

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 Japan Recovered Slightly in July

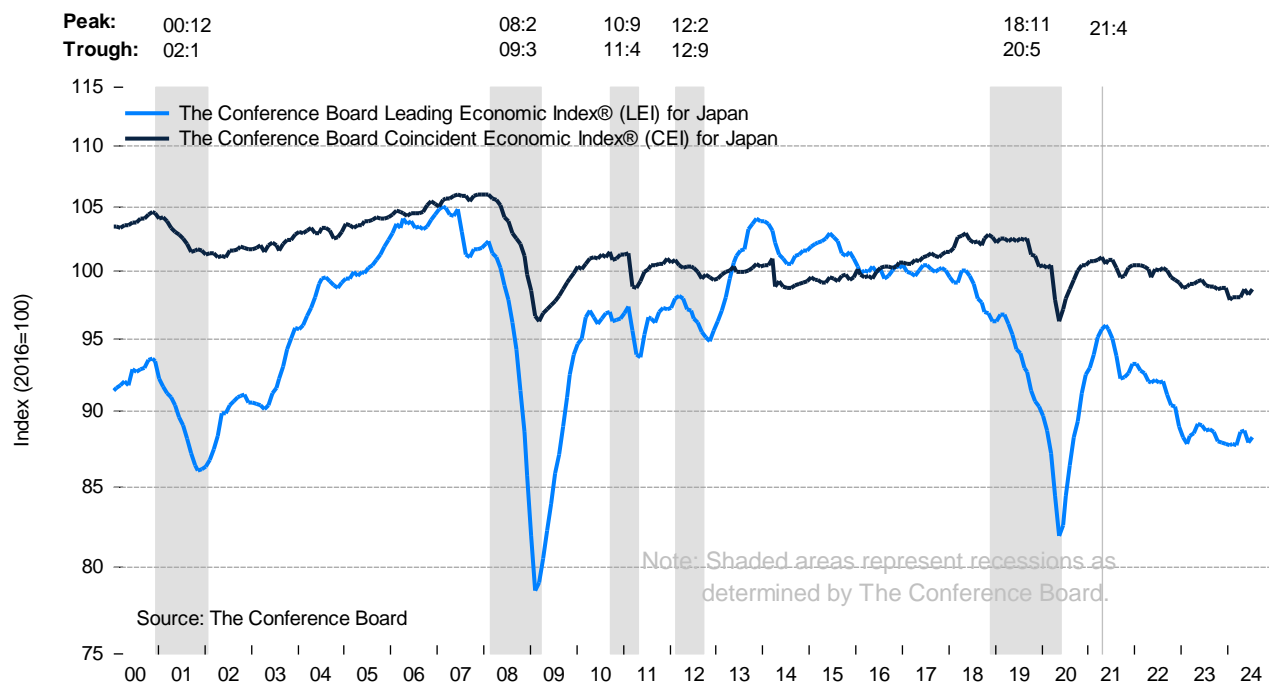
The Conference Board Leading Economic Index® (LEI) for Japan increased by 0.3 percent in July 2024 to 88.2 (2016=100), after a downwardly revised 0.9 percent decrease in June. Over the six-month period between January and July 2024, the LEI for Japan rose by 0.6 percent, after declining by 1.1 percent over the previous six-month period between July 2023 and January 2024.

The Conference Board Coincident Economic Index® (CEI) for Japan also increased by 0.3 percent to 98.6 (2016=100) in July 2024, reversing a 0.3 percent decrease in June. As a result, the CEI grew by 0.7 percent over the six-month period from January to July 2024, after declining by 1.0 percent over the previous six-month period.

“The Japan LEI improved in July, but not enough to reverse the negative annual growth of the index, suggesting that economic expansion may continue to face some challenges in the near term,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “Most components of the Japan LEI were positive in July, with the strongest gains coming from new orders for machinery and construction and the yield spread. However, the July recovery in new orders was only driven by the construction side, while machinery orders were lagging. Excluding the electric power industry, which invests heavily in renewable energy, the machinery orders in other industries were almost unchanged compared to last year, which suggests some weakness in business investment. The Conference Board currently expects very sluggish annual GDP growth in Japan in 2024.”

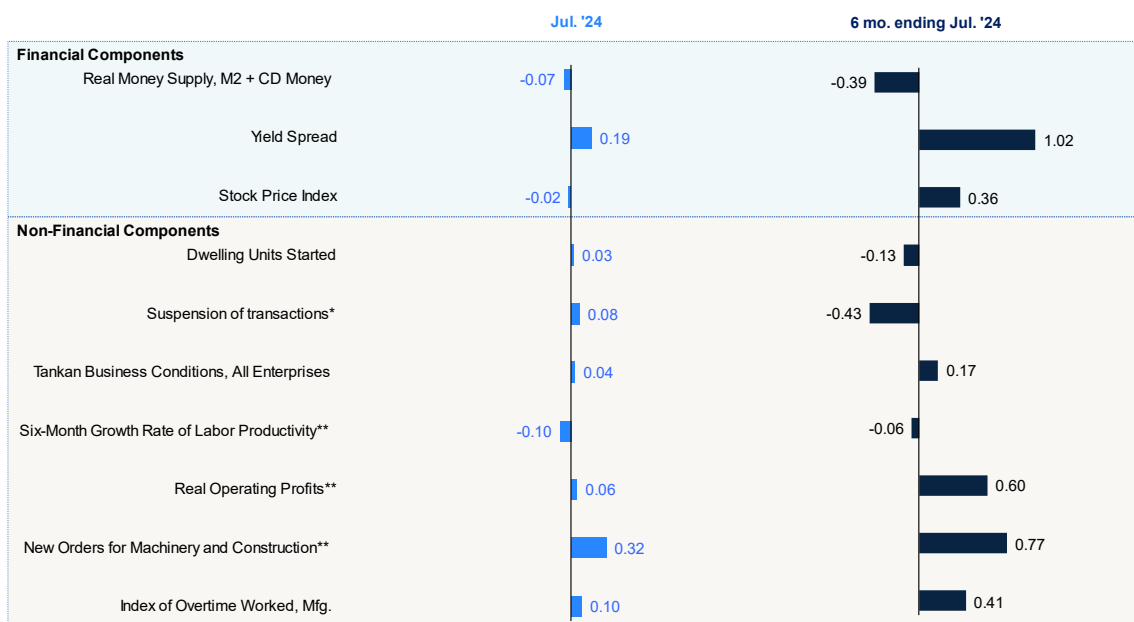
The next release is scheduled for Thursday, October 10, 2024, at 10:30 A.M. ET.

Both LEI and the CEI for Japan inched up in July

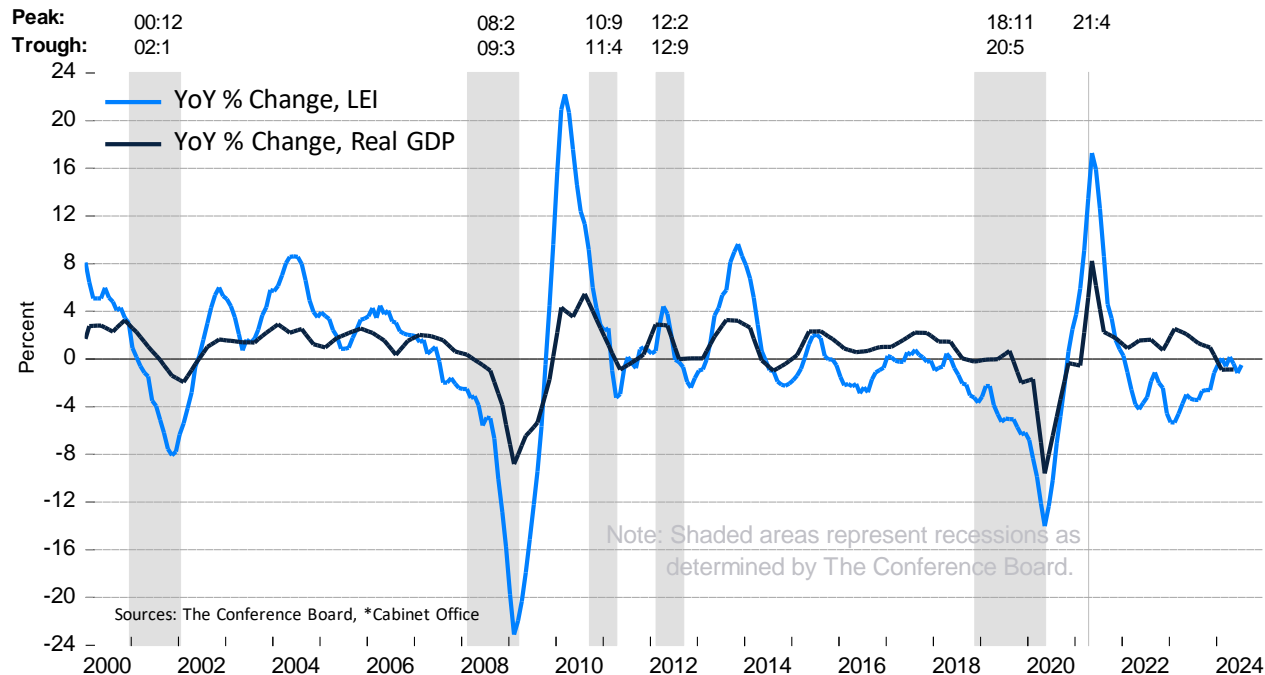


Most components of Japan LEI were only slightly positive in July

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



The annual growth rate of Japan's LEI struggles to break into positive territory



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

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 four months.

The ten components of the *Leading Economic Index*® for Japan are:

- Real Money Supply, M2 + CD Money
- Yield Spread, (10 year gov bonds minus Uncollateralized: Overnight Rate)
- Stock Price Index
- Dwelling Units Started
- Suspension of transactions
- Tankan Business Conditions, All Enterprises, All Industries
- Six-Month Growth Rate of Labor Productivity Mfg
- Real Operating Profits
- New Orders for Machinery and Construction
- Index of Overtime Worked, Mfg

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

- Number of Employed Persons
- Industrial Production
- Wage and Salary Income
- Real Retail, Wholesale, and Manuf. Sales

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

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