

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.*

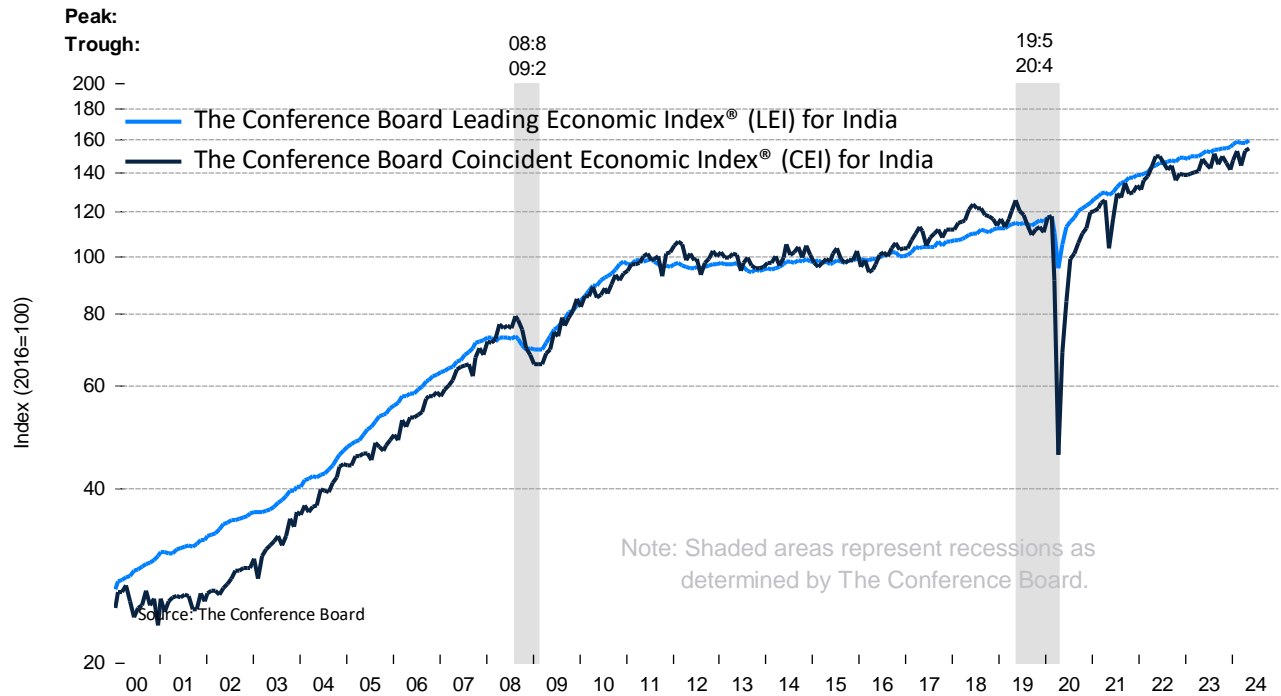
The Conference Board Leading Economic Index® (LEI) for India Rebounded in May

The Conference Board Leading Economic Index® (LEI) for India rose by 1.2 percent in May 2024 to 158.8 (2016=100), more than reversing the two consecutive contractions of 0.4 and 0.3 percent in March and April. As a result, the LEI rose by 2.9 percent over the six-month period from November 2023 to May 2024, moderately stronger than the 2.3 percent recorded over the previous six months.

The Conference Board Coincident Economic Index® (CEI) for India rose by 0.9 percent in May 2024 to 153.5 (2016=100), after an increase of a 6.1 percent in April. The index rose by 5.6 percent over the six-month period from November 2023 to May 2024, a complete reversal from the 1.4 percent contraction over the prior six-month period.

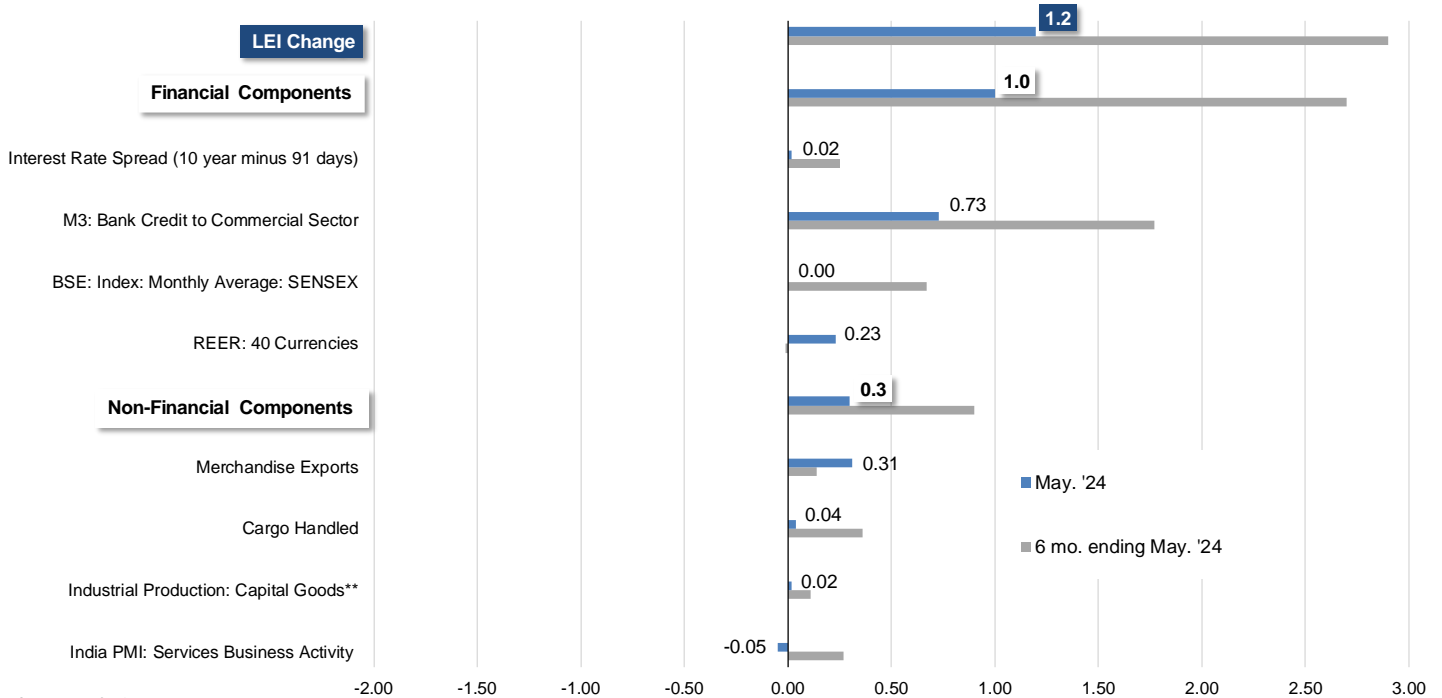
“The LEI for India increased in May,” said **Ian Hu, Economic Research Associate, at The Conference Board**. “Nearly all components, save the PMI: Services Business Activity, contributed positively to the Index. Most notably, bank credit to the commercial sector accounted for a large proportion of the increase in the LEI, followed by merchandise exports and the real effective exchange rate (REER). Additionally, all components, except the REER, have increased over the past six months. Furthermore, the six- and twelve-month changes of the LEI remained strong, suggesting that growth momentum is likely to sustain throughout 2024. For these reasons, The Conference Board forecasts India to retain its position as the fastest growing major economy in 2024, with an annual GDP growth rate of 6.9 percent.”

The India LEI continued to blaze upward



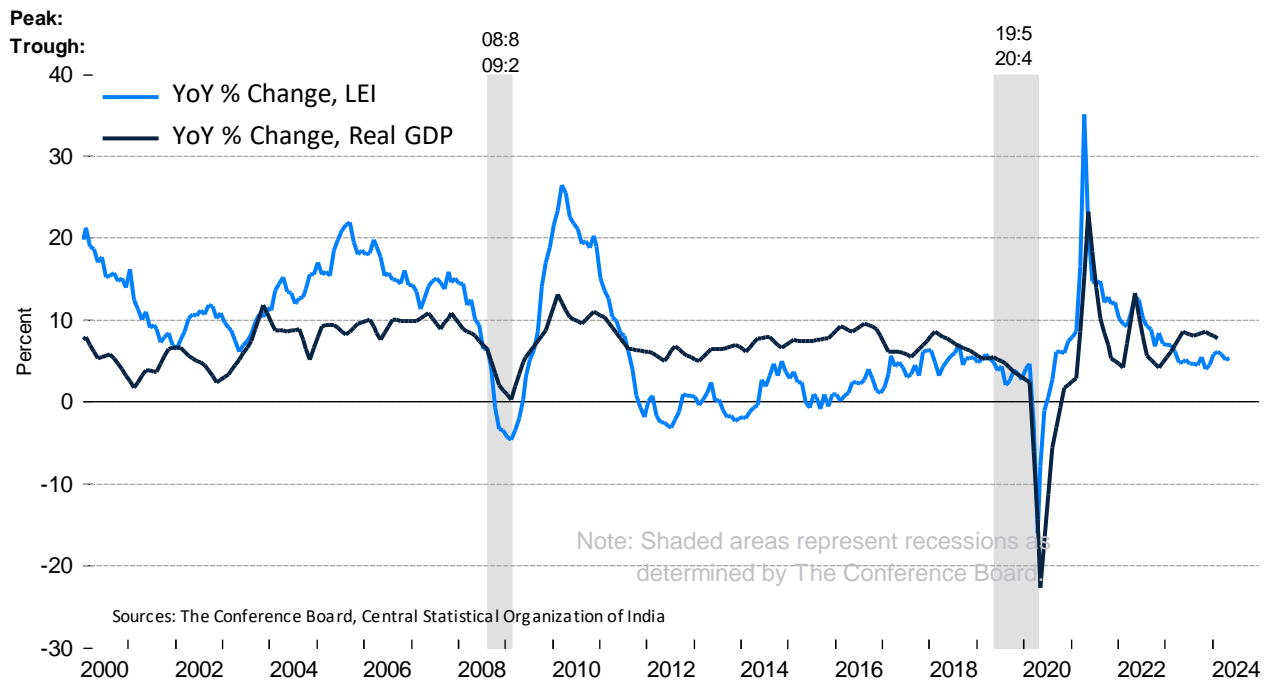
Nearly all components contributed positively to the Leading Index in May

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



Source: The Conference Board
 ** Statistical Imputation.
 LEI change might not equal sum of its contributions due to application of trend adjustment factor

The growth rate of the India LEI remained strong



About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for India

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 seven months.

The eight components of the *Leading Economic Index*® for India are:

- Interest Rate Spread
- BSE: Index: Monthly Average: SENSEX
- REER: 40 Currencies
- M3: Bank Credit to Commercial Sector
- Merchandise Exports
- Cargo Handled
- Industrial Production: Capital Goods
- India PMI: Services Business Activity

The three components of the *Coincident Economic Index*® for India are:

- Industrial Production
- Total Imports
- Vehicle Sales, Passenger Vehicles

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

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