

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 Recovered Slightly in August

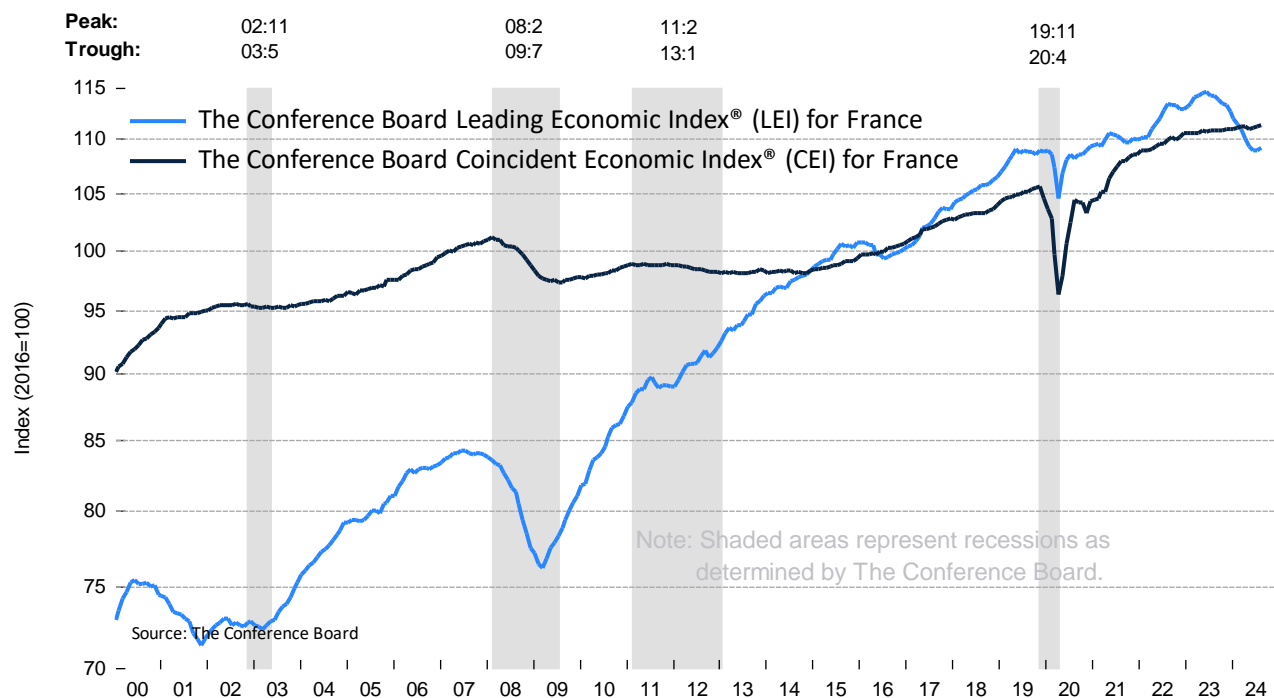
The Conference Board Leading Economic Index® (LEI) for France improved by 0.3% in August 2024 to 109.2 (2016=100), after being unchanged in July. The LEI for France contracted by 2.0% over the six-month period between February and August 2024, a slightly slower rate of decline than the 2.4% decline between August 2023 and February 2024.

The Conference Board Coincident Economic Index® (CEI) for France rose slightly by 0.1% to 111.3 (2016=100) in August 2024, after rising by 0.1% in July. The CEI for France progressed by 0.2% over the six-month period from February to August 2024, after rising by 0.3% over the previous six-month period.

“The France LEI improved modestly in August, breaking a thirteen-month downward slide,” said **Allen Li, Associate Economist at The Conference Board**. “The improvement came from positive developments in non-financial components, starting with new unemployment claims (three month moving average). A notable gain in industrial components that weighed on the index in prior months and stronger building permits also drove the Index up. Despite this monthly increase in the LEI, the steep decline seen in the past year suggests headwinds ahead. The Conference Board currently expects France GDP growth to moderate in the near term, growing by about 1.1% in 2024, and about 0.9% in 2025.”

The next release is scheduled for Thursday, November 14, 2024, at 9:30 A.M. ET.

France LEI improved in August, after thirteen months of decline



Industrial components of the France LEI, which have been weighing on the index in prior months, supported the Index in August

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

	Aug. '24	6 mo. ending Aug. '24
Financial Components		
Stock Price SBF250 Index	-0.05	-0.10
Yield Spread, 10 year minus short-term rates #	-0.17	-1.13
Non-Financial Components		
Ratio Deflator of Value Added to Unit Labor Cost (Q)**	-0.01	-0.68
Production Expectations	0.19	0.03
Industrial New Orders	0.13	0.01
New Unemployment Claims*	0.20	0.32
Building Permits, Residential	0.09	-0.05

Source: The Conference Board

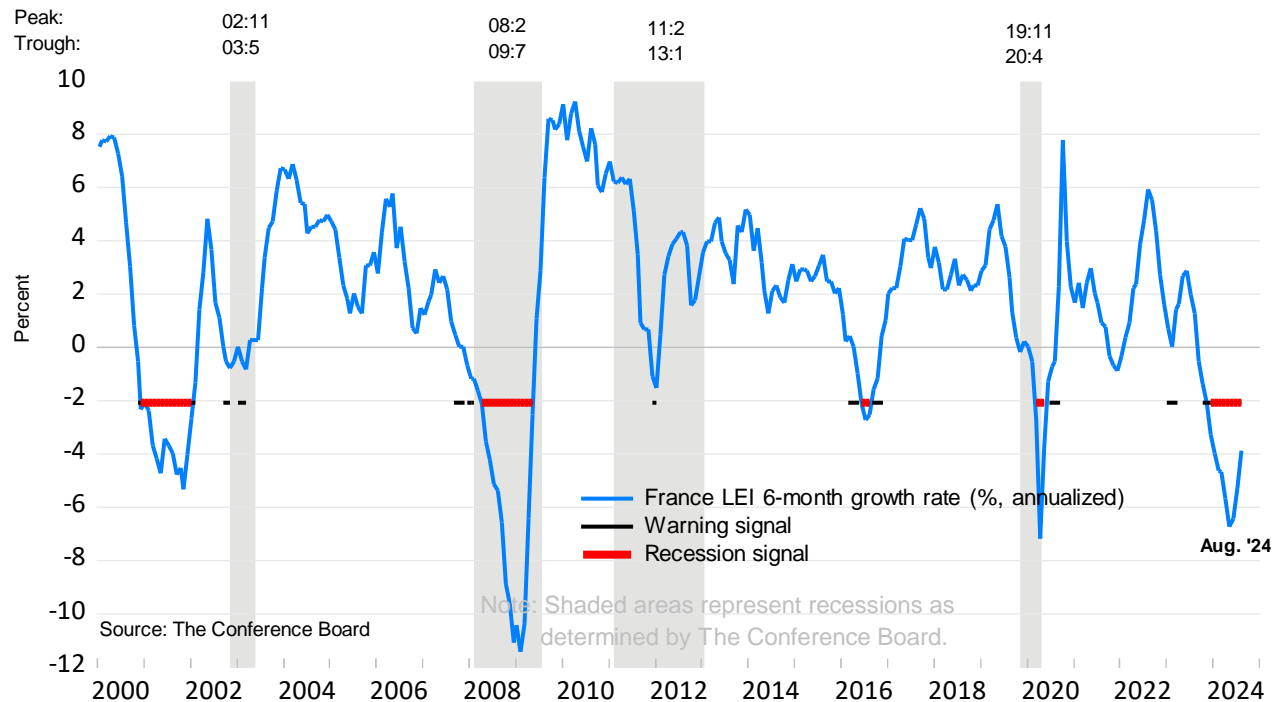
* Inverted series; a negative change in this component makes a positive contribution.

** 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

The six-month rate of decline of the France LEI continued to soften in August but the recession signal still flashed



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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