

## News Release

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### **The Conference Board Leading Economic Index® (LEI) for the U.S. Increased in October**

#### ***Recovery to continue in Q4, but downside risk persists***

**NEW YORK, November 19, 2020...**The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.7 percent in October to 108.2 (2016 = 100), following a 0.7 percent increase in September and a 1.6 percent increase in August.

“The US LEI rose again in October, with widespread improvements despite weakness from housing permits and consumers’ outlook on economic conditions. However, the leading index has been decelerating in recent months, which suggests growth will moderate significantly in the final months of 2020, slowing down from the unusually rapid pace in Q3,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “Furthermore, downside risks to growth from a second wave of COVID-19 and high unemployment persist. While The Conference Board projects the US economy will expand in Q4, the pace of growth is unlikely to exceed 2.2 percent (annual rate).”

**The Conference Board Coincident Economic Index® (CEI)** for the U.S. increased 0.5 percent in October to 102.7 (2016 = 100), following a 0.4 percent increase in September and a 0.9 percent increase in August.

**The Conference Board Lagging Economic Index® (LAG)** for the U.S. increased 0.1 percent in October to 107.1 (2016 = 100), following a 0.3 percent decrease in September and a 0.2 percent decrease in August.



### Summary Table of Composite Economic Indexes

	2020			6-month
	Aug	Sep	Oct	Apr to Oct
Leading Index	106.7 r	107.5 r	108.2 p	
Percent Change	1.6 r	0.7	0.7 p	11.7
Diffusion	70	70	80	80
Coincident Index	101.8 r	102.2 r	102.7 p	
Percent Change	0.9 r	0.4 r	0.5 p	10.4
Diffusion	100	75	100	100
Lagging Index	107.3 r	107.0 r	107.1 p	
Percent Change	-0.2 r	-0.3 r	0.1 p	-7.3
Diffusion	21.4	35.7	42.9	35.7

p Preliminary r Revised  
Indexes equal 100 in 2016  
Source: The Conference Board

#### **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 leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. 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.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include:

- Average weekly hours, manufacturing
- Average weekly initial claims for unemployment insurance
- Manufacturers' new orders, consumer goods and materials
- ISM® Index of New Orders
- Manufacturers' new orders, nondefense capital goods excluding aircraft orders
- Building permits, new private housing units
- Stock prices, 500 common stocks
- Leading Credit Index™
- Interest rate spread, 10-year Treasury bonds less federal funds
- Average consumer expectations for business conditions

For full press release and technical notes:

<http://www.conference-board.org/data/bcicountry.cfm?cid=1>

For more information about The Conference Board global business cycle indicators:

<http://www.conference-board.org/data/bci.cfm>

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