

News Release

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For Release 10:00 AM ET, January 15, 2025

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 Declined in December

This month's release of the composite economic indexes incorporates 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.

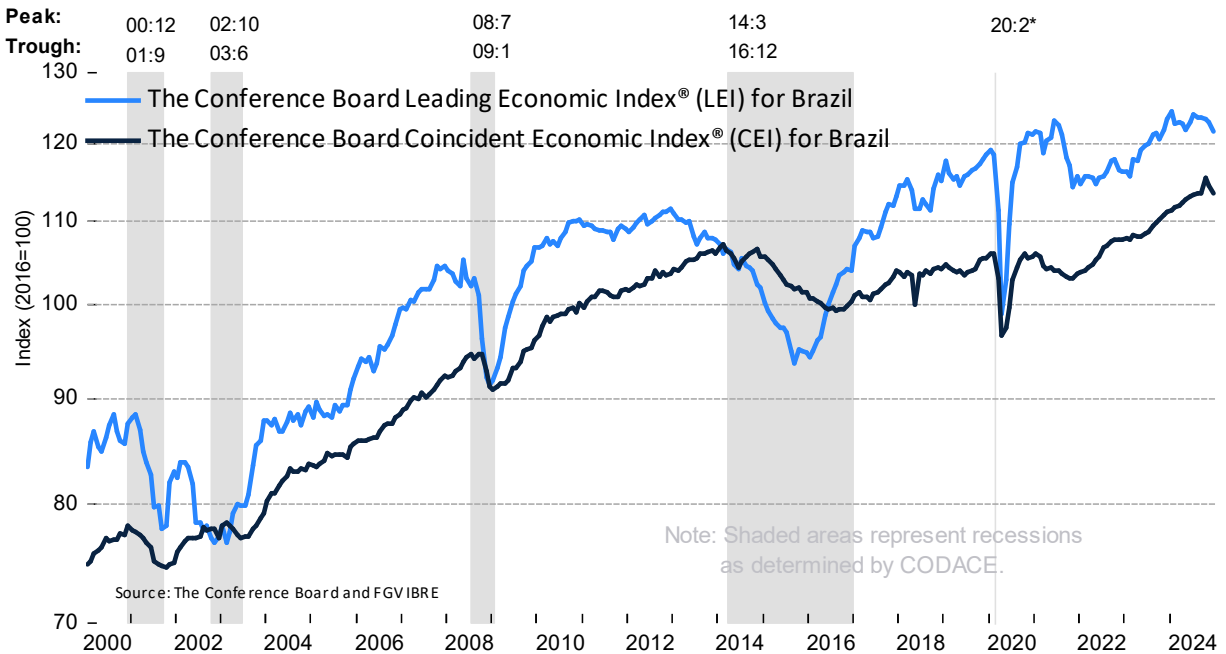
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, declined by 1.1% in December 2024 to 121.5 (2016=100), following a decrease of 0.4% in November. As a result, the LEI contracted by 1.1% over the second half of 2024, a larger rate of decline than the 0.2% contraction over the first half of 2024.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, declined by 1.0% in December 2024 to 113.4 (2016=100), after decreasing by 0.8% in November. Despite the consecutive declines, the CEI expanded by 0.3% over the last six months of 2024, compared to 1.8% growth over the first half of the year.

"The Brazil LEI declined sharply in December," said **Malala Lin, Economic Research Associate at The Conference Board**. "This fifth consecutive monthly decline was driven by weakness in the financial components of the Index. This likely reflects the instability in financial markets due to concerns about inflation and fiscal developments, especially that the fiscal consolidation package passed late December has been considered insufficient. Additionally, consumer expectations deteriorated in December. Moreover, the LEI's annual growth rate turned negative, suggesting headwinds to growth going forward. The BCB had already implemented record-high monetary interventions, however, worsening financial market and consumer sentiment may create more pressure on economic activity."

The next release is scheduled for Friday, February 14, 2025 at 10 A.M. ET.

The Conference Board/Fundação Getulio Vargas Brazil LEI declined in December



*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.

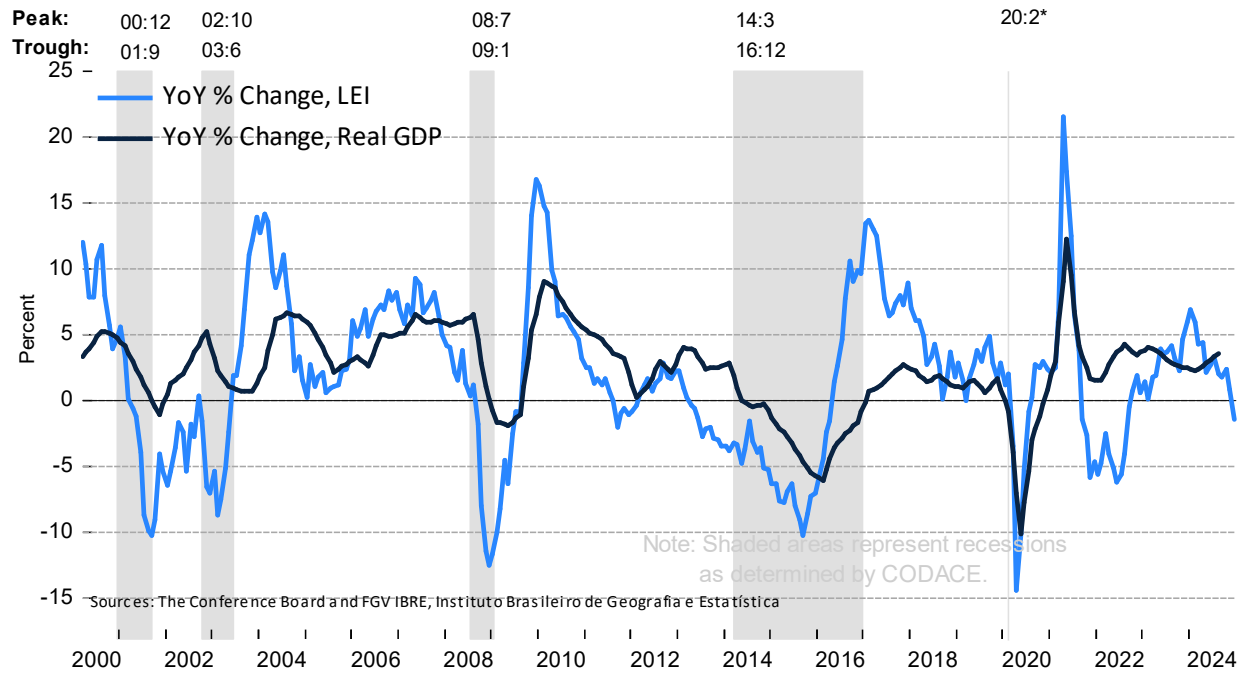
Negative contributions from financial components led to the December decline in the LEI

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

	Dec. '24	6 mo. ending Dec. '24
Financial Components		
SWAP Rate, 1 year*	-0.67	-0.97
Stock Prices Ibovespa, Bovespa Index	-0.20	0.08
Non-Financial Components		
Services Sector Survey, Expectations Index	-0.10	-0.12
Manufacturing Survey, Expectations Index	0.28	-0.20
Terms of Trade, Index**	0.01	0.12
Physical Production, Durables Consumer Goods, Index**	-0.04	0.20
Consumers Survey, Expectations Index	-0.45	0.48
Exports Volume, Index**	0.03	0.07

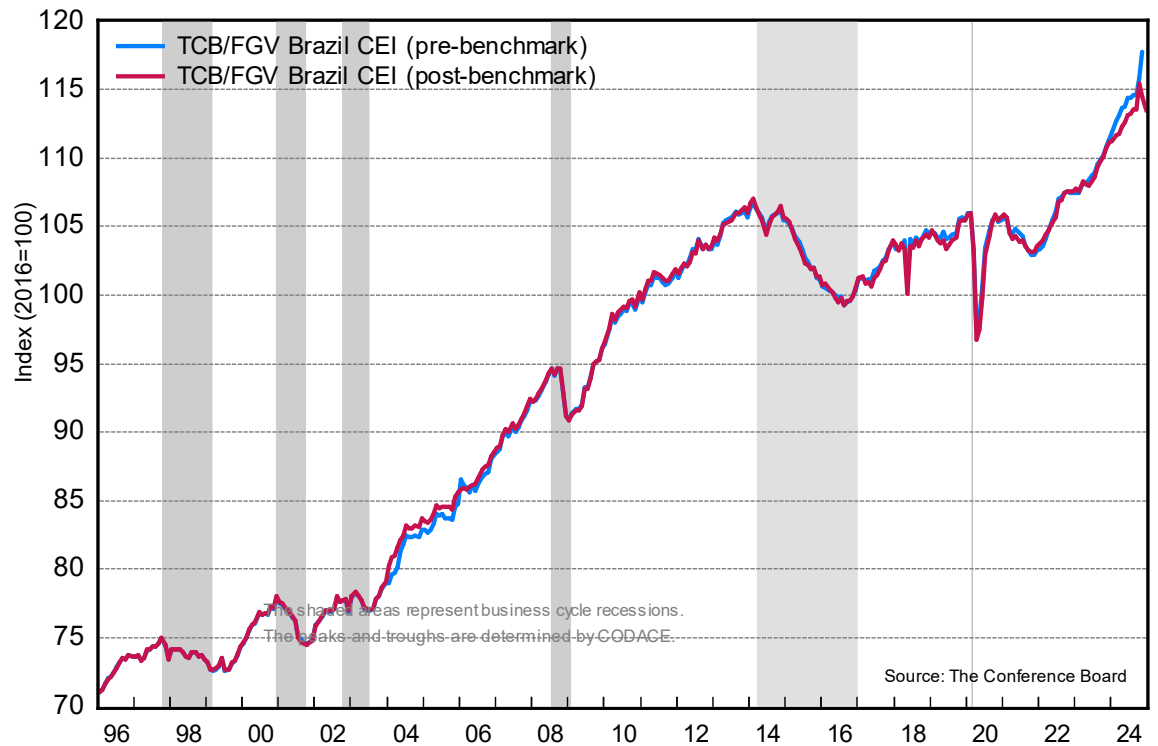
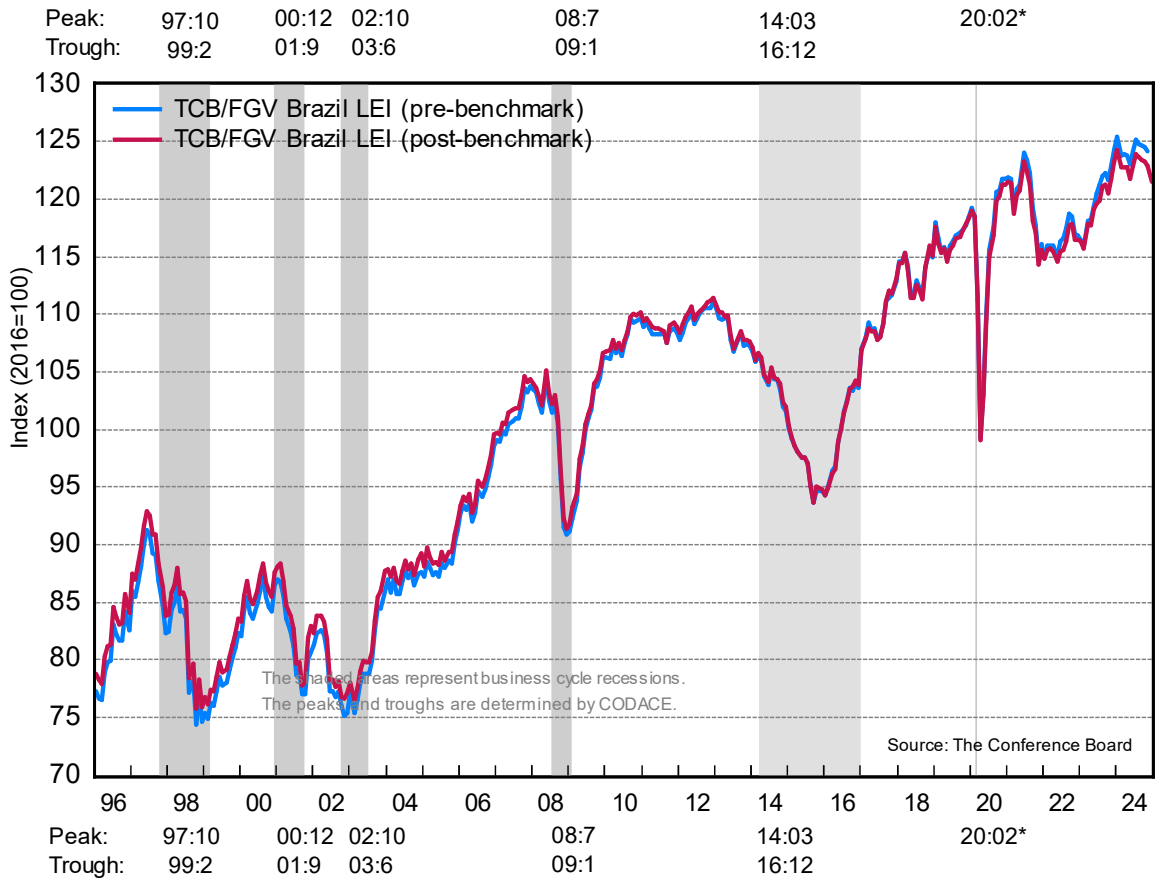
Source: The Conference Board
 * Inverted series; a negative change in this component makes a positive contribution
 ** Statistical Imputation
 LEI change might not equal sum of its contributions due to application of trend adjustment factor

The annual LEI growth rate for Brazil turned negative, signaling headwinds to growth in the near-term



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The composite business cycle indexes pre- and post- benchmark revisions: 1996-present



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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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