

## DAILY GLOBAL COMMENTARY

Northern Trust  
Global Economic Research  
50 South LaSalle  
Chicago, Illinois 60603  
northerntrust.com

Asha G. Bangalore  
[agb3@ntrs.com](mailto:agb3@ntrs.com)

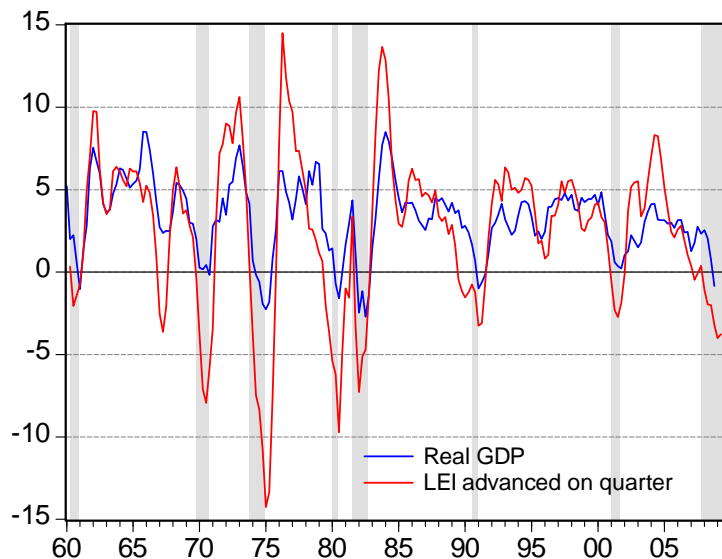
### Leading Index – Continues to Send Message of Weak Economic Conditions

April 20, 2009

The Conference Board's Index of Leading Indicators (LEI) dropped -0.3% in March 2009, after a revised 0.2% decline during February. The LEI posted the last increase in June 2008. On a year-to-year basis, the quarterly average of the LEI fell 3.8% after a 4.0% decline in the fourth quarter. The LEI appears to have established a bottom in the fourth quarter of 2008.

Chart 1

Index of Leading Economic Indicators (LEI) vs. real GDP  
year-to-year percent change



Three out of the ten components of LEI – real money supply, consumer expectations, and interest rate spread made positive contributions while six components fell (initial jobless claims, building permits, manufacturing workweek, index of supplier deliveries, orders of non-defense capital goods, and stock prices) and orders of durable consumer goods were assumed to have held steady in March. The main message is that the LEI continue to point to weak economic conditions in the near term. More is required to declare that the economy is out of the woods.

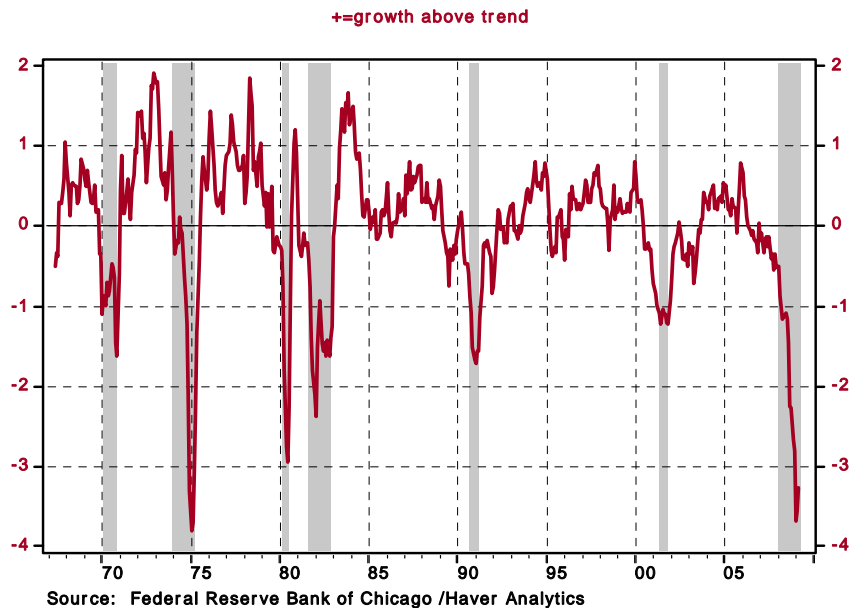
### Chicago Fed National Activity Index Shows a Small but Noteworthy Improvement

The Chicago Fed National Activity Index (CFNAI) was -2.96 in March vs. -2.82 in February. The 3-month moving average of the index provides a more consistent picture of national activity. In March, the 3-month moving average increased to -3.27 from -3.57 in February. A bottom of the 3-month moving average of the CFNAI is associated with the likely end of a recession, most of the time. We will be tracking this information to get a heads up about the economy.

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Chart 2

FRB Chicago National Activity Index: 3 Mo. Moving Average



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