

News Release

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About the Leading Economic Index and the Coincident Economic Index:

The Leading Economic Index 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 provides an indication of the current state of the economy. Additional details are below.

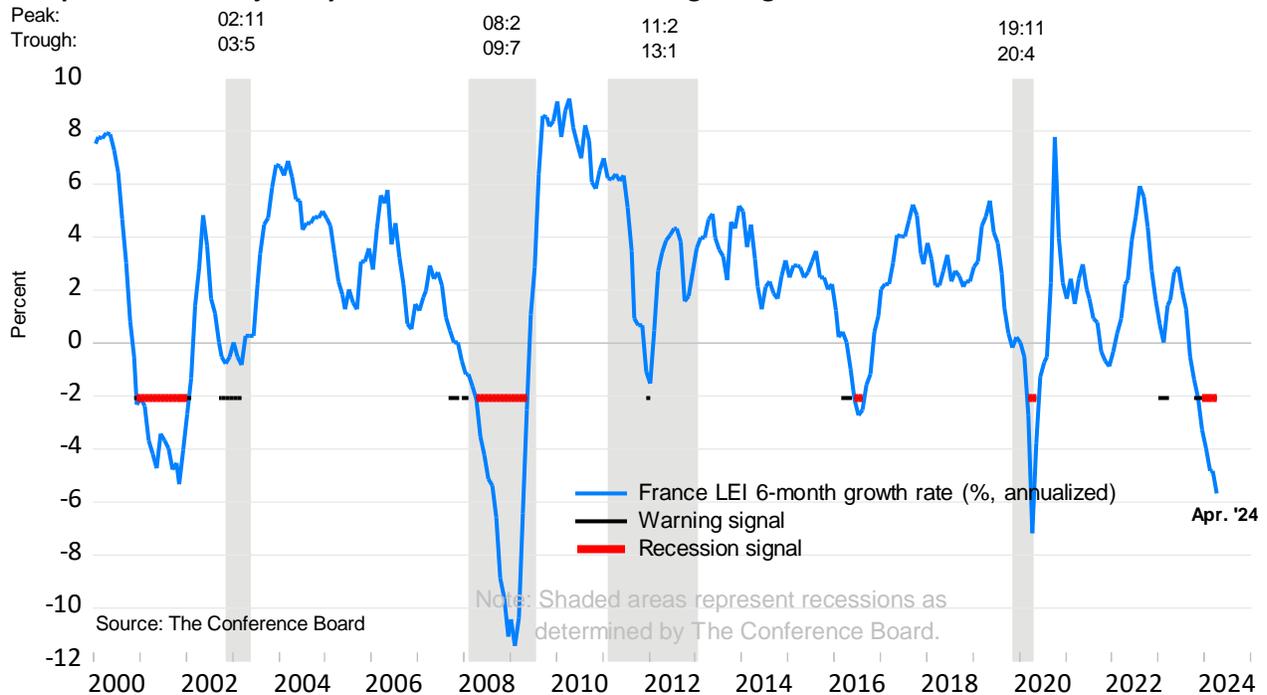
The Conference Board Leading Economic Index® (LEI) for France Declined in April

The Conference Board Leading Economic Index® (LEI) for France fell by 0.7 percent in April 2024 to 110.1 (2016=100), after declining by 0.4 percent in March. As a result, the LEI contracted by 2.9 percent between October 2023 and April 2024, a much faster pace of decline than the 0.7 percent decrease over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for France increased by 0.1 percent to 111.3 (2016=100) in April 2024, after a similar 0.1 percent increase in March. The CEI grew by 0.5 percent between October 2023 and April 2024, a continuation of the 0.2 percent gain over the previous six-month period.

“The France LEI declined again, marking the tenth consecutive decline in a downtrend that started in July 2023,” said **Allen Li, Associate Economist at The Conference Board**. “April’s drop in the LEI resulted from negative contributions of all Index components. The largest negative contributions came from the yield spread as well as from industrial new orders which declined to below their long-term average. The broad-based weakness among LEI components combined with a steepening decline in the Index’s six-month growth rate suggests some recession risks ahead for the French economy. While not forecasting a recession, the Conference Board currently expects real GDP growth for France to be modest in 2024, reaching only 1.0 percent for the year.”

The steep downward trajectory of the France LEI has been signaling recession risks for five consecutive months



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. **Diffusion** is a measure of how widespread the decline is among the LEI’s component indicators—on a scale of 0 to 100, a six-month **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 below 50, shown by the black warning signal lines in the chart; and 2) the LEI’s six-month rate of decline falls below the threshold of -2.1 percent. 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) for France

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. 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 is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or “leads”) turning points in the business cycle by 12 months. Shaded areas denote recession periods or economic contractions. The dates above the shaded areas show the chronology of peaks and troughs in the business cycle.

The seven components of **The Conference Board Leading Economic Index®** for France include: Yield Spread - 10 year minus short-term rate#, Stock Price, Building Permits, New Unemployment Claims, Industrial New Orders, Industry Survey: Production Expectations, and Ratio Price/Labor Cost. #The short-term rates used are Day-to-Day Loan rate, Euribor, and Ester through the history of this variable.

To access data, please visit: <https://data-central.conference-board.org/>

About The Conference Board

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