

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 Inched Up in September

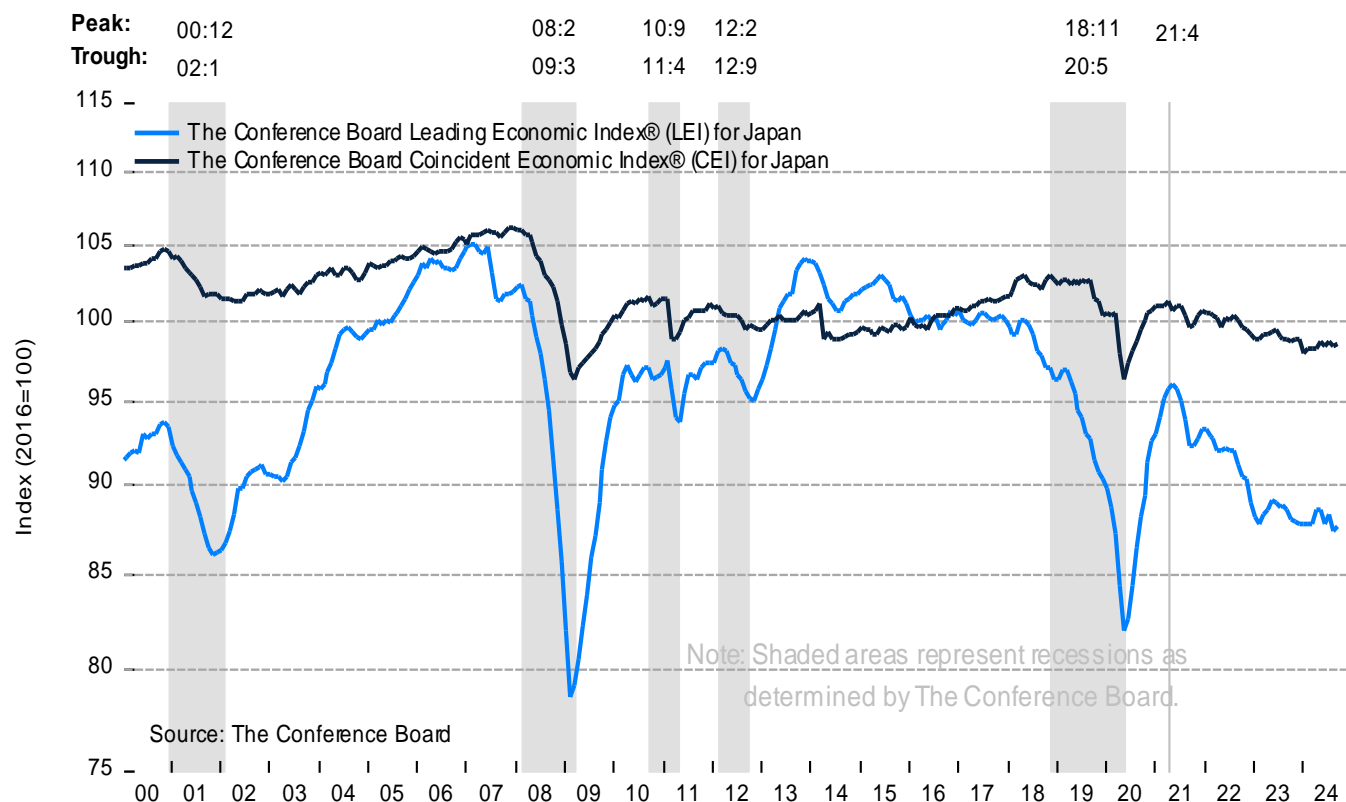
The Conference Board Leading Economic Index® (LEI) for Japan increased slightly by 0.2% in September 2024 to 87.6 (2016=100), after a downwardly revised 1.0% decrease in August. Over the six-month period between March and September 2024, the LEI for Japan ticked down by 0.1%, less than the 1.0% contraction over the previous six-month period between September 2023 and March 2024.

The Conference Board Coincident Economic Index® (CEI) for Japan rose a little by 0.1% to 98.4 (2016=100) in September 2024, after declining by 0.3% in August. The CEI for Japan has rose by 0.3% over the six-month period from March to September 2024, partially reversing the 0.7% decline over the previous six-month period.

“The LEI for Japan increased in September but not enough to reverse the August dip, suggesting persisting, even if not worsening, challenges for economic activity” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “All but two components of the Index improved in September. The largest improvements came from labor productivity, suspension of transactions, yield spread, and dwelling units started. In particular labor productivity recovered from a drop in August, that was due to the temporary suspension of production at some automobile factories because of typhoons. Meanwhile, the weakness in stock prices persisted for the third consecutive month as they remained volatile and had not yet fully recovered from the mid-summer financial market turmoil. Overall, The Conference Board forecasts real GDP growth for Japan in 2024 to be still almost flat at 0.1% but to gain some momentum in 2025.”

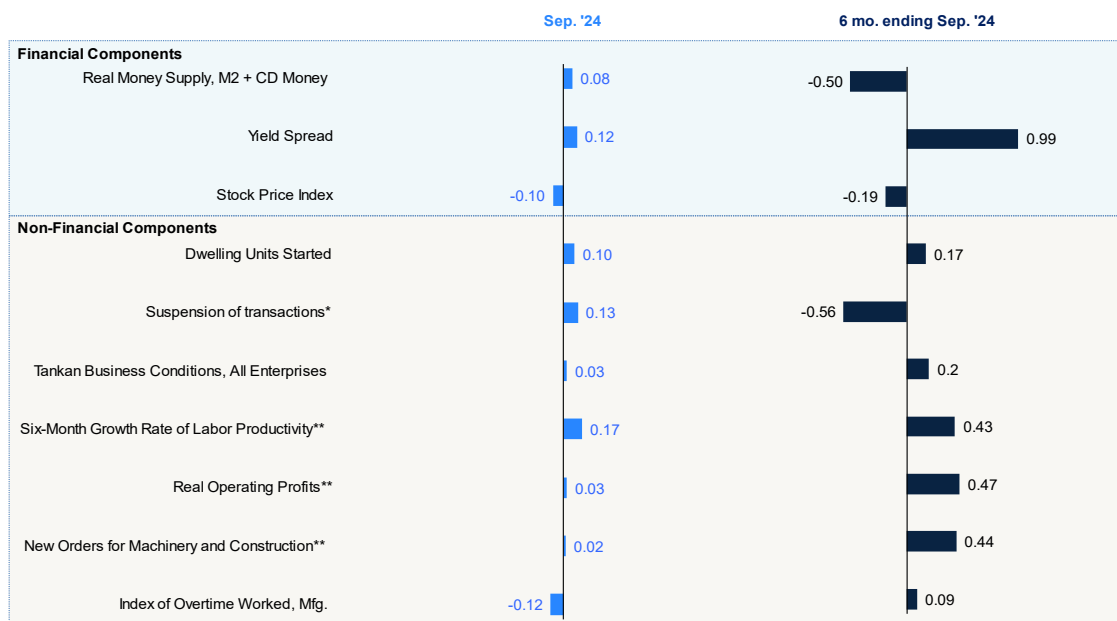
The next release is scheduled for Tuesday, December 10, 2024, at 10:30 A.M. ET.

Both LEI and the CEI for Japan inched up in September

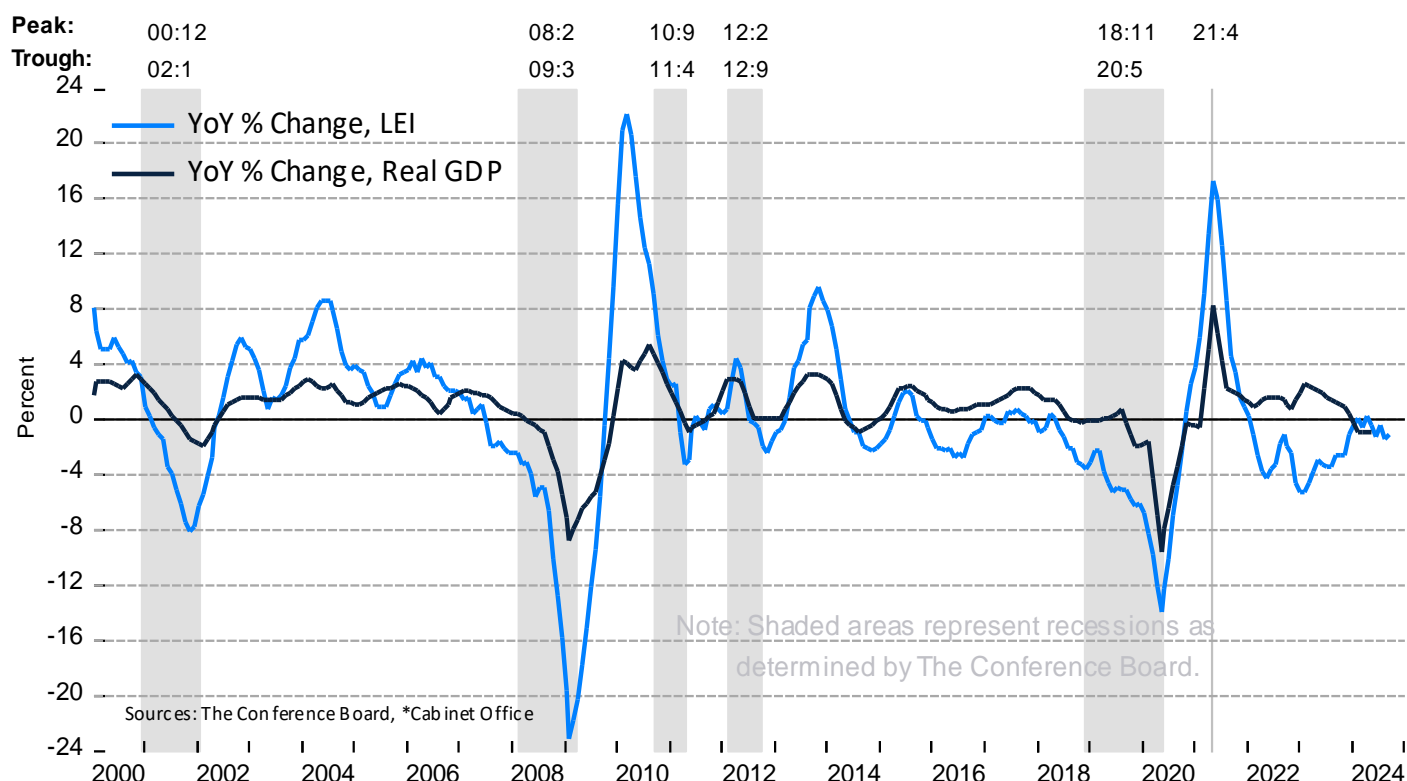


Most components of the Japan LEI supported the Index in September

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



The annual growth rate of Japan's LEI slightly recovered in September but is still in the negative range.



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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