

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 Declined in September

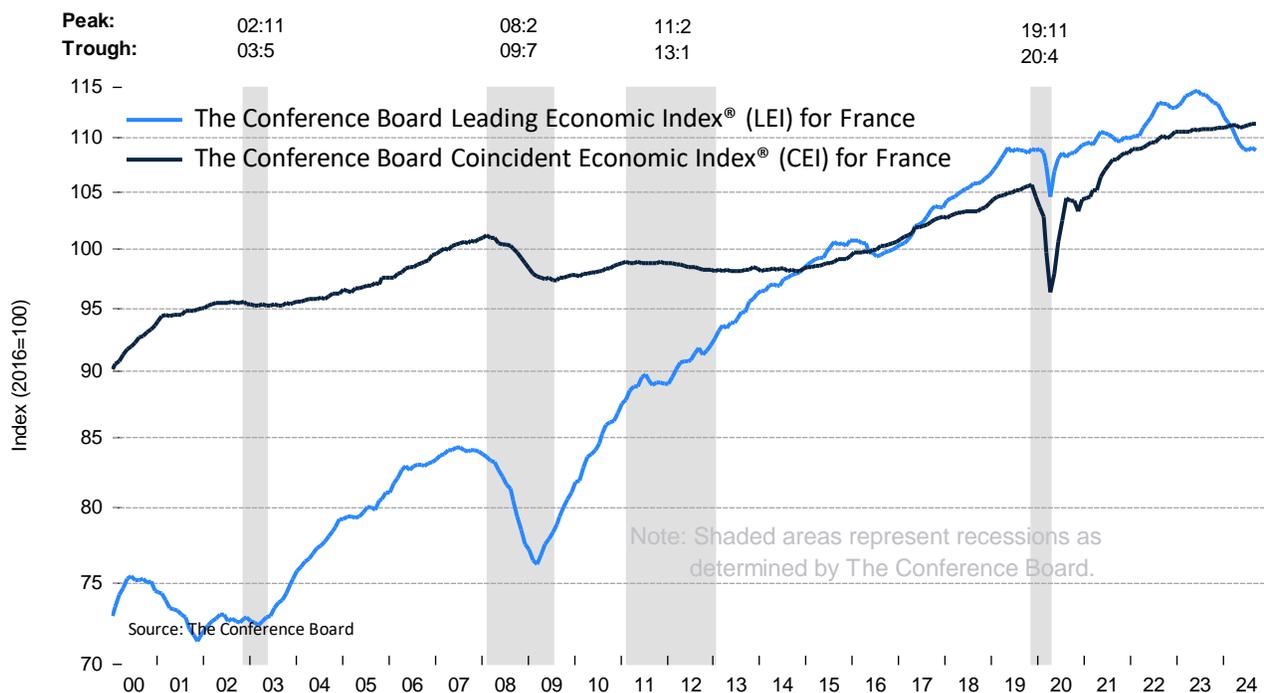
The Conference Board Leading Economic Index® (LEI) for France declined by 0.3% in September 2024 to 108.8 (2016=100), reversing a 0.3% increase in the prior month. The LEI for France contracted by 2.0% over the six-month period between March and September 2024, a less than the 2.4% decline between September 2023 and March 2024.

The Conference Board Coincident Economic Index® (CEI) for France remained unchanged at 111.3 (2016=100) in September 2024, after rising by 0.1% in August. The CEI for France progressed by 0.1% over the six-month period from March to September 2024, after growing by 0.4% over the previous six-month period.

“The France LEI declined in September, erasing the previous month’s gain,” said **Allen Li, Associate Economist at The Conference Board**. “In the month, industrial components such as production expectations and industrial new orders weakened again, after a temporary increase in August. The six-month growth rate of the France LEI, while improved compared to a few months ago, remained negative suggesting headwinds to economic growth ahead. While GDP growth surprised on the upside in the third quarter of 2024, driven by the one-off impact of the Summer Olympics games, it is likely to slow substantially in the fourth quarter. The Conference Board currently expects France GDP to grow by 1.2% in 2024 and slow to 1.0% in 2025.”

The next release is scheduled for Monday, December 16, 2024, at 9:30 A.M. ET.

The France LEI declined in September after a brief uptick in August



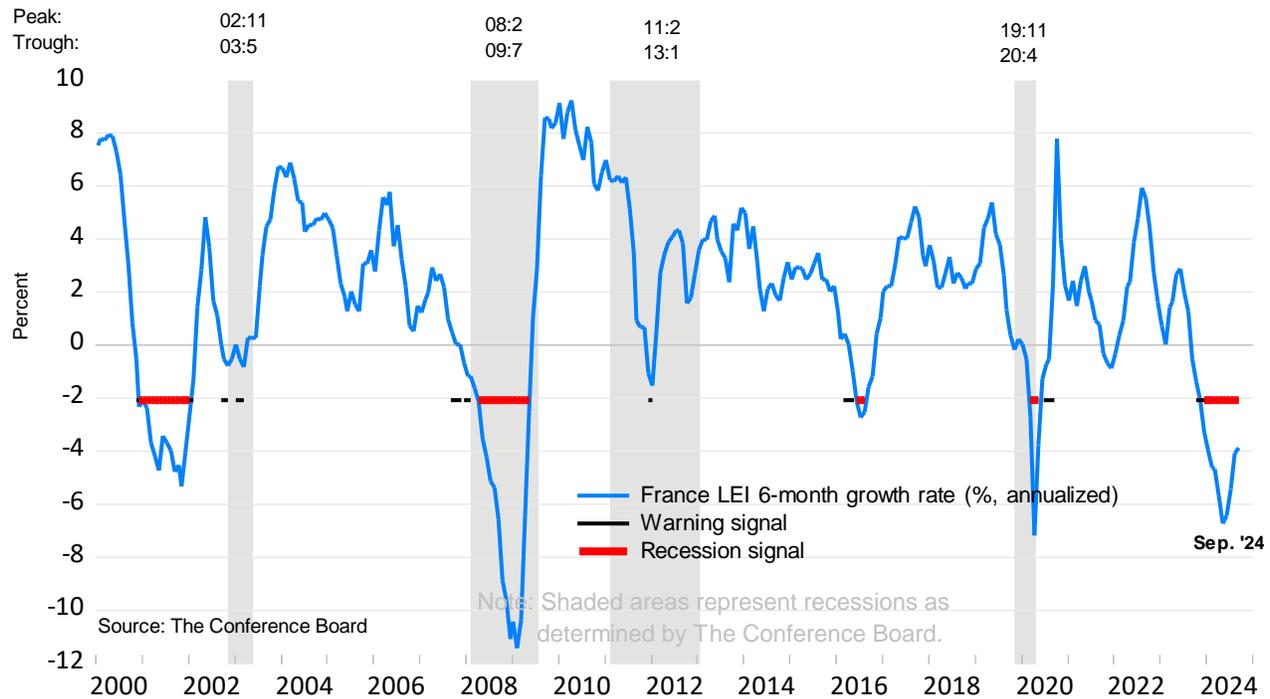
Industrial components of the France LEI weakened in September, pushing the index into the red

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

	Sep. '24	6 mo. ending Sep. '24
Financial Components		
Stock Price SBF250 Index	0.04	-0.16
Yield Spread, 10 year minus short-term rates #	-0.15	-1.05
Non-Financial Components		
Ratio Deflator of Value Added to Unit Labor Cost (Q)**	0.00	-0.49
Production Expectations	-0.02	-0.07
Industrial New Orders	-0.08	-0.15
New Unemployment Claims*	0.02	0.31
Building Permits, Residential	0.01	-0.02

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 growth rate of the France LEI, while improving since May, remained negative, and continued to warn of possible recession ahead



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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