

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

For Release 9:30 AM ET, September 11, 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. Declined in July

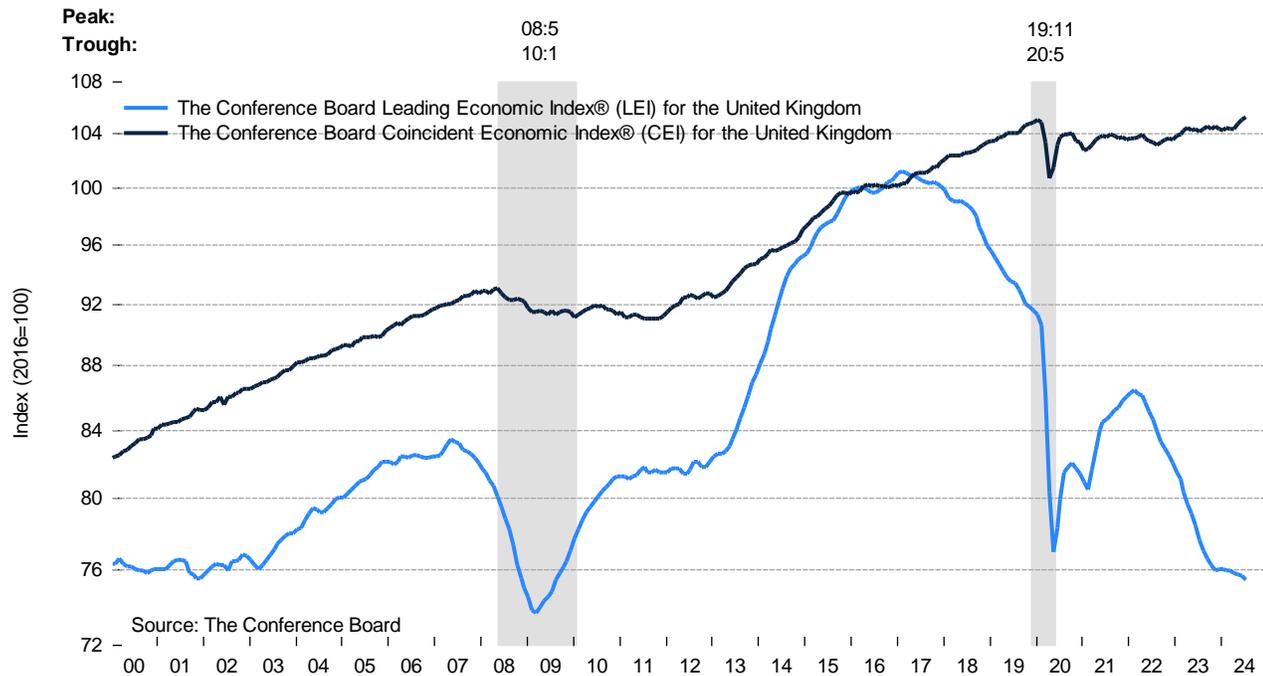
The Conference Board Leading Economic Index® (LEI) for the United Kingdom declined by 0.3 percent in July 2024 to 75.4 (2016=100), following three consecutive 0.1 percent declines in April, May and June. As a result, the LEI for the UK contracted by 0.8 percent over the six-month period between January and July 2024, but still at a smaller rate of decline compared to the 2.1 percent contraction over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for the United Kingdom in contrary rose by 0.2 percent in July 2024 to 105.2 (2016=100), continuing an increase of 0.3 percent in June. Overall, the CEI for the UK grew by 1.0 percent over the six-month period between January and July 2024, at ten times higher rate than the 0.1 percent increase over the six-month period from July 2023 to January 2024.

“The U.K. LEI declined again in July, maintaining its mild downward trend,” said **Allen Li, Associate Economist at The Conference Board**. “The weakness was driven by labor market components (unemployment claims and working hours) as in the previous two months. In addition, the negative yield spread continued to pull down index as has been the case since the beginning of 2023. However, for the second month in a row, consumers’ assessment of economic conditions and housing sales expectations improved after having weighed on the Index for well over two years. The LEI’s annual growth rate, though still negative, has improved substantially since the beginning of the year, indicating still present but lessening headwinds to growth. Overall, the UK economy should continue to expand at a moderate pace in the second half of 2024.”

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

The U.K. LEI declined in July



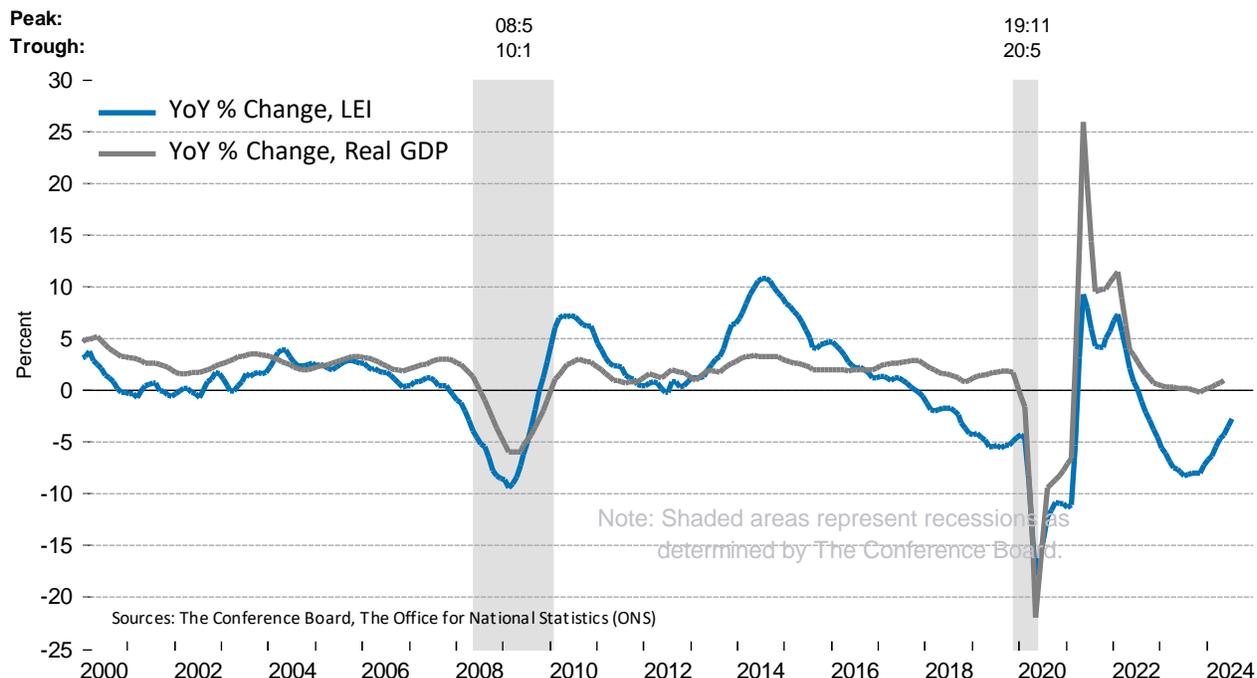
Cooling labor market components weighed on the UK LEI in July

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

	Jul. '24	6 mo. ending Jul. '24
Financial Components		
Yield Spread 10 Year Minus Official Bank Rate	-0.09	-0.56
Stock prices, FTSE all share prices index	0.01	0.26
Non-Financial Components		
Unemployment Claimant Counts*	-0.29	-0.60
Operating Surplus, Corporations (Q)**	0.03	0.43
Housing Sales Expectation for Next 3 Months	0.16	0.13
Weekly Working Hours**	-0.06	-0.18
GfK Consumer Survey: General Economic Situation: Next 12 Mo.	0.04	-0.11
Productivity - Whole Economy (Q)**	0.03	0.24

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, though still negative, has improved substantially since the beginning of the year, indicating persistent, but lessened headwinds to growth



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

The Conference Board is the member-driven think tank that delivers Trusted Insights for What’s Ahead™. Founded in 1916, we are a non-partisan, not-for-profit entity holding 501 (c) (3) tax-exempt status in the United States. [ConferenceBoard.org](https://www.conferenceboard.org)