THE CONFERENCE BOARD

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FOR RELEASE: 9:30 A.M. ET, WEDNESDAY, MARCH 17, 2004

The Conference Board® France Business Cycle Indicators℠

FRANCE LEADING ECONOMIC INDICATORS
AND RELATED COMPOSITE INDEXES FOR JANUARY 2004

The Conference Board reports today that the leading index for France increased 0.3 percent, while the coincident index remained unchanged in January.

- The leading index increased for a fifth consecutive month in January, and the strength continues to be widespread. The leading index has now increased at about a 3.5 percent annual rate from its most recent low in August 2003.
- The coincident index was unchanged in January, following a slight decline in December, and as a result, the coincident index continues to fluctuate around a slightly rising trend. At the same time, real GDP increased at a 1.8 percent annual rate in the third and fourth quarters of 2003, up from a -0.7 percent average rate in the first half of the year.
- The leading index is on a rising trend, but the 3.5 percent growth rate since August is not as rapid as during previous strong economic recoveries. As a result, the leading index is signaling a further pick up in the rate of economic growth during the first half of 2004, but the improvement is likely to be moderate.

     LEADING INDICATORS. Six of the ten components of the leading index increased in January. The positive contributors to the index —in order from the largest positive contributor to the smallest— are consumer confidence index (opinion balance), the stock price index, building permits (residential), the inverted bond yield, change in stocks*, and the ratio of the deflator of manufacturing value added to unit labor cost for manufacturing*. Inverted new unemployment claims, personal consumption of manufacturing goods, and the yield spread declined, while industrial new orders remained unchanged in January. (For details, see data availability section and tables.)

     With the increase of 0.3 percent in January, the leading index now stands at 102.7 (1990=100). Based on revised data, this index increased 0.3 percent in December and increased 0.4 percent in November. During the six-month span through January, the leading index increased 1.3 percent, and nine of the ten components increased (diffusion index, six-month span equals 90.0 percent).

See notes under data availability.

Please visit our website at www.globalindicators.org
Also visit the web site of our research associate in France: Rexecode

The next release is scheduled for April 15, 2004 at 9:30 A.M. ET (3:30 P.M. CET)

COINCIDENT INDICATORS. Two of the four components of the coincident index decreased in January. The negative contributors to the index are real imports* and retail sales. Industrial production and paid employment* remained unchanged in January. (For details, see data availability section and tables.)

Holding steady in January, the coincident index now stands at 114.9 (1990=100). Based on revised data, this index decreased 0.1 percent in December and increased 0.1 percent in November. During the six-month period through January, the coincident index increased 0.3 percent, with three of the four series making a positive contribution (diffusion index, six-month span equals 87.5 percent).

FOR TABLES AND CHARTS, SEE BELOW

DATA AVAILABILITY. The data series used by The Conference Board to compute the two composite indexes reported in the tables in this release are those available "as of" 10 A.M. ET on March 15, 2004. Some series are estimated as noted below.

NOTES: Series in the leading index that are based on The Conference Board estimates are change in stocks and ratio deflator of manufacturing value added to unit labor cost in manufacturing. Series in the coincident index that are based on The Conference Board estimates are real imports and paid employment.

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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 indexes are essentially composite averages of between four and ten 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 leading index have occurred before those in aggregate economic activity, while the cyclical turning points in the coincident index have occurred at about the same time as those in aggregate economic activity.

Further explanations of the cyclical indicator approach and the composite index methodology appear in The Conference Board's *Business Cycle Indicators* report and Web site:www.globalindicators.org.

- *See notes under data availability.*

France Composite Indexes: Components and Standardization Factors

Leading Index	Factor
1. Bond Yield, 10 year	.3229
2. Yield Spread, 10 year minus Day-Day Loan	.1552
3. Stock Price SBF 250 Index	.0196
4. Personal Consumption of Manuf. Goods	.1083
5. Building Permits, residential	.0234
6. New Unemployment Claims	.0759
7. Industrial New Orders	.0277
8. Consumer Confidence Index	.0394
9. Change in Stocks	.0096
10. Ratio Deflator of Manuf. Value Added to Unit Labor Cost	.2180

Coincident Index	
1. Retail sales	.0940
2. Industrial Production	.0531
3. Real Imports	.0532
4. Paid Employment	.7997

Notes:
The component 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. Under normal circumstances, updates to the leading and coincident indexes only incorporate revisions to data over the past six months.

The factors above for the leading index were calculated using 1987-1999 as the sample period for measuring volatility. A separate set of factors for the 1983-1987 period, 1978-1982 period, 1976-1978 period, and 1970-1976 period is available upon request. The factors above for the coincident index were calculated using 1970-1999 as the sample period. When one or more components is 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 Web site: www.globalindicators.org.

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 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 schedule for 2003 for the France "Leading Economic Indicators" news release is:

February 2004 data …	Thursday, April 15, 2004
March 2004 data …	Thursday, May 13, 2003
April 2004 data …	Wednesday, June 16, 2003

All releases are at 9:30 A.M. ET (3:30 P. M. CET).

ABOUT THE CONFERENCE BOARD. Founded in 1916, The Conference Board is the premier business membership and research network. The Conference Board has become a global leader in helping executives build strong professional relationships, expand their business knowledge and find solutions to a wide range of business challenges. The Board's Economics Program, under the direction of Chief Economist Gail Fosler, is a recognized source of forecasts, economic analysis and objective indicators such as the Leading Economic Indicators and the Consumer Confidence Index.

This role is part of a long tradition of research and education that stretches back to the compilation of the first continuous measure of the cost of living in the United States in 1919. In 1995, The Conference Board assumed responsibility for computing the composite indexes from the U.S. Department of Commerce. The Conference Board now produces business cycle indexes for the U.S., Australia, France, Germany, Korea, Japan, Mexico, Spain and the U.K. To subscribe to any of these indexes, please visit www.globalindicators.org , contact the customer services at 212-339-0345, or email indicators@conference-board.org.

AVAILABLE FROM THE CONFERENCE BOARD:

France Business Cycle Indicators Internet Subscription	$ 500 per year (1 user)
(Includes monthly release, data, charts and commentary)	
Individual Data Series	$ 25 per series downloaded
Monthly BCI Report	$ 130 per year
(Sample available on request)	
Monthly News Release (fax or email)	$ 45 per year
BCI Handbook (published 2001)	$ 20
Corporate Site License	$2,600 per year

Business Cycle Indicators for France, Germany, Japan, Korea, Mexico, Spain and the U.K. are available at $500 per country per year (1 user). Discounts are available to Associates of The Conference Board and accredited academic institutions.

The Conference Board France Business Cycle Indicators

Table 1.--Summary of France Composite Indexes

	2003 Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2004 Jan.
Leading index	101.4	101.2 r	101.3 r	101.7 r	102.1 r	102.4 p	102.7 p
Percent change	0.2	-0.2 r	0.1 r	0.4 r	0.4 r	0.3 p	0.3 p
Diffusion index	60.0	30.0	70.0	65.0	80.0	65.0	65.0
Coincident index	114.5	114.5	114.7 r	114.9 r	115.0 r	114.9 p	114.9 p
Percent change	0.1	0.0	0.2 r	0.2 r	0.1 r	-0.1 p	0.0 p
Diffusion index	62.5	37.5	87.5	87.5	62.5	62.5	25.0

	Jan to Jul.	Feb to Aug.	Mar to Sep.	Apr to Oct.	May to Nov.	Jun to Dec.	Jul to Jan.
Leading index							
Percent change	-0.3	-0.4 r	0.1 r	0.3 r	0.7 r	1.2 p	1.3 p
Diffusion index	50.0	30.0	50.0	65.0	60.0	80.0	90.0
Coincident index							
Percent change	-0.3	-0.2	0.0 r	0.3 r	0.5 r	0.4 p	0.3 p
Diffusion index	50.0	50.0	75.0	100.0	100.0	100.0	87.5

p Preliminary.   r Revised (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 www.globalindicators.org

Source: The Conference Board

The Conference Board France Business Cycle Indicators

Table 2.--Data and Net Contributions for Components of the France Leading Index

Component	2003						2004
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
France Leading Index Component Data							
Bond Yield, 10 year* percent,---	4.00	4.16	4.19	4.25	4.38	4.33	4.21
Yield Spread, 10 years minus Day-Day Loan Rate, percent,--	1.92	2.06	2.18	2.21	2.42	2.24	2.17
Stock Price SBF250 Index, index 1000=12/31/1990,---------------------------------	2117.55	2198.89	2267.18	2262.83	2339.77	2377.19	2469.55
Personal Consumption Manuf. Goods# billions of francs, (3 month moving average), S.A.	113.30 r	113.12 r	113.74 r	114.30 r	114.98 r	114.57 r	114.47
Building Permits Residential, thousands, (3 month moving average), S.A.------------	28.45 r	28.20 r	29.63 r	30.19 r	31.28 r	31.36 r	32.30
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	377.17	382.83	388.13	386.40	381.33	372.37	372.87
Industrial New Orders opinion balance,--	-24	-26	-29	-19	-16	-16	-16
Consumer Confidence Index opinion balance, S.A.---	-27	-27	-27	-29	-30	-30	-26
Change in Stocks# billions of francs,Q, S.A.--	-53.89 r	-61.84 r	-55.45 r	-49.05 r	-42.66 r	-37.39 **	-32.99 **
Ratio Deflator of Manuf. Value Added to Unit Labor Cost in Manuf, 1995=100, Q---------------------------------	105.18 r	105.22 r	105.31 r	105.40 r	105.49 r	105.56 **	105.62 **
LEADING INDEX (1990=100)..	**101.4**	**101.2 r**	**101.3 r**	**101.7 r**	**102.1 r**	**102.4 p**	**102.7 p**
Percent change from preceding month...........…………………………	0.2	-0.2 r	0.1 r	0.4 r	0.4 r	0.3 p	0.3 p
France Leading index net contributions							
Bond Yield, 10 year* percent,---	....	-0.05	-0.01	-0.02	-0.04	0.02	0.04
Yield Spread, 10 years minus Day-Day Loan Rate, percent,--	....	0.02	0.02	0.00	0.03	-0.03	-0.01
Stock Price SBF250 Index, index 1000=12/31/1990,---------------------------------	....	0.07	0.06	0.00	0.07	0.03	0.07
Personal Consumption Manuf. Goods# billions of francs, (3 month moving average), S.A.	....	-0.02	0.06 r	0.05	0.06	-0.04 r	-0.01
Building Permits Residential, thousands, (3 month moving average), S.A.------------	....	-0.02	0.12 r	0.04	0.08	0.01 r	0.07
New Unemployment Claims* thousands, (3 month moving average), S.A.-----------------------------	....	-0.11	-0.10	0.03	0.10	0.18	-0.01
Industrial New Orders opinion balance,--	....	-0.06	-0.08	0.28	0.08	0.00	0.00
Consumer Confidence Index opinion balance, S.A.---	....	0.00	0.00	-0.08	-0.04	0.00	0.14
Change in Stocks# billions of francs,Q, S.A.--	....	-0.08 r	0.06 r	0.06 r	0.06 r	0.05 **	0.04 **
Ratio Deflator of Manuf. Value Added to Unit Labor Cost in Manuf, 1995=100, Q---------------------------------	....	0.01 r	0.02 r	0.02 r	0.02 r	0.01 **	0.01 **

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)

\# Series converted to French Francs using 1 Euro=6.55957 FF

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

Data Sources: Rexecode, Datastream, INSEE

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 France Business Cycle Indicators

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

Component	2003						2004
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.
	France Coincident Index Component Data						
Retail Sales, Volume, (1990=100), (3 month moving average), S.A........	104.8	104.6 r	105.2 r	105.7 r	106.3 r	105.9 r	105.8
Industrial Production, Volume (1995=100), S.A.....................................	113.7 r	113.5 r	114.5 r	115.5 r	114.8 r	115.2 r	115.2
Real Imports, External Trade (millions of Euro), (3 month moving average), S.A...	26481.9 r	26751.4 r	26934.2 r	27332.6 r	27603.4 r	27624.2 **	27562.4 **
Paid Employment, Q (millions of employees), S.A..................................	22759.0 r	22764.0 r	22764.3 r	22764.7 r	22765.0 r	22765.8 **	22767.1 **
COINCIDENT INDEX (1990=100)..........................	**114.5**	**114.5**	**114.7 r**	**114.9 r**	**115.0 r**	**114.9 p**	**114.9 p**
Percent change from preceding month...............	0.1	0.0	0.2 r	0.2 r	0.1 r	-0.1 p	0.0 p
	France Coincident index net contributions						
Retail Sales, Volume, (1990=100), (3 month moving average), S.A........	....	-.02 r	.05	.05 r	.06 r	-.03 r	-.01
Industrial Production, Volume (1995=100), S.A.....................................	....	-.01 r	.05 r	.05 r	-.03 r	.02 r	.00
Real Imports, External Trade (millions of Euro), (3 month moving average), S.A	....	.05 r	.04 r	.08 r	.05 r	.00 **	-.01 **
Paid Employment, Q (millions of employees), S.A..................................	....	.02 r	.00 r	.00 r	.00 r	.00 **	.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: Rexecode, Datastream, INSEE

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).
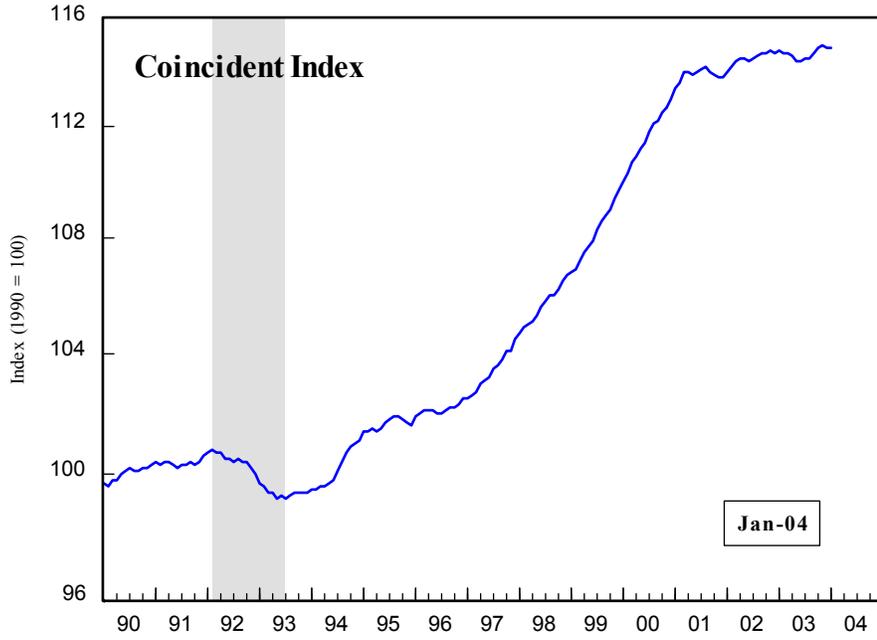
France

Source: The Conference Board

Note: Shaded areas represent business cycle recesssions in France