

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® (LEI) for the Euro Area Declined in March

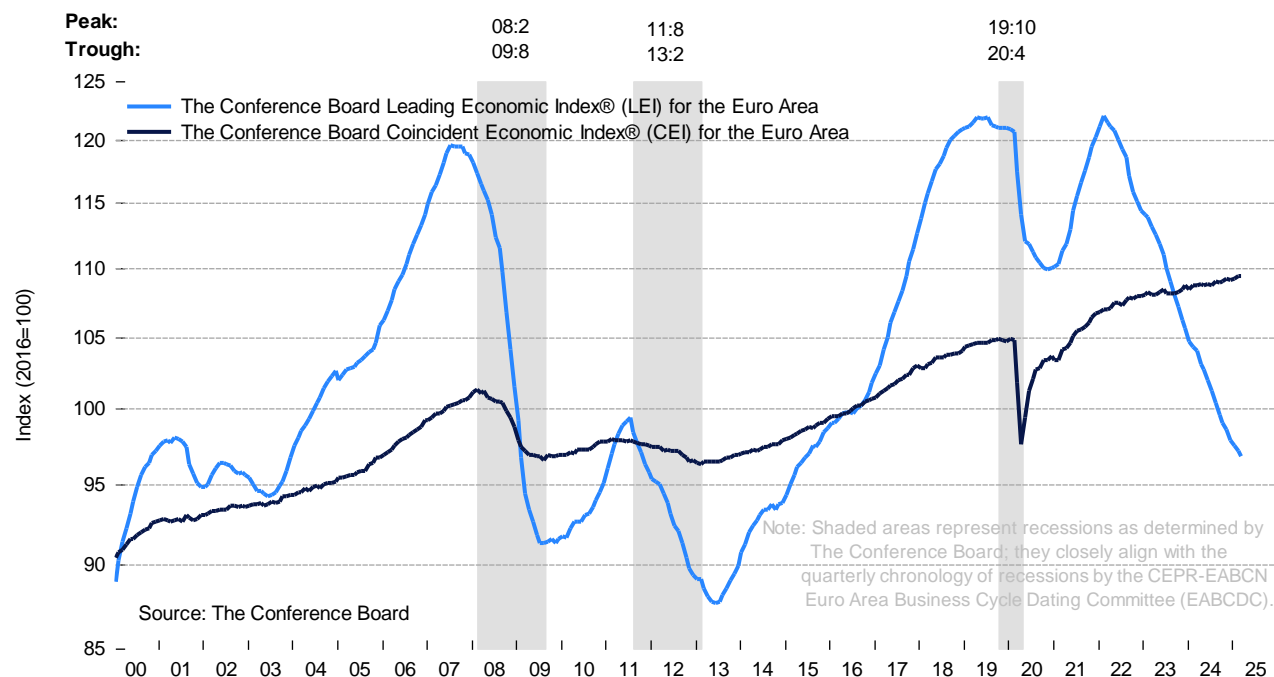
The Conference Board Leading Economic Index® (LEI) for the Euro Area declined by 0.4% in March 2025 to 96.8 (2016=100), following a decrease of 0.3% in February. Overall, the LEI contracted by 2.8% over the six-month period from September 2024 to March 2025, a slower rate of decline than the –4.2% experienced over the previous six-month period between March and September 2024.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area was unchanged in March 2025 at 109.4 (2016=100), following a rise of 0.2% in February. Overall, the CEI rose 0.5% over the six-month period from September 2024 to March 2025, faster than the 0.2% growth over the previous six-month period.

“The Euro Area LEI fell further in March,” said **Stephanie Guichard, Senior Economist, at The Conference Board**. “As in previous months, all non-financial components weighed on the Index, more than offsetting the positive contribution of financial components. In particular, consumer confidence and manufacturing orders remained weak while activity in the service sector was expected to slow. The six-month and annual growth rates of the Index, although less negative than a year ago, still point to obstacles to growth ahead. Taking into account the impact of new US tariffs as well as the high level of uncertainty, The Conference Board projects Euro Area’s real GDP to slow to 0.8% in 2025.”

The next release is scheduled for Tuesday, May 20, 2025, at 9:30 A.M. ET.

The Euro Area LEI declined further in March



Negative contributions from non-financial components weighed on the Index in March

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

	Mar. '25	6 mo. ending Mar. '25
Financial Components		
Systemic Stress Composite Indicator*	0.12	0.69
ECB Yield Spread	0.07	-0.24
EURO STOXX® Index	0.03	0.34
Non-Financial Components		
Index of Residential Building Permits**	-0.01	0.39
Volume of Order Books	-0.13	-0.79
Markit® Manufacturing New Orders	-0.04	-0.79
Markit® Business Expectations Index(Services)	-0.12	-0.63
Consumer Expectation of General Economic Situation	-0.19	-0.96

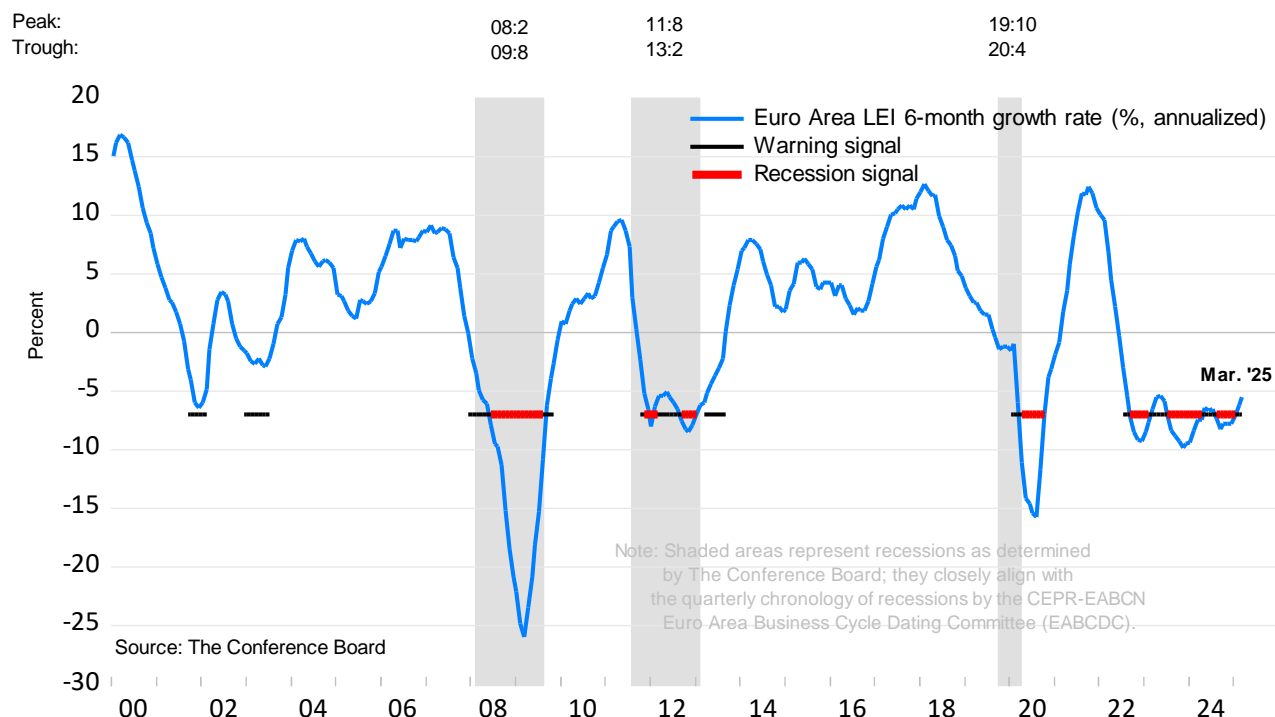
Source: The Conference Board

* 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 growth rate of the Euro Area LEI inched up further in March, but the warning signal remains



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. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a six-month **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 rate of decline falls below the threshold of -7% . 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 the Euro Area

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 two months.

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

- ECB Minimum Bid Yield Spread
- Consumer Expectations of the General Economic Situation
- EURO STOXX® Price Index
- Markit® Manufacturing New Orders
- Markit® Business Expectations Index (Services)
- Volume of Order Books
- Index of Residential Building Permits
- Systemic Stress Composite Indicator

The four components of the *Coincident Economic Index*® for the Euro Area are:

- Industrial Production
- Employment
- Retail Sales

- Manufacturing Sales

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

About The Conference Board

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