Economic indicators top expectations

NEW YORK (AP) — A private research group's forecast of economic activity rose in May by the largest amount in more than five years, the latest sign that the recession is easing.

The Conference Board said Thursday that its index of leading economic indicators — designed to forecast activity in the next three to six months — rose 1.2 percent, the biggest gain since March 2004. Economists surveyed by Thomson Reuters expected a 0.9 percent increase in May. The April reading was revised to a 1.1 percent gain from 1 percent, the first back-to-back increases since 2006.

The New York-based group also said activity in the six-month period through May also rose 1.2 percent — the first time that measure has grown since April 2007.

"The recession is losing steam," said Conference Board economist Ken Goldstein. "If these trends continue, expect a slow recovery beginning before the end of the year."

However, Goldstein said the job market will take longer to rebound.

