

News Release

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For Release 9:30 AM ET, June 11, 2024

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.

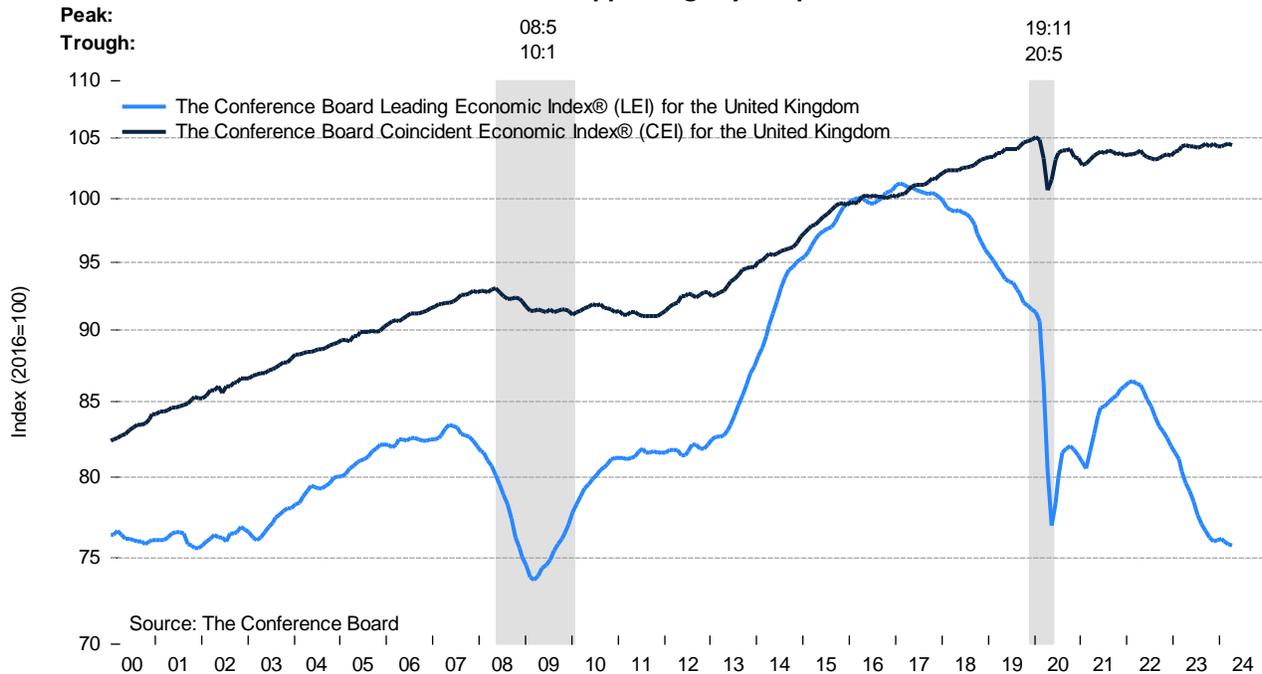
The Conference Board Leading Economic Index® (LEI) for the United Kingdom Dipped in April

The Conference Board Leading Economic Index® (LEI) for the United Kingdom dipped slightly by 0.1 percent in April 2024 to 75.7 (2016=100), following a similar 0.1 percent decline in March. As a result, the LEI for the UK contracted by 0.7 percent between October 2023 and April 2024, an improvement after contracting 4.3 percent over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for the United Kingdom also dipped by 0.1 percent in April 2024 to 104.4 (2016=100), reversing an increase of a 0.1 percent in March. Over the six-month period between October 2023 and April 2024, the CEI for UK grew by 0.1 percent, offsetting a 0.1 percent contraction over the previous six-month period.

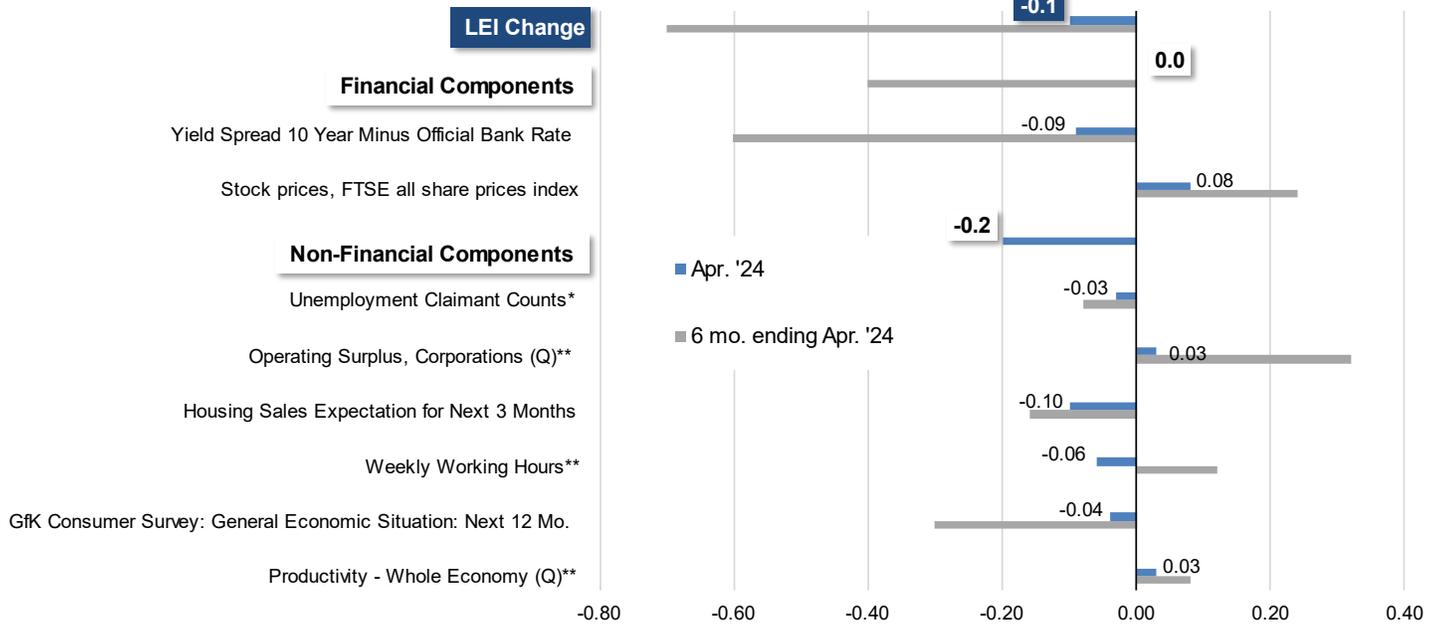
“The UK LEI eased again in April,” said **Allen Li, Associate Economist at The Conference Board**. “In the month, most components contributed negatively to the Index, including housing sales expectations, the yield spread, as well as labor and consumer sentiment indicators. While still negative, the six-month growth rate of the Index has been improving substantially since the start of this year. However, the components of the LEI will need to improve substantially going forward for the Index to suggest an economic expansion. The Conference Board currently expects that after emerging from a technical recession in the second half of 2023 with strong Q1 GDP growth, the UK economy will slow in remainder of 2024.”

The UK LEI dipped slightly in April



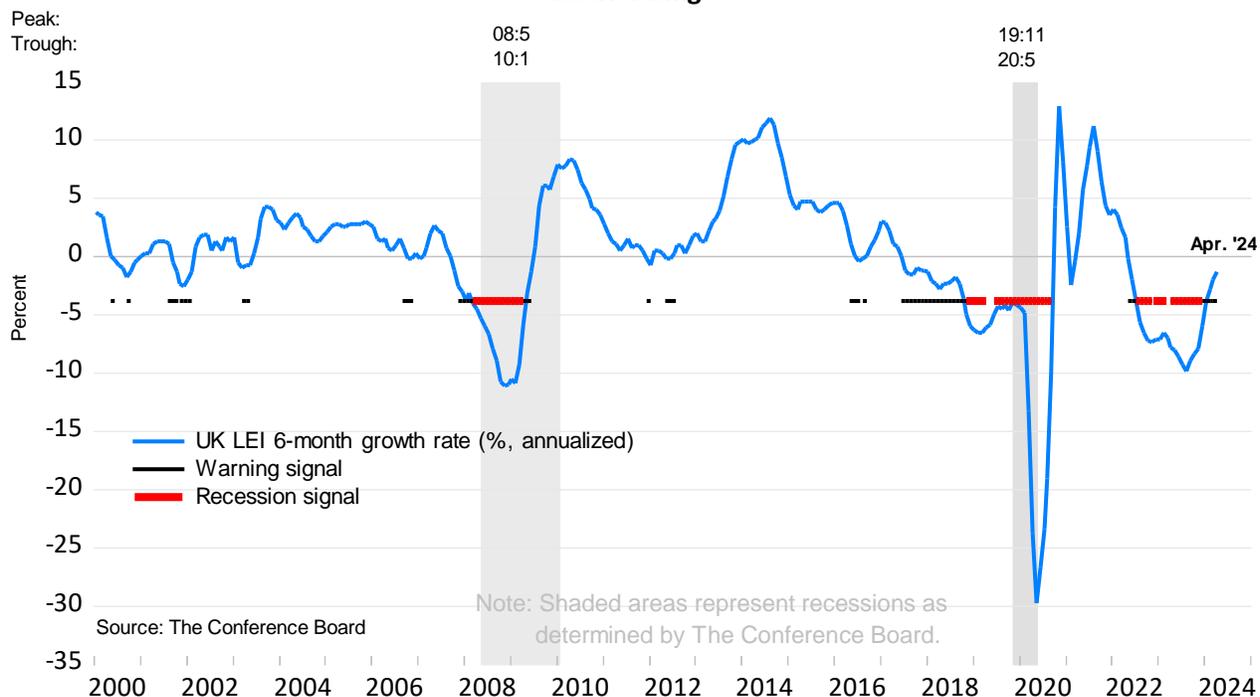
In April, housing sales expectations, the yield spread, labor, and consumer indicators were a drag on the UK LEI

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

While the recession signal stopped flashing in 2024, warning signals remain as most components of the LEI are still deteriorating



NOTE: The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months. **Diffusion** is a measure of how widespread the decline is among the LEI’s component indicators—on a scale of 0 to 100, a six-month **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies below 50, shown by the black warning signal lines in the chart; and 2) the LEI’s six-month rate of decline falls below the threshold of -3.1 percent. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

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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