

News Release

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For Release 9:30 AM ET, August 16, 2024

Using the Composite Indexes: *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.K. Inched Down in June

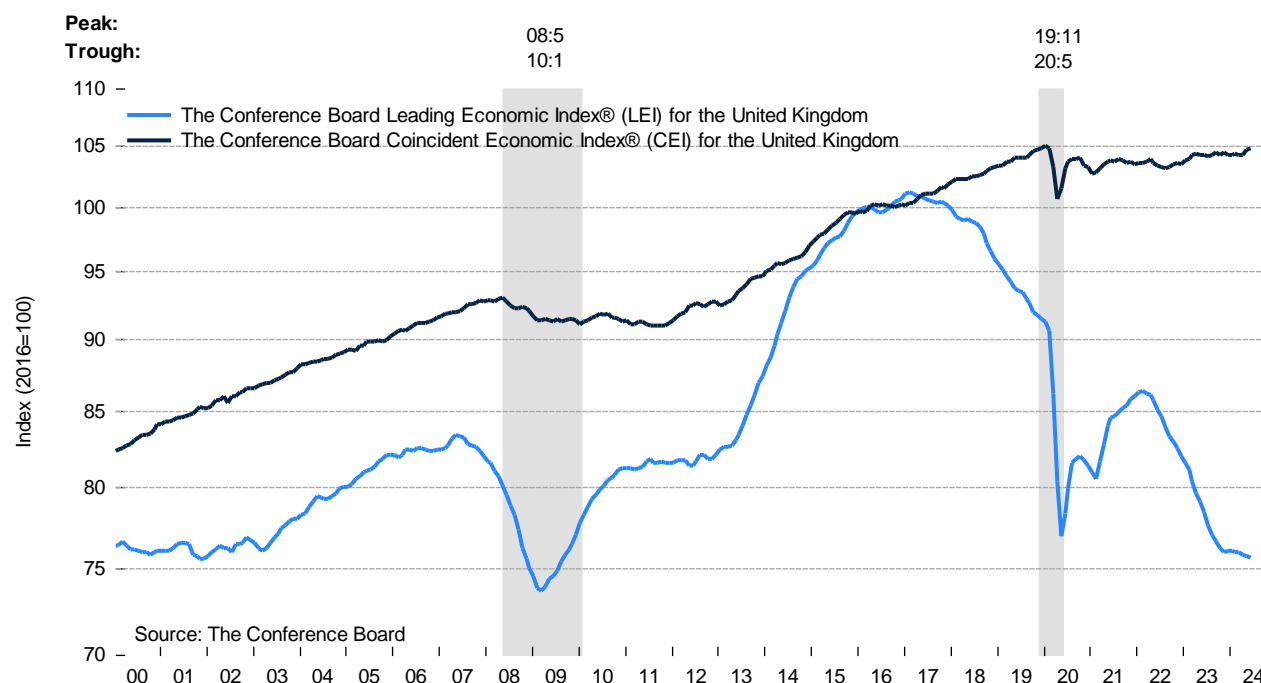
The Conference Board Leading Economic Index® (LEI) for the United Kingdom dipped by 0.1 percent in June 2024 to 75.6 (2016=100), following another 0.1 percent decline in May. As a result, the LEI for the UK contracted by 0.5 percent over the first half of 2024, a smaller rate of decline than the 3.1 percent contraction over the latter half of 2023.

The Conference Board Coincident Economic Index® (CEI) for the United Kingdom rose by 0.1 percent in June 2024 to 104.8 (2016=100), continuing an increase of 0.4 percent in May. Over the first six months of 2024, the CEI for the UK grew by 0.5 percent, after being flat over the second half of 2023.

“The U.K. LEI remained in a slight downward trend in June,” said **Allen Li, Associate Economist at The Conference Board**. “As in May, the weakness was driven by labor market components (unemployment claims and working hours) and financial components. However, consumers’ assessment of economic conditions and housing sales expectations that had been weighing on the Index in the past few months improved in June and contributed positively. The LEI’s six-month growth rate, though still negative, has been considerably less so since the beginning of this year. This suggests that headwinds to economic activity have lessened, and that the UK economy should continue to expand after the strong recovery in the first half of 2024.”

The next release is scheduled for Wednesday, September 11, 2024, at 9:30 A.M. ET.

The U.K. LEI inched down slightly for the third consecutive month in June



In June, components of the UK LEI were mixed, but weaknesses slightly outweighed strengths

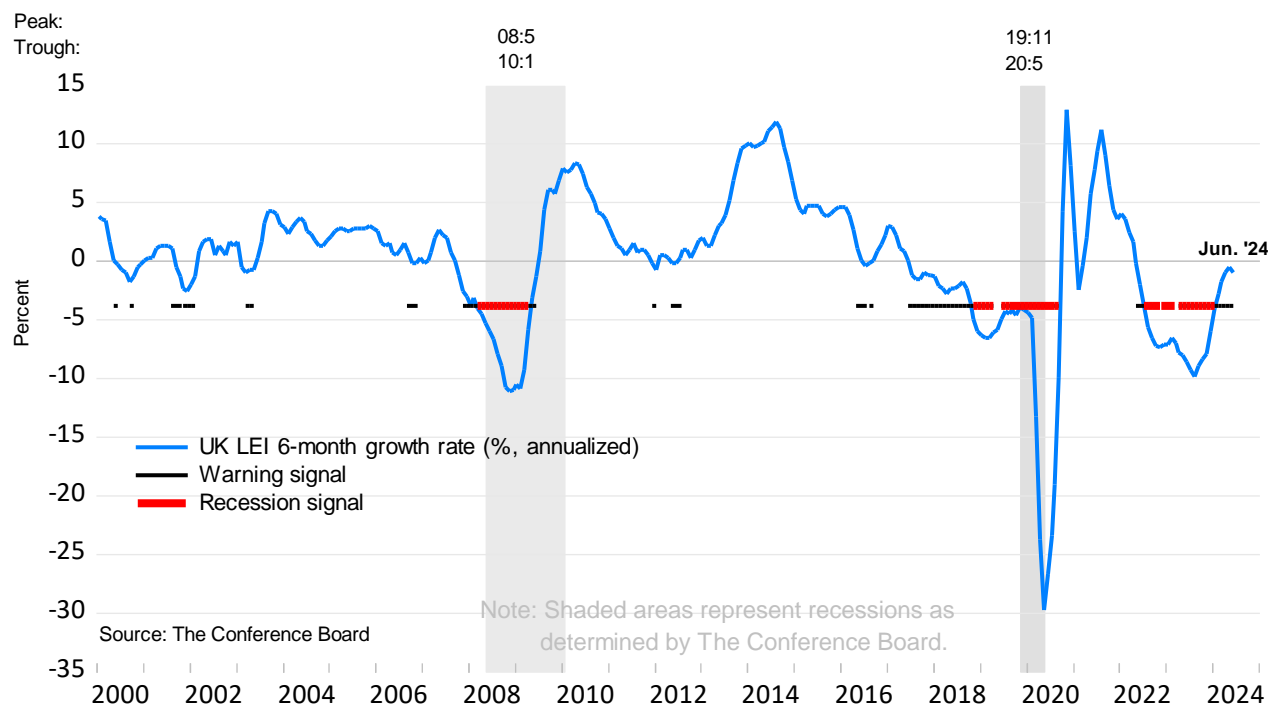
The Conference Board Leading Economic Index® and Component Contributions (Percent)

	Jun. '24	6 mo. ending Jun. '24
Financial Components		
Yield Spread 10 Year Minus Official Bank Rate	-0.09	-0.58
Stock prices, FTSE all share prices index	-0.04	0.25
Non-Financial Components		
Unemployment Claimant Counts*	-0.11	-0.32
Operating Surplus, Corporations (Q)**	0.06	0.44
Housing Sales Expectation for Next 3 Months	0.09	-0.03
Weekly Working Hours**	-0.06	0.00
GfK Consumer Survey: General Economic Situation: Next 12 Mo.	0.01	-0.18
Productivity - Whole Economy (Q)**	0.02	0.30

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.

The longer-term trajectory of the UK LEI has improved substantially since the beginning of the year, indicating lessened headwinds to growth



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 **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the 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)** and **Coincident Economic Index® (CEI)** for the United Kingdom

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, 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 reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around eleven months.

The eight components of the **Leading Economic Index® for the U.K.** are:

- Unemployment Claimant Counts
- Weekly Working Hours
- GfK Consumer Survey: General Economic Situation: Next 12 months
- Stock prices, FTSE all share prices index
- Yield Spread
- Productivity, Whole Economy
- Total Gross Operating Surplus of Corporations
- Housing Sales Expectation for next 3 months ©

The four components of the **Coincident Economic Index® for the U.K.** are:

- Industrial Production
- Retail Sales

- Employment
- Real Household Disposable Income

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

About The Conference Board

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