

## 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 August**

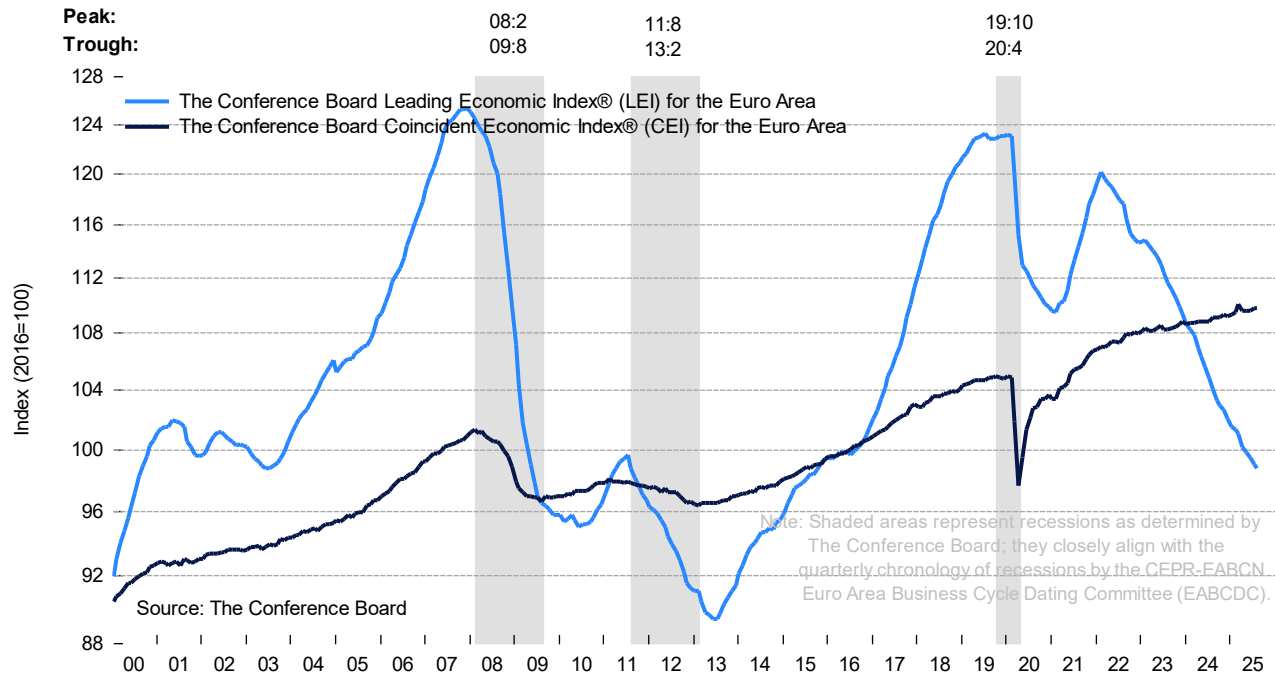
**The Conference Board Leading Economic Index® (LEI)** for the Euro Area declined by 0.3% in August 2025 to 98.7 (2016=100), after declining by 0.4 in July. Over the six-month period from February to August 2025, the LEI contracted 2.6%, a continuation of the 2.6% contraction experienced over the previous six-month period, from August 2024 to February 2025.

**The Conference Board Coincident Economic Index® (CEI)** for the Euro Area was unchanged in August 2025 at 109.7 (2016=100), after ticking up by 0.1% in July (revised upward from no change reported in past release). Overall, the CEI rose by 0.2% from February to August 2025, at a more modest pace than the 0.4% gain from August 2024 to February 2025.

“The Euro Area LEI continued to decline in August,” said **Stephanie Guichard, Senior Economist, at The Conference Board**. “As in previous months, non-financial components were the main drag on the Index. Consumer expectations for the general economic situation weakened further while orders and business expectations in the manufacturing and services sectors remained depressed. Improvement in the yield spread and the systemic stress composite indicator mitigated the decline. The 6-month growth rate of the LEI became more negative, after two consecutive months of improvements, signaling persisting headwinds ahead. However, after a weak Q2, the Conference Board Economic expects activity in the Euro Area to pick up in Q3 and beyond driven by reduced uncertainty on the implementation of US tariffs. Overall, The Conference Board currently expects GDP to grow by 0.9% in 2025.”

**The next release is scheduled for Thursday, October 16, 2025, at 9:30 A.M. ET.**

## The Euro Area LEI continued to trend downward in August



## As in July, financial components of the Euro LEI improved in August while expectations and orders continued to weigh on the index

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

	Aug. '25	6 mo. ending Aug. '25
<b>Financial Components</b>		
Systemic Stress Composite Indicator*	0.12	0.60
ECB Yield Spread	0.17	0.70
EURO STOXX® Index	0.03	0.11
<b>Non-Financial Components</b>		
Index of Residential Building Permits**	-0.01	-0.05
Volume of Order Books	-0.11	-0.73
Industry Production Expectations	-0.07	-0.51
Services Expected Demand	-0.09	-0.62
Consumer Expectation of General Economic Situation	-0.23	-1.30

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

## Widespread weakness in the Index components kept the warning signal on in August



**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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