

News Release

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

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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® for Brazil, together with Fundação Getulio Decreased in November

Next month's release of the composite economic indexes will incorporate annual benchmark revisions which bring them up-to-date with revisions in the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision.

For more information, please visit <https://www.conference-board.org/topics/business-cycle-indicators/> or contact us at indicators@conference-board.org.

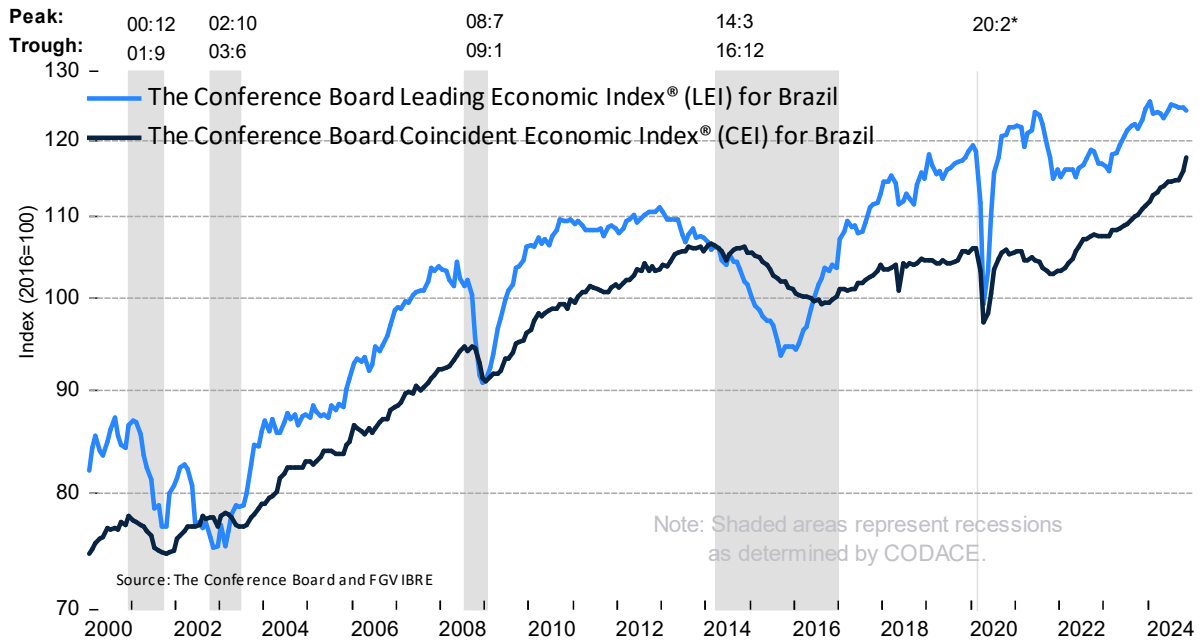
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, decreased by 0.3% in November 2024 to 124.1 (2016=100), following a revised decrease of 0.1% in October. Despite the four consecutive monthly declines, the LEI still expanded by 0.9% over the six-month period between May and November 2024, a much faster rate than the 0.1% growth over the previous six-month period between November 2023 and May 2024.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, increased by 1.6% in November 2024 to 117.7 (2016=100), after a revised increase of 1.1% in October. As a result, the CEI expanded by 3.4% over the six-month period between May and November 2024 after expanding by 2.7% over the previous six-month period.

"The Brazil LEI decreased in November, marking its fourth consecutive month of decline," said **Malala Lin, Economic Research Associate at The Conference Board**. "Concerns about accelerating inflation and increasing public debt persisted in November. This is reflected by the negative contributions from financial components and business expectations, resulting in the decline of the LEI. While the slowing annual LEI growth already suggested some challenges for the Brazilian economy in the near term, monetary and fiscal tightening may add downward pressure to economic growth ahead. Acknowledging increasing inflation expectations and the exchange rate depreciation, the Central Bank of Brazil raised the Selic rate by 100 basis points in December. Moreover, the government recently announced spending cuts to meet the primary deficit target required by the new fiscal framework. In line with this, The Conference Board expects real GDP growth to reach 3.3% in 2024 and moderate to 2.2% in 2025."

The next release is scheduled for Wednesday, January 15, 2025 at 10 A.M. ET.

The Conference Board/Fundação Getulio Vargas Brazil LEI decreased in November



*CODACE has determined that the recession beginning in March 2020 ended in the second quarter of 2020. We will update our business cycle chronology when the monthly trough date is available.

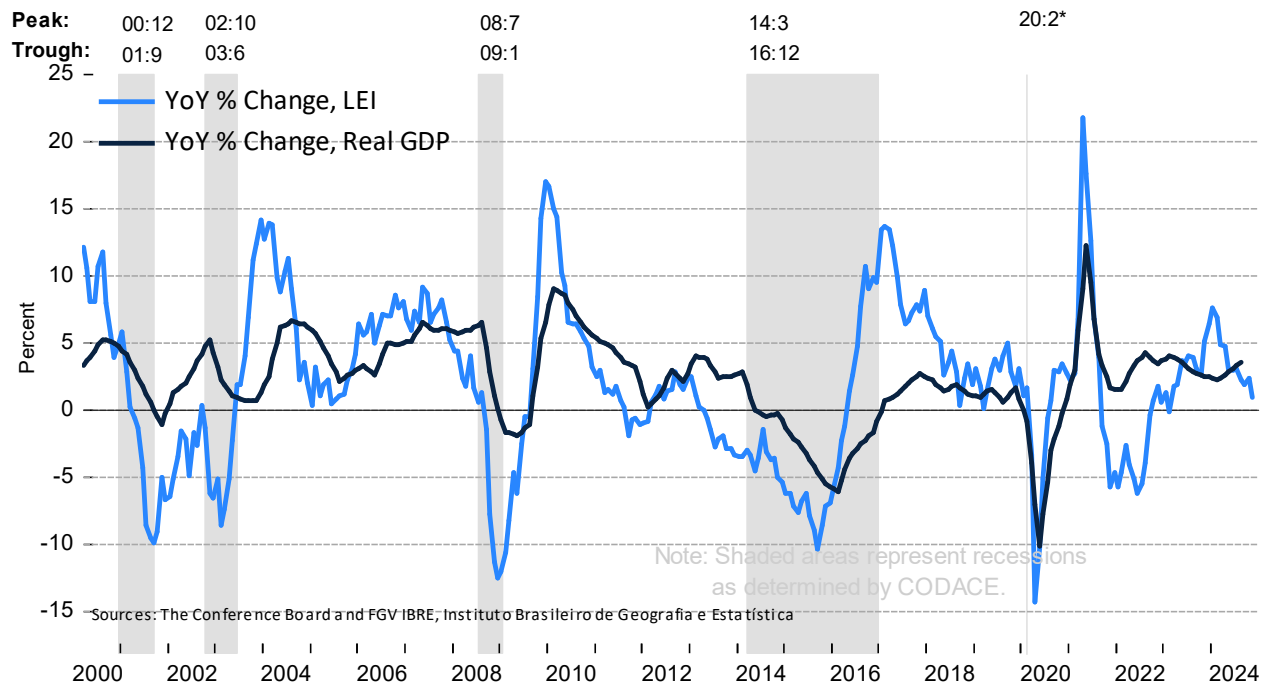
Negative contributions from financial components and business expectations led to the November decline in the LEI

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

	Nov. '24	6 mo. ending Nov. '24
Financial Components		
SWAP Rate, 1 year*	-0.30	-0.88
Stock Prices Ibovespa, Bovespa Index	-0.15	0.29
Non-Financial Components		
Services Sector Survey, Expectations Index	-0.17	0.24
Manufacturing Survey, Expectations Index	-0.13	-0.11
Terms of Trade, Index**	0.00	0.75
Physical Production, Durables Consumer Goods, Index**	0.03	0.39
Consumers Survey, Expectations Index	0.31	0.35
Exports Volume, Index**	0.01	-0.09

Source: The Conference Board
 * Inverted series; a negative change in this component makes a positive contribution
 ** Statistical Imputation
 LEI change might not equal sum of its contributions due to application of trend adjustment factor

Moderating annual LEI growth suggested some challenges for the Brazilian economy in the near term



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About The Conference Board *Leading Economic Index*[®] (LEI) and *Coincident Economic Index*[®] (CEI) for Brazil

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 six months.

The eight components of the *Leading Economic Index*[®] for Brazil are:

- Swap Rate - 1 year
- Ibovespa, Bovespa Index
- Manufacturing Survey, Expectations Index
- Services Sector Survey, Expectations Index
- Consumers Survey, Expectations Index
- Terms of Trade, Index
- Physical Production, Durables Consumer Goods, Index
- Exports, Quantum, Index

The six components of the *Coincident Economic Index*[®] for Brazil are:

- Industrial production
- Industrial Electric Energy Consumption
- Shipments of Corrugated Paper
- Volume of Sales of the Retail Market
- Occupied Employment Population
- Average Real Income of Workers

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

About The Conference Board

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Created in 1944, FGV is a Brazilian private higher education institution, think tank and producer of statistics, with a mission "to foster Brazil's socioeconomic development." The Brazilian Institute of Economics (IBRE) is FGV's arm with the mission to produce and disseminate high-quality economic statistics and studies that are relevant to improve policies and private action in Brazil.

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