

## News Release

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**For Release 9:00 AM ET, August 22, 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 India Declined in July**

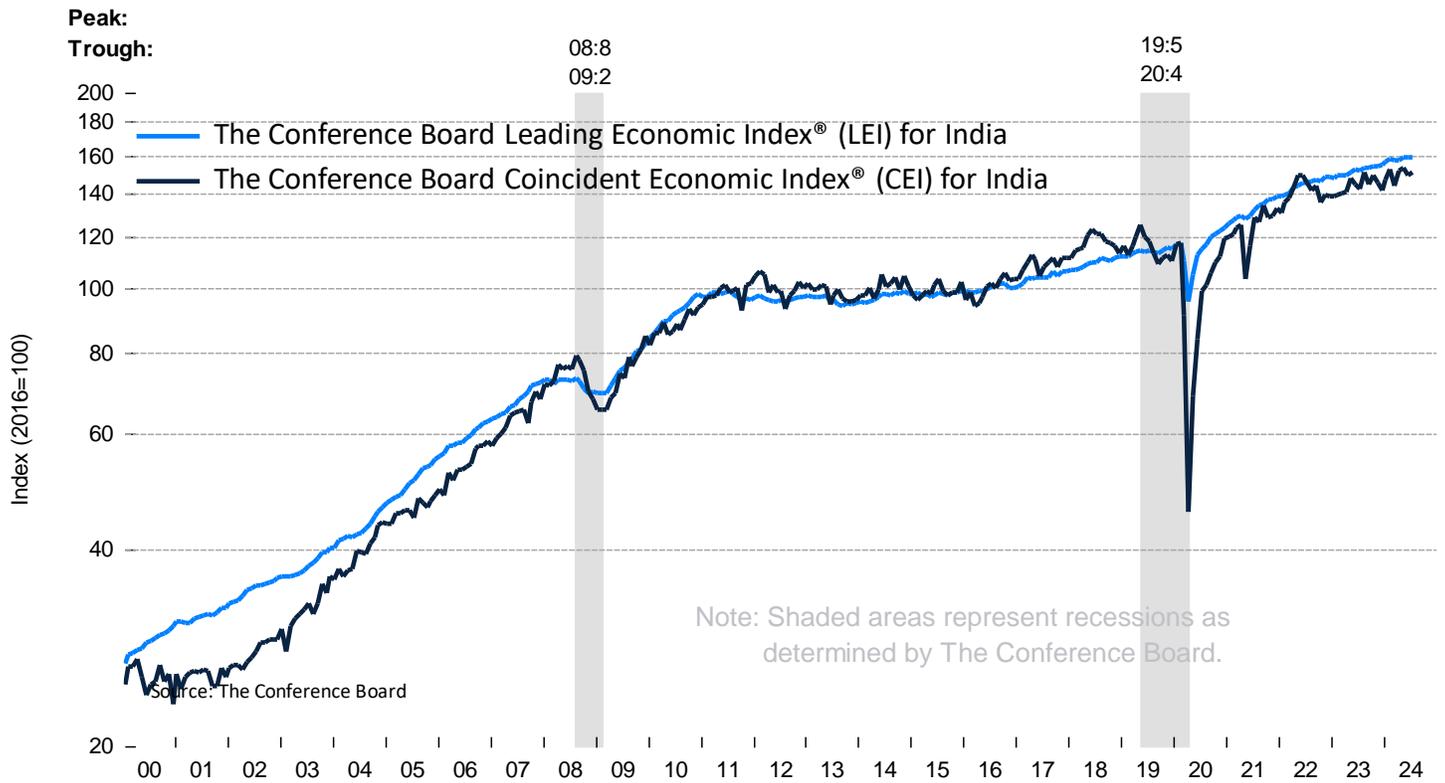
**The Conference Board Leading Economic Index® (LEI)** for India fell by 0.3 percent in July 2024 to 158.8 (2016=100), more than reversing a 0.1 percent increase in June. The LEI growth rate over the six-month period from January to July 2024 slowed to 1.5 percent, half the 3.2 percent growth from July 2023 to January 2024.

**The Conference Board Coincident Economic Index® (CEI)** for India rose by 1.1 percent in July 2024 to 150.9 (2016=100), partially reversing a decline of 2.4 percent in June. The Index also rose by 2.8 percent from January to July 2024, following a slightly higher rate of increase of 3.5 percent over the previous six months.

“While still on an overall upward trend, the LEI for India fell slightly in July,” said **Ian Hu, Economic Research Associate, at The Conference Board**. “Bank credit to the commercial sector, alongside merchandise exports, largely drove the decline against stock prices and the real effective exchange rate. Additionally, the six- and twelve-month growth rates of the LEI have softened somewhat in recent months. While Prime Minister Modi’s was reelected earlier this year, his party lost the majority in parliament, which consequently will require more cooperation with other political groups to push ahead much needed reforms. In conjunction with the light softening of the six- and twelve-month changes to the LEI, this suggests that economic momentum may slightly decelerate going forward. The Conference Board projects India to remain the fastest-growing economy in 2024, but with GDP growth slowing from 7.8 percent in 2023 to 6.8 percent.”

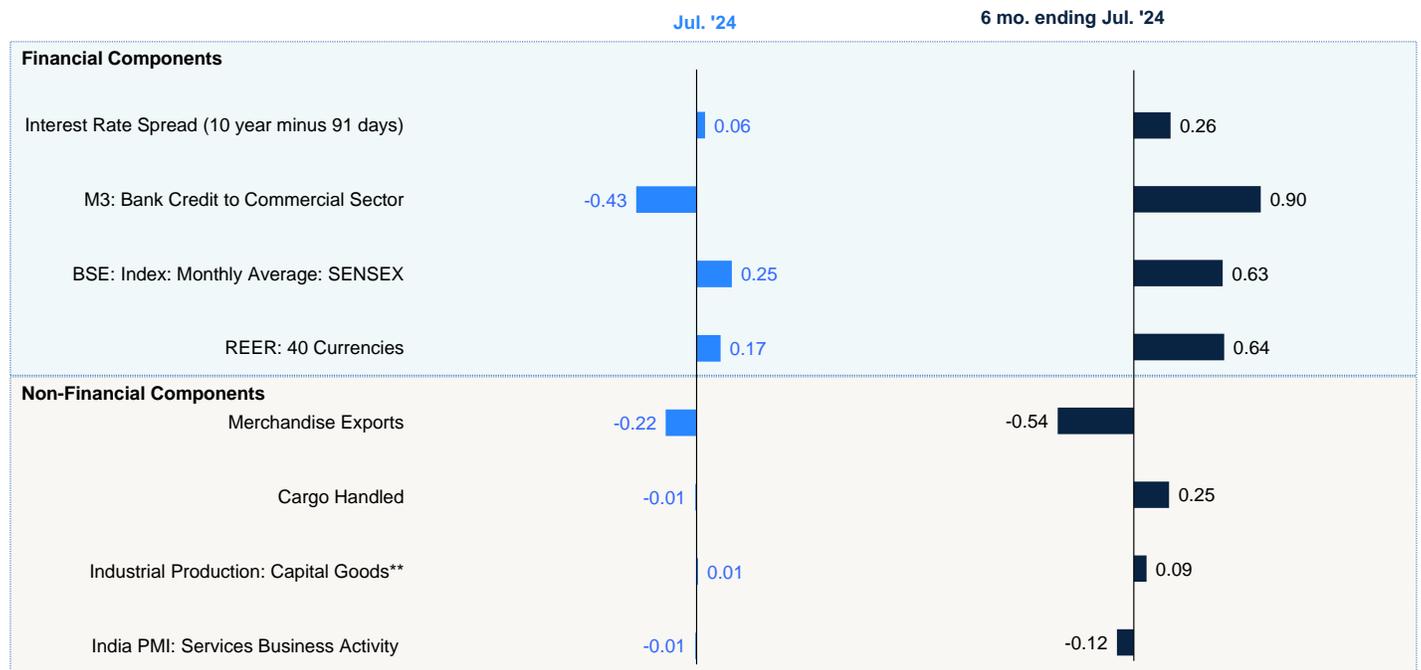
**The next release is scheduled for Monday, September 23, 2024, at 9 A.M. ET.**

## The India LEI fell slightly against an otherwise upward trajectory



## In July, bank credit and exports drove the decline in the LEI

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

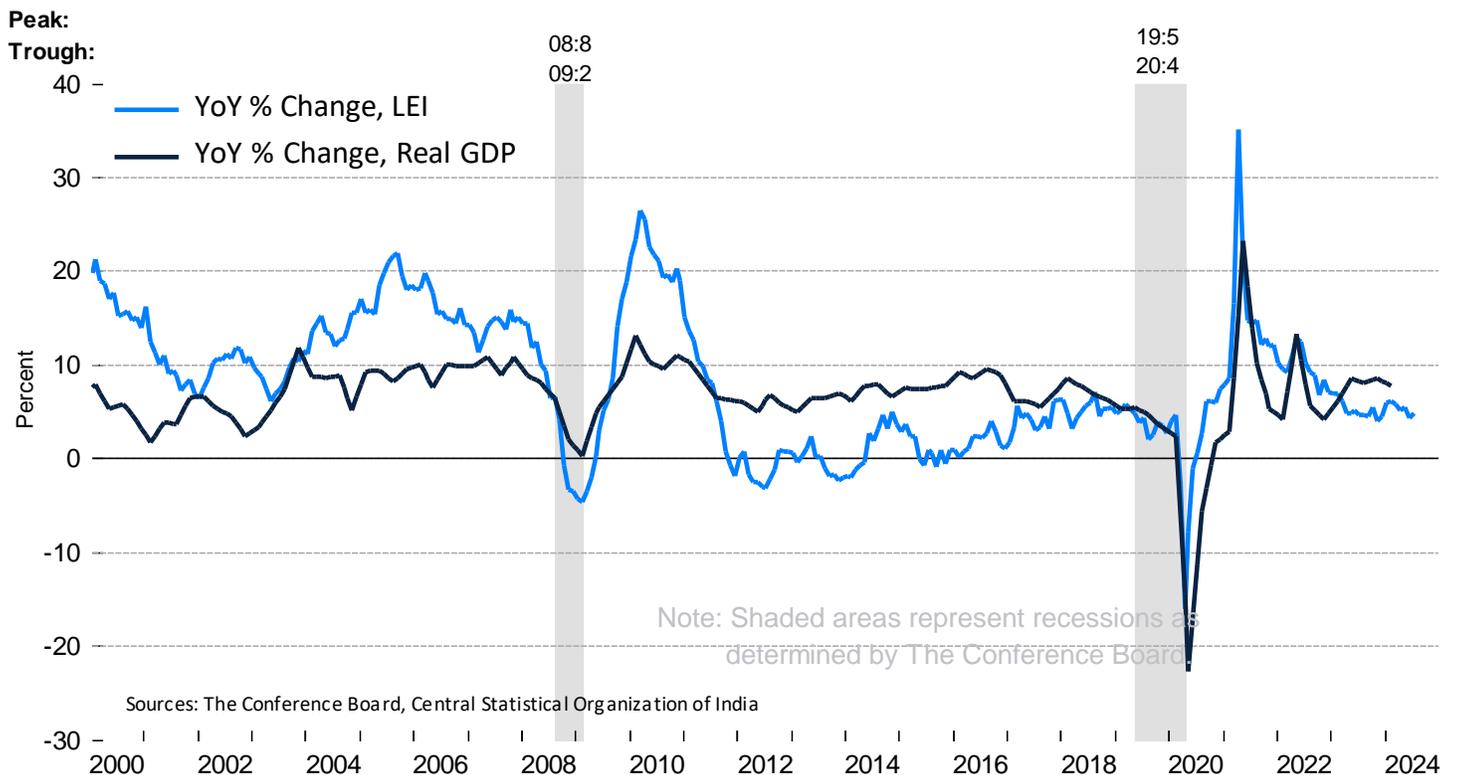


Source: The Conference Board

\*\* Statistical Imputation.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

## The annual growth rate of the India LEI has softened slightly since the beginning of 2024



### 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 eight 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 (deflated by Wholesale Price Index)
- 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 (deflated by Wholesale Price Index)
- Vehicle Sales, Passenger Vehicles

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

### About The Conference Board

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