

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 Again in May

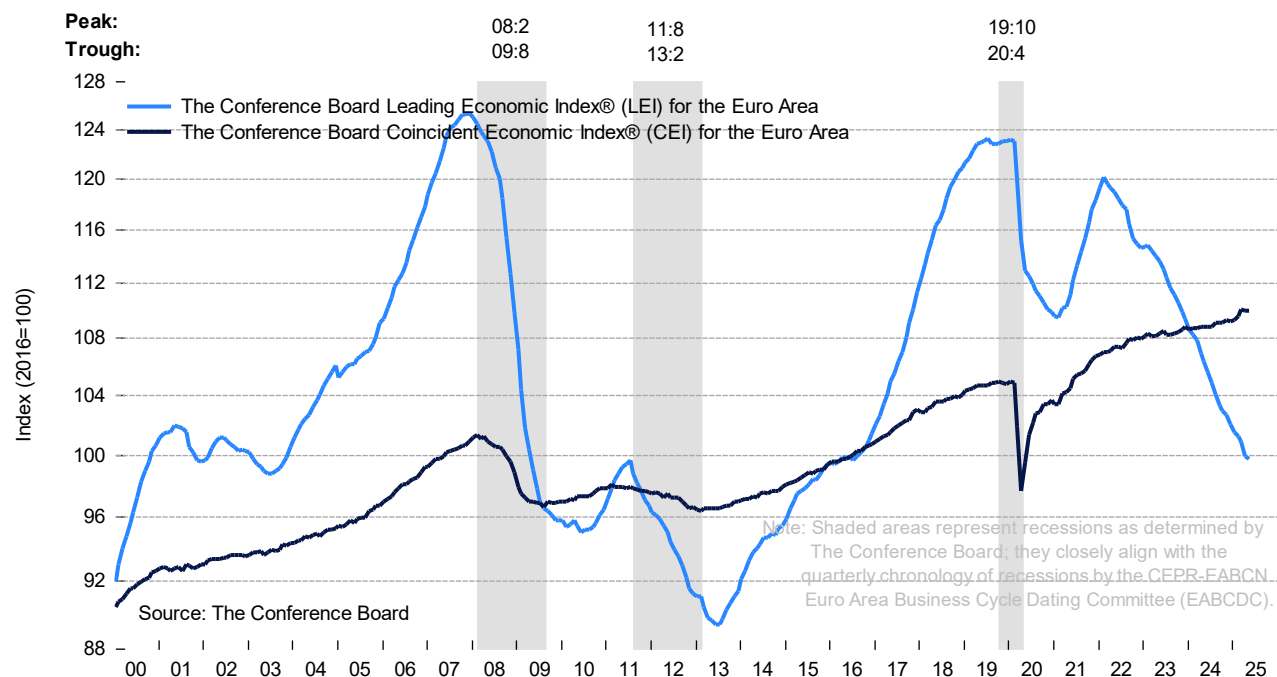
The Conference Board Leading Economic Index® (LEI) for the Euro Area declined by 0.2% in May 2025 to 99.7 (2016=100), following a decrease of 0.9% in April. Overall, the LEI contracted by 2.8% over the six-month period from November 2024 to May 2025, a slower rate of decline than the –3.5% experienced over the previous six-month period between May and November 2024.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area was unchanged in May 2025 at 109.9 (2016=100), following a downtick of 0.1% in April. However overall, the CEI rose 0.5% over the six-month period from November 2024 to May 2025, the same pace of improvement as over the previous six-month period.

“The Euro Area LEI fell further in May,” said **Stephanie Guichard, Senior Economist, at The Conference Board**. “All non-financial components, especially consumer confidence and business expectations in the service and manufacturing sectors, continued to weigh on the Index. Stock prices recovered from their April lows as there was a pause in some US tariffs, mitigating the overall Index’s rate of decline. Its negative six-month and annual growth rates eased a little but widespread weakness among LEI’s components continued to point to economic headwinds ahead. Despite the stronger than expected GDP growth in Q1 2025, The Conference Board continues to forecast a deceleration in the Euro Area over the coming quarters and projects GDP growth 1.0% in 2025 after 0.9% in 2024.”

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

The Euro Area LEI continued to weaken in May



Stock prices recovered and systemic stress lessened, but non-financial components fell down further

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



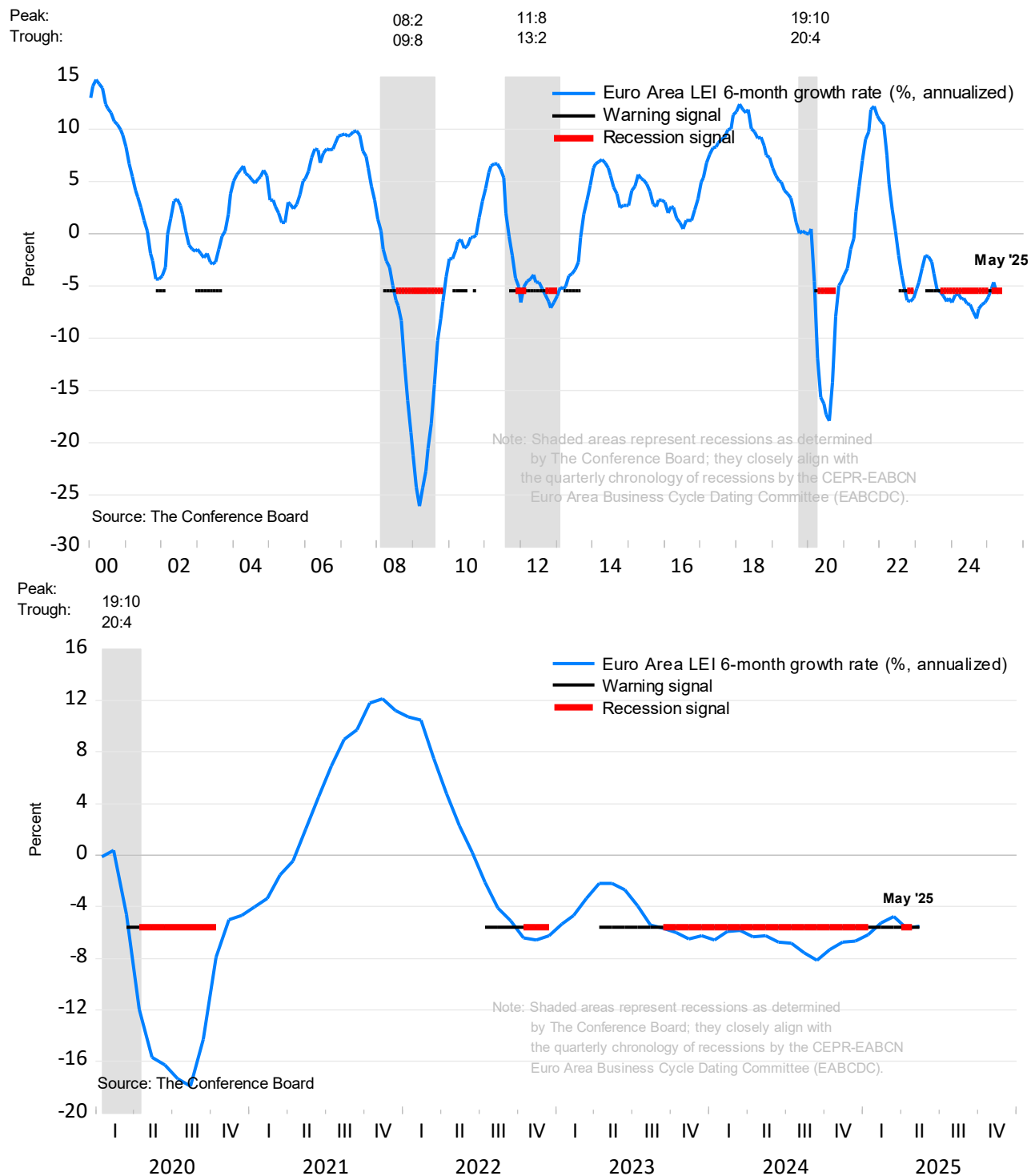
Source: The Conference Board

* 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 6-month growth rate of the Euro Area LEI was just above the recession threshold, but overall weakness in its components persisted and continue to warn of risks ahead



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.

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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