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 June

The Conference Board Leading Economic Index® (LEI) for the Euro Area decreased by 0.3% in June 2026 to 102.9 (2016=100), after also falling by 0.3% in May. Due to recent monthly declines, the LEI contracted by 1.1% over the first half of 2026. This is a slightly faster rate than the 0.9% drop experienced over the second half of 2025.

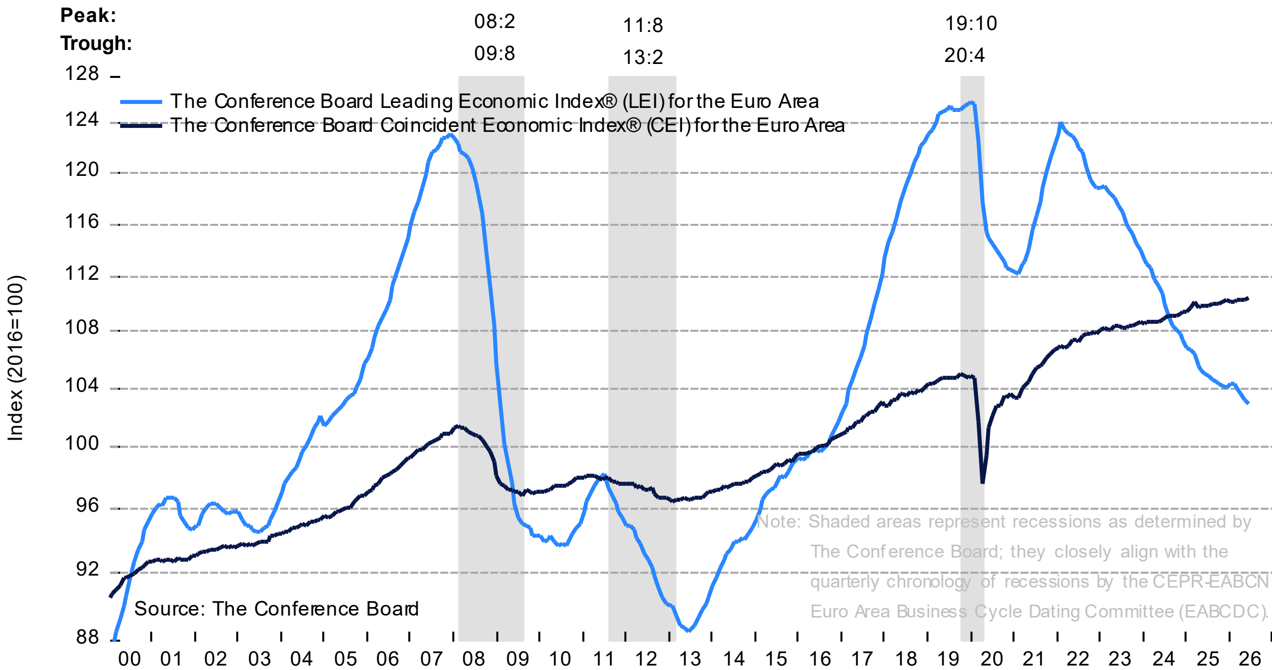
The Conference Board Coincident Economic Index® (CEI) for the Euro Area ticked up by 0.1% in June 2026 to 110.4 (2016=100), after being unchanged in April and May. The CEI increased by 0.1% over the first half of 2026, a slower pace than the 0.5% increase experienced over the second half of 2025.

“The Euro Area LEI fell for the fourth consecutive month in June,” 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. “Expectations among consumers, industrial producers, and services businesses remain well below their historical averages. Renewed tensions between the US and Iran are likely to place further strain on these components in the coming months by intensifying inflationary pressures and global uncertainty. These headwinds are expected to subdue Euro Area growth in H2 of 2026. The Conference Board forecasts real GDP growth in the Euro Area at only 1.0% for 2026, down from 2025."

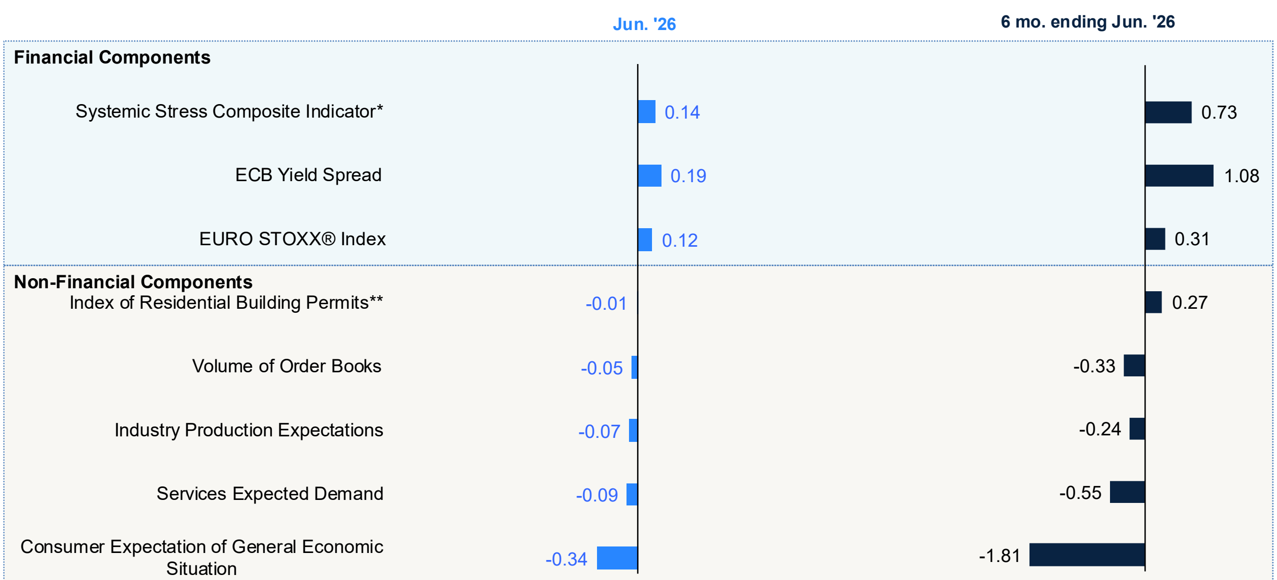
The next release is scheduled for Tuesday, August 18, 2026, at 9:30 A.M. ET.

The Euro Area LEI fell for the fourth consecutive month in June



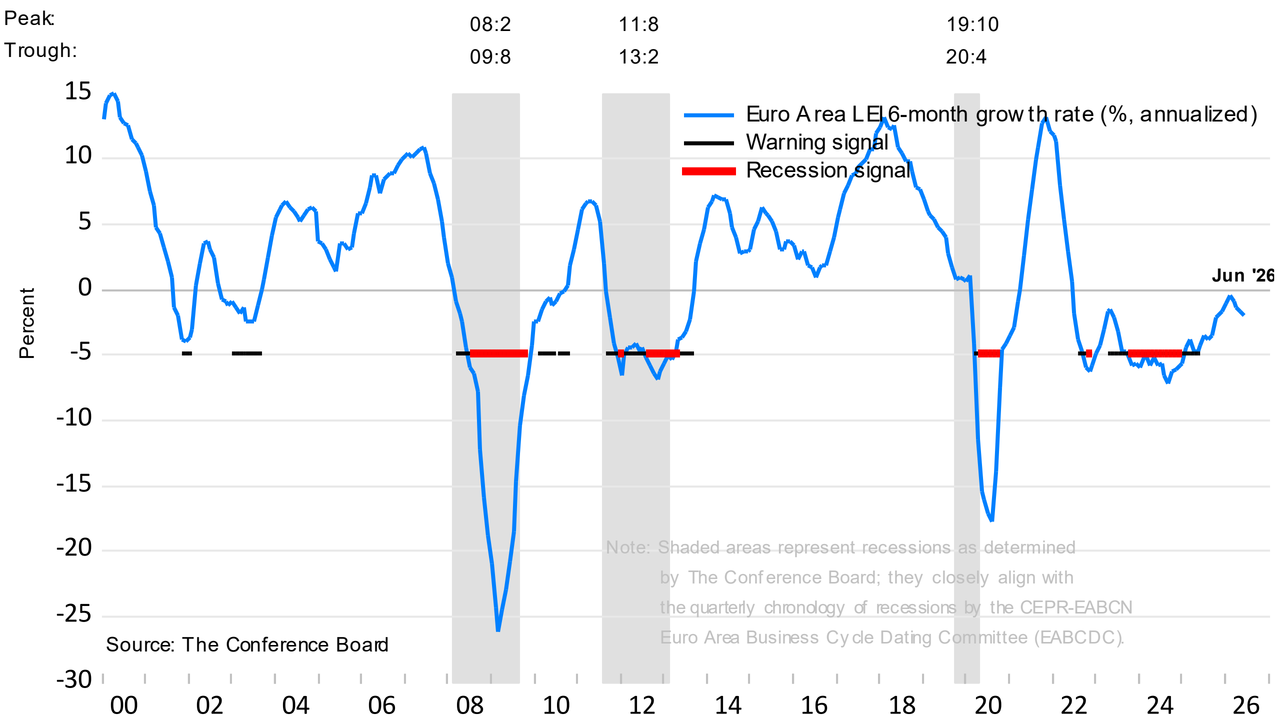
Low expectations from consumers, services businesses, and industrial producers drove the June contraction

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 June, but remained above the recession signal 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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