

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 Fell in May

This month's release of the composite economic indexes incorporates annual benchmark revisions which bring them up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision.

For more information, please visit conference-board.org/topics/business-cycle-indicators/ or contact us at indicators@tcb.org.

The Conference Board Leading Economic Index® (LEI) for the Euro Area decreased by 0.3% in May 2026 to 103.0 (2016=100), after falling by 0.4% in April. Due to recent monthly declines, the LEI contracted by 1.1% over the six-month period from November 2025 to May 2026. This is a slightly faster rate than the 1.0% decline experienced over the previous six-month period, from May to November 2025.

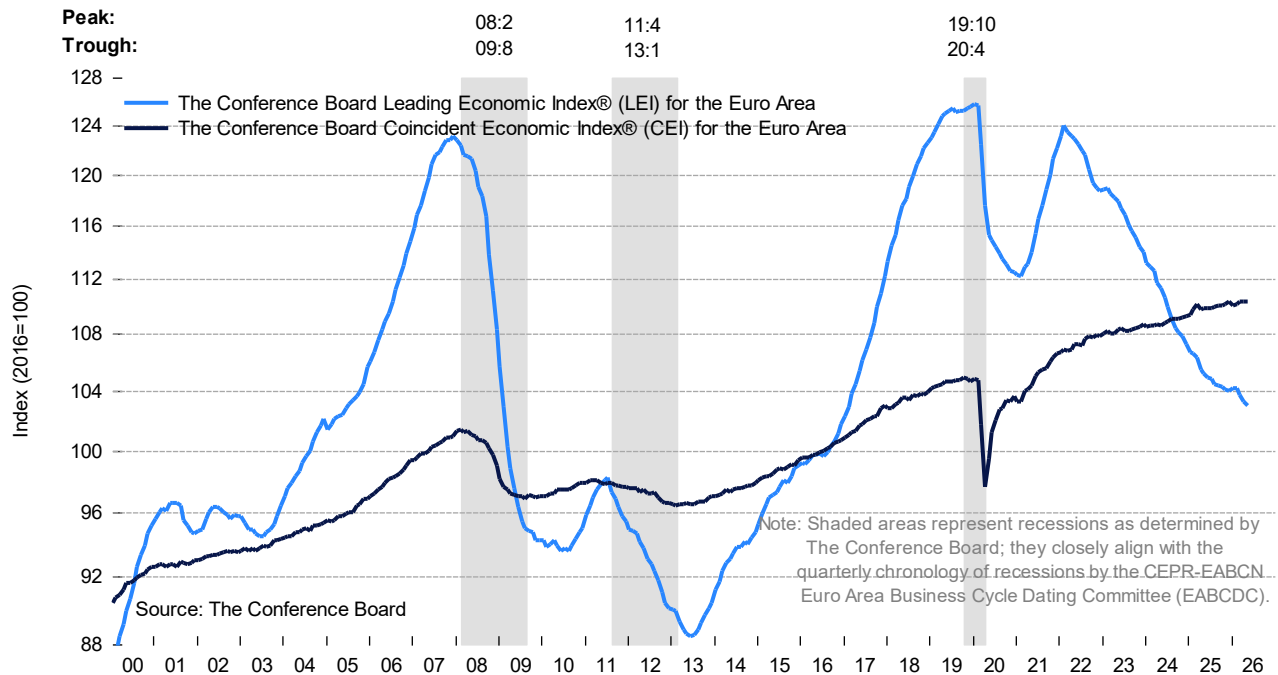
The Conference Board Coincident Economic Index® (CEI) for the Euro Area remained unchanged in May 2026 at 110.3 (2016=100), after also being unchanged in April. However, the CEI increased by 0.2% from November 2025 to May 2026, a slower pace than the 0.3% increase experienced over the previous six-month period, from May to November 2025.

"The Euro Area LEI declined again in May," said **Timothy Brennan, Economic Research Associate, at The Conference Board**. "As in previous months, the consumer expectations component was the main drag on the Index. Lower expectations from businesses in the service sector and industrial producers also contributed to the monthly drop. However, positive contributions from financial components helped mitigate the decline."

"The 6-month growth rate of the Euro Area LEI remained negative, signaling pressure on economic activity ahead," continued Brennan. "Consumer expectations improved only marginally in May and remains close to three-year lows, reflecting the ongoing strain on household purchasing power. Inflationary pressures tied to the conflict in the Middle East and its impact on energy markets constrained real incomes and weighed on consumer spending. The ECB's 25 basis point rate increase, combined with a US and Iran peace deal, could ease inflation in the coming months. The Conference Board forecasts real GDP growth in the Euro Area at 1.0% for 2026."

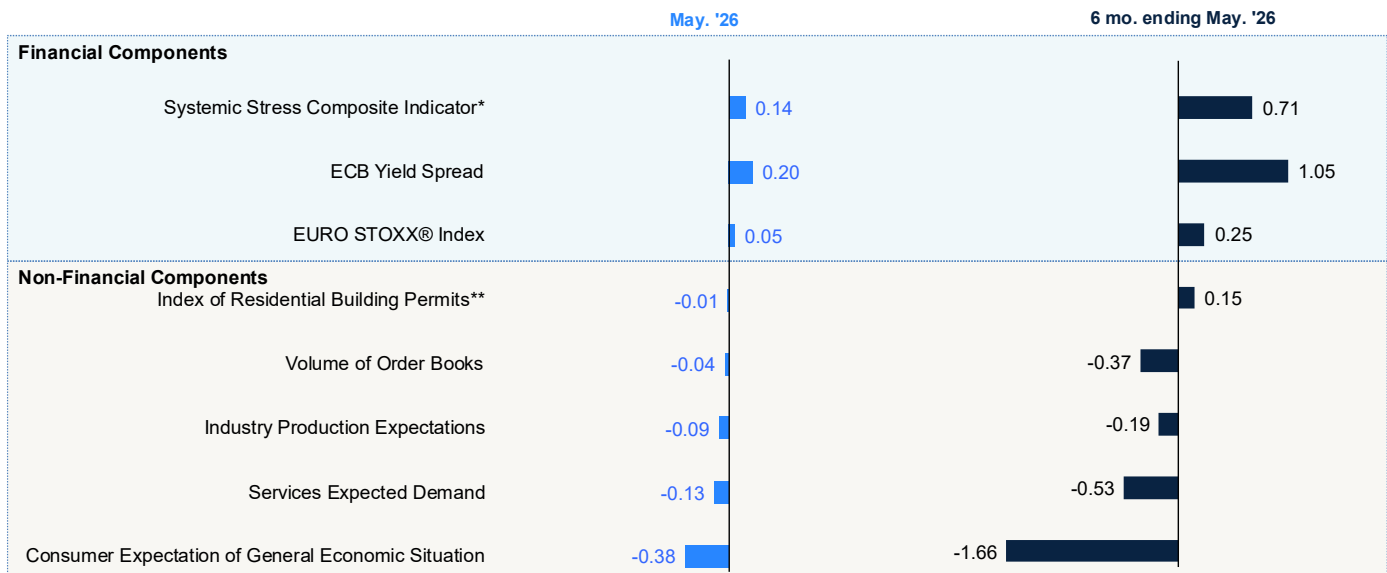
The next release is scheduled for Friday, July 17, 2026, at 9:30 A.M. ET.

The Euro Area LEI fell for the third consecutive month in May



Softer expectations from consumers, services businesses, and industrial producers drove the May contraction

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



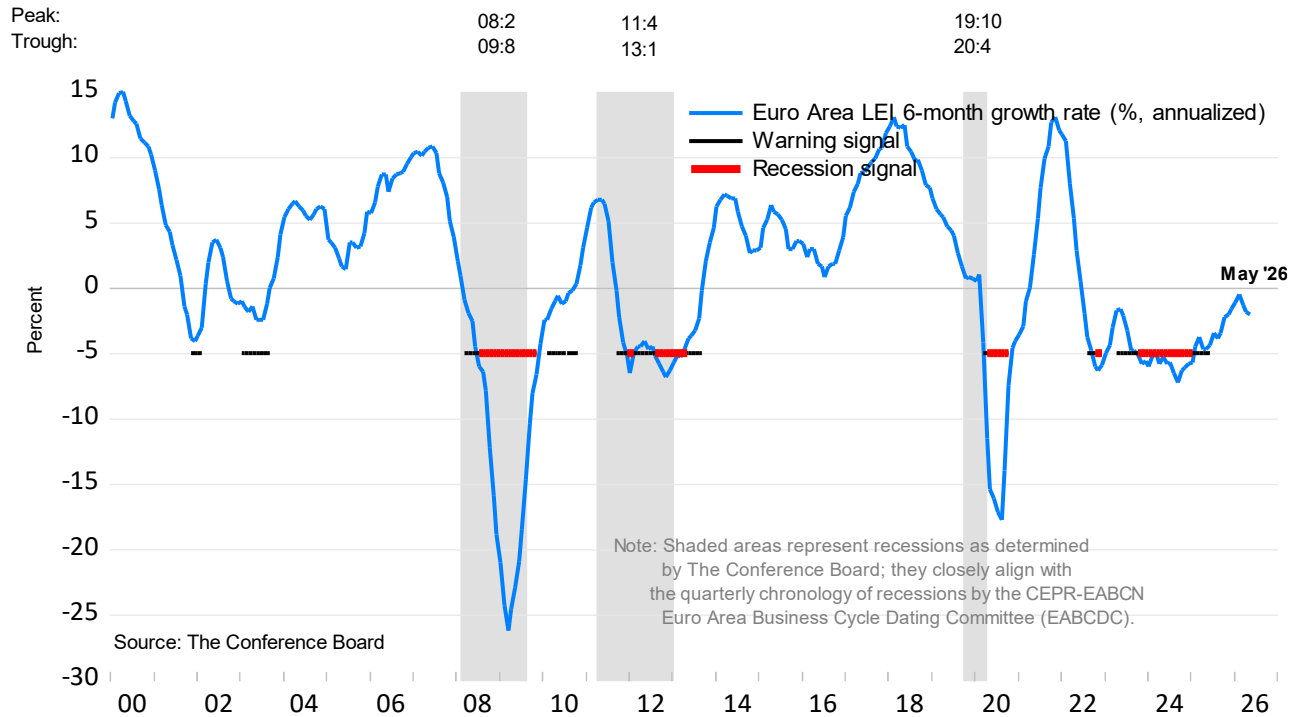
Source: The Conference Board

* 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

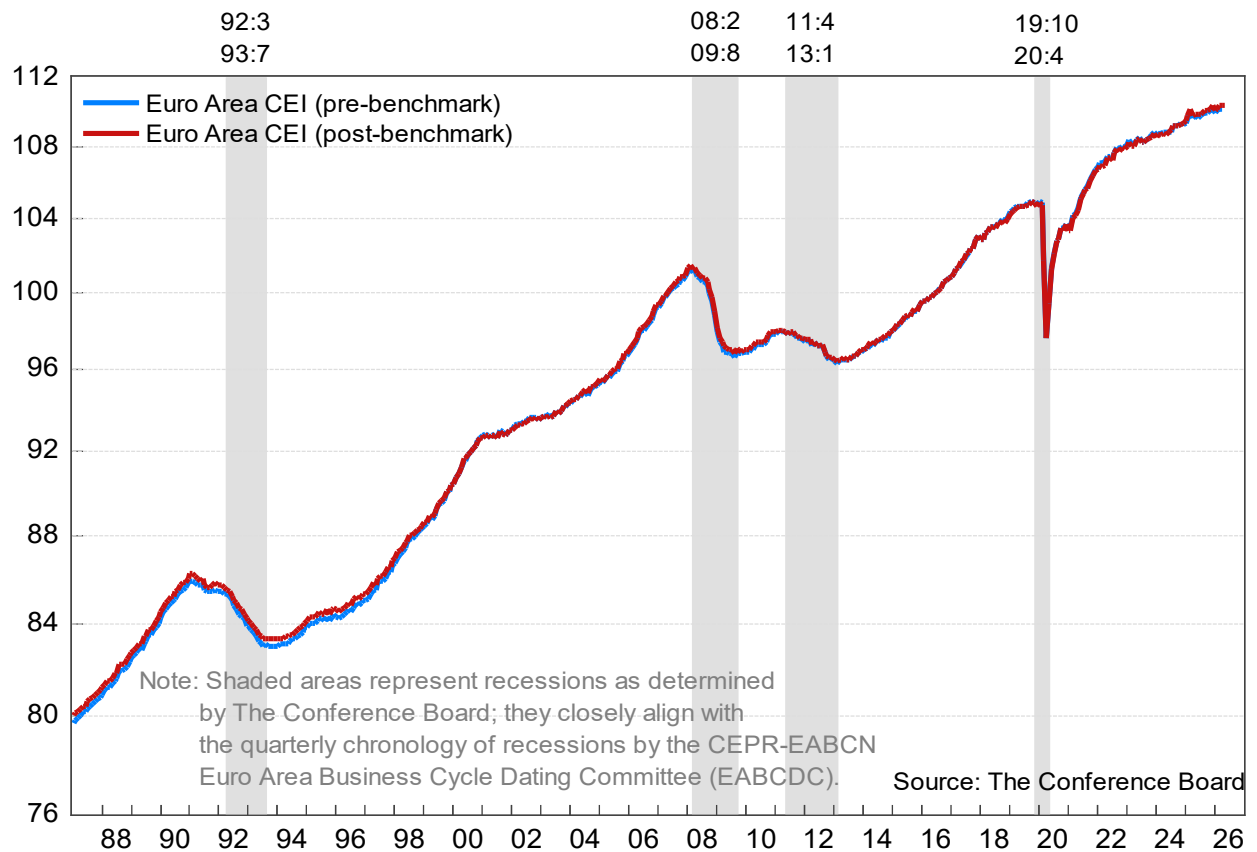
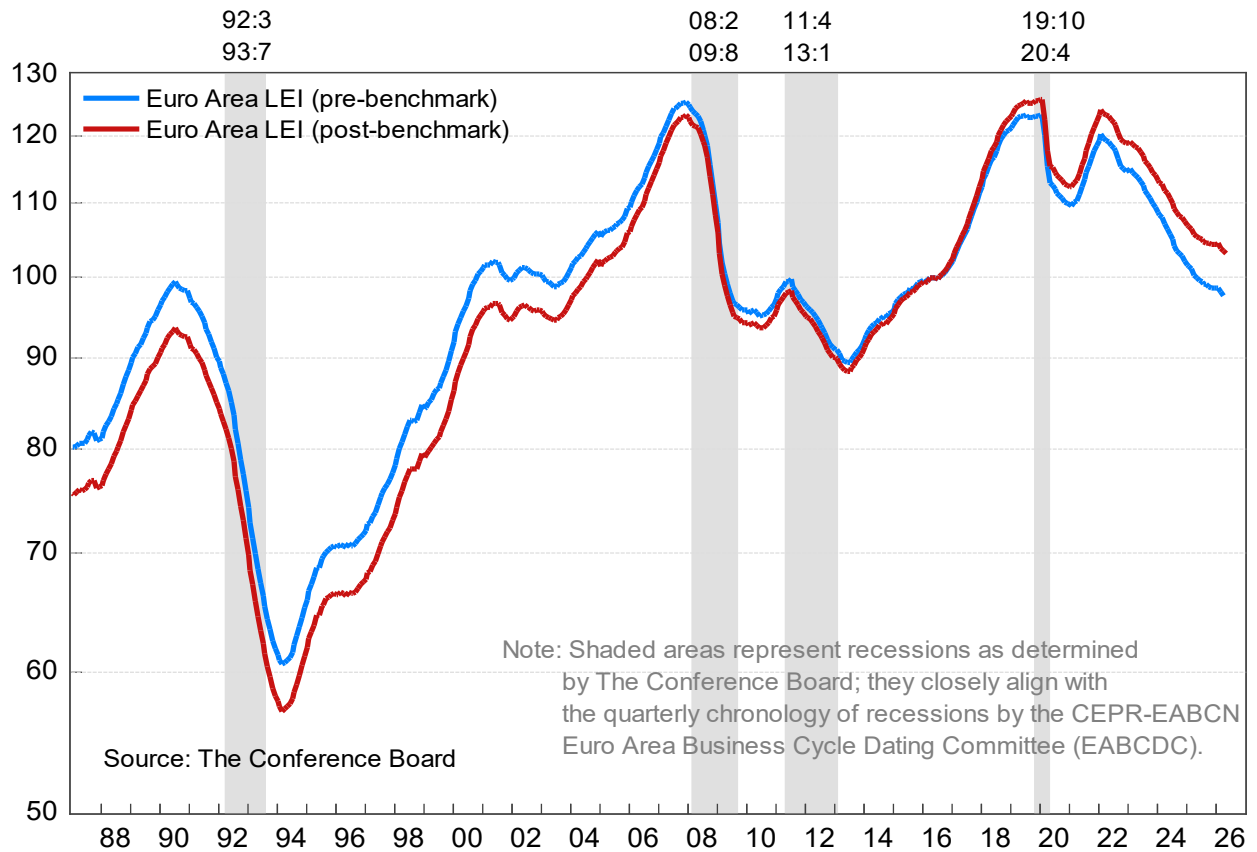
The 6-month growth rate of the Euro Area LEI was more negative in May, but remained above the recession threshold



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

The composite business cycle indexes pre- and post-benchmark revisions: 1987-present



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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