

News Release

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For Release 10:00 AM ET, September 18, 2020

Release #7043

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

Slowing pace of improvement points to weakening growth in final months of 2020

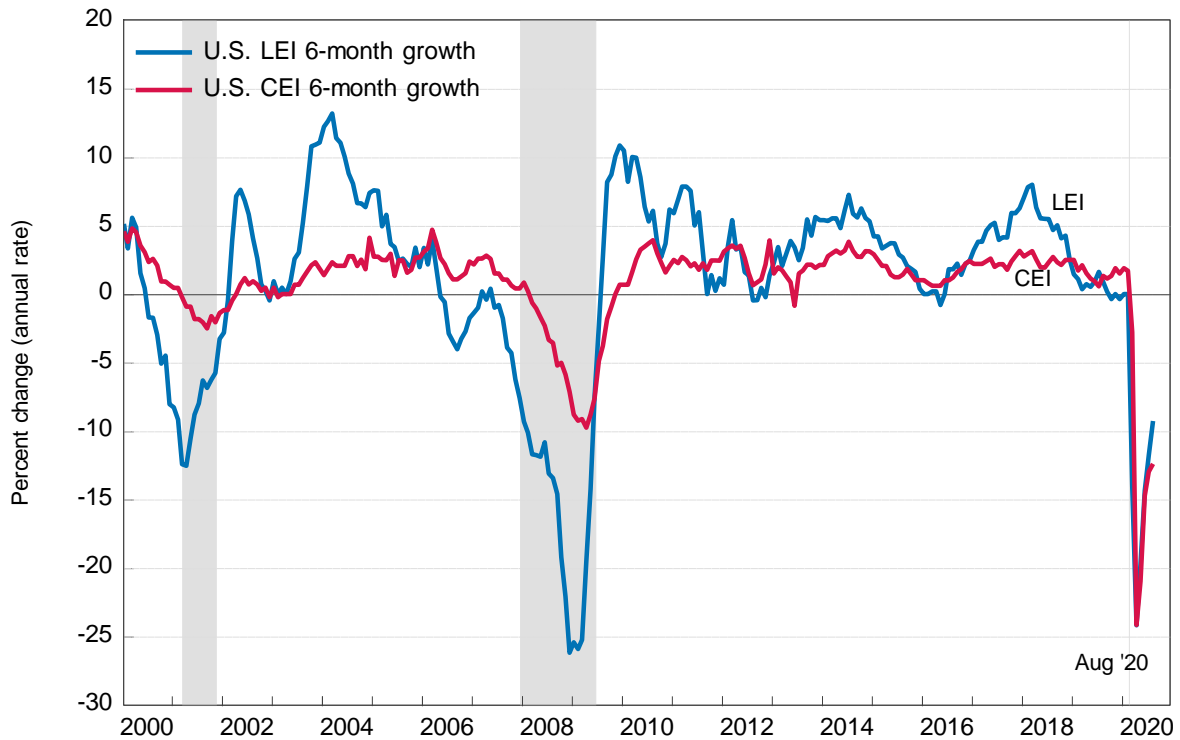
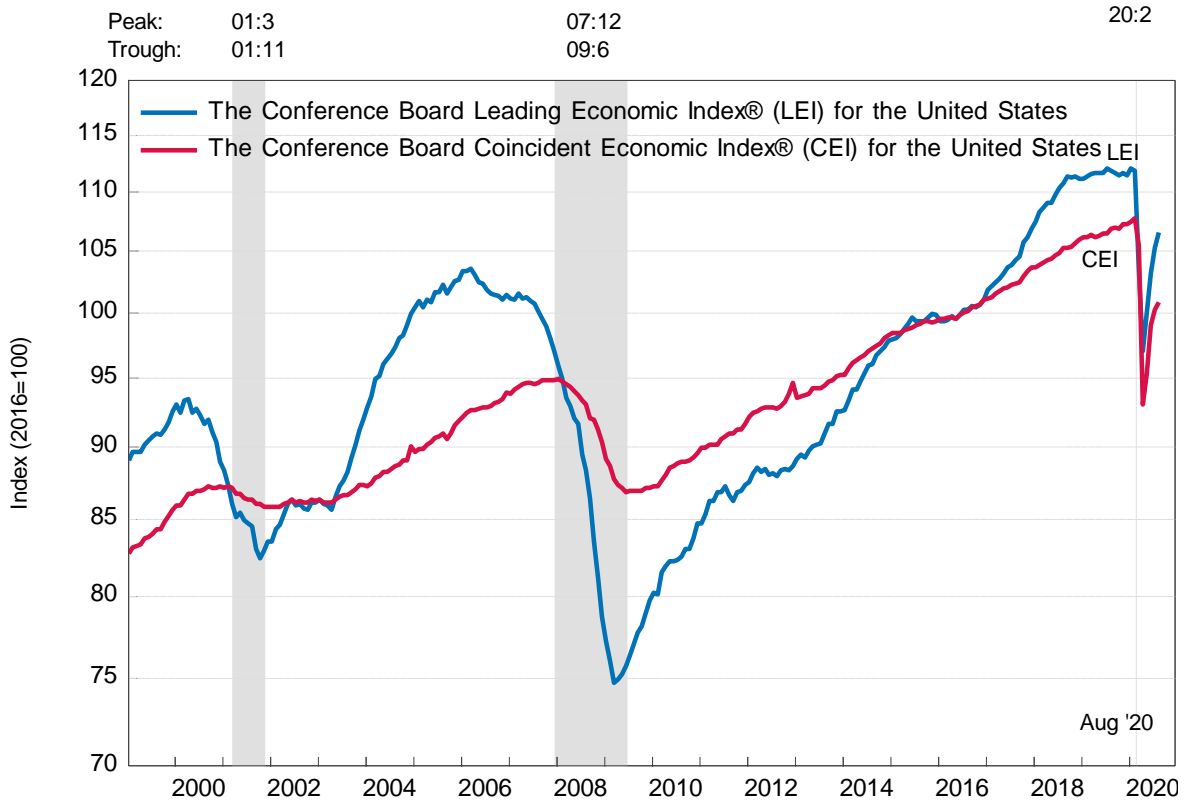
NEW YORK, September 18, 2020...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 1.2 percent in August to 106.5 (2016 = 100), following a 2.0 percent increase in July and a 3.1 percent increase in June.

“While the US LEI increased again in August, the slowing pace of improvement suggests that this summer’s economic rebound may be losing steam heading into the final stretch of 2020,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “Despite the improvement, the LEI remains in recession territory, still 4.7 percent below its February level. Weakening in new orders for capital goods, residential construction, consumers’ outlook, and financial conditions point to increasing downside risks to the economic recovery. Looking ahead to 2021, the LEI suggests that the US economy will start the new year under substantially weakened economic conditions.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.6 percent in August to 100.8 (2016 = 100), following a 1.2 percent increase in July and a 3.9 percent increase in June.

The Conference Board Lagging Economic Index® (LAG) for the U.S. decreased 0.6 percent in August to 107.6 (2016 = 100), following a 0.6 percent decrease in July and a 3.5 percent decrease in June.

The Conference Board Leading Economic Index® (LEI) for the U.S. Remains in Recession Territory in August



Latest LEI Trough March 2009, Latest CEI Trough June 2009
 Shaded areas represent recessions as determined by the NBER Business Cycle Dating Committee.
 Source: The Conference Board

Summary Table of Composite Economic Indexes

	2020			6-month Feb to Aug
	Jun	Jul	Aug	
Leading Index	103.1 r	105.2 r	106.5 p	
Percent Change	3.1 r	2.0 r	1.2 p	-4.7
Diffusion	80	80	50	40
Coincident Index	99.0 r	100.2 r	100.8 p	
Percent Change	3.9 r	1.2	0.6 p	-6.4
Diffusion	100	75	75	0
Lagging Index	108.9 r	108.2 r	107.6 p	
Percent Change	-3.5 r	-0.6 r	-0.6 p	-1.3
Diffusion	35.7	42.9	35.7	42.9

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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