

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 Decreased in July

The Conference Board Leading Economic Index® (LEI) for the Euro Area declined by 0.3% in July 2025 to 99.1 (2016=100), after declining by 0.5 in June. Over the six-month period from January to July 2025, the LEI contracted 2.4%, still a slower rate of decline than the –3.1% experienced over the previous six-month period, from July 2024 to January 2025.

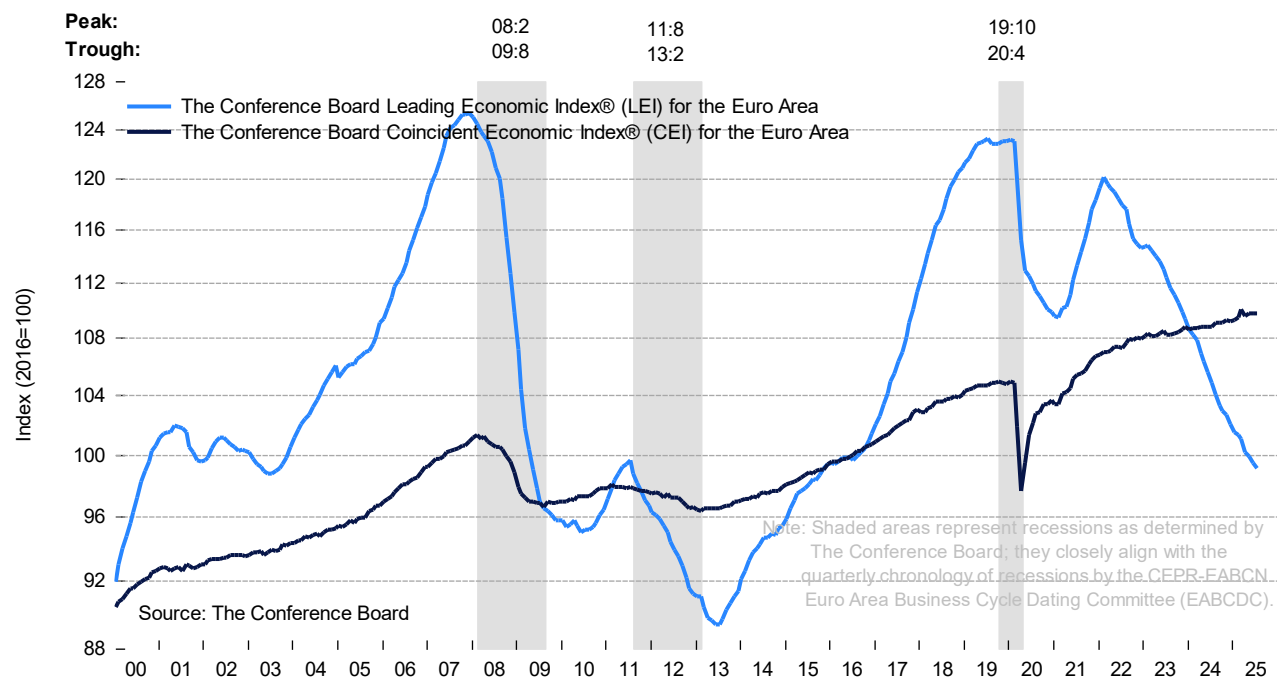
The Conference Board Coincident Economic Index® (CEI) for the Euro Area was unchanged for a second consecutive month in July 2025 at 109.7 (2016=100). Overall, the CEI rose by 0.4% from January to July 2025, a slightly more modest pace than the 0.5% improvement from July 2024 through January 2025.

“The Euro Area LEI declined further in July,” said **Stephanie Guichard, Senior Economist, at The Conference Board.**

“Non-financial components continued to weigh on the Index, especially consumer expectations which worsened. In addition, orders and business expectations in the manufacturing sector remained depressed, as did expectations in the service sector. Meanwhile, financial components continued to strengthen, mitigating some of the overall Index’s decline. The 6-month growth rate of the LEI improved for the third consecutive month but remained negative and still signaled headwinds ahead. GDP expansion slowed considerably in Q2 after a strong Q1, and The Conference Board currently expects GDP to grow by 0.9% in 2025 (unchanged from 2024).”

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

The Euro Area LEI continued to slide down in July



Financial components of LEI improved in July, but expectations and orders continued to weigh on the index

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

	Jul. '25	6 mo. ending Jul. '25
Financial Components		
Systemic Stress Composite Indicator*	0.11	0.62
ECB Yield Spread	0.17	0.54
EURO STOXX® Index	0.03	0.28
Non-Financial Components		
Index of Residential Building Permits**	-0.01	0.11
Volume of Order Books	-0.13	-0.75
Industry Production Expectations	-0.05	-0.53
Services Expected Demand	-0.10	-0.61
Consumer Expectation of General Economic Situation	-0.21	-1.22

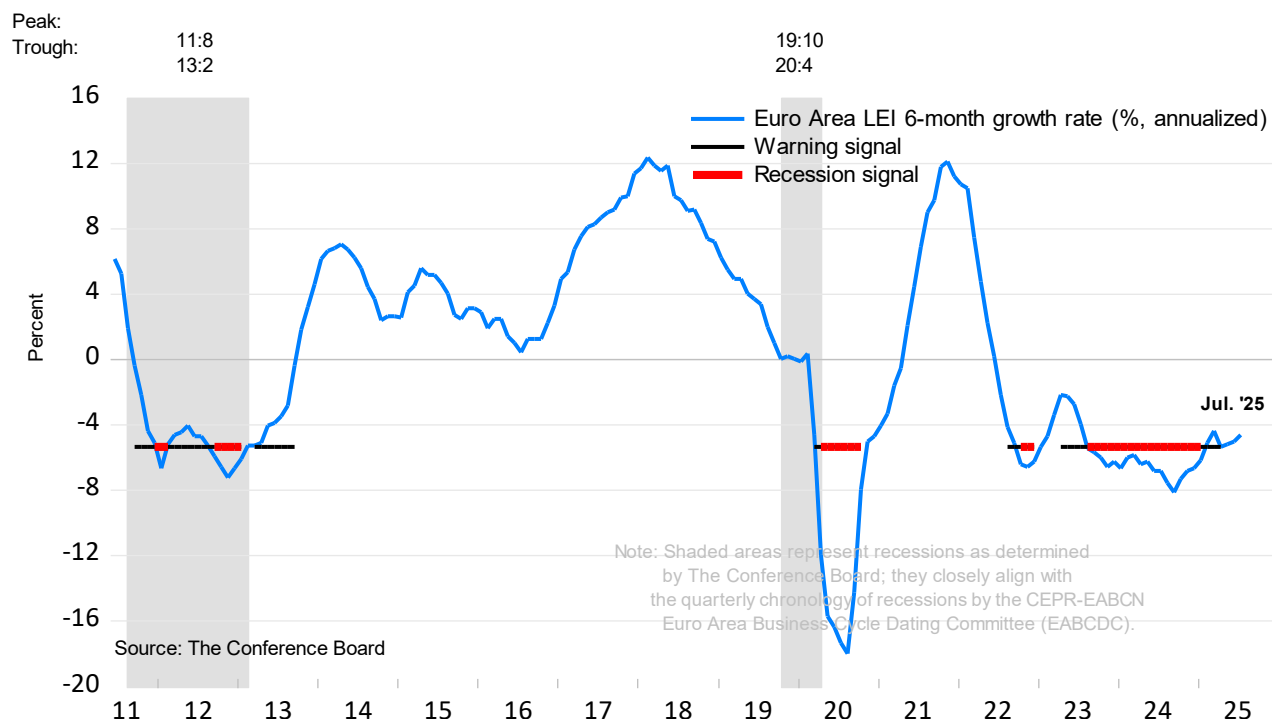
Source: The Conference Board

* 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 strengthened in recent months but remained negative



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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