

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 Remained Unchanged in January

The Conference Board Leading Economic Index® (LEI) for the Euro Area remained unchanged in January 2026 at 98.4 (2016=100), after declining by 0.1% in December. Over the six-month period from July 2025 to January 2026, the LEI contracted by 0.9%, a smaller rate than the 2.2% decline experienced over the previous six-month period, from January to July 2025.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area ticked up by 0.1% in January 2026 to 110.1 (2016=100), after remaining unchanged in December. Overall, the CEI increased by 0.4% from July 2025 to January 2026, a continuation of the 0.4% growth from January through July 2025.

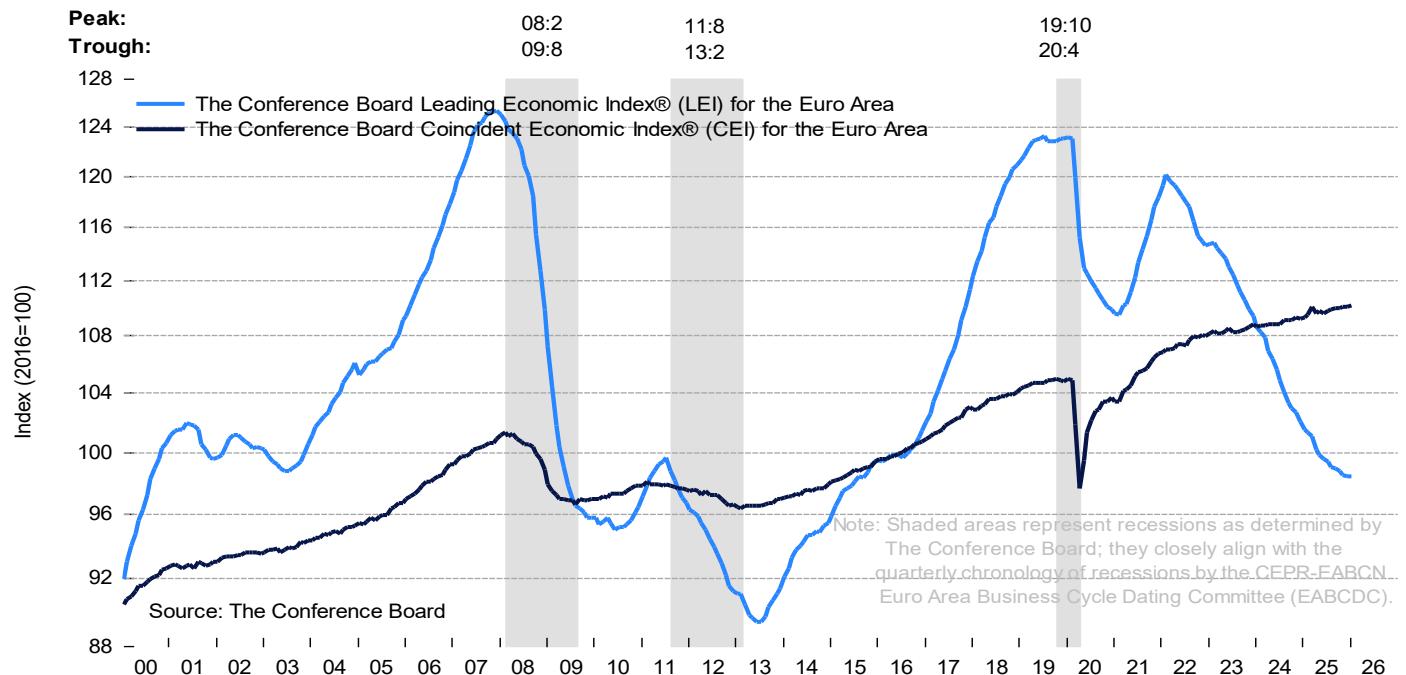
“The Euro Area LEI remained unchanged in January,” said **Timothy Brennan, Economic Research Associate, at The Conference Board.** “Financial components continued to show resilience—bolstering the index. However, negative contributions from consumer expectations, volume of order books, and expected demand in the service sector offset these gains.”

“The 6-month growth rate of the Euro Area LEI, has become less negative, signaling dissipating pressure on economic activity,” continued Brennan. “The Euro Area economy appears to be building momentum to start off 2026. Business and consumer confidence are improving. Manufacturing appears to be bottoming out and stabilizing, with industrial production output improving. Concurrently, household demand continues to recover due to improving financial conditions and easing inflation. Taken together, after a stronger-than-expected expansion in Q4 of 2025, The Conference Board expects annual real GDP growth in the Euro Area to improve to 1.3% in 2026.”

With the February 2026 release, all components in the *Leading Economic Index®* for the Euro Area and *Coincident Economic Index®* for the Euro Area now include Bulgaria, the newest member of the economic bloc. The region will be referred to as EA-21 going forward.

The next release is scheduled for Monday, March 16, 2026, at 9:30 A.M. ET.

The Euro Area LEI remained unchanged in January



Strength from financial components in January offset negative contributions from consumer expectations, volume of order books, and demand in the services sector

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 less negative 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/>

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