

## News Release

Jonathan Liu (732) 991-1754 / [jonathan.liu@tcb.org](mailto:jonathan.liu@tcb.org)

**For Release 10:30 AM ET, October 10, 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 Japan Receded in August**

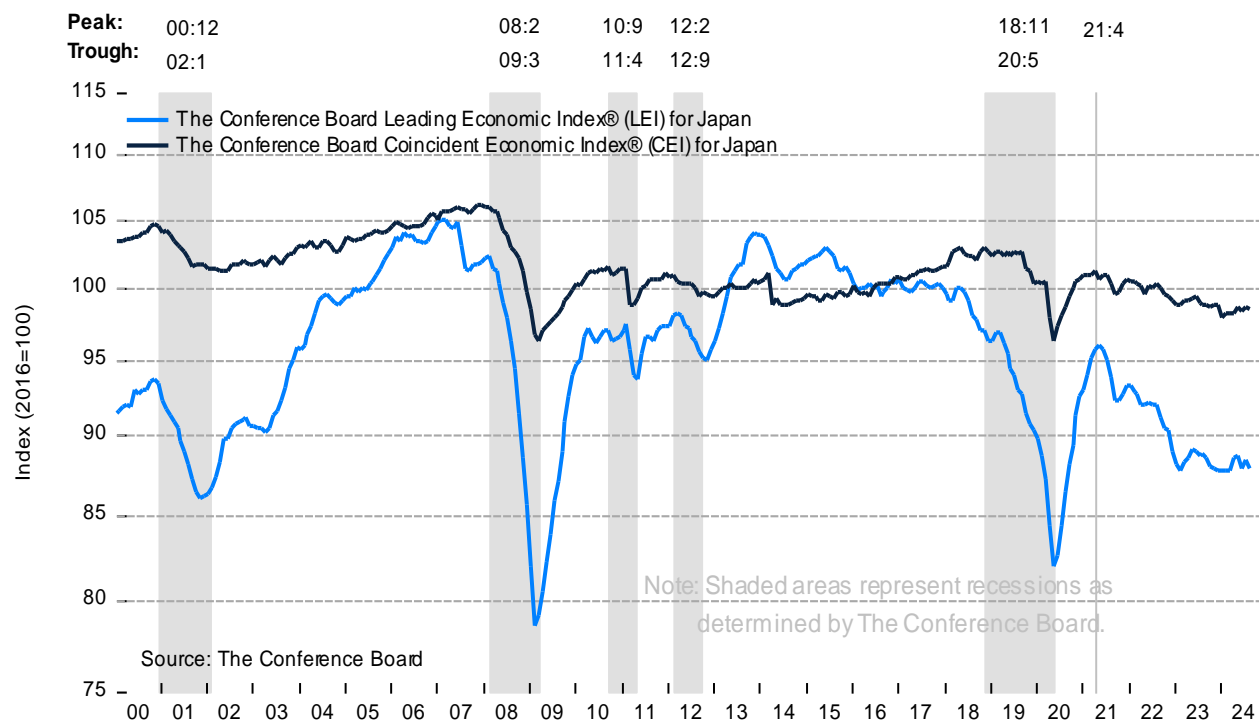
**The Conference Board Leading Economic Index® (LEI)** for Japan fell by 0.6% in August 2024 to 87.9 (2016=100), after an upwardly revised 0.6% increase in July. However, over the six-month period between February and August 2024, the LEI for Japan inched up by 0.1%, after declining by 1.1% over the previous six-month period between August 2023 and February 2024.

**The Conference Board Coincident Economic Index® (CEI)** for Japan decreased by 0.2% to 98.4 (2016=100) in August 2024, after rising by 0.3% in July. The CEI for Japan has gained 0.3% over the six-month period from February to August 2024, after contracting by 0.7% over the previous six-month period.

“The LEI for Japan receded in August, which suggests that growth prospects in Japan will continue to face challenges in the near term,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “Weakness in new orders, suspension of transactions, money supply and stock prices, more than offset improvements among remaining components. While the decline in stock prices was temporary and reflected in the early August financial market turmoil, the recent weakness in non-financial components is more concerning and points to continuing pressures on economic growth. The August monthly decline in new orders was driven by a large dip in construction orders, even though construction orders were still higher than in August 2023. Suspension of transactions which is an equivalent of bankruptcies increased in August, driven by higher costs of doing business and the expiration of government support measures enacted during pandemic. Overall, The Conference Board forecasts real GDP growth for Japan in 2024 to be almost flat at 0.1%.”

**The next release is scheduled for Monday, November 11, 2024, at 10:30 A.M. ET.**

## Both LEI and the CEI for Japan fell in August

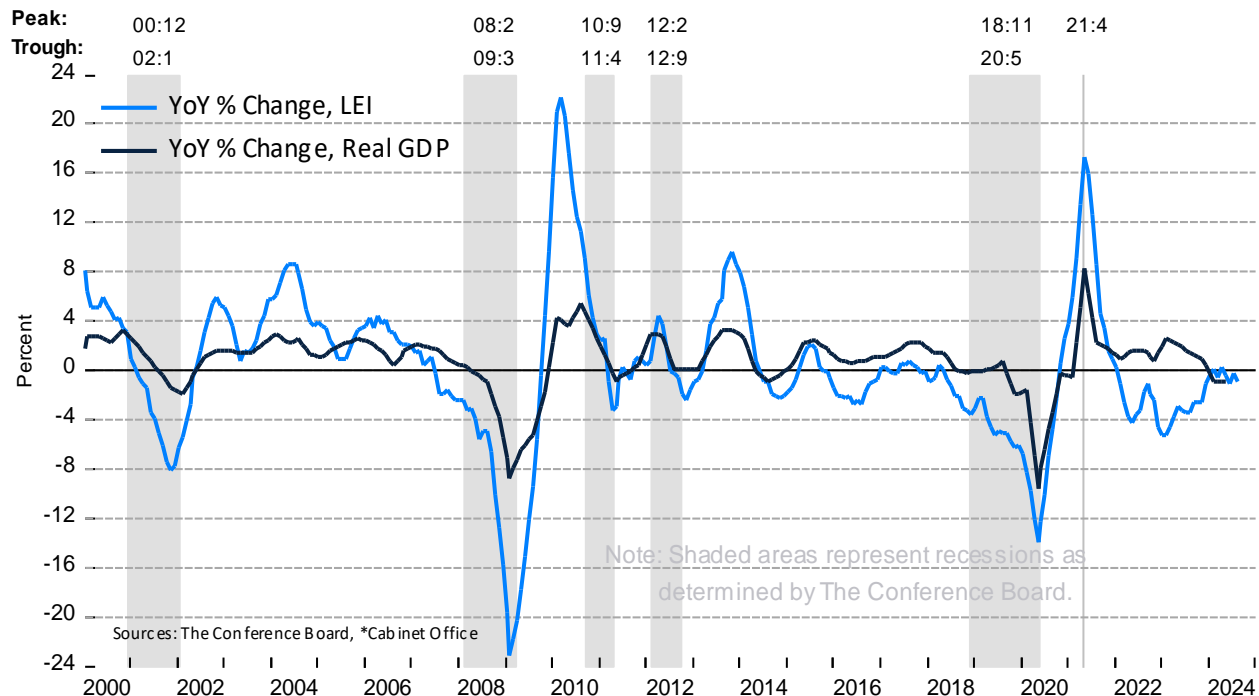


## Components of the Japan LEI were mixed in August, but weaknesses outweighed strengths

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



## The annual growth rate of Japan's LEI inched down further in negative territory in August



### 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/>

### About The Conference Board

The Conference Board is the member-driven think tank that delivers Trusted Insights for What's Ahead™. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [ConferenceBoard.org](https://www.conferenceboard.org)