to	Jul to	Aug to	Sep to	Oct to
	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Leading index							
Percent change	1.7	1.8	1.5 r	1.8 r	2.1 r	2.4 p	2.4 p
Diffusion index	71.4	71.4	64.3	92.9	92.9	100.0	100.0
Coincident index							
Percent change	0.2	0.4	0.1	0.7 r	0.7	0.8	0.9
Diffusion index	25.0	50.0	50.0	100.0	100.0	100.0	100.0

p Preliminary. r Revised (both noted only for index levels and one-month percent changes).

CALCULATION NOTE: The diffusion indexes measure the proportion of the components that are rising. Components that rise more than 0.05 percent are given a value of 1.0, components that change less than 0.05 percent are given a value of 0.5, and components that fall more than 0.05 percent are given a value of 0.0.

For more information, visit our Web site at <http://www.conference-board.org/data/index.cfm>

Source: The Conference Board

All rights reserved

© The Conference Board 2014. 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.

Table 2.—Data and Net Contributions for Components of the Germany Leading Economic Index

Component	2013			2014			
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Germany Leading Economic Index component data							
New Orders, Investment Goods Industries, Volume, 2010=100 (3 month moving average).....	112.03	113.40	113.63	114.53	114.83	113.40 r	114.00
Yield 10-Year Minus 3-Month Time							
Deposits Rate, Percent,	1.5	1.5	1.5	1.5	1.3	1.2	1.1
Consumer Confidence Index.....	105.17	106.30	106.25	107.00	107.05	108.67	109.10
Inventory Change							
Contribution to real GDP change, Percent (Q).....	0.17 r	0.15 r	0.17 r	0.19 r	0.21 r	0.30 **	0.44 **
New Residential Construction Orders 2010=100, (3 month moving average).....	130.70 r	129.77 r	132.17 r	136.27 r	142.93 r	142.10 r	141.79 **
Stock Price Index							
1980=100,	431.44	449.62	454.25	466.05	465.53	457.79	462.37
Gross Enterprises and Properties Income							
Bill., 2005 Euro (Q).....	161.07 r	161.34 r	162.01 r	162.68 r	163.35 r	163.76 **	163.94 **
LEADING INDEX (2004=100).....	107.5	108.1	108.5 r	109.3 r	109.9 r	109.9 p	110.1 p
Percent change from preceding month.....	0.2	0.6	0.4 r	0.7 r	0.5 r	0.0 p	0.2 p
Germany Leading Economic Index net contributions							
New Orders, Investment Goods Industries, Volume, 2010=100 (3 month moving average).....		0.16	0.03	0.10	0.03	-0.16 r	0.07
Yield 10-Year Minus 3-Month Time							
Deposits Rate, Percent,		0.21	0.22	0.22	0.19	0.18	0.17
Consumer Confidence Index.....		0.18	-0.01	0.12	0.01	0.25	0.07
Inventory Change							
Contribution to real GDP change, Percent (Q).....		-0.01 r	0.01 r	0.01 r	0.01 r	0.03 **	0.04 **
New Residential Construction Orders 2010=100, (3 month moving average).....		-0.06	0.16	0.26 r	0.41 r	-0.05 r	-0.02 **
Stock Price Index							
1980=100,		0.21	0.05	0.13	-0.01	-0.08	0.05
Gross Enterprises and Properties Income							
Bill., 2005 Euro (Q).....		0.03 r	0.06 r	0.06 r	0.06 r	0.04 **	0.02 **

p Preliminary. r Revised. n.a. Not available.

* 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 a monthly series through a linear interpolation.

Data Sources: Deutsche Bundesbank, Haver Analytics, IFO Institute

© The Conference Board 2014. 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 Germany Business Cycle Indicators

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

Component	2013			2014			
	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Germany Coincident Economic Index Component Data							
Industrial Production, (2010=100).....	106.3	108.2 r	108.3 r	108.8	109.3 r	108.6 r	108.8
Employed Persons, Thousands #.....	41869.0 r	41884.0	41924.0	41981.0	42029.0 r	42067.0 r	42101.0
Retail Trade, Volume, (2010=100).....	100.7 r	101.8	100.2 r	102.1 r	102.7	103.3 r	101.7
Manufacturing Sales, Volume, (2010=100, 3 month moving average).....	104.8	105.5	105.6	106.8 r	107.7 r	108.1 r	108.8
COINCIDENT INDEX (2004=100).....	107.5	107.8	107.7	108.2 r	108.4	108.5	108.5
Percent change from preceding month.....	-0.1	0.3	-0.1	0.5 r	0.2 r	0.1	0.0
Germany Coincident Economic Index net contributions							
Industrial Production, (2010=100).....	....	0.15 r	0.01	0.04 r	0.04 r	-0.05 r	0.02
Employed Persons, Thousands #.....	....	0.03	0.07	0.10	0.09 r	0.07	0.06
Retail Trade, Volume, (2010=100).....	....	0.10 r	-0.15 r	0.18	0.06 r	0.06 r	-0.15
Manufacturing Sales, Volume, (2010=100, 3 month moving average).....	....	0.04	0.01	0.07 r	0.05	0.02	0.04

p Preliminary. r Revised. n.a. Not available.

* 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: Deutsche Bundesbank, Haver Analytics, Statistisches Bundesamt

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).

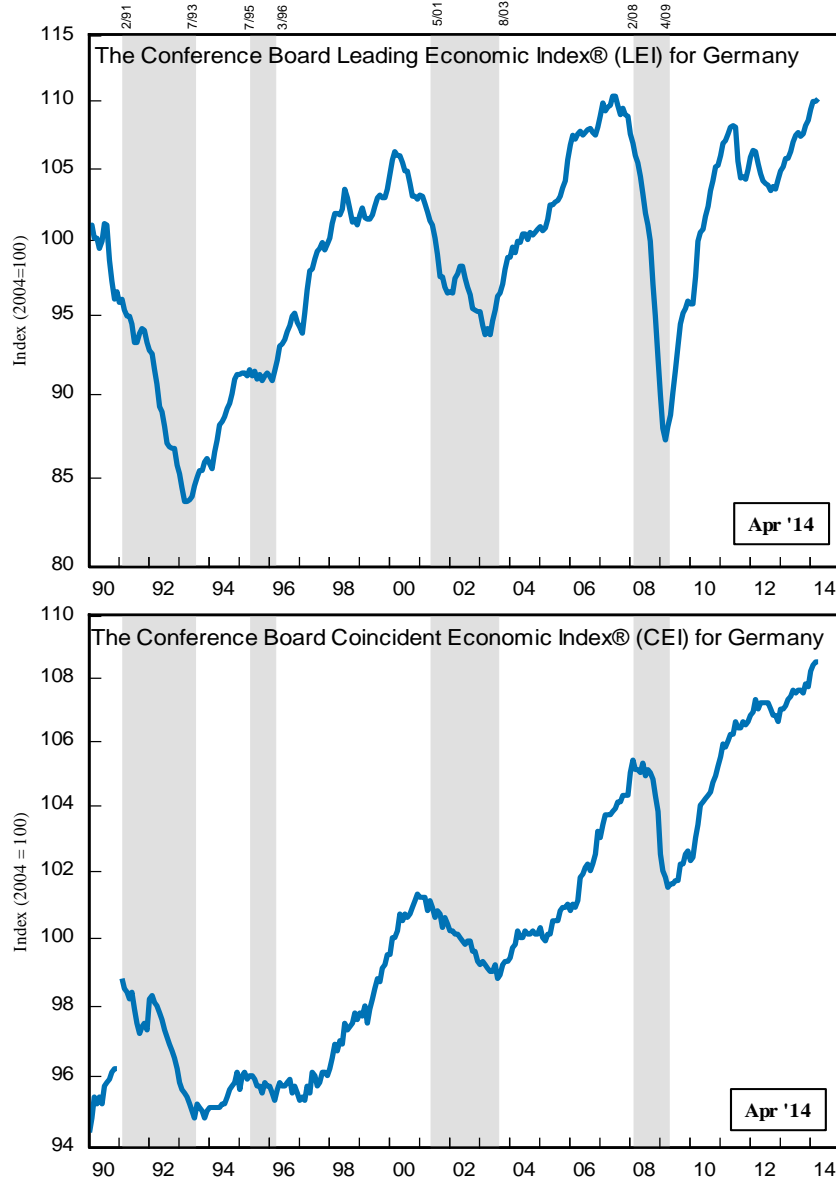
© The Conference Board 2014. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board 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.

Germany 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

* There is a discontinuity in the indexes in Jan-1991 due to reunification of Eastern and Western Germany

© The Conference Board 2014. 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.