

News Release

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For Release 9:30 AM ET, October 16, 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 September

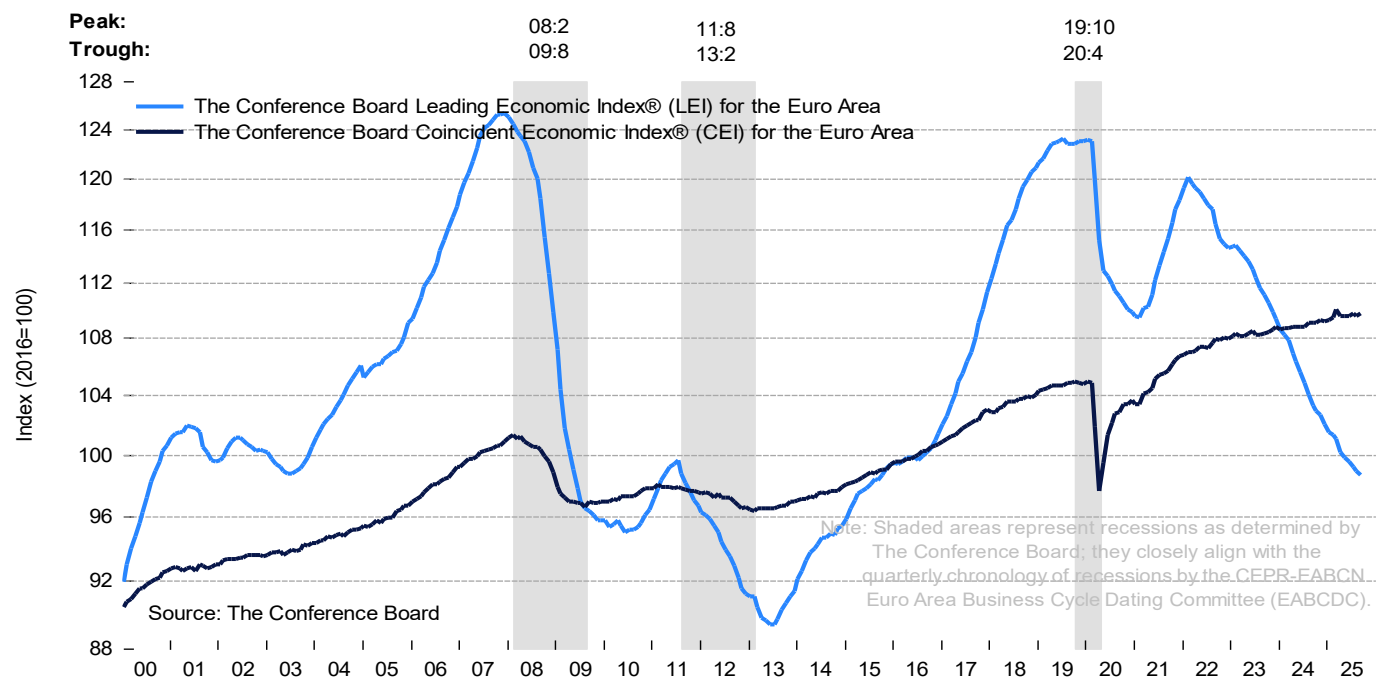
The Conference Board Leading Economic Index® (LEI) for the Euro Area declined by 0.3% in September 2025 to 98.6 (2016=100), after also declining by 0.3% in August. As a result, over the six-month period from March to September 2025, the LEI contracted 2.4%, a slightly larger decline rate than the 2.2% experienced over the previous six-month period, from September 2024 to March 2025.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area increased by 0.1% in September 2025 to 109.7 (2016=100), after decreasing by 0.1% in August. Overall, the CEI fell by 0.3% from March to September 2025, a reversal of the observed 0.8% growth from September 2024 through March 2025.

“The Euro Area LEI declined again in September,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “Non-financial components continued to weigh on the Index, headlined by consumer expectations. In addition, volume of order books and expected demand in the service sector remained depressed. Meanwhile, financial components continued to be resilient, but only mitigating some of the overall Index’s decline. The diffusion index fell over the past six months, with weaknesses and strengths balanced among LEI’s components. This triggered the warning signal for the first time since May, confirming persisting headwinds to growth. France’s lingering budget and political crisis may offset signs of strength from other major Euro Area economies, tempering growth prospects through the remainder of 2025. Nonetheless, following a modest expansion in Q2, The Conference Board still expects GDP growth to accelerate somewhat in the second half of 2025, with annual growth expected at 1% in 2025 and 1.2% in 2026.”

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

The Euro Area LEI continued to slide down in September



Financial components remained strong in September while consumer expectations and volume of order books continued to weigh on the index

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

Widespread weakness among the Index components and a declining 6-month growth rate triggered the warning signal in September



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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