

## News Release

Jonathan Liu (732) 991-1754 / [jonathan.liu@tcb.org](mailto:jonathan.liu@tcb.org)

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***About the Leading Economic Index and the Coincident Economic Index:***

*The Leading Economic Index 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 provides an indication of the current state of the economy. Additional details are below.*

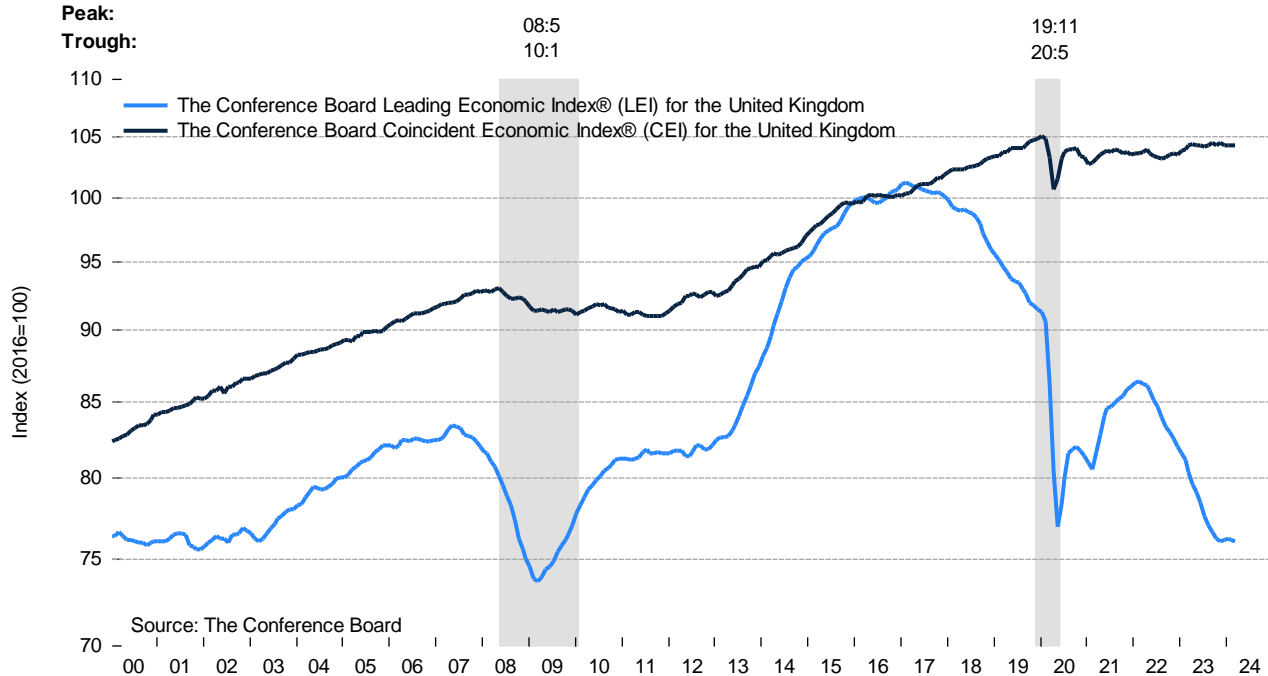
### **The Conference Board Leading Economic Index® (LEI) for the United Kingdom Dipped in March**

**The Conference Board Leading Economic Index® (LEI)** for the United Kingdom dipped slightly by 0.1 percent in March 2024 to 76.0 (2016=100), after also declining by 0.1 percent in February (an upward revision). As a result, the LEI for the UK contracted by 0.8 percent between September 2023 and March 2024, a much slower pace of decline than the contraction of 4.6 percent over the previous six-month period.

**The Conference Board Coincident Economic Index® (CEI)** for the United Kingdom remained unchanged in March 2024 at 104.3 (2016=100), after increasing by 0.1 percent in February. Over the six-month period between September 2023 and March 2024, the CEI for UK declined by 0.2 percent, a partial reversal from the 0.3 percent growth over the previous six-month period.

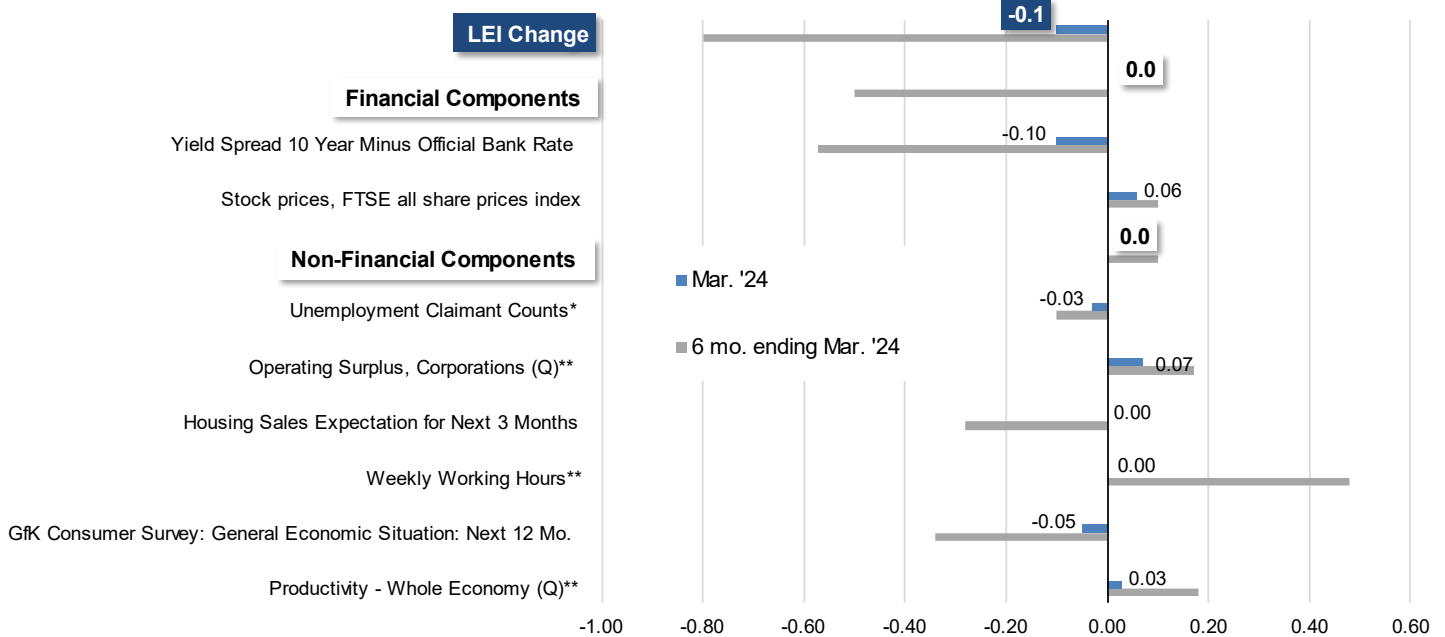
“The UK LEI dipped slightly in March, but the pace of decline remains muted in comparison to the rapid monthly declines from the beginning of 2022 through most of 2023,” said **Allen Li, Associate Economist at The Conference Board**. “In March, only half of the components declined, with mild negative contributions from the yield spread, consumer expectations, and unemployment barely offsetting the positive contributions from the remaining components. While still negative, the six-month growth rate of the UK LEI has been improving since the start of this year. Overall, this suggests that headwinds to economic growth in the United Kingdom will be easing in near term.”

## The UK LEI dipped slightly in March



## The components of the UK LEI were mixed in March

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



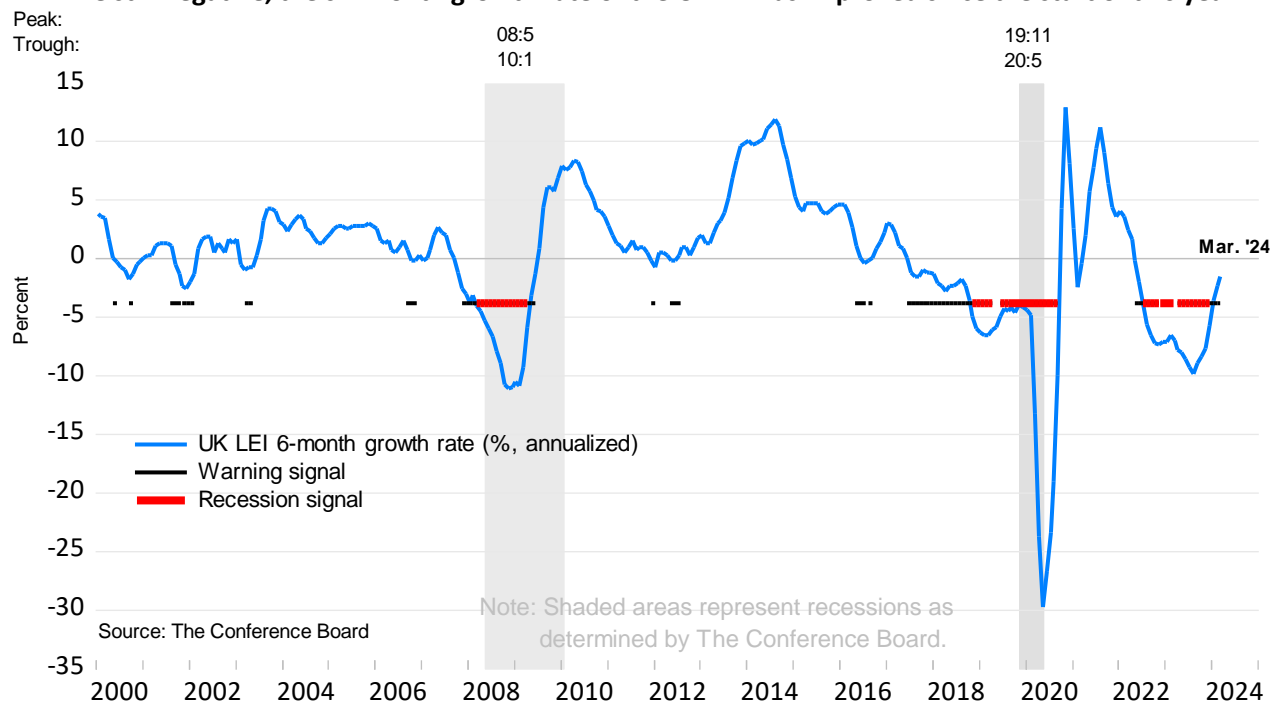
Source: The Conference Board \* Inverted series; a negative change in this component makes a positive contribution.

\*\* Statistical Imputation. -- Q: Quarterly series; these series are converted to a monthly series through a linear interpolation.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

Note: Due to lagging data, a statistical imputation was applied to project data from September 2023 to March 2024 for Productivity. Actual data will be incorporated as soon as data is available from the UK Office of National Statistics.

## While still negative, the six-month growth rate of the UK LEI has improved since the start of this year



Note: The chart illustrates the so-called 3D's rule which is a reliable rule of thumb to interpret the **duration, depth, and diffusion** – the 3D's – 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 3D's 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 -4.0 percent. The red dotted line is drawn at the threshold value (measured by the median, -4.0 percent) on the months when both criteria are met simultaneously. Thus, the red dots signal a recession.

### About The Conference Board Leading Economic Index® (LEI) for The United Kingdom

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 11 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 eight components of **The Conference Board Leading Economic Index®** for The United Kingdom include: Unemployment Claimant Counts, Weekly Working Hours, General Economic Situation, Stock Prices, Yield Spread, Productivity, Total Gross Operating Surplus of Corporations, Housing Sales Expectation.

To access data, please visit: <https://data-central.conference-board.org/>

### About The Conference Board

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