

## News Release

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**For Release 9:30 AM ET, August 14, 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 Germany Dipped Again in June**

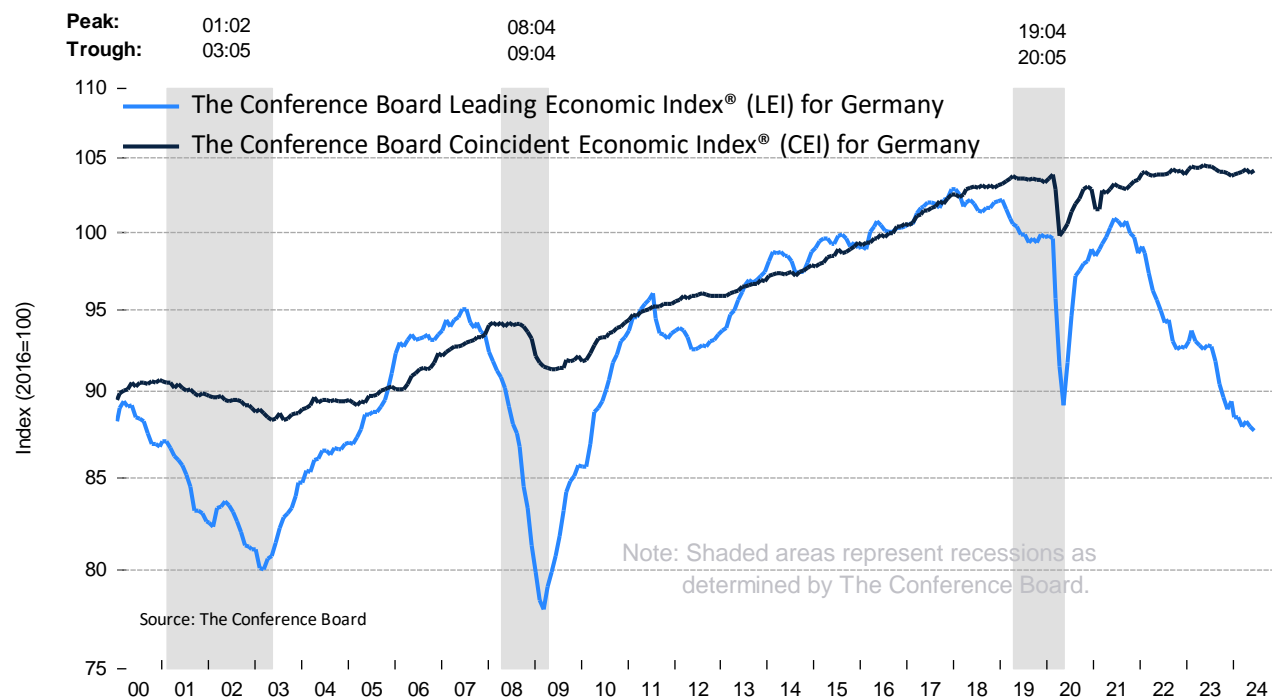
**The Conference Board Leading Economic Index® (LEI)** for Germany declined slightly by 0.2 percent in June 2024 to 87.7 (2016=100), after decreasing by 0.3 percent in May. Overall, the LEI for Germany contracted by 1.9 percent over the first half of 2024, a slower rate of decline than the 3.9 percent contraction over the second half of last year.

**The Conference Board Coincident Economic Index® (CEI)** for Germany rose by 0.2 percent in June 2024 to 104.1 (2016=100), partially reversing a 0.3 percent decline in May. Over the first six months of 2024, the CEI for Germany grew by 0.4 percent, partially reversing a 0.7 percent decline over the second half of 2023.

“The LEI for Germany dipped for a second consecutive month in June,” said **Allen Li, Associate Economist at The Conference Board**. “However, negative contributions were concentrated among financial components (the yield spread and stock prices) and all non-financial components, but consumer confidence contributed positively. In addition, over the past six months, four of the seven components contributed positively, which is a notable improvement from a few months ago when weakness was widespread among almost all components. The longer-term trajectory of the Germany LEI, while weakening, did not signal a forthcoming recession in May and June. Real GDP declined slightly in the second quarter. The LEI suggests that economic headwinds while still present are unlikely to intensify going forward and Germany could experience some positive growth in the second half of the year.”

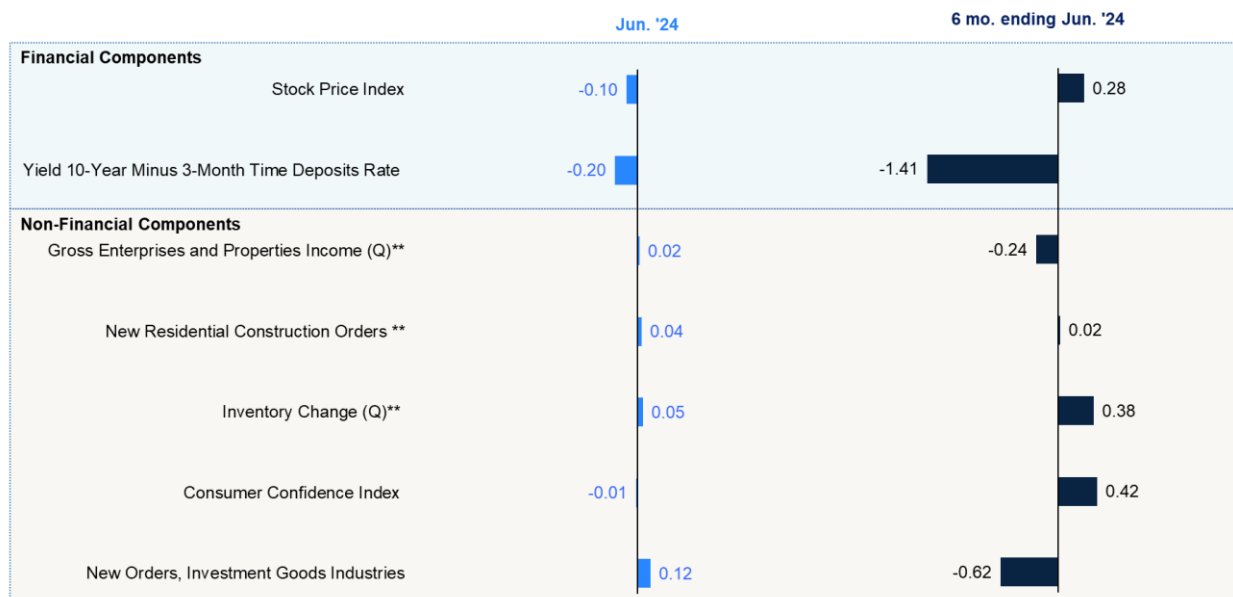
**The next release is scheduled for Monday, September 16, 2024, at 9:30 A.M. ET.**

## The Germany LEI dipped slightly for a second consecutive month



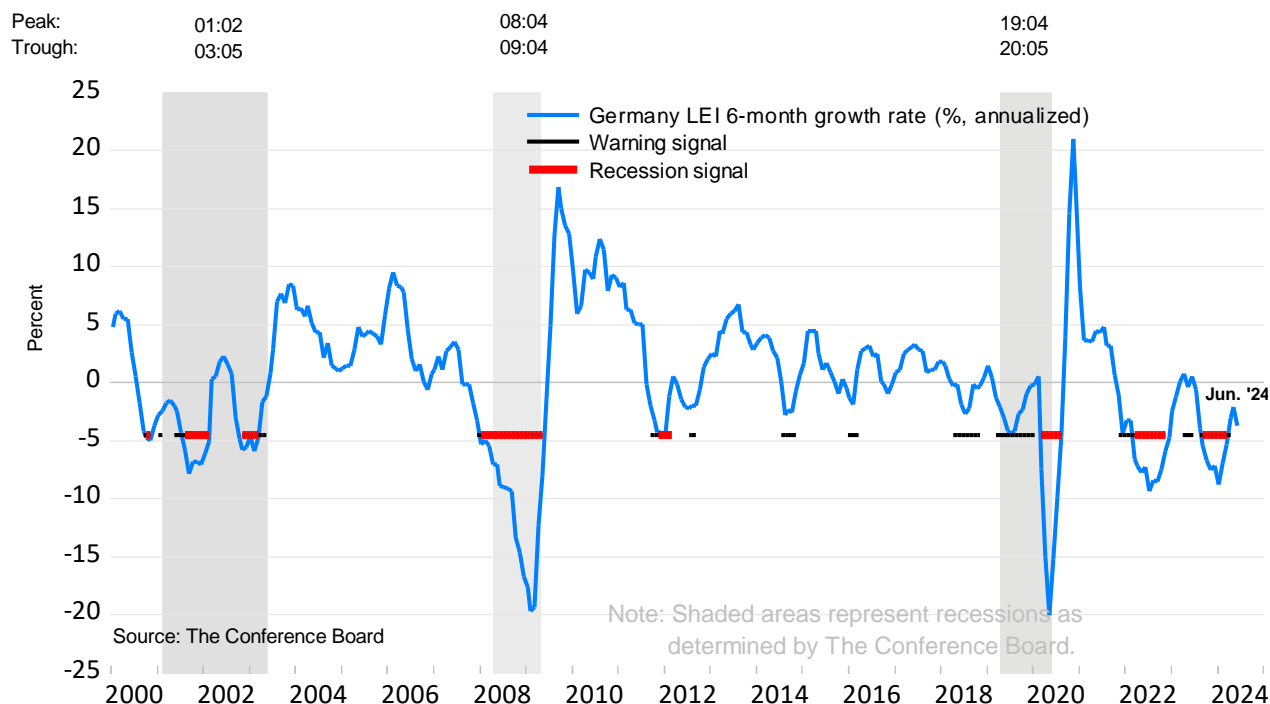
## In June, negative contributions from the yield spread, stock prices drove the decline in the LEI

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



Source: The Conference Board  
 \* Statistical Imputation. - Q: Quarterly series; these series are converted to a monthly series through a linear interpolation.  
 LEI change might not equal sum of its contributions due to application of trend adjustment factor

## The longer-term trajectory of the Germany LEI, while weakening, did not signal a recession risk 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 -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) and *Coincident Economic Index*® (CEI) for Germany

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 five months.

The seven components of *Leading Economic Index*® for Germany are:

- New Orders for Investment Goods
- Yield Spread, 10-Year Minus 3-Month Time Deposits Rate
- Consumer Confidence Index
- Inventory Change
- New Residential Construction Orders
- Stock Price Index
- Gross Enterprises and Properties Income

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

- Industrial Production
- Employed Persons
- Retail Trade
- Manufacturing Sales

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

**About The Conference Board**

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