

Part B, HW #1, Ch #1.

(1) Empirical problems

- go to www.economagic.com
- click search
- enter "leading"
- find series
- select "U.S. Index of Leading Indicators"
- produce a GIF chart
- print this GIF chart
- attach this chart to HW#1
- predict the index for three months hence (i.e. April 2004)

(2) Pick one leading indicator from each of the following sectors and briefly state the rationale for including this indicator in the calculation of the index:

- (1) the labor sector
- (2) business activity
- (3) the financial sector
- (4) residential construction

01/20/04 05:08:41 PM

The Conference Board - Indicators - Description of Components for The Conference Board's Leading, Coincident and Lagging Indexes - Netscape

File Edit View Go Bookmarks Tools Window Help

http://www.tcb-indicators.org/methodology/component_description.cfm

Mail AIM Home Radio My Netscape Search Bookmarks RealPlayer

GENERAL INFORMATION | METHODOLOGY AND REVISIONS | SEARCHABLE DATABASE | FOR EDUCATORS | ECONOMICS HOME PAGE | CONFERENCE BOARD HOME PAGE

Subscribers: Click here for Latest Release, Commentary or Charts related to this data.

The composite indexes of leading, coincident, and lagging indicators produced by The Conference Board are summary statistics for the U.S. economy. They are constructed by averaging their individual components in order to smooth out a good part of the volatility of the individual series. Historically, the cyclical turning points in the leading index have occurred before those in aggregate economic activity, cyclical turning points in the coincident index have occurred at about the same time as those in aggregate economic activity, and cyclical turning points in the lagging index generally have occurred after those in aggregate economic activity.

Click on an item in the table below to read a short description of the component series

	Leading Index	Standardization Factor
1. BCI-01	Average weekly hours, manufacturing	.1946
2. BCI-05	Average weekly initial claims for unemployment insurance	.0268
3. BCI-08	Manufacturers' new orders, consumer goods and materials	.0504
4. BCI-32	Vendor performance, slower deliveries diffusion index	.0296
5. BCI-27	Manufacturers' new orders, non-defense capital goods	.0139
6. BCI-29	Building permits, new private housing units	.0205
7. BCI-19	Stock prices, 500 common stocks	.0309
8. BCI-106	Money supply, M2	.2775
9. BCI-129	Interest rate spread, 10-year Treasury bonds less federal funds	.3364
10. BCI-83	Index of consumer expectations	.0193
Coincident Index		
1. BCI-41	Employees on nonagricultural payrolls	.5186
2. BCI-51	Personal income less transfer payments	.2173
3. BCI-47	Industrial production	.1470
4. BCI-57	Manufacturing and trade sales	.1170

→ go to: www.tcb-indicators.org/methodology/component_description.cfm