

News Release

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For Release 9:30 AM ET, August 20, 2024

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 Declined in June

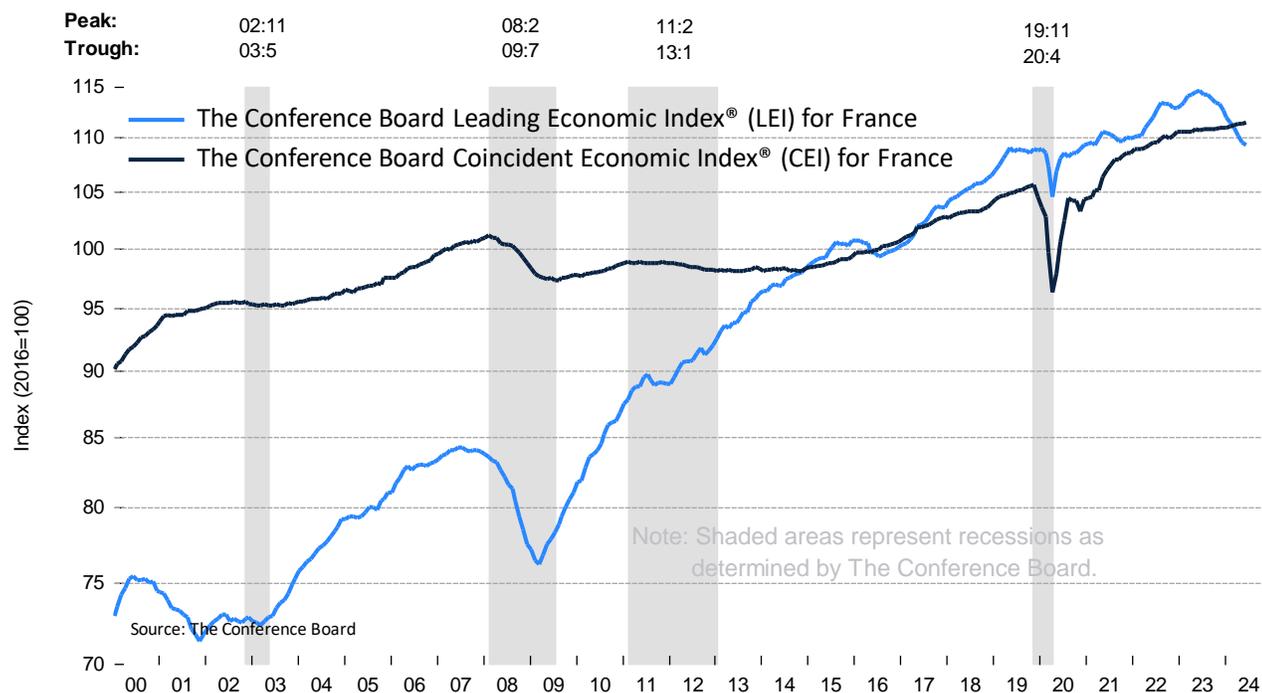
The Conference Board Leading Economic Index® (LEI) for France fell by 0.3 percent in June 2024 to 109.3 (2016=100), after declining by 0.5 percent in May. As a result, the LEI contracted by 2.9 percent over the first half of 2024, a larger contraction than the 1.7 percent decline over the second half of 2023.

The Conference Board Coincident Economic Index® (CEI) for France improved slightly by 0.1 percent to 111.4 (2016=100) in June 2024, after remaining unchanged in May. Over the first six months of 2024, The CEI grew by 0.4 percent, a continuation of the 0.3 percent gain over the second half of the last year.

“The France LEI decreased again in June and has been trending downward for almost a year,” said **Allen Li, Associate Economist at The Conference Board**. “June’s decline in the LEI was driven by negative contributions from the yield spread and the decline in equity prices ahead of the snap parliamentary elections. Meanwhile, the rest of the components were essentially unchanged with Building Permits, New Unemployment Claims, and Industrial New Orders that weighed on the Index in previous months turning to neutral contributions. The semiannual trajectory of the France LEI continue to warns of headwinds ahead for the French economy. The Conference Board currently expects GDP to grow by about 1% in 2024.”

The next release is scheduled for Wednesday, September 18, 2024, at 9:30 A.M. ET.

The France LEI declined again in June



June's decline in the LEI was largely contained to negative contributions from the financial components

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

	Jun. '24	6 mo. ending Jun. '24
Financial Components		
Stock Price SBF250 Index	-0.11	0.07
Yield Spread, 10 year minus short-term rates #	-0.14	-1.38
Non-Financial Components		
Ratio Deflator of Value Added to Unit Labor Cost (Q)**	0.00	-0.74
Production Expectations	0.01	-0.15
Industrial New Orders	-0.02	0.01
New Unemployment Claims*	0.04	-0.06
Building Permits, Residential	0.03	-0.36

Source: The Conference Board

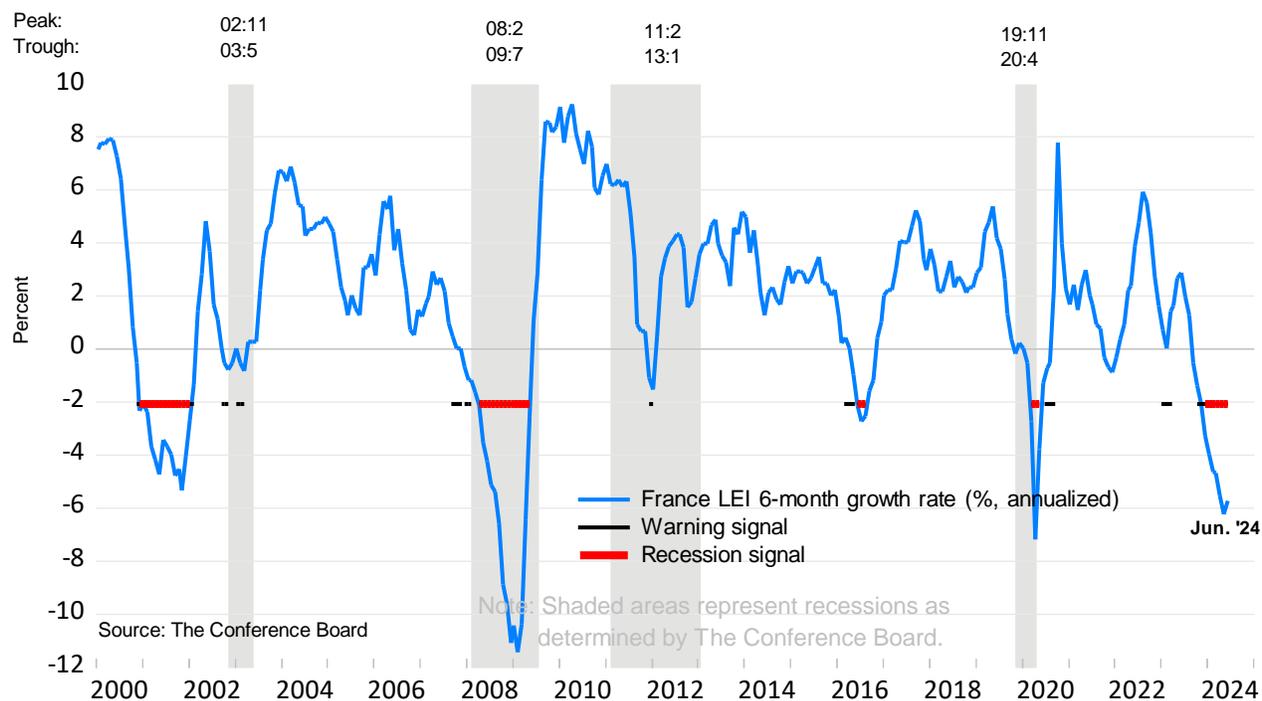
* Inverted series: a negative change in this component makes a positive contribution.

** Statistical Imputation. -- Q: Quarterly series; these series are converted to a monthly series through a linear interpolation.

The short-term rates used are Day-to-Day Loan rate, Euribor, and Ester through the history of this variable.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

While the six-month growth of the France LEI became slightly less negative in June, the recession signal is still on



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 are:

- 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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