

News Release

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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 UK Continued to Fall in May

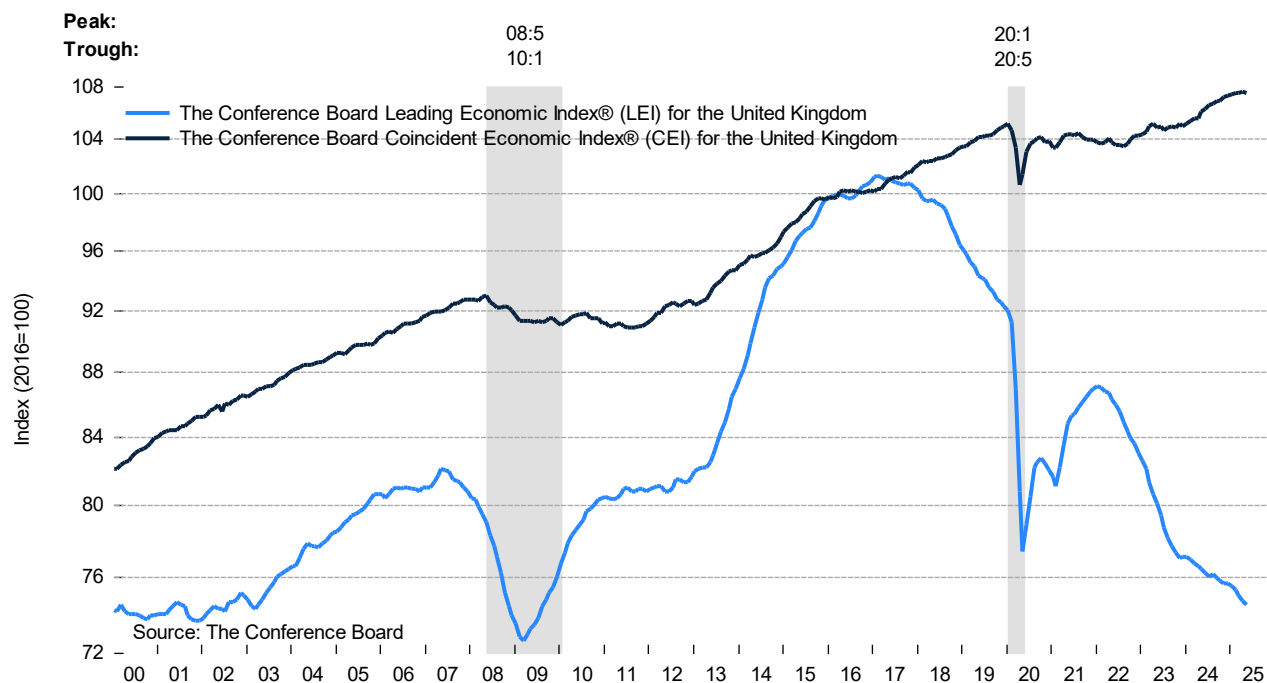
The Conference Board Leading Economic Index® (LEI) for the United Kingdom declined by 0.3% in May 2025 to 74.5 (2016=100), after declining by 0.4% in April. As a result, the UK LEI contracted by 1.5% over the six-month period between November 2024 and May 2025, a slightly higher rate of decline than the -1.0% over the previous six-month period (May 2024 to November 2024).

The Conference Board Coincident Economic Index® (CEI) for the United Kingdom ticked down by 0.1% in May 2025 to 107.4 (2016=100), reversing a 0.1% increase in April. Overall, the CEI for the UK expanded by 0.3% over the six-month period between November 2024 and May 2025, less than a third of the 1.0% growth over the previous six-month period, between May and November 2024.

“The UK LEI continued to slide in May, remaining on a downward trend that started in 2022,” said **Allen Li, Associate Economist at The Conference Board**. “May’s decline in the UK LEI was driven primarily by weaker consumer expectations, housing sales expectations, and an increase in unemployment claims. Meanwhile the stock market improved substantially due to US-UK trade negotiations, mitigating the decrease. The rest of the components remained relatively steady. Overall, the components breakdown suggests that the current headwinds are concentrated in the consumer sector and the labor market amid elevated inflation and economic uncertainty. Despite recurring monthly declines, the 6-month growth rate of the UK LEI remained above the recession threshold, and there was no warning signal either in May, as the diffusion index remained above 50. Overall, the LEI reading suggests that economic growth in the United Kingdom will likely moderate in the remainder of 2025 but will remain positive. The Conference Board expects UK GDP to grow by 1.3% in 2025, after 1.1% in 2024.”

The next release is scheduled for Thursday, August 14, 2025, at 9:30 A.M. ET.

The UK LEI continued its downward trend in May



May's decline in the UK LEI was driven primarily by weaker consumer and housing sales expectations, and an increase in unemployment claims

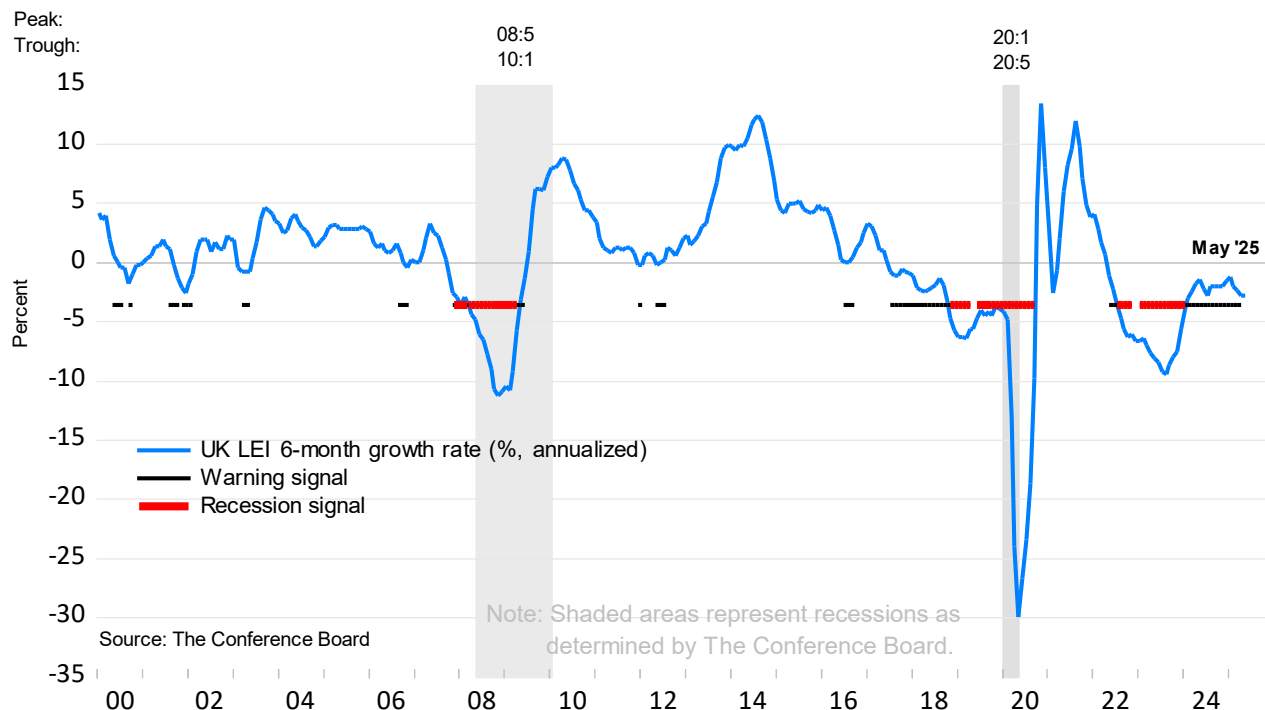
The Conference Board Leading Economic Index® and Component Contributions (Percent)

	May '25	6 mo. ending May '25
Financial Components		
Yield Spread 10 Year Minus Official Bank Rate	0.03	0.01
Stock prices, FTSE all share prices index	0.18	0.17
Non-Financial Components		
Unemployment Claimant Counts*	-0.10	0.02
Operating Surplus, Corporations (Q)**	0.02	-0.07
Housing Sales Expectation for Next 3 Months	-0.10	-0.62
Weekly Working Hours**	0.01	0.02
GfK Consumer Survey: General Economic Situation: Next 12 Mo.	-0.17	-0.79
Productivity - Whole Economy (Q)**	0.03	0.16

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.

Despite consecutive monthly declines, the 6-month growth rate of the UK LEI remained above the recession threshold



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 at an annualized rate. **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 six-month diffusion index lies at or below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month growth rate (annualized) falls below the threshold of -3.6%. 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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