

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

For Release 10:00 AM ET, June 13, 2025

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 May

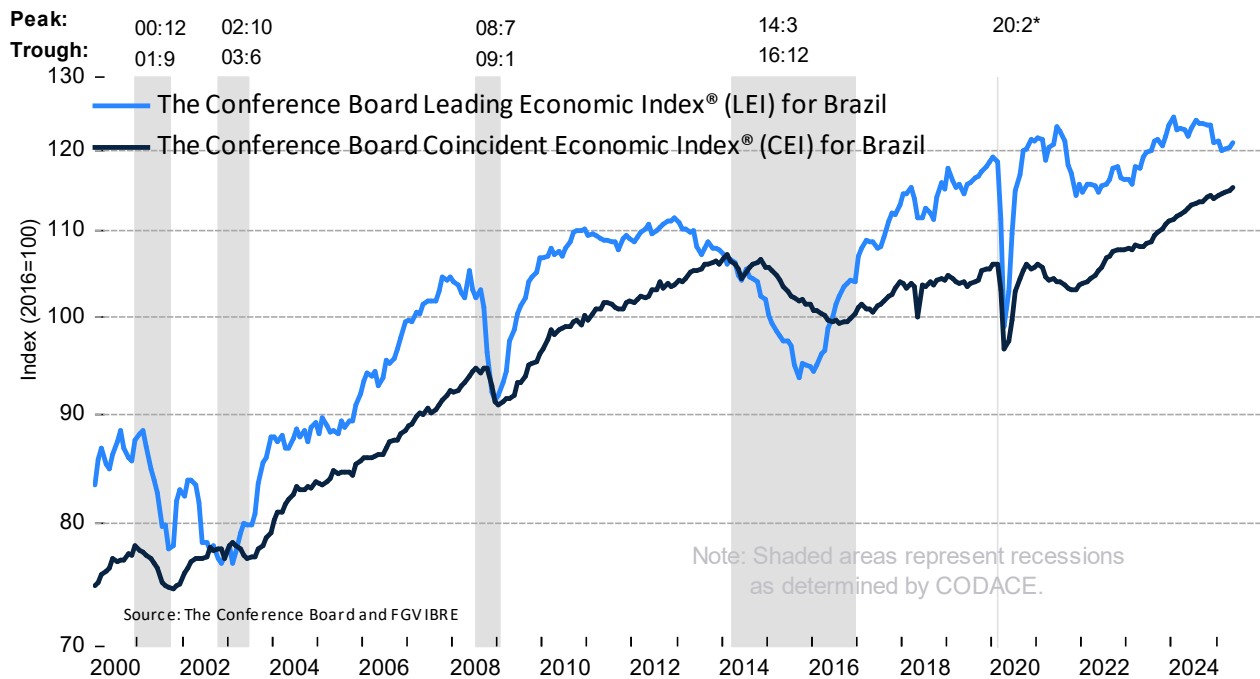
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, increased by 0.6% in May 2025 to 121.0 (2016=100), after a slight increase of 0.1% in April. Despite the recent improvement, over the six-month period between November 2024 and May 2025, the LEI contracted by 1.9%, due to large declines in December 2024 and February 2025. This more than reversed the 1.3% expansion over the previous six-month period (May to November 2024).

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, increased by 0.3% in May 2025 to 115.3 (2016=100), after increasing by 0.2% in April. Overall, the CEI expanded by 0.9% over the six-month period between November 2024 and May 2025, after expanding by 1.5% between May and November 2024.

“The Brazil LEI increased in May, with 6 of 8 components contributing positively to the Index” said **Malala Lin, Economic Research Associate at The Conference Board**. “While both the semi-annual and annual growth rates remained in the negative, they have improved since February, and the Index no longer signaled recession risks in May. GDP growth beat expectations and surged in Q1 2025 thanks to strength in the agricultural sector. However, the Index suggests that it may moderate in the near-term, which would be consistent with the expected impact of tight monetary policy and concerns about inflation. Overall, The Conference Board forecasts real GDP to grow by 2.5% in 2025, a 0.9 ppt upgrade from our previous projection, after 3% in 2024.”

The next release is scheduled for Tuesday, July 15, 2025, at 10 A.M. ET.

The Conference Board/Fundação Getulio Vargas Brazil LEI increased in May



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

Most components improved in May, leading to an increase in the LEI

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

	May '25	6 mo. ending May '25
Financial Components		
SWAP Rate, 1 year*	0.04	-0.67
Stock Prices Ibovespa, Bovespa Index	0.07	0.33
Non-Financial Components		
Services Sector Survey, Expectations Index	0.21	-0.46
Manufacturing Survey, Expectations Index	0.24	-0.03
Terms of Trade, Index**	0.06	-0.85
Physical Production, Durables Consumer Goods, Index**	-0.02	0.07
Consumers Survey, Expectations Index	0.09	-1.26
Exports Volume, Index**	-0.14	0.11

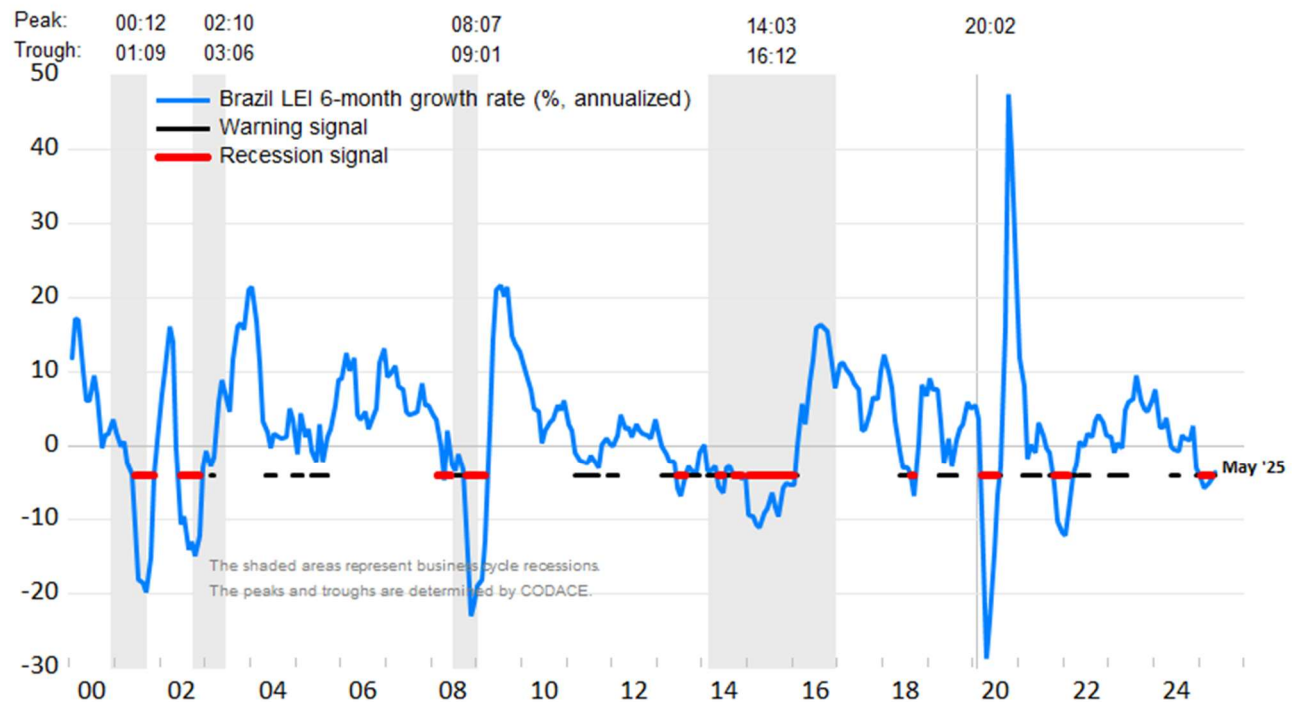
Source: The Conference Board

* 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

The six-month LEI growth rate for Brazil, while still negative no longer signaled recession risk in May



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

NOTE: The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months at an annualized rate. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies at or below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month growth rate (annualized) falls below the threshold of -4.2%. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

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/>

About The Conference Board

The Conference Board is the member-driven think tank that delivers Trusted Insights for What's Ahead™. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [ConferenceBoard.org](https://www.conferenceboard.org)

ABOUT FGV IBRE

Created in 1944, FGV is a Brazilian private higher education institution, think tank and producer of statistics, with a mission "to foster Brazil's socioeconomic development." The Brazilian Institute of Economics (IBRE) is FGV's arm with the mission to produce and disseminate high-quality economic statistics and studies that are relevant to improve policies and private action in Brazil.

www.fgv.br/ibre