

News Release

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For Release 9:30 AM ET, June 13, 2024

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 Germany Flat in April

The Conference Board Leading Economic Index® (LEI) for Germany remained unchanged in April 2024 at 87.7 (2016=100), after declining by 0.7 percent in March. The LEI for Germany contracted by 2.1 percent between October 2023 and April 2024, a slower rate of decline than the 3.4 percent contraction over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for Germany increased by 0.2 percent in April 2024 to 104.1 (2016=100), after a flat reading in March. Over the six-month period between October 2023 and April 2024, the CEI for Germany increased by 0.1 percent, following a 0.3 percent decline over the previous six-month period.

“The LEI for Germany was flat in April after declining in the previous three months,” said **Allen Li, Associate Economist at The Conference Board**. “Negative contributions from the yield spread and new orders for investment goods offset a strengthening in consumer confidence. The six-month percent change in the Index has become slightly less negative since the beginning of the year but still points to risks to near-term growth. After avoiding a technical recession with modest real GDP growth in the first quarter of 2024, the German economy is therefore unlikely to gain much momentum in the remainder of 2024. As a result, the Conference Board expects the German real GDP to grow by 0.3 percent in 2024.”

The recovery in the 6-month growth rate of the LEI has turned off the recession signal, but risks to near-term growth will remain until all components of LEI strengthen



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 -4.6 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 Germany: 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 5 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 Germany include: New Orders, Yield 10-Year Minus 3-Month Time Deposits Rate, Consumer Confidence Index, Inventory Change, New Residential Construction Orders, Stock Price Index, and Gross Enterprises and Properties Income.

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

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