

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

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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 July

The Conference Board Leading Economic Index® (LEI) for the Euro Area ticked down by 0.1% in July 2026 to 102.7 (2016=100), after falling by 0.2% in June. Due to continuous monthly declines since the beginning of this year, the LEI contracted by 1.4% over the six-month period from January to July 2026. This is a faster rate of decline than the 0.6% drop experienced over the previous six-month period from July 2025 to January 2026.

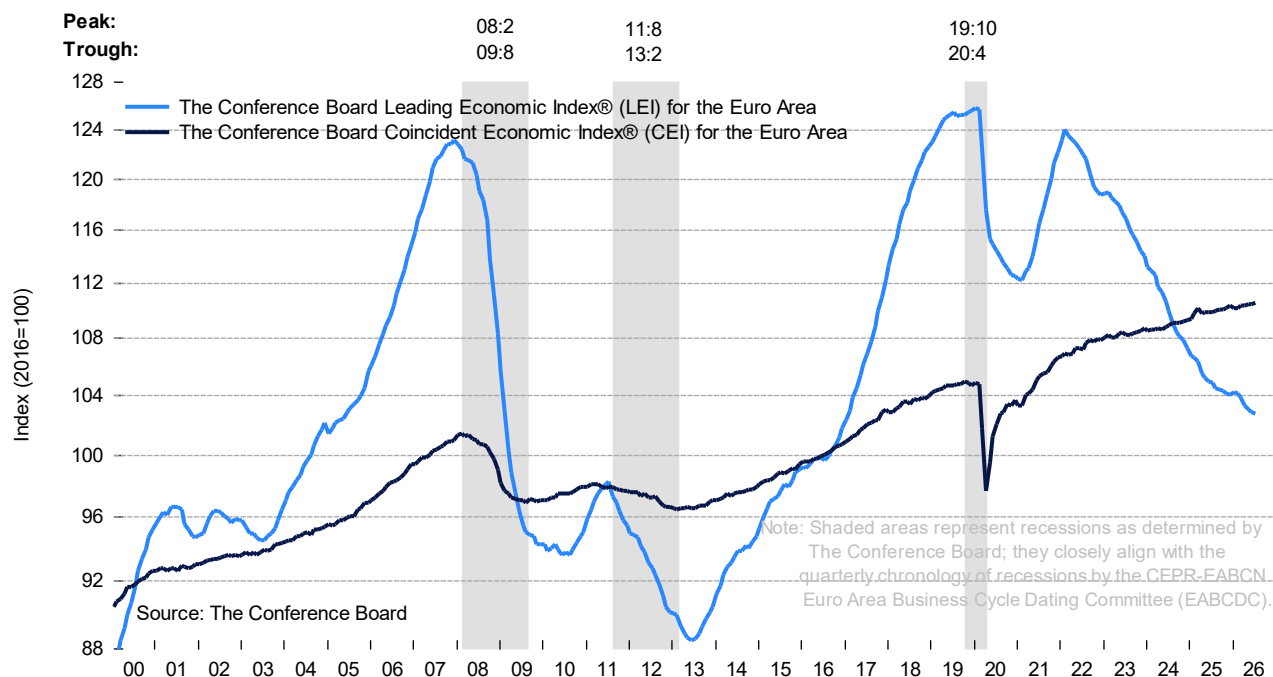
The Conference Board Coincident Economic Index® (CEI) for the Euro Area ticked up by 0.1% in July 2026 to 110.5 (2016=100), after being unchanged in June. The CEI increased by 0.4% over the six-month period from January to July 2026, a slightly faster pace than the 0.3% increase observed over the previous six-month period from July 2025 to January 2026.

“The Euro Area LEI fell for the sixth consecutive month in July,” 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. Low expectations from services businesses and volume of order books also contributed to the monthly decline. However, positive contributions from financial components helped mitigate the LEI’s decline.”

“The 6-month growth rate of the Euro Area LEI remained negative, signaling pressure on economic activity ahead,” continued Brennan. “Expectations among consumers and services businesses remain well below their historical averages. Tensions between the US and Iran are likely to place further strain on these components by intensifying inflationary pressures and increasing geopolitical uncertainty. Additionally, unusually hot weather-related disruptions resulted in low river levels across parts of Europe, constraining shipping, industrial activity, and energy production. These headwinds are expected to weigh on Euro Area growth in the coming months. The Conference Board forecasts real GDP growth in the Euro Area at only 1.3% for 2026.

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

The Euro Area LEI fell for the sixth consecutive month in July



Weak expectations from consumers and services businesses, along with a low volume of order books, drove the LEI's decline in July

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

	Jul. '26	6 mo. ending Jul. '26
Financial Components		
Systemic Stress Composite Indicator*	0.13	0.74
ECB Yield Spread	0.17	1.09
EURO STOXX® Index	0.04	0.21
Non-Financial Components		
Index of Residential Building Permits**	-0.01	-0.07
Volume of Order Books	-0.03	-0.29
Industry Production Expectations	-0.01	-0.23
Services Expected Demand	-0.08	-0.52
Consumer Expectation of General Economic Situation	-0.27	-1.89

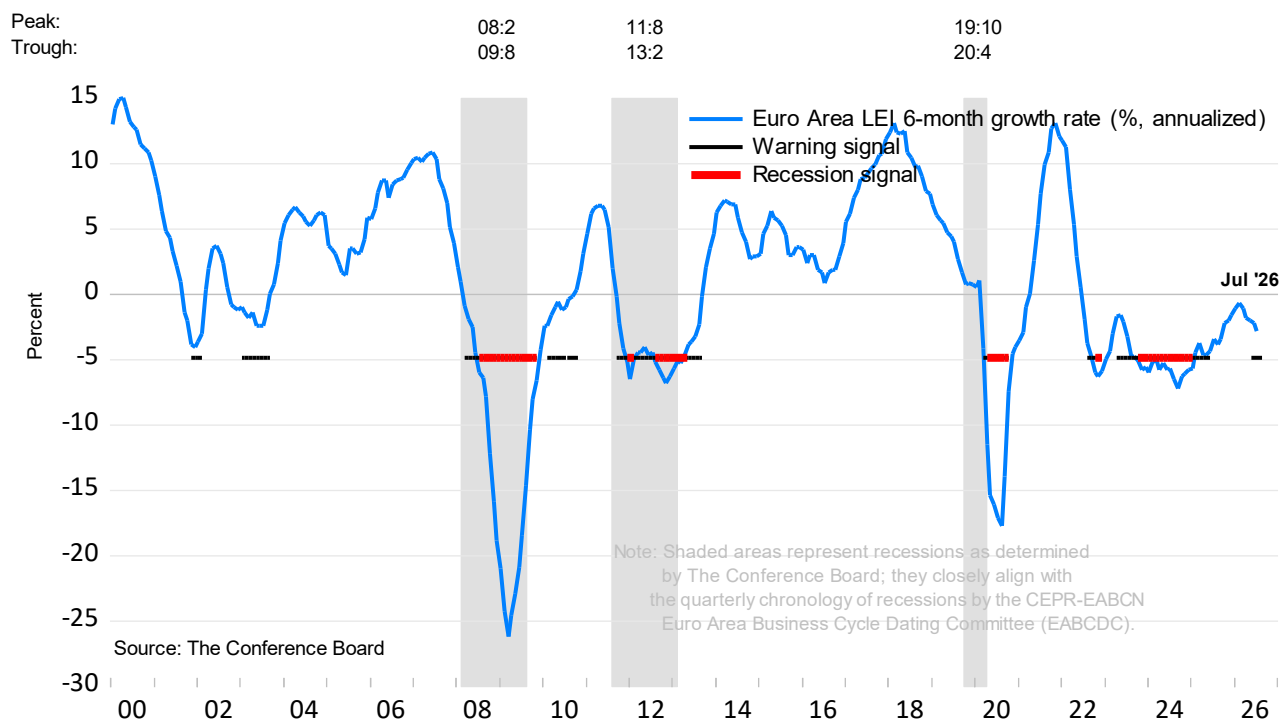
Source: The Conference Board

* 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 July, but remained above the recession signal threshold. Nonetheless, a lower diffusion index triggered the warning signal



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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