

News Release

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Using the Composite Indexes: *The Leading Economic Index (LEI) provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index (CEI) provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® for Brazil, together with Fundação Getulio Increased in August

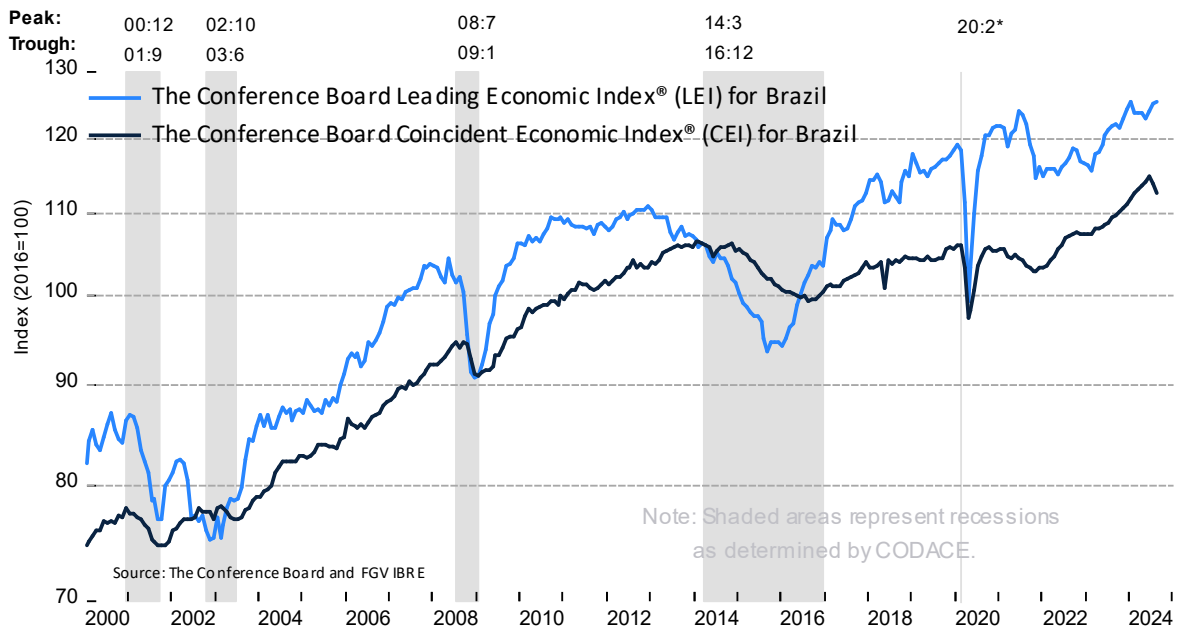
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, inched up by 0.2 percent in August 2024 to 125.4 (2016=100), after increasing by 0.8 percent in July. As a result, the LEI expanded by 1.3 percent over the six-month period between February and August 2024, a slightly slower pace than the 1.5 percent growth over the previous six-month period between August 2023 and February 2024.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, declined by 1.2 percent in August 2024 to 112.6 (2016=100), following a decrease of 0.8 percent in July. The CEI also decreased over the six-month period between February and August 2024, but only by 0.1 percent, after increasing by 2.9 percent over the previous six-month period.

“The Brazil LEI increased in August for the third consecutive month, but the gain was limited” said **Malala Lin, Economic Research Associate at The Conference Board**. “This slight gain was primarily driven by an increase in stock prices in addition to small improvements in exports, consumer and business expectations, and trade. The LEI has fully recovered from the dip caused by devastating floods in May; however, the Index growth rates have slowed, which suggests pressure on economic expansion going forward. In addition, the more recent drought and wildfires in the Amazon, not captured in the August LEI, have become causes of concern. The upcoming central bank meeting is expected to take into account the potential impact of these natural disasters on the overall economy and balance it against the strong GDP growth reported for the first half of the year.”

The next release is scheduled for Tuesday, October 15, 2024, at 10 A.M. ET.

The Conference Board/Fundação Getulio Vargas Brazil LEI increased slightly in August



*CODACE has determined that the recession beginning in February 2020 ended in the second quarter of 2020. We will update our business cycle chronology when the monthly trough date is available.

Improvements in stock prices were the main driver of the LEI in August

The Conference Board Leading Economic Index® and Component Contributions (Percent)

	Aug. '24	6 mo. ending Aug. '24
Financial Components		
SWAP Rate, 1 year*	-0.12	-0.52
Stock Prices Ibovespa, Bovespa Index	0.29	-0.04
Non-Financial Components		
Services Sector Survey, Expectations Index	0.01	0.02
Manufacturing Survey, Expectations Index	0.01	0.28
Terms of Trade, Index**	0.01	-0.02
Physical Production, Durable Consumer Goods, Index**	-0.05	0.31
Consumers Survey, Expectations Index	0.02	0.28
Exports Volume, Index**	0.03	0.38

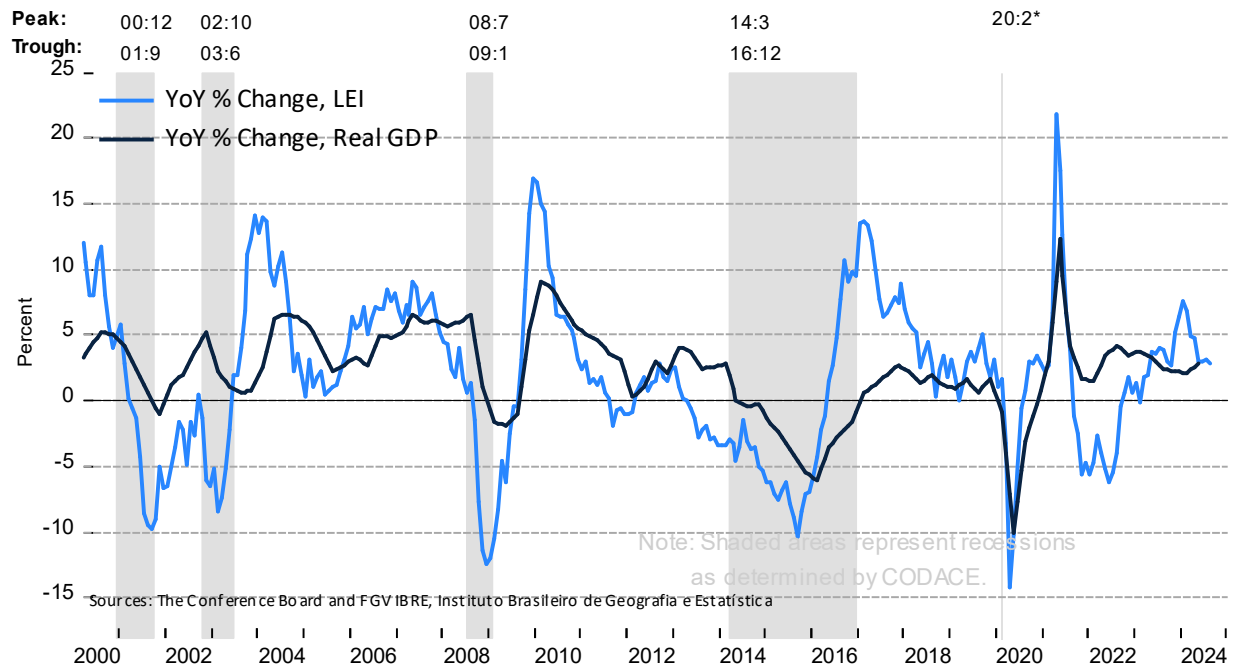
Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution

** Statistical Imputation

LEI change might not equal sum of its contributions due to application of trend adjustment factor

Though still positive, the growth rate for the Brazil LEI continued to decelerate, pointing to moderating growth



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About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for Brazil

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around six months.

The eight components of the *Leading Economic Index*® for Brazil are:

- Swap Rate - 1 year
- Ibovespa, Bovespa Index
- Manufacturing Survey, Expectations Index
- Services Sector Survey, Expectations Index
- Consumers Survey, Expectations Index
- Terms of Trade, Index
- Physical Production, Durables Consumer Goods, Index
- Exports, Quantum, Index

The six components of the *Coincident Economic Index*® for Brazil are:

- Industrial production
- Industrial Electric Energy Consumption
- Shipments of Corrugated Paper
- Volume of Sales of the Retail Market
- Occupied Employment Population
- Average Real Income of Workers

To access data, please visit: <https://data-central.conference-board.org/>

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