

News Release

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For Release 10:30 AM ET, June 11, 2025

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 Retreated in April

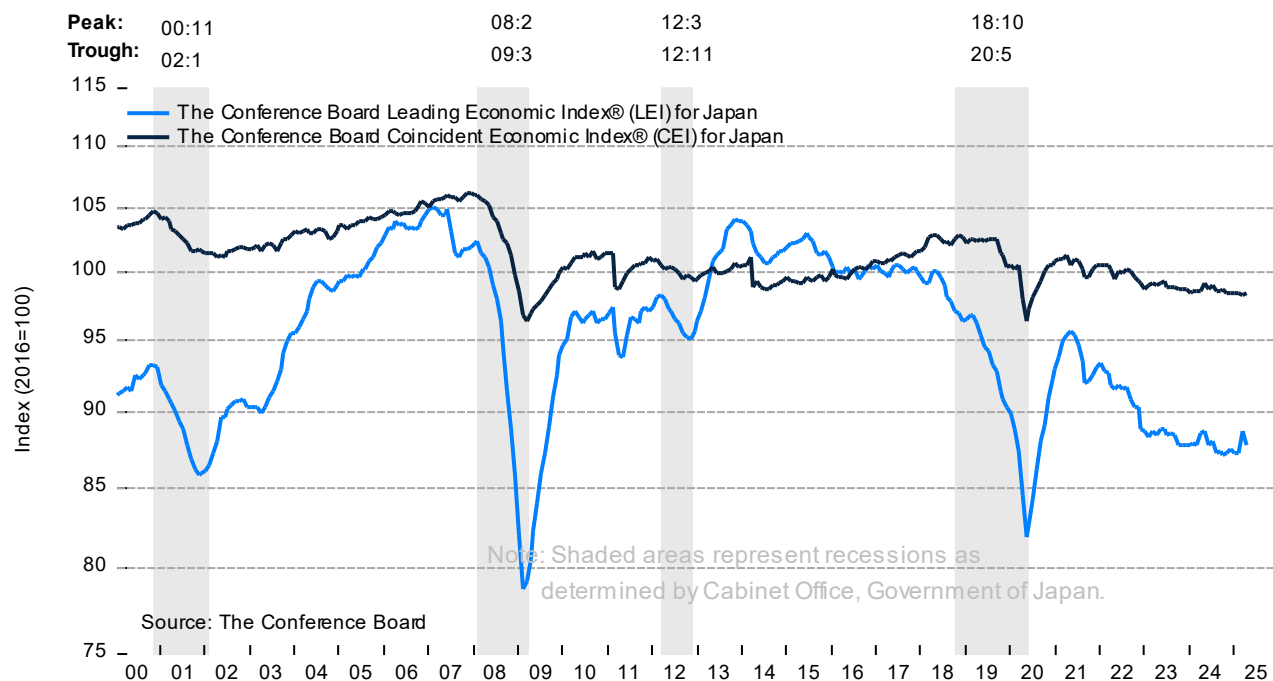
The Conference Board Leading Economic Index® (LEI) for Japan declined by 1.0% in April 2025 to 87.7 (2016=100), partially reversing a 1.6% increase in March. However, over the six months period between October 2024 and April 2025, the LEI for Japan rose by 0.8%, an improvement from a decline of 1.7% over the previous six months between April and October 2024.

The Conference Board Coincident Economic Index® (CEI) for Japan inched up 0.1% in April 2025 to 98.3 (2016=100), after declining by 0.2% in March. Overall, the CEI for Japan contracted by 0.4% over the six-month period from October 2024 to April 2025, after expanding by 0.2% over the previous six-month period (April to October 2024).

“The LEI for Japan retreated in April” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “The largest negative contribution to the Index, came from dwelling units started, followed by a much less negative contribution from real money supply. The over 40% decline in housing starts in April is largely a correction from the March surge, which was due to new legislation requiring new construction to meet strict energy conservation standards as of April 1st. Rising interest rates and significant increases in material and labor costs also weight on housing starts. As a result of the large monthly decline, the LEI contracted on an annual basis. Taken the most recent correction and initial reporting of Q1 GDP in contraction, The Conference Board downgraded Japan growth forecast in 2025 to around 1.0%.”

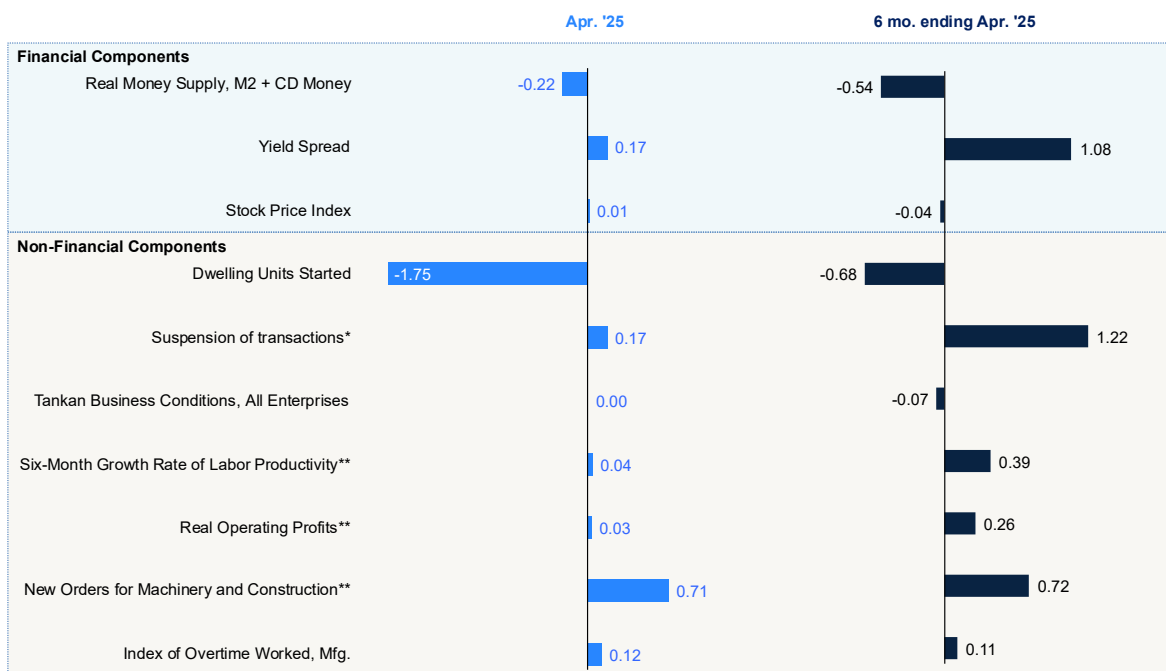
The next release is scheduled for Wednesday, July 9, 2025, at 10:30 A.M. ET.

The Japan LEI retreated in April



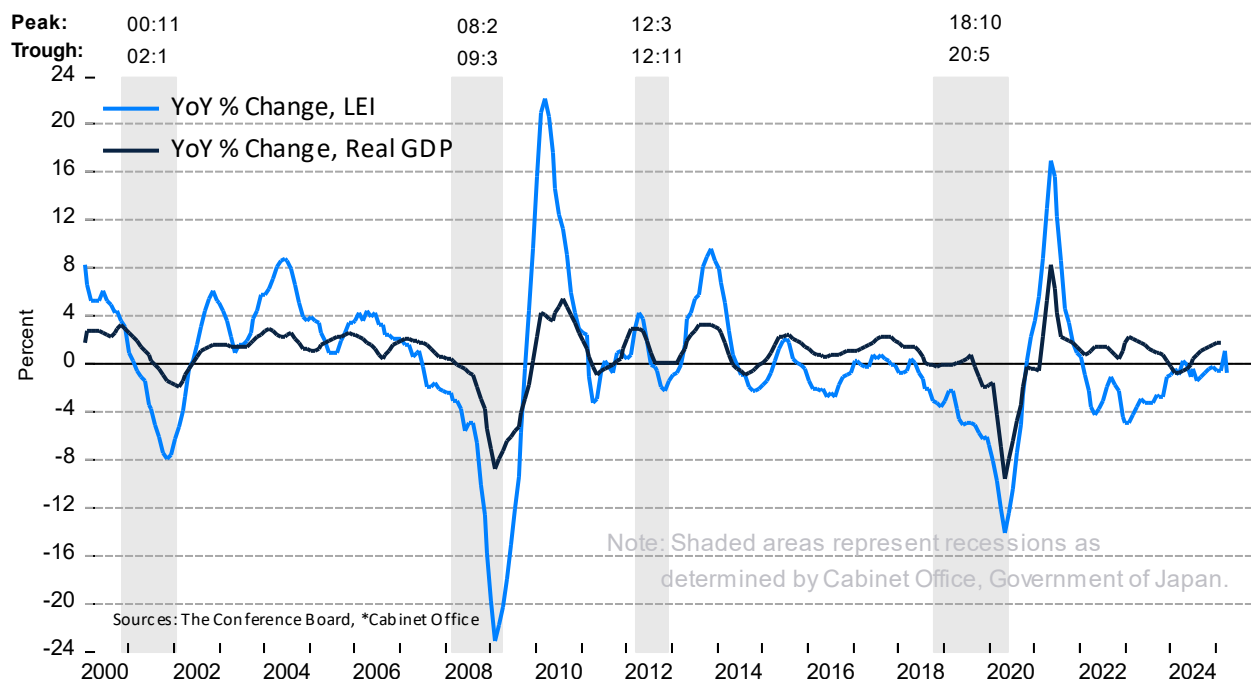
The new construction made the most negative contribution to the LEI in April

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



Source: The Conference Board
 * Inverted series; a negative change in this component makes a positive contribution
 ** Statistical Imputation
 LEI change might not equal sum of its contributions due to application of trend adjustment factor

The Japan LEI fell back to negative growth territory, indicating weak progress ahead



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

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