FOR RELEASE: 10:00 A.M. ET, Monday, October 21, 2024

The Conference Board®
US Business Cycle Indicators

THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR THE UNITED STATES

AND RELATED COMPOSITE ECONOMIC INDEXES FOR SEPTEMBER 2024

The Conference Board Leading Economic Index® (LEI) for the US decreased by 0.5%,
The Conference Board Coincident Economic Index® (CEI) increased by 0.1%, and
The Conference Board Lagging Economic Index® (LAG) decreased by 0.3% in September.

- The Conference Board LEI for the US decreased for the seventh consecutive month in September. Continued negative contributions from the ISM® New Orders Index, interest rate spread, building permits, and consumer expectations more than offset positive contributions, from the S&P® 500 Stock Index, followed by weekly initial claims for unemployment and the Leading Credit Index™. In the six-month period ending September 2024, the leading economic index decreased by 2.6% (about a −5.2% annual rate), a slightly steeper rate of contraction than the 2.2% (about a −4.3% annual rate) over the previous six months. In addition, the weaknesses among the leading indicators became more widespread, as only 3 out of 10 components advanced between March and September 2024.

- The Conference Board CEI for the US, a measure of current economic activity, inched up in September. The coincident economic index rose by 0.9% (about a 1.8% annual rate) between March and September 2024, moderately faster than its growth of 0.5% (about a 1.1% annual rate) over the previous six months. The strengths among the coincident indicators have remained widespread, with 3 out of 4 components advancing over the past six months. However, the lagging economic index (LAG) declined; as a result, the coincident-to-lagging ratio improved in September. Meanwhile, real GDP expanded at a 3.0% annualized rate in the second quarter of 2024, up from its 1.6% (annual rate) growth in the first quarter.

- The Conference Board LEI for the US continued to decline in September, and its six-month and annual growth rates remain negative. Meanwhile, The Conference Board CEI for the US has been rising marginally through September, and its six-month growth rate remained moderately positive. Taken together, the current behavior of the composite indexes and their components suggest the US economy will soften through the end of 2024, with potential bleeding into early 2025.

LEADING INDICATORS: Five of the 10 indicators that comprise ***The Conference Board Leading Economic Index®*** for the US increased in September. The positive contributors—beginning with the largest positive contributor—were the S&P 500® Stock Index, average weekly initial claims for unemployment insurance (inverted), the Leading Credit Index™ (inverted), manufacturers' new orders for nondefense capital goods excluding aircraft*, and manufacturers' new orders for consumer goods and materials*. The negative contributors—beginning with the largest negative contributor—were the ISM® New Orders Index, the interest rate spread, building permits, and average consumer expectations for business conditions. The average weekly manufacturing hours held steady in September.

The LEI for the US decreased by 0.5% in September to 99.7 (2016=100). Based on revised data, this index decreased by 0.3% in August and 0.5% in July. Over the six-month span through September, the LEI decreased by 2.6%, with only 3 out of 10 components advancing (diffusion index, six-month span equals 35%).

The next release is scheduled for November 21, 2024, Thursday at 10 A.M. ET

COINCIDENT INDICATORS: Three of the 4 indicators that comprise ***The Conference Board Coincident Economic Index***® for the US increased in September. The positive contributors to the index—beginning with the largest positive contributor—were personal income less transfer payments*, employees on nonagricultural payrolls, and manufacturing and trade sales*. The negative contributor was industrial production.

The CEI increased by 0.1% in September to 112.9 (2016=100). Based on revised data, this index increased by 0.2% in August and increased by 0.1% in July. During the six-month period through September the coincident economic index increased by 0.9%, with all 4 components advancing (diffusion index, six-month span equals 100%).

LAGGING INDICATORS: ***The Conference Board Lagging Economic Index***® for the US decreased by 0.3% in September to 118.9 (2016=100), with 2 of its 7 components advancing. The positive contributors to the index—beginning with the largest positive contributor—were the ratio of consumer installment credit outstanding to personal income* and the ratio of manufacturing and trade inventories to sales*. The negative contributors—beginning with the largest negative contributor—were the average duration of unemployment (inverted), commercial and industrial loans outstanding*, the change in CPI for services, the average prime rate charged by banks, and the change in the index of labor cost per unit of output, manufacturing*. Based on revised data, the lagging economic index remained unchanged in August and decreased by 0.2% in July.

DATA AVAILABILITY AND NOTES.

The data series used to compute **The Conference Board Leading Economic Index®** (LEI) for the US, **The Conference Board Coincident Economic Index®** (CEI) for the US and **The Conference Board Lagging Economic Index®** (LAG) for the US and reported in the tables in this release are those available "as of" 8:30am ET on October 18, 2024. Some series are estimated as noted below.

* Series in The Conference Board LEI for the US based on our estimates are manufacturers' new orders for consumer goods and materials and manufacturers' new orders for nondefense capital goods excluding aircraft. Series in The Conference Board CEI for the US that are based on our estimates are personal income less transfer payments and manufacturing and trade sales. Series in The Conference Board LAG for the US that are based on our estimates are manufacturing and trade inventories to sales ratio, the change in labor cost per unit of output, manufacturing, consumer installment credit to income ratio, and the personal consumption expenditure deflator used to deflate commercial and industrial loans outstanding.

The procedure used to estimate the current month's personal consumption expenditure deflator (used in the calculation of commercial and industrial loans outstanding) incorporates the current month's consumer price index when it is available before the release of The Conference Board LEI for the US.

For further information, contact:

Jonathan Liu 732-991-1754 / JLiu@tcb.org

Indicators Program:
Email: indicators@tcb.org
Website: www.conference-board.org/data/bci.cfm

THE CYCLICAL INDICATOR APPROACH. The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. (See page 3 for details.) They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component—primarily because they smooth out some of the volatility of individual components.

Historically, the cyclical turning points in The Conference Board LEI for the US have occurred before those in aggregate economic activity, while the cyclical turning points in The Conference Board CEI for the US have occurred at about the same time as those in aggregate economic activity. The cyclical turning points in The Conference Board LAG for the US generally have occurred after those in aggregate economic activity.

US Composite Economic Indexes: Components and Standardization Factors

Leading Economic Index		Factor
1	Average weekly hours, manufacturing	0.2412
2	Average weekly initial claims for unemployment insurance	0.0141
3	Manufacturers' new orders, consumer goods and materials	0.0763
4	ISM® New Orders Index	0.1669
5	Manufacturers' new orders, nondefense capital goods excl. aircraft	0.0464
6	Building permits, new private housing units	0.0302
7	S&P 500® Stock Index	0.0413
8	*Leading Credit Index™*	0.1004
9	Interest rate spread, 10-year Treasury bonds less federal funds	0.1257
10	Avg. consumer expectations for business conditions	0.1575
Coincident Economic Index		
1	Employees on nonagricultural payrolls	0.3272
2	Personal income less transfer payments	0.3122
3	Industrial production	0.1927
4	Manufacturing and trade sales	0.1679
Lagging Economic Index		
1	Inventories to sales ratio, manufacturing and trade	0.1210
2	Average duration of unemployment	0.0278
3	Consumer installment credit outstanding to personal income ratio	0.1135
4	Commercial and industrial loans	0.0913
5	Average prime rate	0.3521
6	Labor cost per unit of output, manufacturing	0.0525
7	Consumer price index for services	0.2418

Notes:
The component factors are inversely related to the standard deviation of the month-to-month changes in each component. They are used to equalize the volatility of the contribution from each component and are “normalized” to sum to 1. When one or more components are missing, the other factors are adjusted proportionately to ensure that the total continues to sum to 1.

These factors were revised effective with the release in January 2024, and all historical values for the three composite economic indexes were revised at this time to reflect the changes. (Under normal circumstances, updates to the leading, coincident, and lagging economic indexes only incorporate revisions to data over the past six months.) The factors for The Conference Board LEI for the US were calculated using May 1990-December 2022 as the sample period for measuring volatility. A separate set of factors for the February 1959 - December 1977, January 1978 - December 1983 and January 1984 – April 1990 periods are available upon request. The primary sample period for the coincident and lagging economic indexes was February 1959 – December 2022. For additional information on the standardization factors and the index methodology see: “Benchmark Revisions in the Composite Indexes,” *Business Cycle Indicators* December 1997 and “Technical Appendix: Calculating the Composite Indexes” *Business Cycle Indicators* December 1996, or the Website: www.conference-board.org/topics/business-cycle-indicators.

The trend adjustment factor for The Conference Board LEI for the US is -0.0858 (over the 1984 – present) and 0.1096 (over the 1959-1983 period), and the trend adjustment factor for The Conference Board LAG for the US is 0.1588.

To address the problem of lags in available data, those leading, coincident and lagging indicators that are not available at the time of publication are estimated using statistical imputation. An autoregressive model is used to estimate each unavailable component. The resulting indexes are therefore constructed using real and estimated data and will be revised as the unavailable data during the time of publication become available. Such revisions are part of the monthly data revisions, now a regular part of the US Business Cycle Indicators program. The main advantage of this procedure is to utilize in the leading economic index data such as stock prices, interest rate spread, and manufacturing hours that are available sooner than other data on real aspects of the economy such as manufacturers' new orders. Empirical research by The Conference Board suggests that there are real gains in adopting this procedure to make all the indicator series as up-to-date as possible.

NOTICES

The Conference Board Leading Economic Index® (LEI) for the US news release schedule for 2024**:**

Monday, January 22, 2024	For December 2023 data
Tuesday, February 20, 2024	For January 2024 data
Thursday, March 21, 2024	For February 2024 data
Thursday April 18, 2024	For March 2024 data
Friday, May 17, 2024	For April 2024 data
Friday, June 21, 2024	For May 2024 data
Thursday, July 18, 2024	For June 2024 data
Monday, August 19, 2024	For July 2024 data
Thursday, September 19, 2024	For August 2024 data
Monday, October 21, 2024	For September 2024 data
Thursday, November 21, 2024	For October 2024 data
Thursday, December 19, 2024	For November 2024 data

All releases are at 10:00 AM ET

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.

AVAILABLE FROM THE CONFERENCE BOARD

US Business Cycle Indicators Internet Subscription
(Includes historical data and charts)
$ 1,185 per year

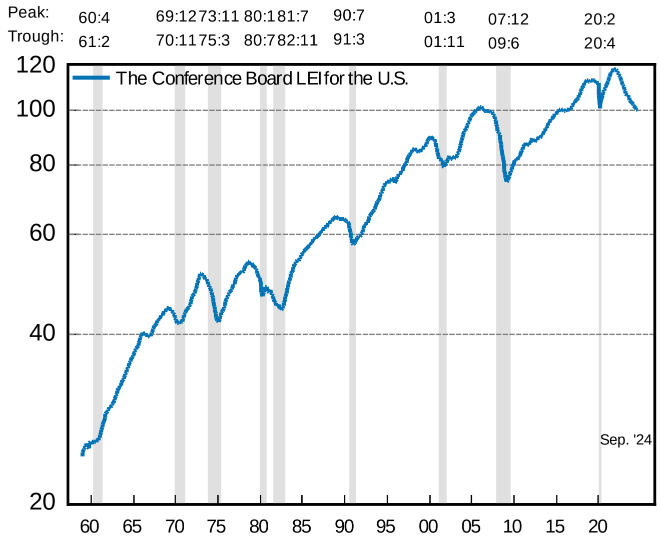
BCI Handbook (published 2001) PDF only – website download

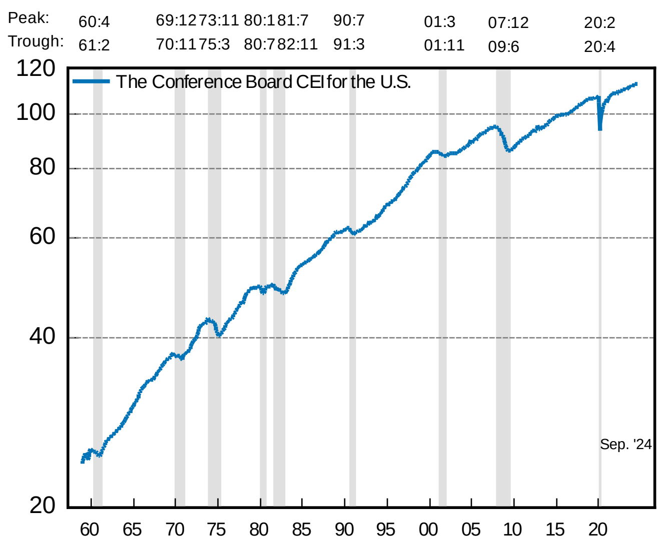
Understanding Business Cycles: The Indicators Approach to Forecasting for Agility:
https://www.conference-board.org/publications/publicationdetail.cfm?publicationid=2510

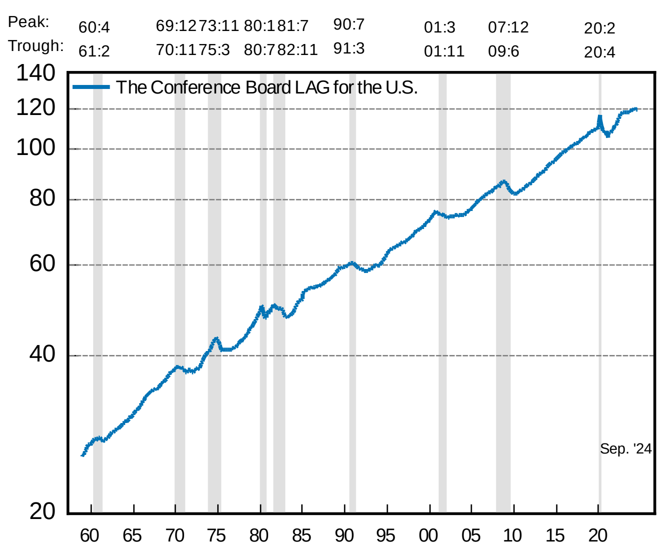
Business Cycle Indicators for Brazil, China, the Euro Area, France, Germany, India, Japan, South Korea, Mexico, Spain, the UK, and the US are available at $ 1,185 per country per year.

TO VIEW DATA PREVIOUSLY AVAILABLE IN TABLES, PLEASE VISIT:
https://data-central.conference-board.org/

US Composite Economic Indexes (2016=100)







Shaded areas represent recessions as determined by the National Bureau of Economic Research.