

News Release

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For Release 9:30 AM ET, May 20, 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® (LEI) for the Euro Area Declined in April

The May 2025 release incorporates a revision to the composition of The Conference Board Leading **Economic Index®** for the Euro Area (LEI). The LEI will no longer use S&P PMI data for Manufacturing New Orders & Business Expectations Index (Services). Starting with the May 2025 release, these series were replaced with the EA20: Industry: Production Expectations, Percent Balance (SA, %) and EA20: Services: Expected Demand Over Next 3 Months (SA, % Balance) published by the European Commission. The replacement series are highly correlated with the originally used series, and the revision had negligible impact on the cyclical properties of the LEI. As a result of this benchmark revision, the full history of the leading and coincident indexes was restated. The revised indexes, in levels and month-on-month changes, are not directly comparable to those issued prior to this revision. The comparison of pre- and post-benchmark data is available upon request.

For more information, please visit our website at <http://www.conference-board.org/data/bci.cfm> or contact us at indicators@conference-board.org.

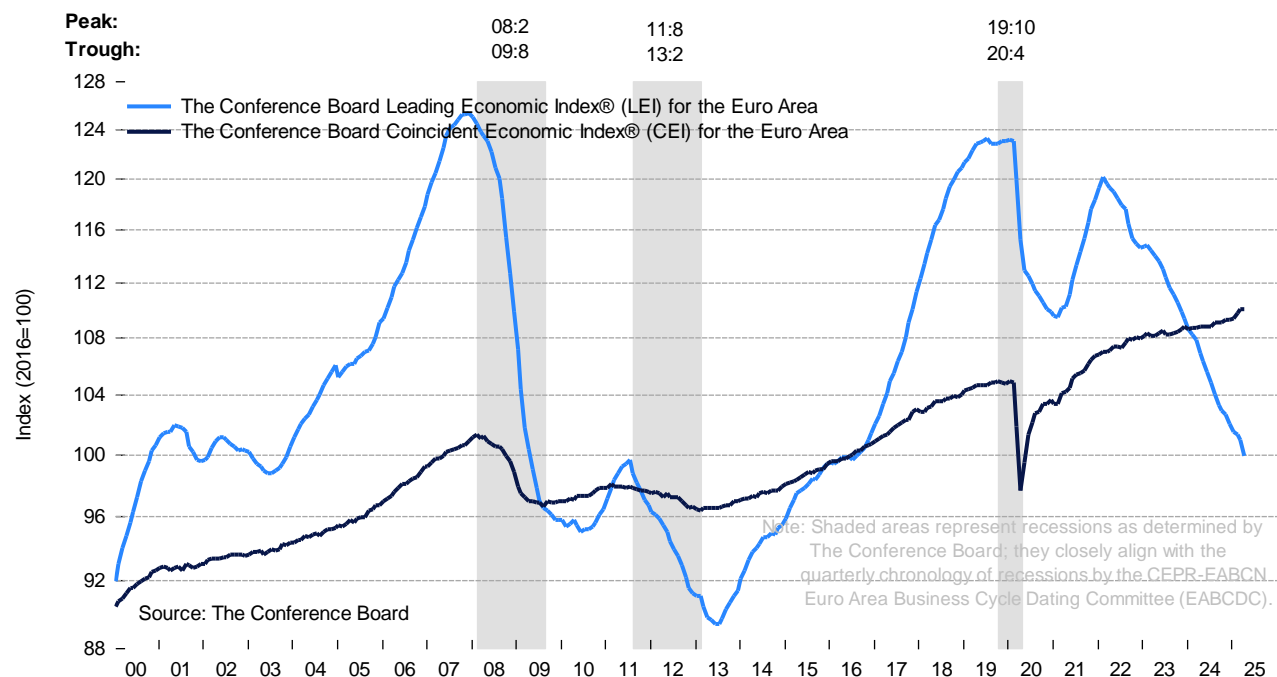
The Conference Board Leading Economic Index® (LEI) for the Euro Area declined by 1.0% in April 2025 to 99.9 (2016=100), following a decrease of 0.4% in March. Overall, the LEI contracted by 2.9% over the six-month period from October 2024 to April 2025, a slower rate of decline than the -3.7% experienced over the previous six-month period between April and October 2024.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area was unchanged in April 2025 at 110.0 (2016=100), following an increase of 0.3% in March. Overall, the CEI rose 0.8% over the six-month period from October 2024 to April 2025, faster than the 0.3% growth over the previous six-month period.

“The Euro Area LEI fell at a steeper rate last month, in the wake of the US tariff announcement on April 2nd,” said **Stephanie Guichard, Senior Economist, at The Conference Board**. “All non-financial components weighed on the Index. In particular, consumer confidence declined while expectations in the service and manufacturing sector weakened. In addition, stock prices dropped sharply in early April. The six-month and annual growth rates of the Index became more negative, pointing to stronger economic headwinds ahead. That suggests the acceleration of GDP growth in Q1 2025 will be short-lived. Taking into account the impact of US tariffs, the high level of uncertainty and the persistence of geopolitical tensions, The Conference Board projects Euro Area’s real GDP to grow by 0.9% in 2025.”

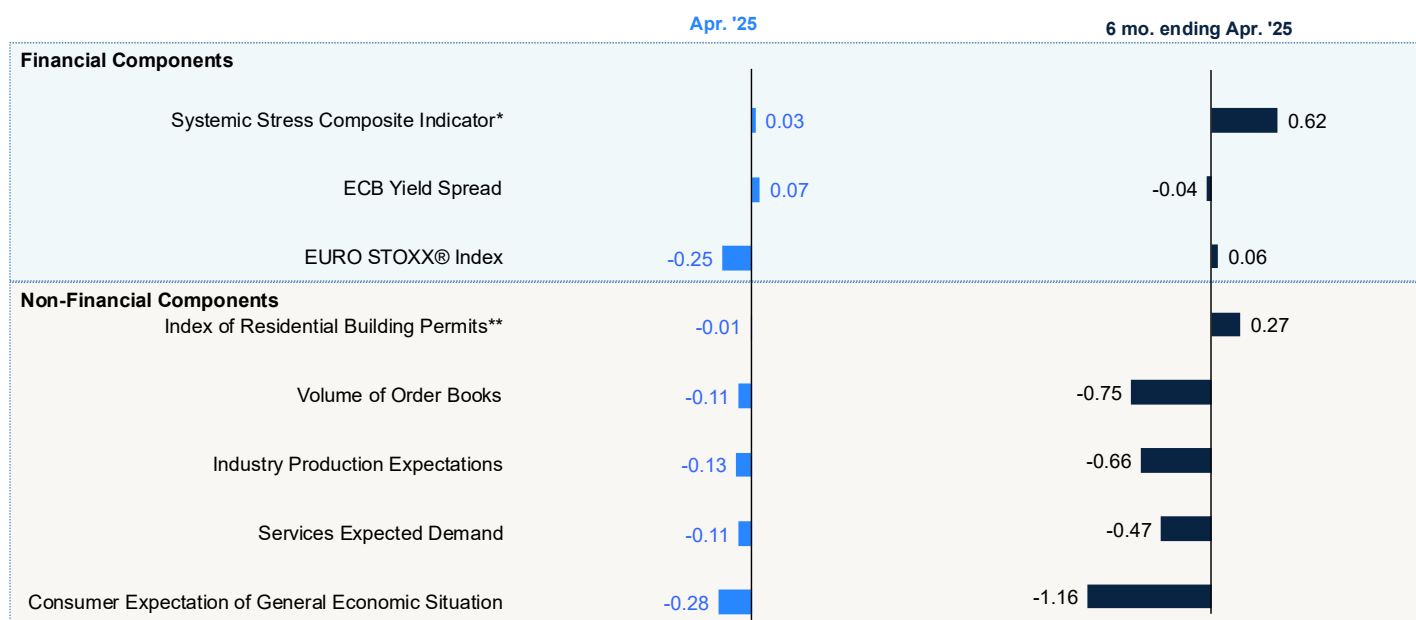
The next release is scheduled for Tuesday, June 17, 2025, at 9:30 A.M. ET.

The Euro Area LEI continued to decline in April



Negative contributions from stock prices and all non-financial components led the decline

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



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

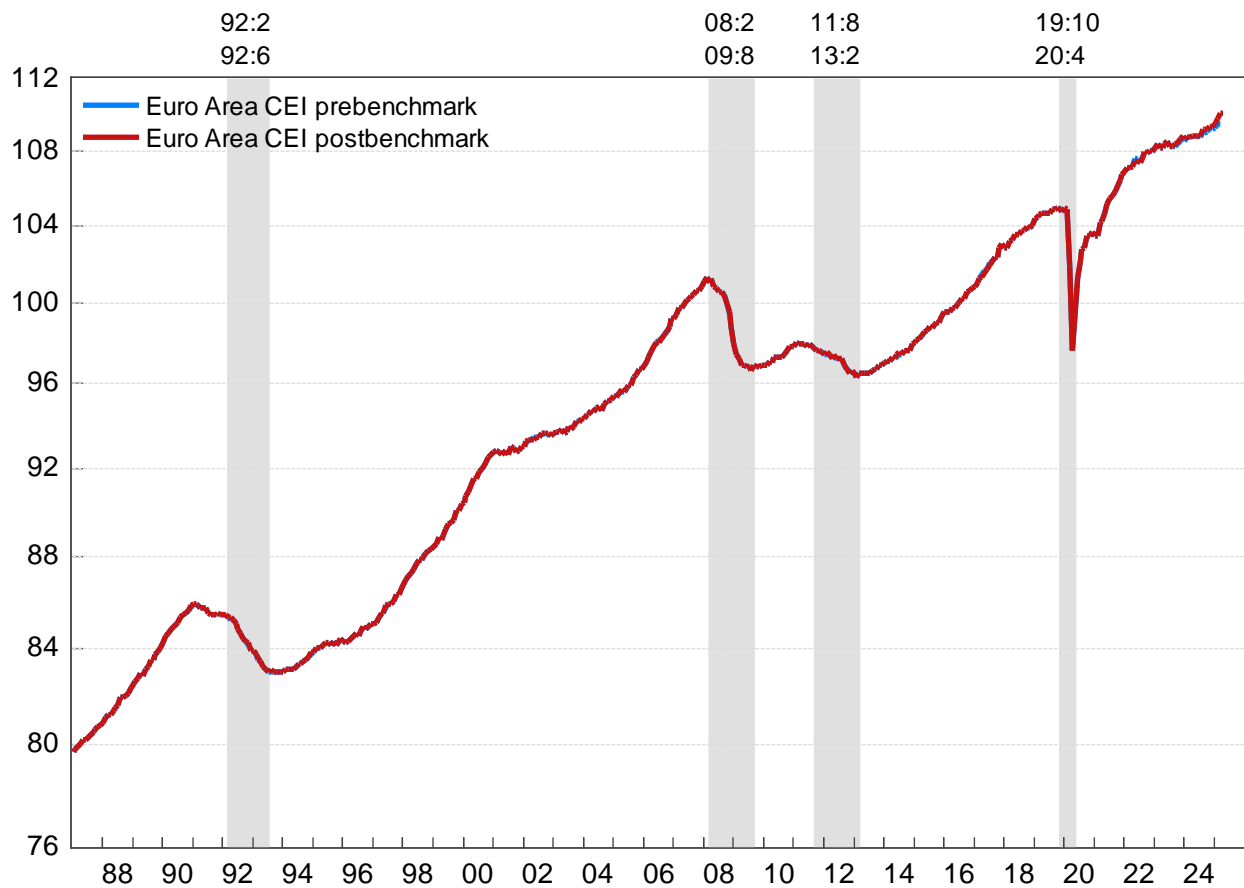
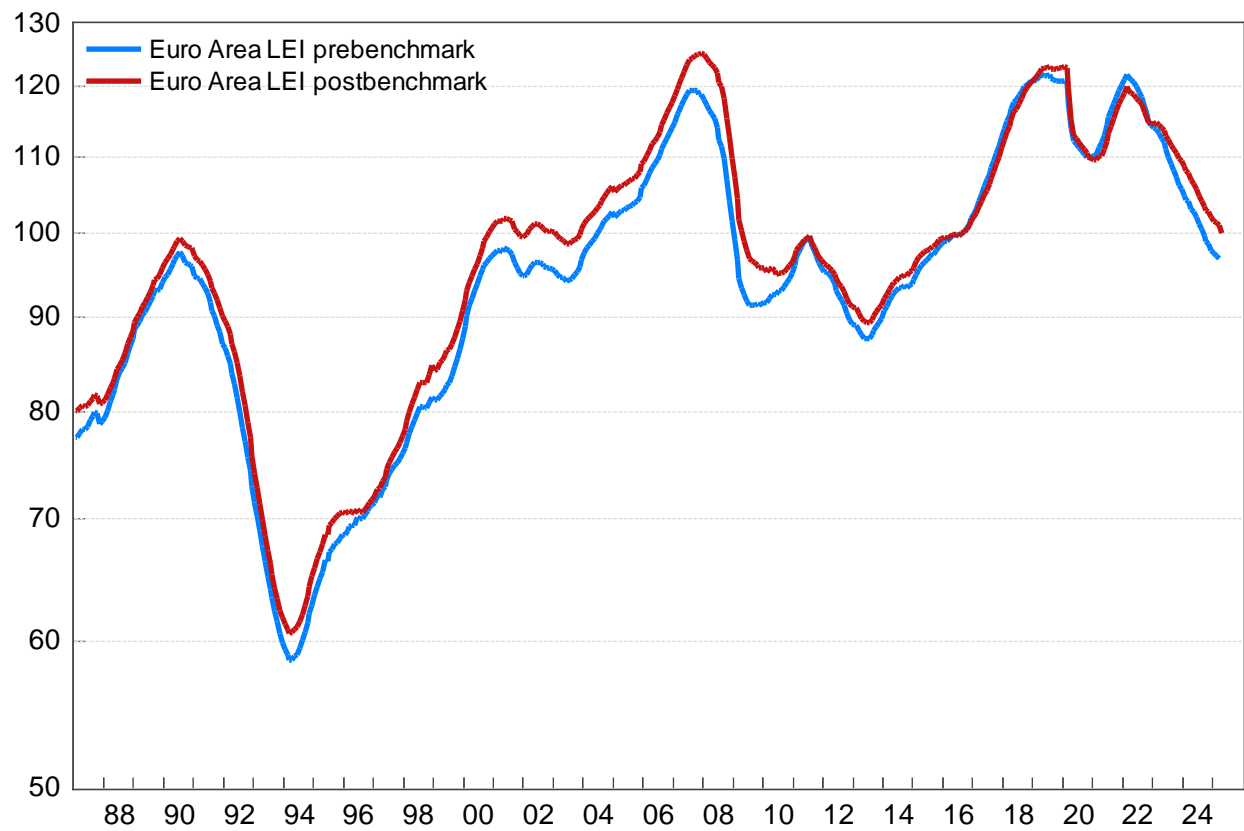
The annualized growth rate of the Euro Area LEI fell back below the recession threshold and combined with widespread weakness in its components, triggered the recession signal



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 -5.6%. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

The composite business cycle indexes pre- and post- benchmark revisions: 1987-present



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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