

News Release

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

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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 Decreased in June

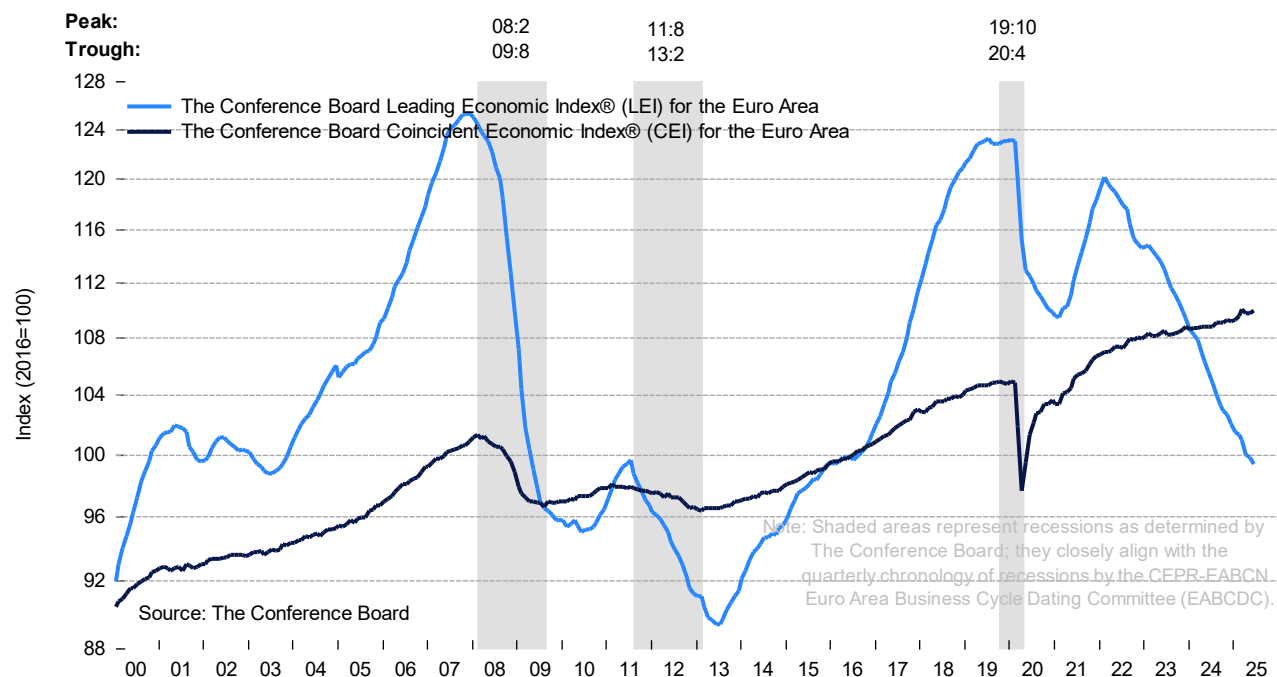
The Conference Board Leading Economic Index® (LEI) for the Euro Area declined by 0.5% in June 2025 to 99.3 (2016=100), following declines of 0.9% and 0.2% in April and May respectively. Overall, the LEI contracted by 2.6% over the first half of 2025, still a slower rate of decline than the –3.4% experienced over the second half of 2024.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area rose by 0.2% in June 2025 to 109.9 (2016=100), after being unchanged in May. Overall, the CEI rose 0.6% over the first half of 2025, slightly better than the 0.4% improvement over the previous six-month period.

“The Euro Area LEI continued to decline in June,” said **Stephanie Guichard, Senior Economist, at The Conference Board**. “As in recent months, all non-financial components weighed on the Index, especially consumer confidence and volume of order books but also business expectations in both the service and manufacturing sectors. The positive yield spread and improvements in the systemic stress indicator mitigated the depth of overall Index’s decline. However, while the 6-month growth trajectory of the index no longer signaled recession risks, widespread weakness among its components continued to warn of economic headwinds ahead. Overall, The Conference Board does not expect the strong growth in Q1 to have continued in Q2 and projects GDP growth at 0.9% in 2025 (unchanged from 2024).”

The next release is scheduled for Tuesday, August 19, 2025, at 9:30 A.M. ET.

The Euro Area LEI continued to weaken in June



The non-financial components of LEI fell further, fueling its decline in June

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



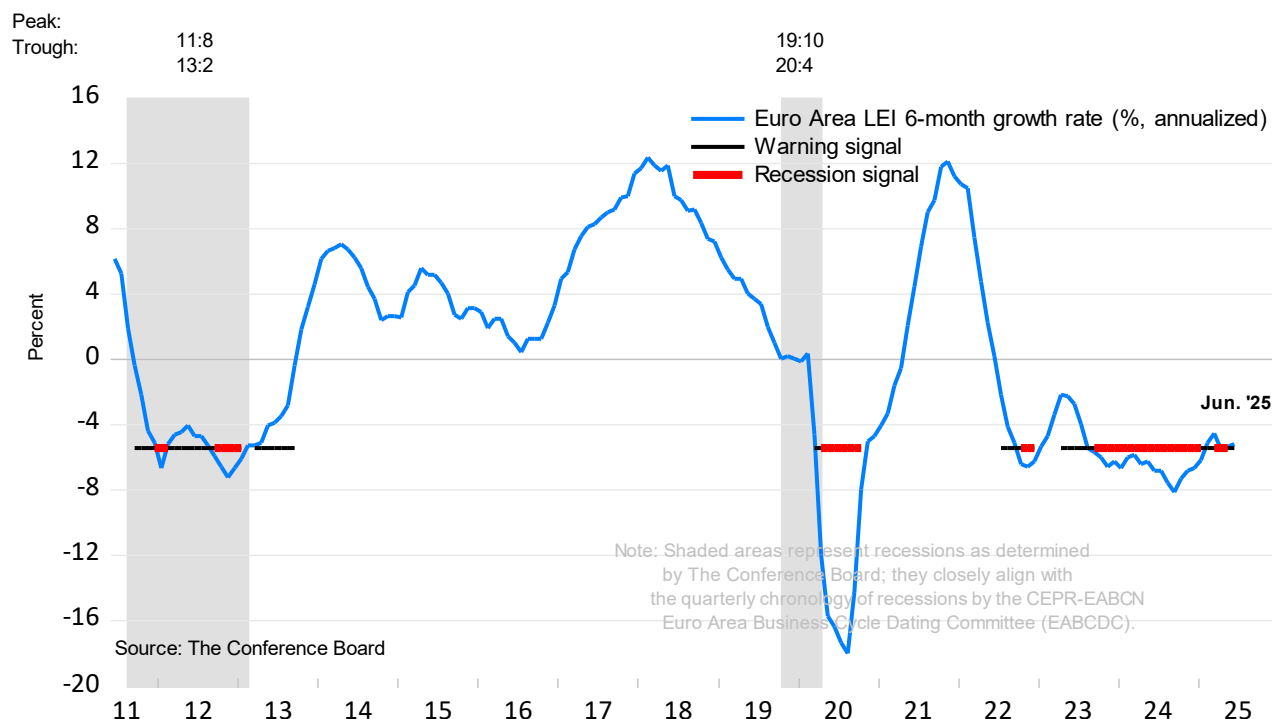
Source: The Conference Board

* 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 -5.5%. 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
- Industry Production Expectations
- Services Expected Demand
- 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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