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® for Brazil, together with Fundação Getulio Ticked Up in March

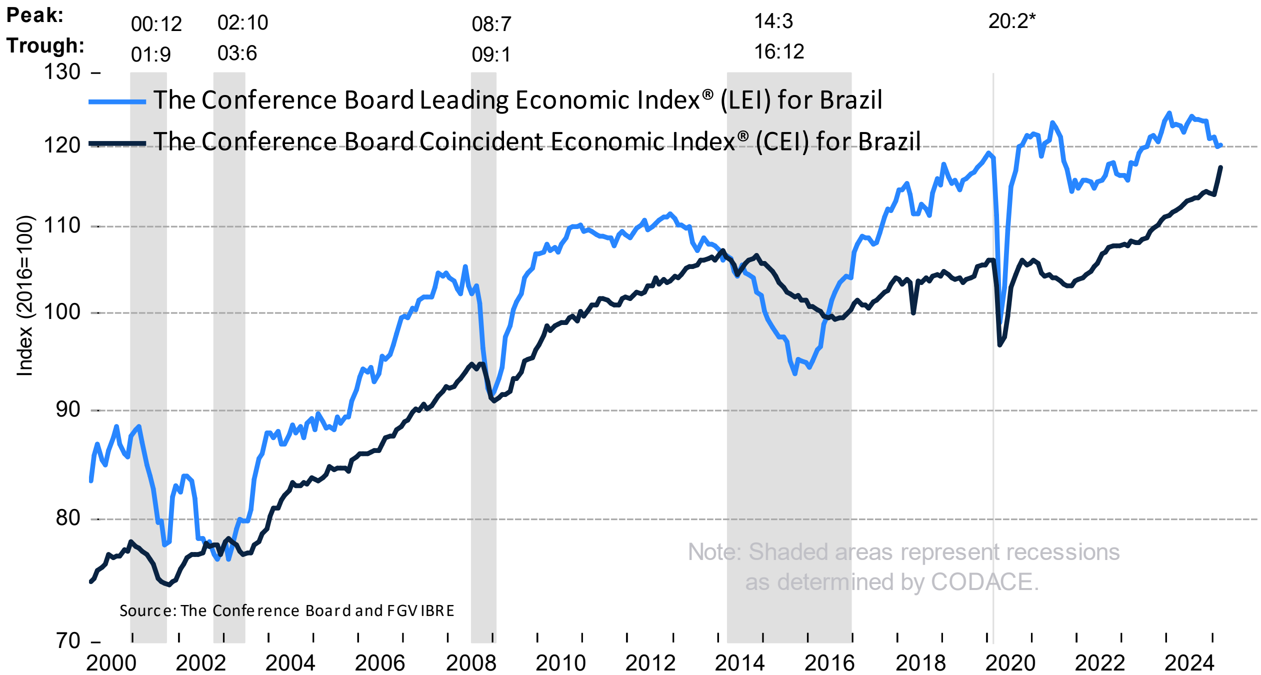
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, increased by 0.2% in March 2025 to 120.1 (2016=100), after decreasing by 1.0% in February. Nonetheless, due to monthly declines in Q4 2024 and in February, the LEI contracted by 2.7% over the six-month period between September 2024 and March 2025, more than reversing the 0.5% expansion over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, increased by 1.6% in March 2024 to 117.3 (2016=100), after increasing by 1.4% in February. Overall, the CEI expanded by 3.3% over the six-month period between September 2024 and March 2025, after expanding by 1.5% between March and September 2024.

“The Brazil LEI increase in March, mainly driven by improvements in exports volume, stock prices, and the expectations index for the services sector” said **Malala Lin, Economic Research Associate at The Conference Board**. “In addition, consumers’ expectations which weighed heavily on the Index in the three previous months improved slightly. However, on a six-month basis, 6 of the 8 LEI components have contributed negatively to the Index. As a result, the six-month and annual growth rates of the LEI remained negative and continued to signal recession risks. Moreover, concerns over high inflation persist, resulting in the Brazil Central Bank (BCB) raising the Selic rate by 100bps in March. Currently, The Conference Board forecasts real GPD growth to remain relatively weak and only reach 1.6% for 2025.”

The next release is scheduled for Thursday, May 15, 2025 at 10 A.M. ET.

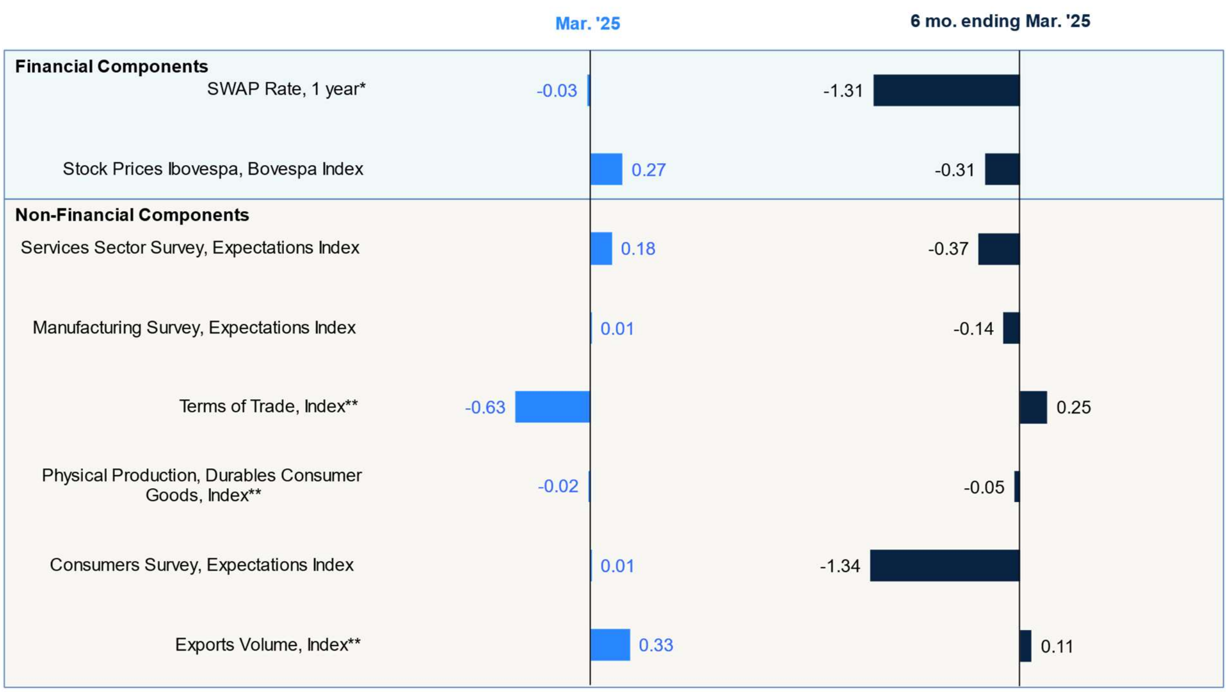
The Conference Board/Fundação Getulio Vargas Brazil LEI ticked up in March



*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.

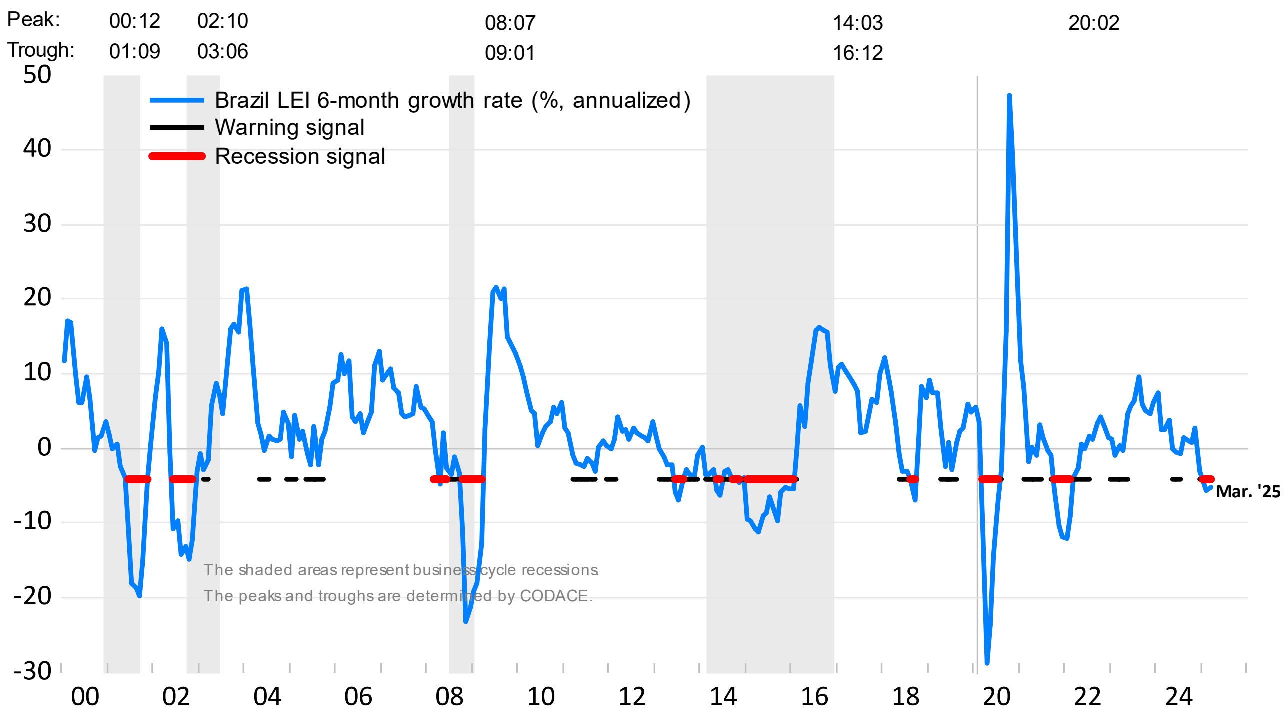
The March uptick was driven by exports, stock prices, and services sector expectations

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
LEI change might not equal sum of its contributions due to application of trend adjustment factor

The six-month LEI growth rate for Brazil continued to signal recession risks in March



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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. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a six-month **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 below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month rate of decline falls below the threshold of −4.1%. 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 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

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