



News Release

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FOR RELEASE: 10:00 A.M. (London Time), Friday, December 12, 2014

The Conference Board[®]
The U.K. Business Cycle IndicatorsSM
THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®]
(LEI) FOR THE UNITED KINGDOM
AND RELATED COMPOSITE ECONOMIC INDEXES FOR OCTOBER 2014

BRUSSELS, December 12, 2014... The Conference Board Leading Economic Index[®] (LEI) for the U.K. declined 0.3 percent, and The Conference Board Coincident Economic Index[®] (CEI) increased 0.1 percent in October.

- The Conference Board LEI for the U.K. decreased again in October, with stock prices, order book volume and volume of expected output making negative contributions. Between April and October 2014, the leading economic index increased 1.3 percent (about a 2.5 percent annual rate), down from its 2.4 percent growth (about a 4.9 percent annual rate) in the previous six months. Meanwhile, the strengths among the leading indicators have become less widespread in the past six months.
- The Conference Board CEI for the U.K., a measure of current economic activity, edged up in October. In the six-month period ending in October 2014, the coincident economic index increased 0.7 percent (about a 1.5 percent annual rate), down from its growth of 1.5 percent (about a 3.1 percent annual rate) over the prior six months. The strengths among the coincident indicators, however, have remained very widespread, with all four components increasing in the recent six months. Meanwhile, real GDP increased 2.7 percent (annual rate) in the third quarter, down from 3.9 percent (annual rate) in the second quarter.
- Following two consecutive monthly declines, the six-month growth rate of the LEI slowed substantially in October, and as a result, its upward trend has moderated. Meanwhile, the CEI has been improving slowly, but its six-month change—while still positive—has eased in recent months. Taken together, the composite indexes suggest that the pace of improvement in economic activity is unlikely to accelerate in the near term.

The next release is scheduled for Wednesday, January 14, 2015 at 10:00 A.M. (London time)

In the U.S. – January 14, 2015 at 5:00 A.M. (ET)

LEADING INDICATORS. Four of the seven components that make up The Conference Board LEI for the U.K. increased in October. The positive contributors—from the largest positive contributor to the smallest—were the yield spread, productivity for the whole economy*, total gross operating surplus of corporations*, and consumer confidence. The negative contributors—from the largest negative contributor to the smallest—were stock prices, order book volume, and volume of expected output.

With the 0.3 percent decrease in October, The Conference Board LEI for the U.K. now stands at 112.1 (2004=100). Based on revised data, this index declined 0.3 percent in September and increased 0.4 percent in August. During the six-month span through October, the leading economic index increased 1.3 percent, with four of the seven components advancing (diffusion index, six-month span equals 57.1 percent).

COINCIDENT INDICATORS. Three of the four components that make up The Conference Board CEI for the U.K. increased in October. The positive contributors—from the largest positive contributor to the smallest—were employment*, retail sales, and real household disposable income*. Only industrial production declined in October.

With the increase of 0.1 percent in October, The Conference Board CEI for the U.K. now stands at 107.9 (2004=100). Based on revised data, this index increased 0.1 percent in September and increased 0.2 percent in August. During the six-month period through October, the coincident economic index increased 0.7 percent, with all four components advancing (diffusion index, six-month span equals 100.0 percent).

DATA AVAILABILITY:

The data series used to compute **The Conference Board Leading Economic Index[®]** (LEI) for the U.K. and **The Conference Board Coincident Economic Index[®]** (CEI) for the U.K. reported in this release are those available “as of” 10 A.M. ET on Wednesday, December 10, 2014. Some series are estimated as noted below.

* Series in The Conference Board LEI for the U.K. that are based on our estimates are productivity for the whole economy and total gross operating surplus of corporations. Series in The Conference Board CEI for the U.K. that are based on our estimates are employment and real household disposable income.

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Summary Table of Composite Economic Indexes

	2014			6-month
	Aug	Sep	Oct	Apr to Oct
Leading Economic Index (LEI)	112.7 p	112.4 p	112.1 p	
Percent Change	0.4 p	-0.3 p	-0.3 p	1.3 p
Diffusion	57.1	57.1	57.1	57.1
Coincident Economic Index (CEI)	107.7 p	107.8 p	107.9 p	
Percent Change	0.2 p	0.1 p	0.1 p	0.7 p
Diffusion	75.0	75.0	75.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

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