Economic indicators show signs of improvement

By Tali Arbel
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NEW YORK — More plans to build homes, higher stock prices and fewer people filing first-time claims for jobless aid sent a private-sector forecast of U.S. economic activity higher than expected in June.

It was the third straight monthly increase for the Coference Board's index of leading economic indicators and another sign pointing toward the recession ending later this year.

The index rose 0.7 percent last month. Wall Street analysts polled by Thomson Reuters expected a gain of 0.4 percent. May's reading was revised up to a gain of 1.3 percent from 1.2 percent, while April was scaled back to 1 percent growth from 1.1 percent.

The group also said activity in the six-month period through June rose 2 percent, with an annual growth rate of 4.1 percent. That's the strongest rate since the first quarter of 2006.

The index is meant to project economic activity in the next three to six months.

If these conditions continue, "expect a slow recovery this autumn," said Conference Board economist Ken Goldstein.

The Conference Board's leading indicators index bottomed in March after peaking in July 2007. The decline accelerated last fall after investment bank Lehman Brothers collapsed and credit markets froze.

"We're now getting data which points to stabilization," said Josh Shapiro, chief U.S. economist at research firm MFR Inc. "The overall signal they're sending is the slide in economic activity is poised to end. The jury is still very much out in terms of what happens after that."

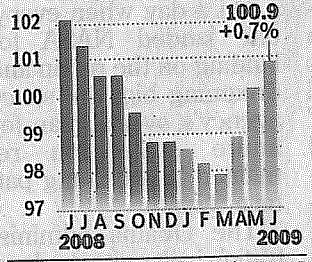


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Carpenter Akram Humaideh works on a new home in Springfield, Ill. Housing was one factor in a rise in a forecast of U.S. economic activity.

Leading indicators

The index of leading indicators:
2004=100
Seasonally adjusted



SOURCE: The Conference Board AP