

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 France Decreases in May

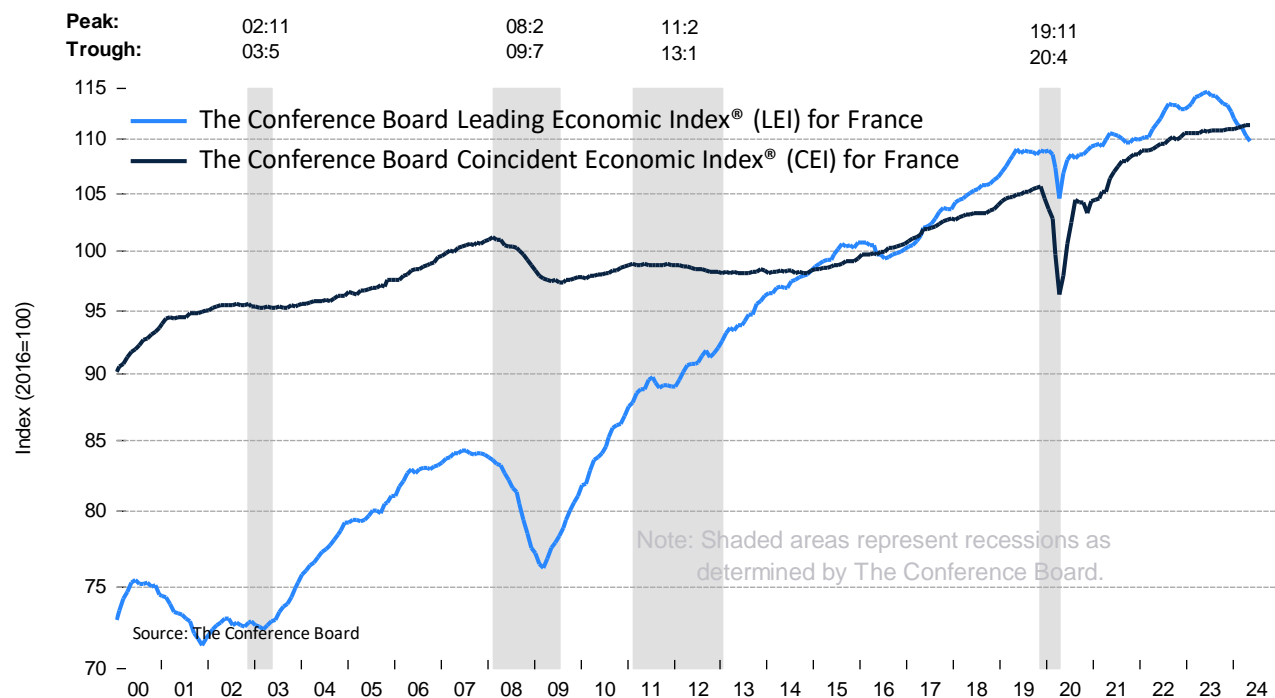
The Conference Board Leading Economic Index® (LEI) for France fell by 0.5 percent in May 2024 to 109.8 (2016=100), after declining by 0.7 percent in April. As a result, the LEI contracted by 3.0 percent between November 2023 and May 2024, three times the pace of decline of 1 % over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for France remained unchanged at 111.3 (2016=100) in May 2024, after a 0.1 percent increase in April. The CEI grew by 0.4 percent between November 2023 and May 2024, a continuation of the 0.1 percent gain over the previous six-month period.

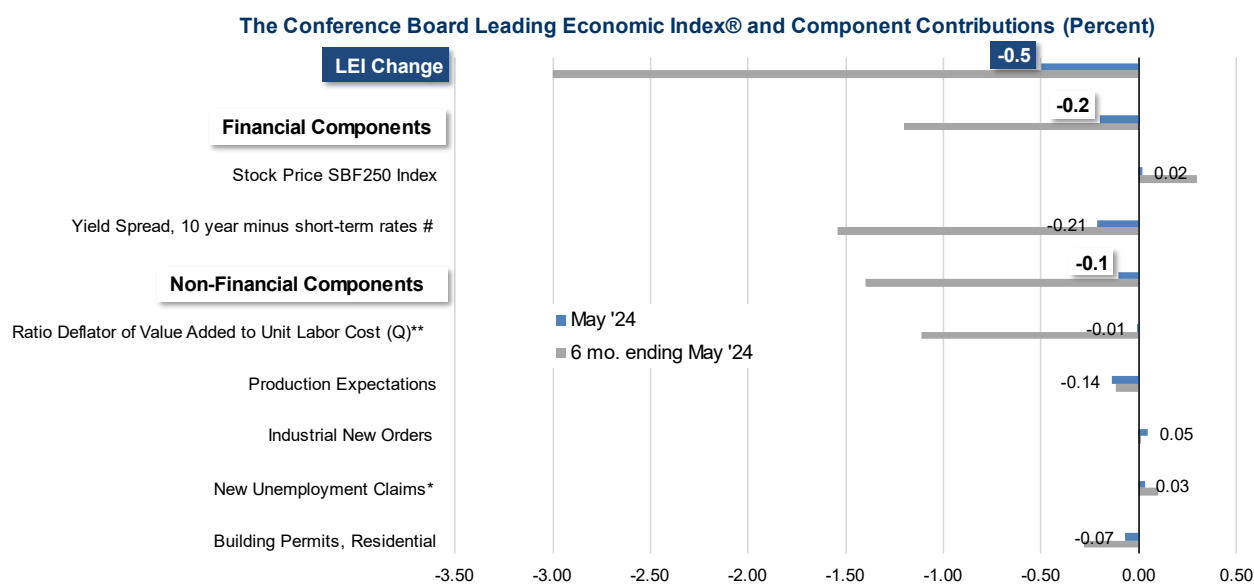
“The France LEI decreased in May, continuing the downtrend that started in July of last year,” said **Allen Li, Associate Economist at The Conference Board**. “The recent decline in the LEI was driven largely by negative contributions from the yield spread, as in previous months, but also from production expectations which dropped in May. Since the beginning of the year, the Index six-month contraction pace has accelerated sharply, indicating strong headwinds ahead for the French economy. While not forecasting a recession, the Conference Board currently expects annual real GDP growth for France at 0.9 percent for 2024.”

The next release is scheduled for Tuesday, August 20, 2024, at 9:30 A.M. ET.

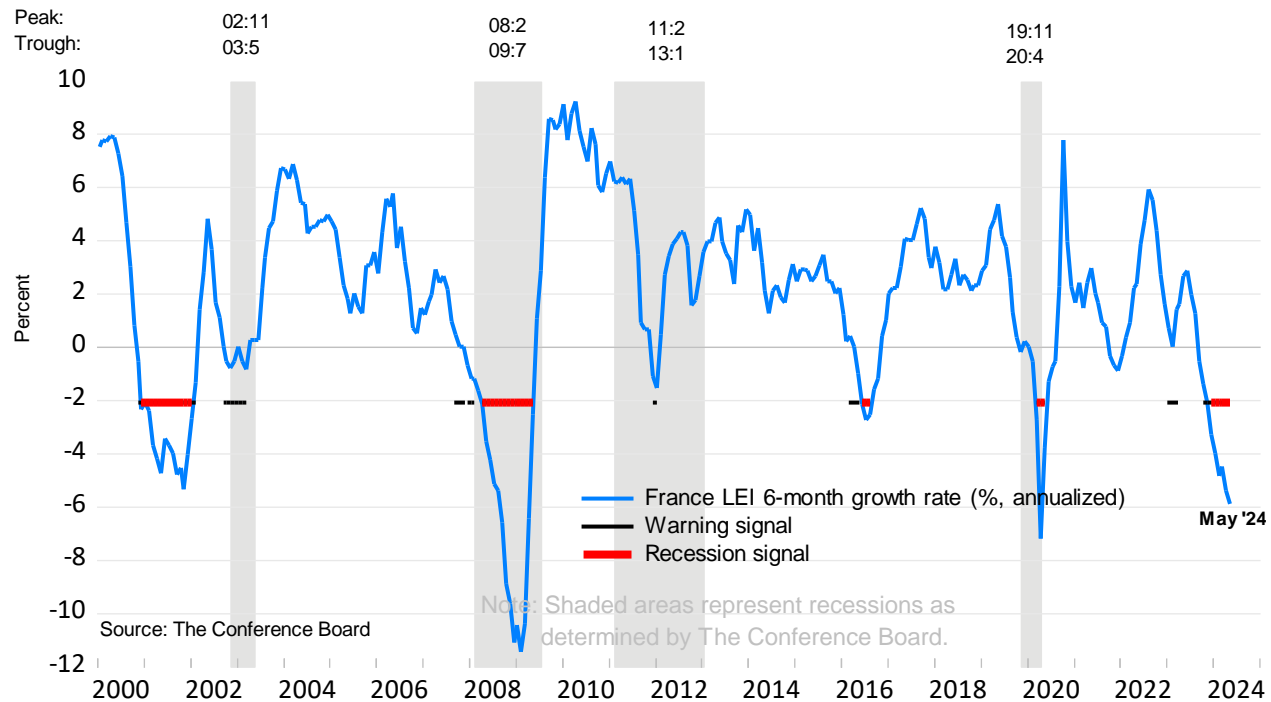
The France LEI continued to trend downwards in May



May's decline in the LEI was fueled by negative contributions from four of the seven Index components



The longer-term trajectory of the France LEI fell deeper into negative territory, and the recession signal continued to flash



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 **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the 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) and *Coincident Economic Index*® (CEI) for France

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 twelve months.

The seven components of **Leading Economic Index**® for France include:

- Yield Spread
- Stock Prices
- Building Permits
- New Unemployment Claims
- Industrial New Orders
- Production Expectations
- Ratio P/L Cost

The four components of the **Coincident Economic Index**® for France are:

- Industrial Production
- Personal Consumption
- Employment (Private sector)
- Wages and Salaries

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

About The Conference Board

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