

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 Ticked Down in October

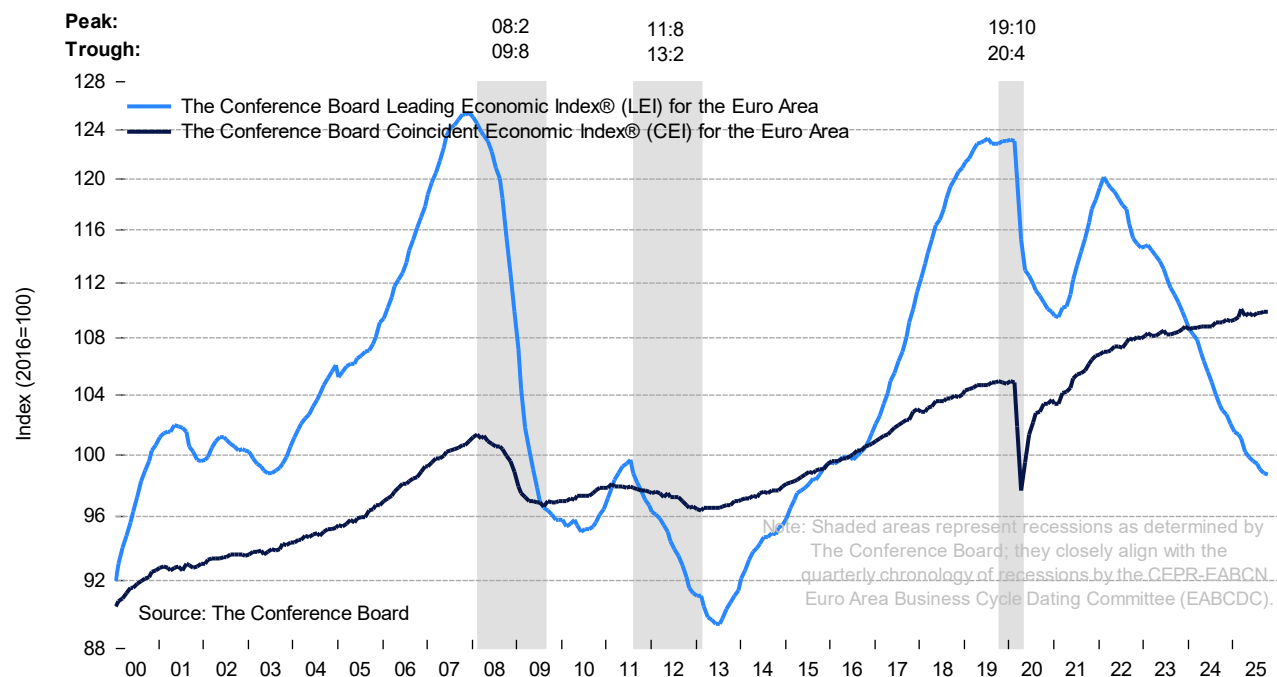
The Conference Board Leading Economic Index® (LEI) for the Euro Area ticked down by 0.1% in October 2025 to 98.6 (2016=100), after declining by 0.3% in September. As a result, over the six-month period from April to October 2025, the LEI contracted 1.5%, a smaller rate of decline than the -2.7% experienced over the previous six-month period, from October 2024 to April 2025.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area remained unchanged in October 2025 at 109.8 (2016=100), after increasing by 0.1% in September. Overall, the CEI increased by 0.2% from April to October 2025, a continuation of the 0.5% growth from October 2024 through April 2025.

“The Euro Area LEI declined again in October,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “As in previous months, consumer expectations remained the primary driver of weakness in the LEI. Furthermore, volume of order books and expected demand in the service sector remained subdued, more than offsetting gains from financial components, which continued to show resilience. The 6-month growth rate of the Euro Area LEI, while still negative, has been improving, signaling dissipating pressure on growth. Continued tension from US tariffs has weighed on export oriented European economies, with both Germany and Italy reporting zero growth in Q3 following modest contractions in Q2, highlighting headwinds to the region’s near-term expansion. Nonetheless, after modest expansion in Q3, The Conference Board still expects GDP growth to accelerate in Q4 of 2025 and into 2026, with annual growth forecasted at 1% in 2025 and 1.2% in 2026.

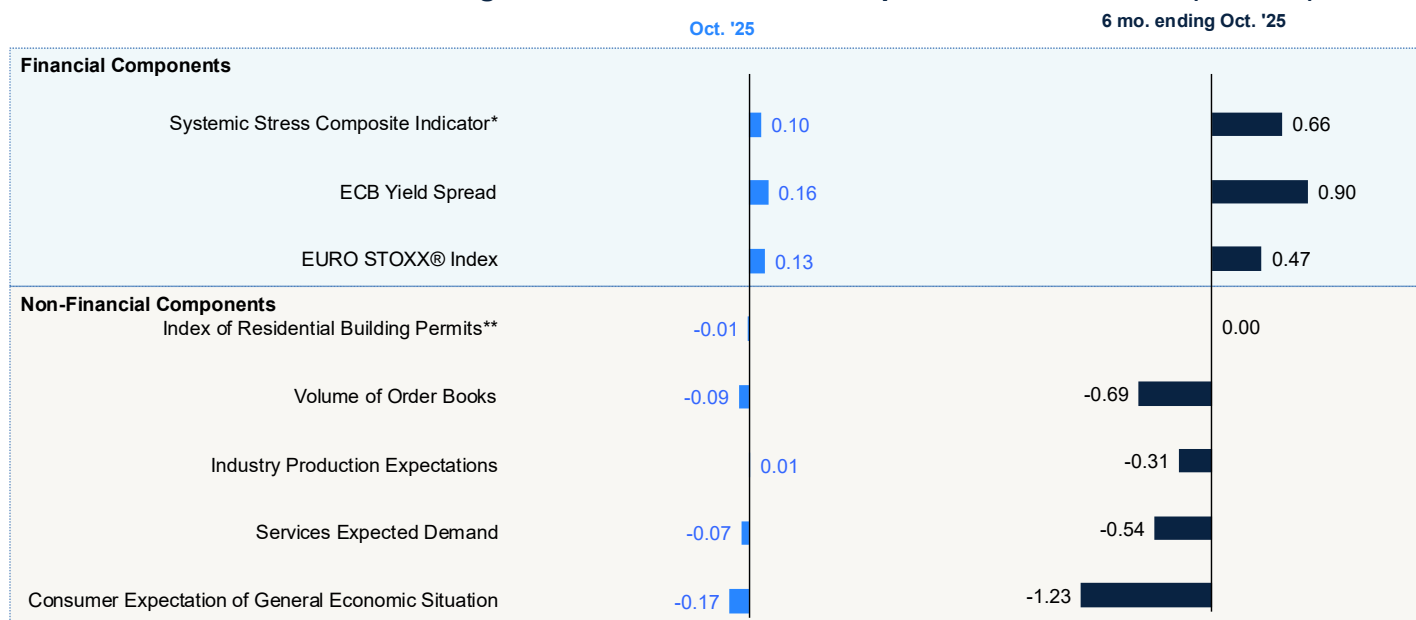
The next release is scheduled for Tuesday, December 16, 2025, at 9:30 A.M. ET.

The Euro Area LEI continued its downward trend in October



Financial components remained strong in October while consumer expectations, volume of order books, and demand in the service sector continued to weigh on the index

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



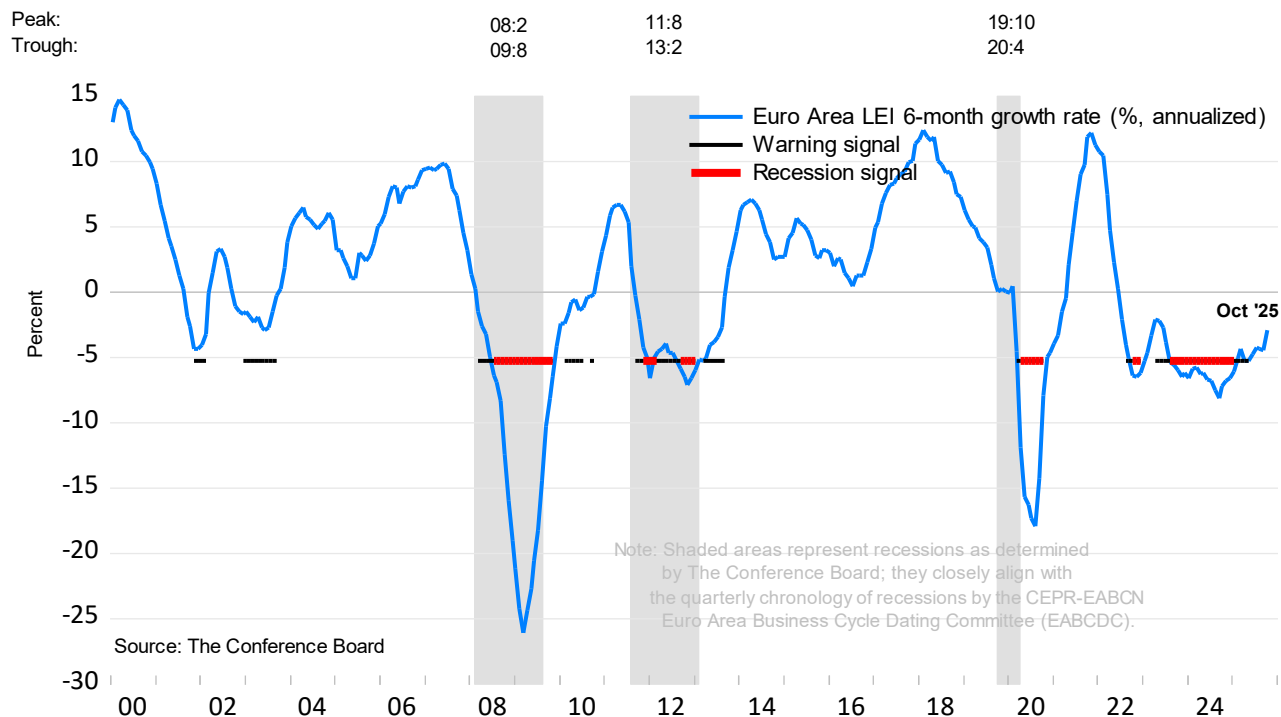
Source: The Conference Board

* 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

The 6-month growth rate of the Euro Area LEI, while negative, kept improving and remained above the recession threshold



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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