

News Release

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

For Release 10:00 AM ET, February 14, 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 Decreased in January

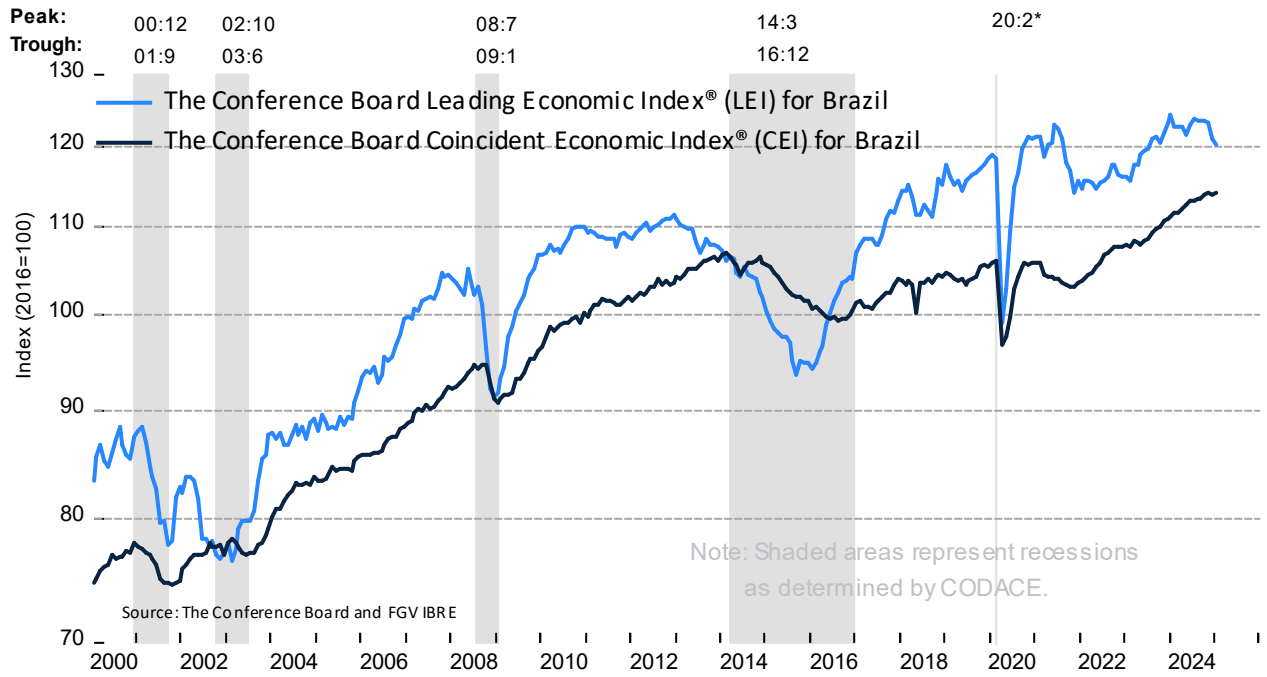
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, decreased by 0.6% in January 2024 to 120.4 (2016=100), following a decline of 1.8% in December. As a result, the LEI contracted by 2.8% over the six-month period between July 2024 and January 2025, a significantly larger rate of decline than the 0.3% contraction over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, increased by 0.3% in January 2024 to 114.3 (2016=100), after decreasing by 0.2% in December. Overall, the CEI expanded by 1.0% over the six-month period between July 2024 and January 2025, after expanding by 1.8% over the previous six-month period.

“The Brazil LEI continued to decrease in January,” said **Malala Lin, Economic Research Associate at The Conference Board**. “The decline can be attributed to deteriorating consumer and business expectations, as well as higher swap rate. This is likely driven by increasing inflation expectations and continued concerns about public debt trajectories. Additionally, the six-month LEI growth rate for Brazil signaled recession for the first time since February 2022. Moreover, the annual growth rates were more negative, suggesting economic intensifying headwinds ahead. Against the background of higher inflation projections, labor market pressures and resilient economic activity so far, the BCB increased the Selic rate by another 100 bps in January. Currently, The Conference Board forecasts real GDP to slow down to 2.0% in 2025.”

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

The Conference Board/Fundação Getulio Vargas Brazil LEI continued to decrease in January



*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.

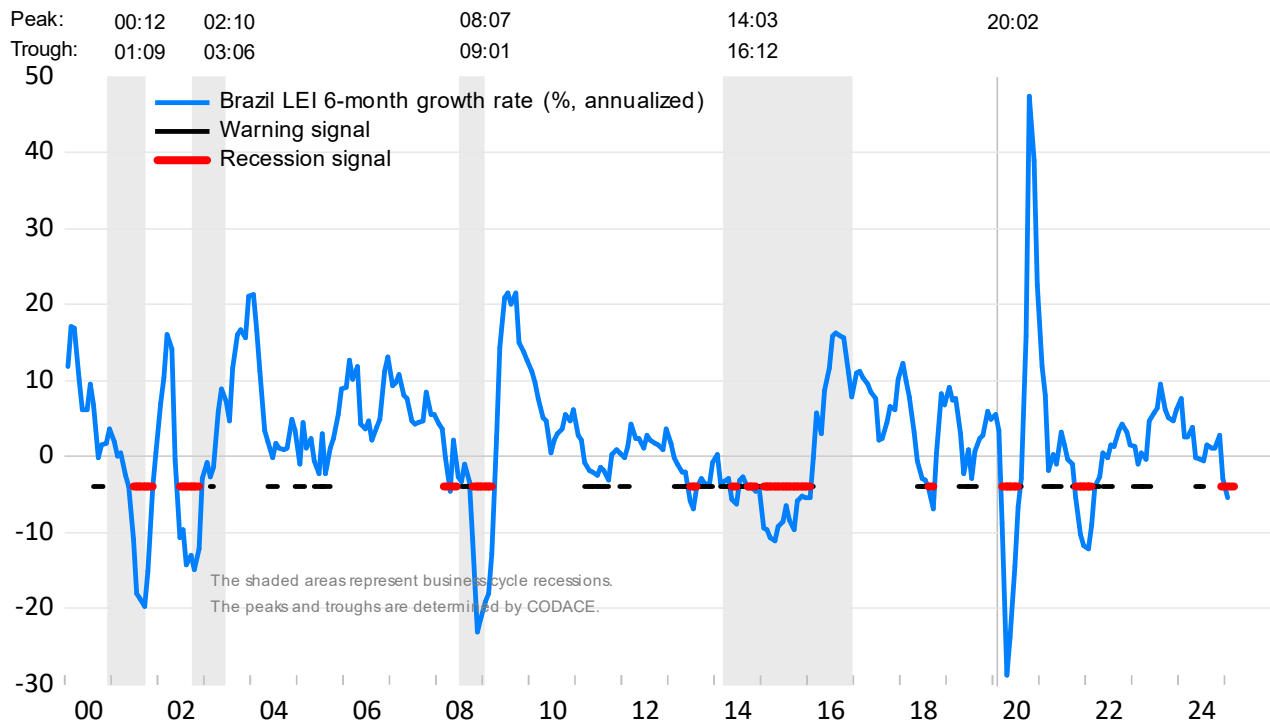
Weak consumer and business expectations dragged the LEI down in January

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

	Jan. '25	6 mo. ending Jan. '25
Financial Components		
SWAP Rate, 1 year*	-0.15	-1.53
Stock Prices Ibovespa, Bovespa Index	0.22	-0.26
Non-Financial Components		
Services Sector Survey, Expectations Index	-0.21	-0.12
Manufacturing Survey, Expectations Index	-0.24	-0.09
Terms of Trade, Index**	0.01	0.46
Physical Production, Durables Consumer Goods, Index**	0.03	-0.16
Consumers Survey, Expectations Index	-0.55	-0.37
Exports Volume, Index**	0.31	-0.54

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 six-month LEI growth rate for Brazil signaled recession for the first time since February 2022



*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.

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

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)

ABOUT FGV IBRE

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.

www.fgv.br/ibre