THE CONFERENCE BOARD

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 Declined in August

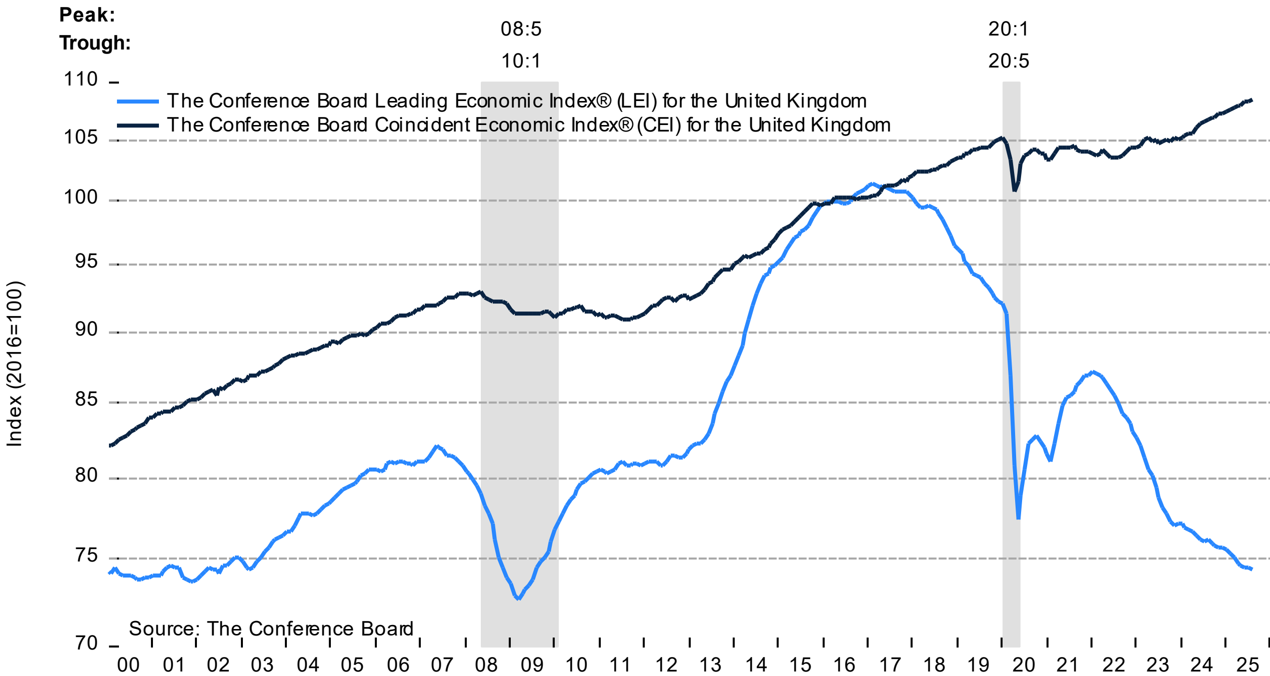
The Conference Board Leading Economic Index® (LEI) for the United Kingdom contracted by 0.3% in August 2025 to 74.3 (2016=100), after no change in July. As a result, the UK LEI decreased by 1.3% over the six-month period from February to August 2025, a higher rate of decline than the -1.1% over the previous six-month period between August 2024 and February 2025.

The Conference Board Coincident Economic Index® (CEI) for the United Kingdom increased by 0.2% in August 2025 to 108.3 (2016=100), after also no change in July. Overall, the CEI for the UK grew by 0.8% over the six-month period from February to August 2025, on par with the 0.8% increase observed over the previous six-month period between August 2024 and February 2025.

“The UK LEI remained on a downward trend and continued to decline in August,” said **Timothy Brennan, Economic Research Associate at The Conference Board.** “As in previous months, the weakness came primarily from soft consumer sentiment, lower housing sale expectations, and a rise in unemployment claimants, which more than offset gains from financial components, operating surplus, and productivity. The 6-month growth rate of the UK LEI stayed above the recession threshold, and the warning signal was not triggered either. Still, the LEI reading indicates that economic growth in the United Kingdom will be sluggish through the remainder of 2025 and into 2026. The Bank of England cut the bank rate for the third time this year in August 2025, a move that could help ease economic headwinds. The Conference Board expects UK GDP to grow by 1.3% in 2025 and in 2026.”

The next release is scheduled for Tuesday, November 11, 2025, at 9:30 A.M. ET.

The UK LEI continued its downward trend in August…

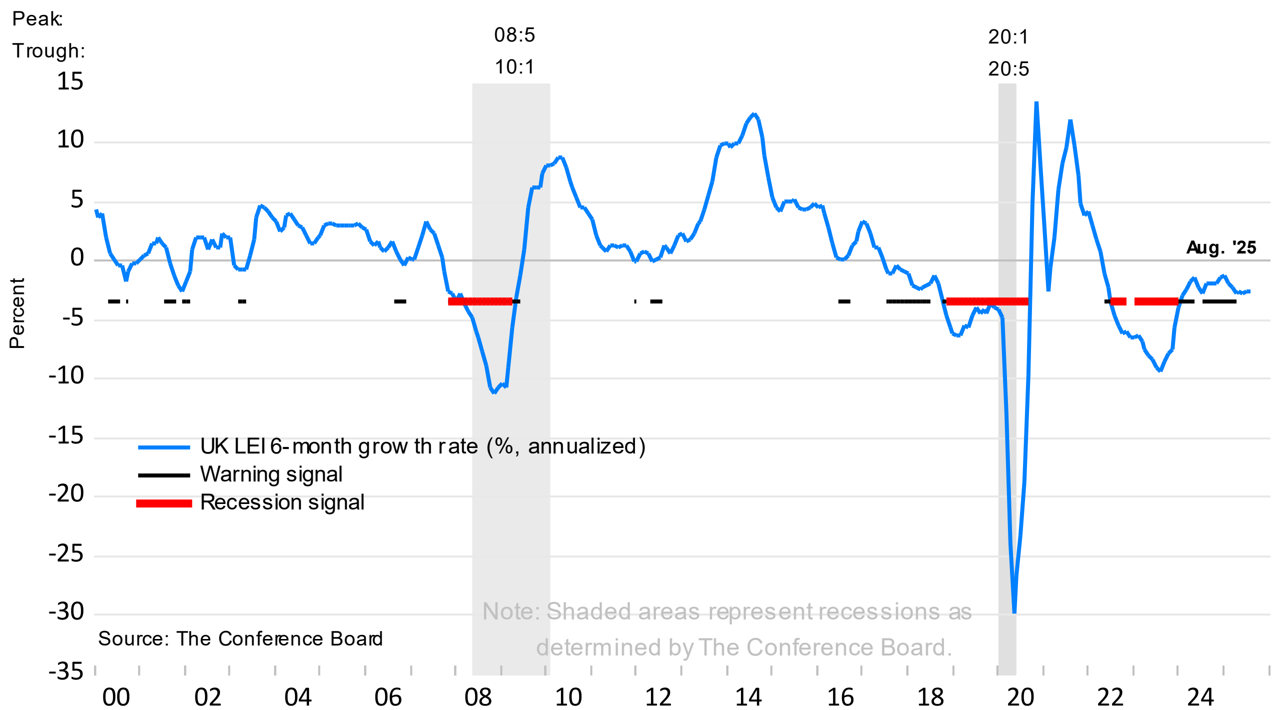


…driven by weaker consumer and housing sale expectations, and a rise in unemployment claimants

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.

The 6-month growth rate of the UK LEI remained above the recession threshold, and the warning signal was not triggered



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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