Indicators up .3 percent

NEW YORK (AP) — A gauge of future economic activity rose modestly in September, suggesting the economy will grow slowly into next year.

The Conference Board, a private research group, said Thursday that its index of leading economic indicators increased 0.3 percent last month. It edged up 0.1 percent in August, slower than the initial 0.3 percent estimate.

The index had grown steeply since April 2009 on the strength of the stock market, record-low interest rates and a rebound in manufacturing. But the rate of expansion tapered off this summer as U.S. economic growth slowed.

The sluggish economy is bolstering the Federal Reserve's case for to buy Treasury bonds to boost the economy. Investors expect Fed policymakers will approve that program at their Nov. 2-3 meeting.

"More than a year after the recession officially ended, the economy is slow and has no forward momentum," said Conference Board economist Ken Goldstein. He said the index suggests that the pace of economic growth in early 2011 will be similar to the rate of growth right now.

Conference Board said five of the 10 measures that make up the index increased in September.

