

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 Decreased in June

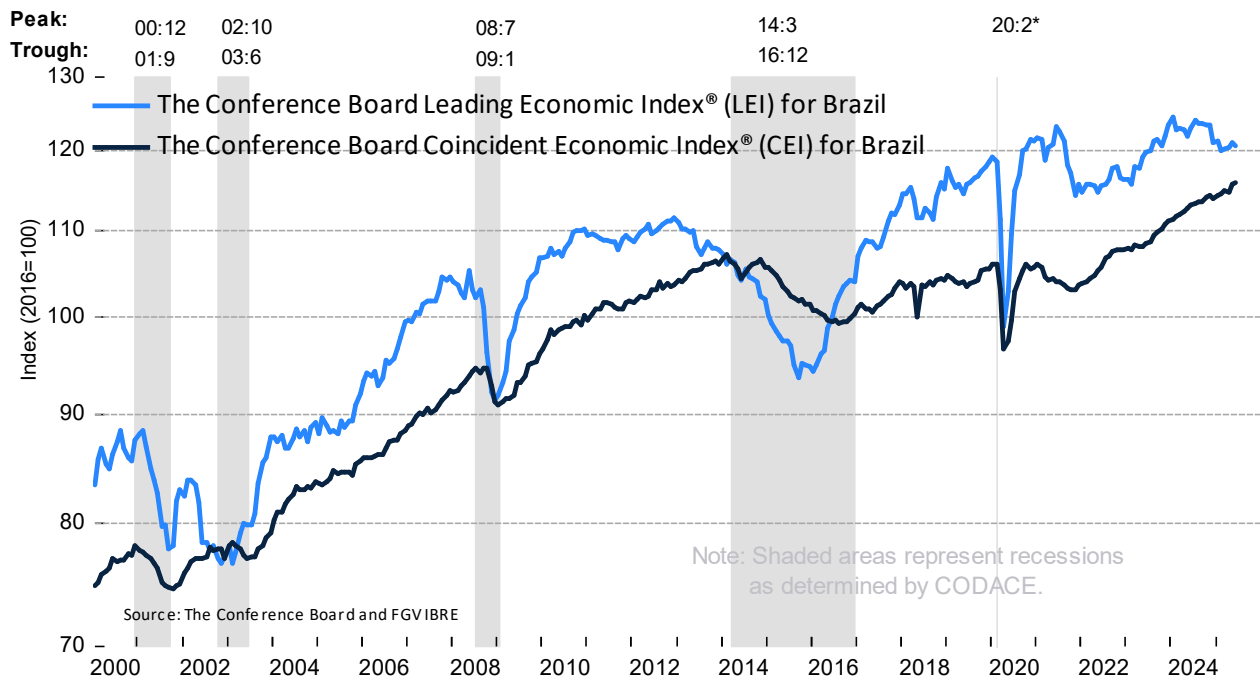
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, decreased by 0.2% in June 2025 to 120.6 (2016=100), after increasing by 0.5% in May. Largely due to substantial declines in December 2024 and February 2025, the LEI contracted by 0.3% over the first half of 2025. However, the rate of decline was much slower than the 1.5% decline over the second half of 2024.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, increased by 0.3% in June 2025 to 115.9 (2016=100), after increasing by 0.8% in May. Overall, the CEI expanded by 1.8% over the six-month period between December 2024 and June 2025, after expanding by 0.7% between June and December 2024.

“The Brazil LEI decreased in June after three consecutive months of increase” said **Malala Lin, Economic Research Associate at The Conference Board**. “The decline was driven by negative contributions from business expectations (in both manufacturing and services sectors), consumer expectations, the terms of trade index, and the 1-year swap rate. Both the semi-annual and annual growth rates remained negative in June, continuing to suggest moderating growth ahead. Additionally, intensified levels of uncertainty following the recent announcement of US tariffs on Brazil exports may depress growth going forward. In line with this, The Conference Board forecasts real GDP to slow after strong growth in Q1 and overall reach only 2.5% in 2025.”

The next release is scheduled for Friday, August 15, 2025, at 10 A.M. ET.

The Conference Board/Fundação Getulio Vargas Brazil LEI decreased in June



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

Business expectations were the main driver of the June decline

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

		Jun. '25	6 mo. ending Jun. '25
Financial Components			
SWAP Rate, 1 year*	-0.06		0.04
Stock Prices Ibovespa, Bovespa Index	0.06		0.60
Non-Financial Components			
Services Sector Survey, Expectations Index	-0.08		-0.14
Manufacturing Survey, Expectations Index	-0.20		0.01
Terms of Trade, Index**	-0.06		-0.91
Physical Production, Durables Consumer Goods, Index**	0.00		0.08
Consumers Survey, Expectations Index	-0.04		-0.78
Exports Volume, Index**	0.10		0.68

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 contributions due to application of trend adjustment factor

The semi-annual LEI growth rate for Brazil remained negative and though it did not signal recession, it still signaled a warning



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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

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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.

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