

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 Euro Area Ticked Down in February

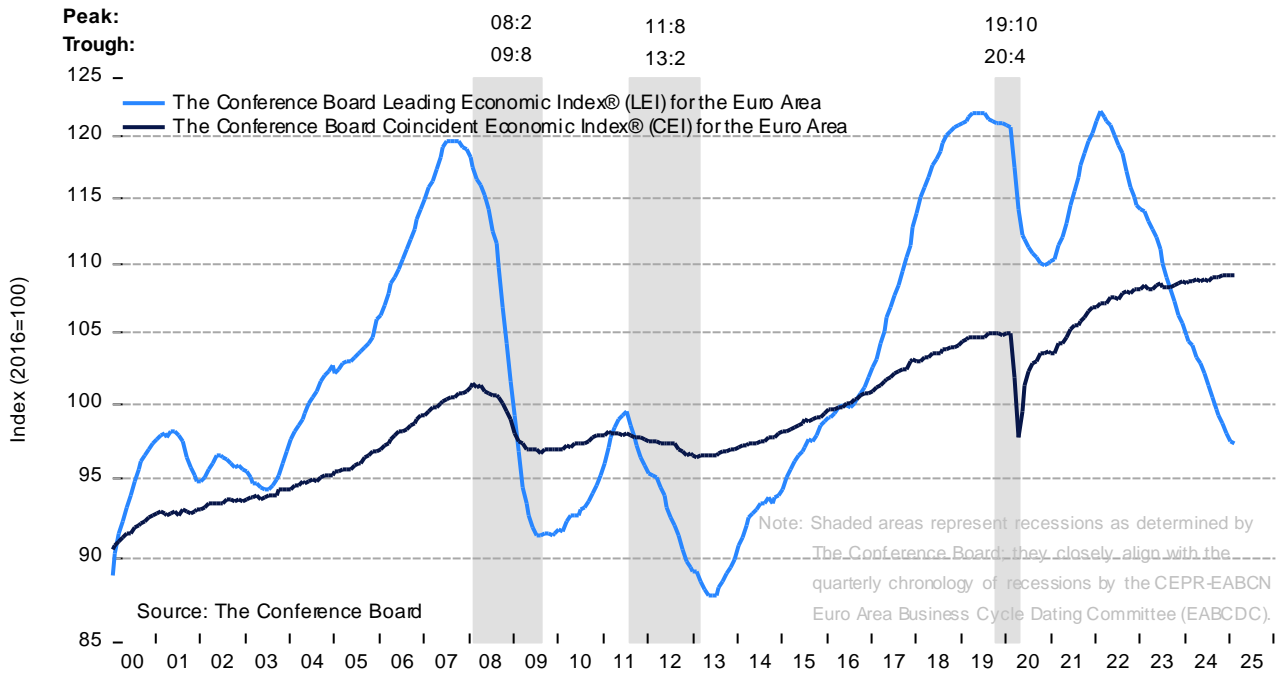
The Conference Board Leading Economic Index® (LEI) for the Euro Area inched down by 0.2% in February 2025 to 97.2 (2016=100), following a decline of 0.5% in January. As a result, the LEI contracted by 3.2% over the six-month period from August 2024 to February 2025, a slower rate of decline than the –3.7% experienced over the previous six-month period between February and August 2024.

The Conference Board Coincident Economic Index® (CEI) for the Euro Area was unchanged in February 2025 at 109.1 (2016=100) and has been at this level since November 2024. Overall, the CEI gained a mere 0.1% over the six-month period from August 2024 to February 2025, a third of the 0.3% growth over the previous six months.

“The Euro Area LEI continued to fall in February, but at a slower pace than in recent months” said **Ian Hu, Economic Research Associate, at The Conference Board**. “Despite a rally in stock market prices and the systemic stress indicator (both of which have been supporting the Index in recent months), all non-financial components contributed negatively, resulting in a slight decrease in the LEI. Although the six-month and annual growth rates continue to recover from lows in late-2023 and early 2024, they still point to obstacles to growth ahead. Additionally, potential headwinds may arise from US trade policy uncertainty and geopolitical tensions that are not yet fully captured in the Index. Considering continued monetary easing by the European Central Bank (ECB), which would help support economic activity, The Conference Board projects Euro Area’s real GDP to remain slow at just under 1% in 2025.”

The next release is scheduled for Thursday, April 17, 2025, at 9:30 A.M. ET.

The Euro Area LEI declined further in February



All non-financial components more than offset positive contributions from financial components in February

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



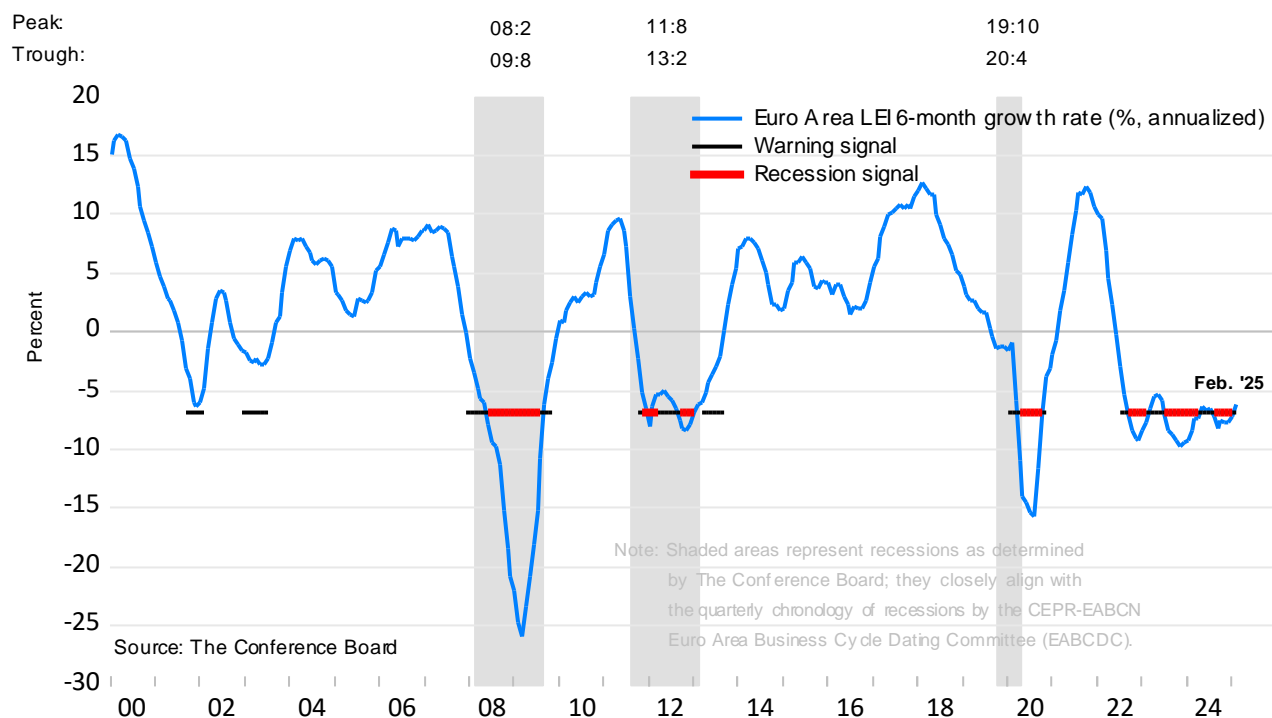
Source: The Conference Board

* 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 negative six-month growth rate of the Euro Area LEI inched up and out of recession signal territory for the first time since mid-2024



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 -7% . 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 Euro Area

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 two months.

The eight components of *Leading Economic Index*® for the Euro Area are:

- ECB Minimum Bid Yield Spread
- Consumer Expectations of the General Economic Situation
- EURO STOXX® Price Index
- Markit® Manufacturing New Orders
- Markit® Business Expectations Index (Services)
- Volume of Order Books
- Index of Residential Building Permits
- Systemic Stress Composite Indicator

The four components of the *Coincident Economic Index*® for the Euro Area are:

- Industrial Production

- Employment
- Retail Sales
- Manufacturing Sales

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

About The Conference Board

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