THE CONFERENCE BOARD

News Release

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About the Leading Economic Index and the Coincident Economic Index:
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 the U.S. Continued to Fall in April

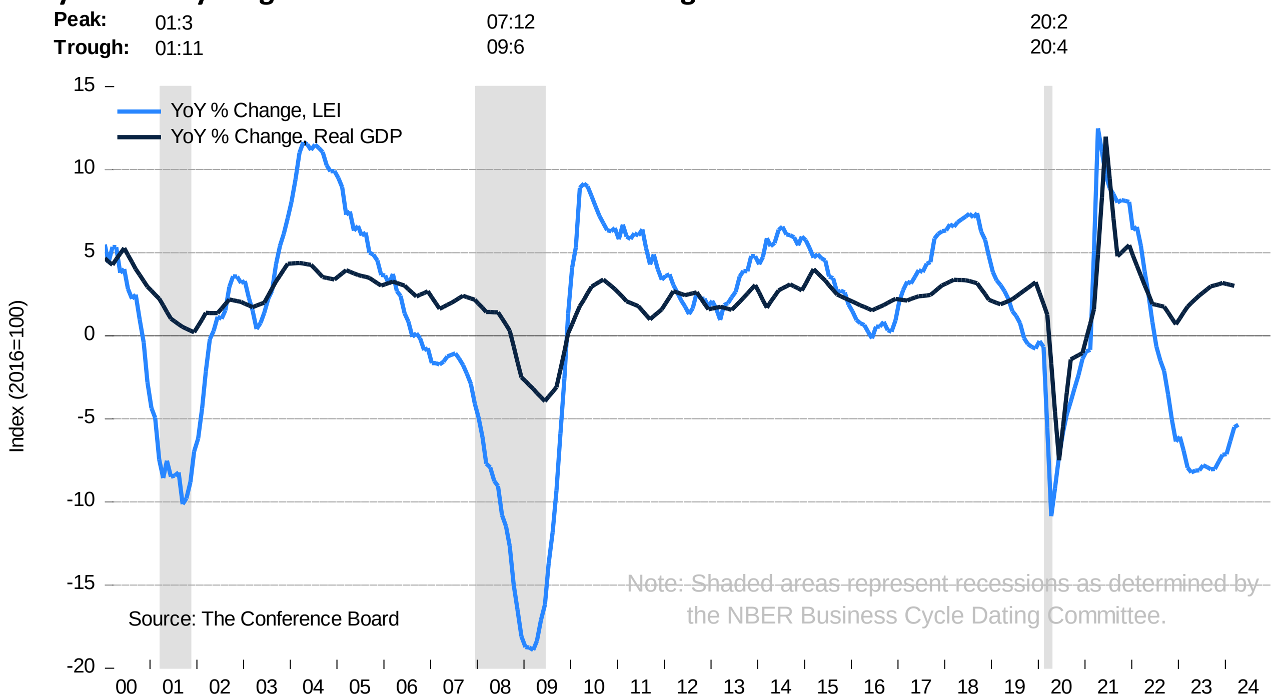
The Conference Board Leading Economic Index® (LEI) for the U.S. decreased by 0.6 percent in April 2024 to 101.8 (2016=100), after decreasing by 0.3 percent in March. Over the six-month period between October 2023 and April 2024, the LEI contracted by 1.9 percent—a smaller decrease than its 3.5 percent decline over the previous six months.

"Another decline in the U.S. LEI confirms that softer economic conditions lay ahead," said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** "Deterioration in consumers' outlook on business conditions, weaker new orders, a negative yield spread, and a drop in new building permits fueled April's decline. In addition, stock prices contributed negatively for the first time since October of last year. While the LEI's six-month and annual growth rates no longer signal a forthcoming recession, they still point to serious headwinds to growth ahead. Indeed, elevated inflation, high interest rates, rising household debt, and depleted pandemic savings are all expected to continue weighing on the US economy in 2024. As a result, we project that real GDP growth will slow to under 1 percent over the Q2 to Q3 2024 period."

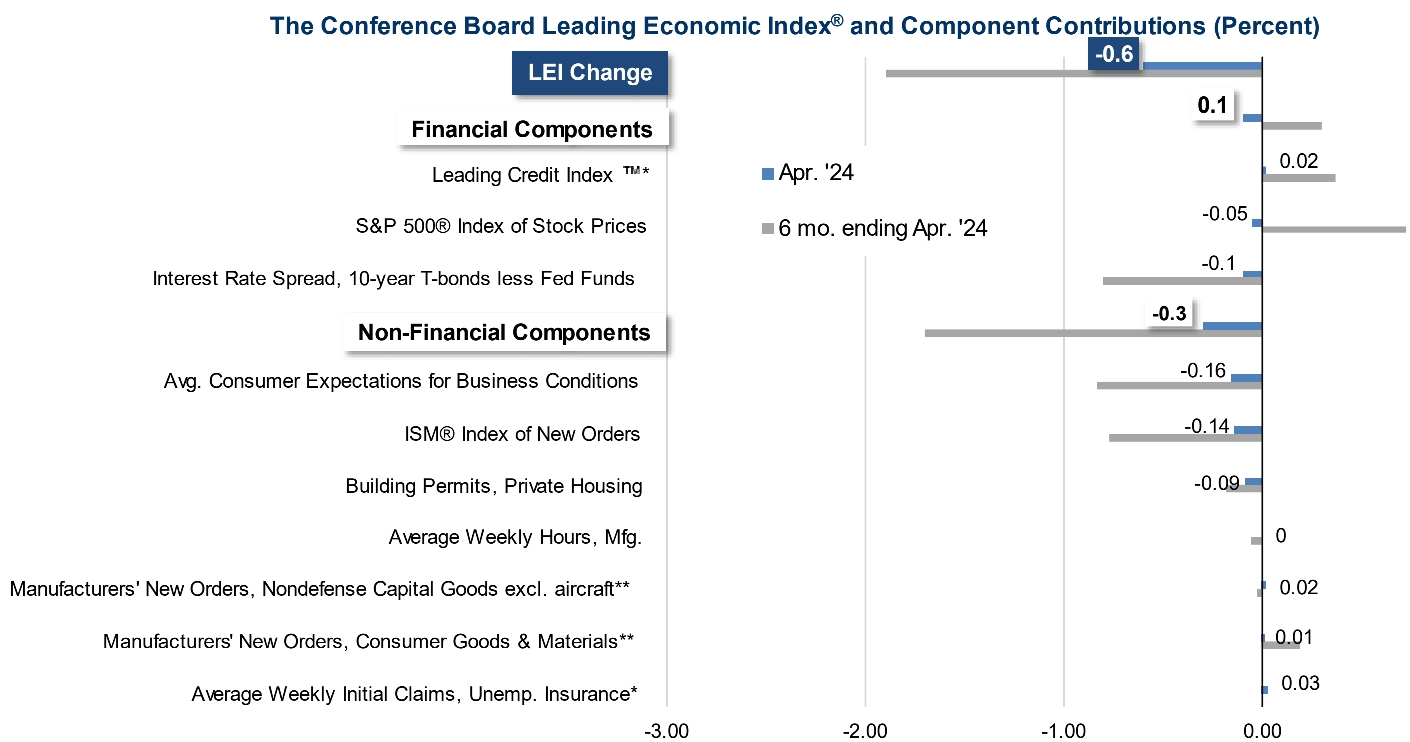
The Conference Board Coincident Economic Index® (CEI) for the U.S. rose by 0.2 percent in April 2024 to 112.3 (2016=100), after also increasing by 0.2 percent in March. As a result, the CEI was up 0.9 percent over the six-month period ending April 2024, slightly ahead of its 0.8 percent increase over the previous six months. The CEI's component indicators—payroll employment, personal income less transfer payments, manufacturing and trade sales, and industrial production—are included among the data used to determine recessions in the US. All four components of the index improved last month. Personal income less transfer payments made the largest positive contribution to the Index.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased by 0.4 percent in April 2024 to 119.5 (2016=100), after remaining unchanged in March. The LAG was up by 1.1 percent over the six-month period from October 2023 and April 2024, a substantial improvement of a 0.3 percent increase over the previous six months.

The LEI's year-over-year growth rate has become less negative



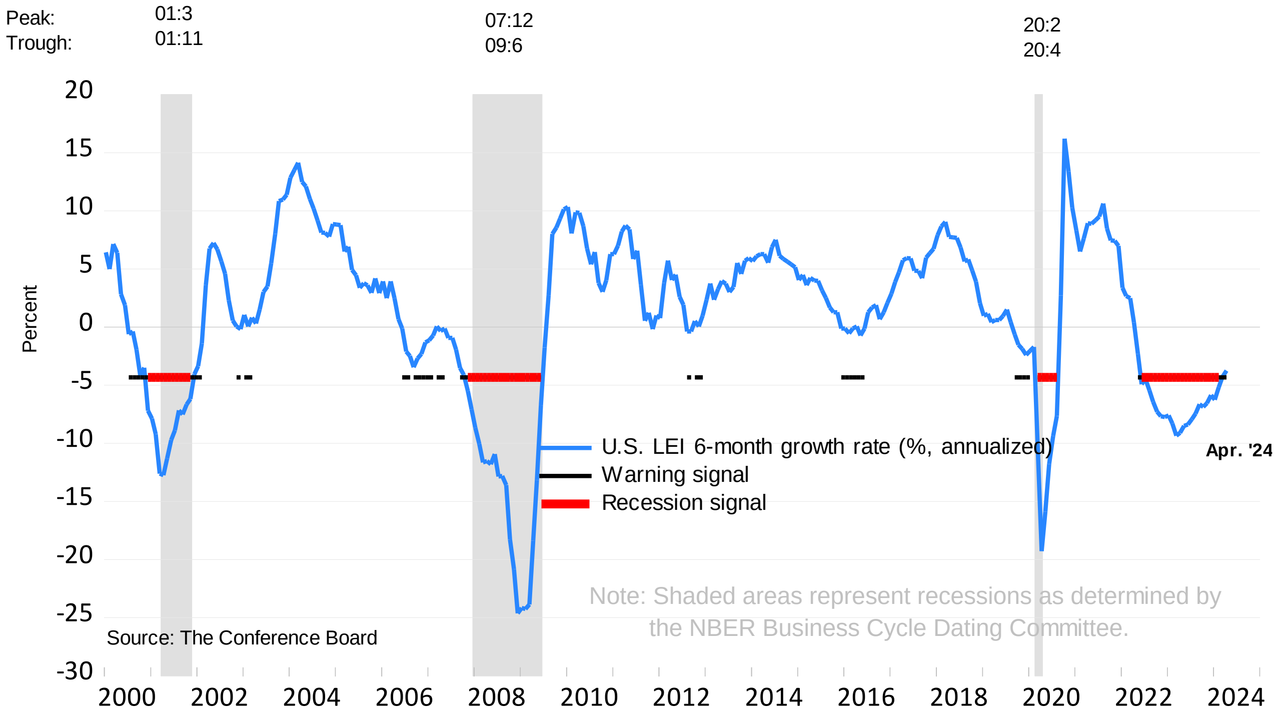
The LEI's April decline was driven by consumer sentiment, new orders, a negative yield spread and building permits



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

Note: *Starting with September 2023 release Leading Credit Index™ calculations (from 2020 to current) use the SOFR Overnight Financing Rate in the USD Swap spread semiannual 2 year instead of LIBOR rate. LIBOR remains in the USD Swap spread semiannual 2 year from 1990 to 2020.*

The LEI did not signal a recession for the second consecutive month due to improvement in the six-month growth rate



Note: The chart illustrates the so-called 3Ds rule which is a reliable rule of thumb to interpret the **duration, depth, and diffusion – the 3Ds** – of a downward movement in the LEI. Duration refers to how long-lasting a decline in the index is, and depth denotes how large the decline is. Duration and depth are measured by the rate of change of the index over the last six months. Diffusion is a measure of how widespread the decline is (i.e., the diffusion index of the LEI ranges from 0 to 100 and numbers below 50 indicate most of the components are weakening). The 3Ds rule provides signals of impending recessions 1) when the diffusion index falls below the threshold of 50 (denoted by the black dotted line in the chart), and simultaneously 2) when the decline in the index over the most recent six months falls below the threshold of -4.4 percent. The red dotted line is drawn at the threshold value (measured by the median, -4.4 percent) on the months when both criteria are met simultaneously. Thus, the red dots signal a recession.

Summary Table of Composite Economic Indexes

	2024						6-Month
	February		March		April		Oct to Apr
Leading Index	102.7		102.4		101.8	*p*	
Percent Change	0.2		-0.3		-0.6		-1.9
Diffusion	70.0		40.0		45.0		40.0
Coincident Index	111.9	*r*	112.1	*r*	112.3	*p*	
Percent Change	0.3	*r*	0.2	*r*	0.2		0.9
Diffusion	75.0		100.0		87.5		100.0
Lagging Index	119.0		119.0		119.5	*p*	
Percent Change	0.2	*r*	0.0		0.4		1.1
Diffusion	42.9		42.9		64.3		50.0

p Preliminary *r* Revised *c* Corrected
Indexes equal 100 in 2016

Source: The Conference Board

The next release is scheduled for Friday, June 21, 2024, at 10 A.M. ET.

About *The Conference Board Leading Economic Index®* (LEI) for the U.S.
The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. 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 is highly correlated with real GDP. The LEI is a predictive variable that anticipates (or "leads") turning points in the business cycle by around 7 months. Shaded areas denote recession periods or economic contractions. The dates above the shaded areas show the chronology of peaks and troughs in the business cycle.

The ten components of ***The Conference Board Leading Economic Index®*** for the U.S. include: Average weekly hours in manufacturing; Average weekly initial claims for unemployment insurance; Manufacturers' new orders for consumer goods and materials; ISM® Index of New Orders; Manufacturers' new orders for nondefense capital goods excluding aircraft orders; Building permits for new private housing units; S&P 500® Index of Stock Prices; Leading Credit Index™; Interest rate spread (10-year Treasury bonds less federal funds rate); Average consumer expectations for business conditions.

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.
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