

## News Release

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**For Release 9:30 AM ET, December 16, 2024**

**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 France Declined in October**

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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](mailto:indicators@conference-board.org).

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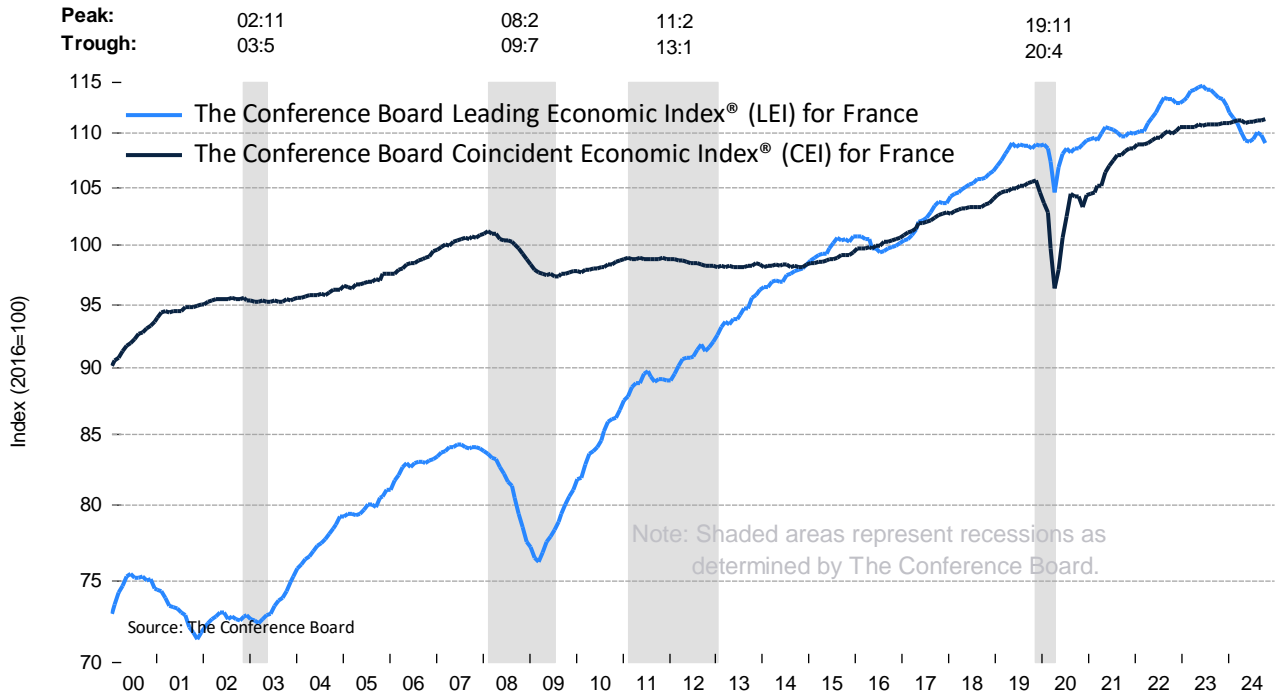
**The Conference Board Leading Economic Index® (LEI)** for France declined by 0.6% in October 2024 to 109.1 (2016=100), continuing the September 0.2% decline (based on revised data). The LEI for France contracted by 0.9% over the six-month period between April and October 2024, still an improvement from the 2.9% decline over the previous six-month period.

**The Conference Board Coincident Economic Index® (CEI)** for France ticked up by 0.1% to 111.3 (2016=100) in October 2024, after no change in September. The CEI for France rose by 0.1% over the six-month period from April to October 2024, after growing by 0.4% between October 2023 and March 2024.

“The France LEI declined again in October, reaching the lowest level in four years,” said **Allen Li, Associate Economist at The Conference Board**. “The weakness was widespread with new industrial orders, production expectations, new unemployment claims, and the yield spread contributing to the decline. Growing uncertainties regarding the political situation and the 2025 budget weighed on the business expectations components of the index while the rebound in unemployment claims likely reflects the end of the Olympic Games temporary boost. Following some revisions to the index based on newly released data for Q3, the six-month growth rate of the France LEI showed some improvement from the rapid declines earlier in the year. However, it remained negative and still warned of headwinds to economic growth ahead. The Conference Board currently expects France GDP to grow by 1.2% in 2024 thanks to the high consumption associated with the Olympics games that led to sizable GDP growth in Q3. Growth is however expected to slow to 0.7% in 2025 in a context of fiscal consolidation and looming trade tensions.”

**The next release is scheduled for Friday, January 24, 2025, at 9:30 A.M. ET.**

## The France LEI declined in October to a four-year low



## Four of the seven components of the France LEI weakened in October

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

Oct. '24

6 mo. ending Oct. '24

Component	Oct. '24	6 mo. ending Oct. '24
<b>Financial Components</b>		
Stock Price SBF250 Index	0.00	-0.15
Yield Spread, 10 year minus short-term rates #	-0.08	-0.90
<b>Non-Financial Components</b>		
Ratio Deflator of Value Added to Unit Labor Cost (Q)**	0.05	0.62
Production Expectations	-0.18	-0.18
Industrial New Orders	-0.22	-0.19
New Unemployment Claims*	-0.17	0.17
Building Permits, Residential	0.02	0.07

Source: The Conference Board

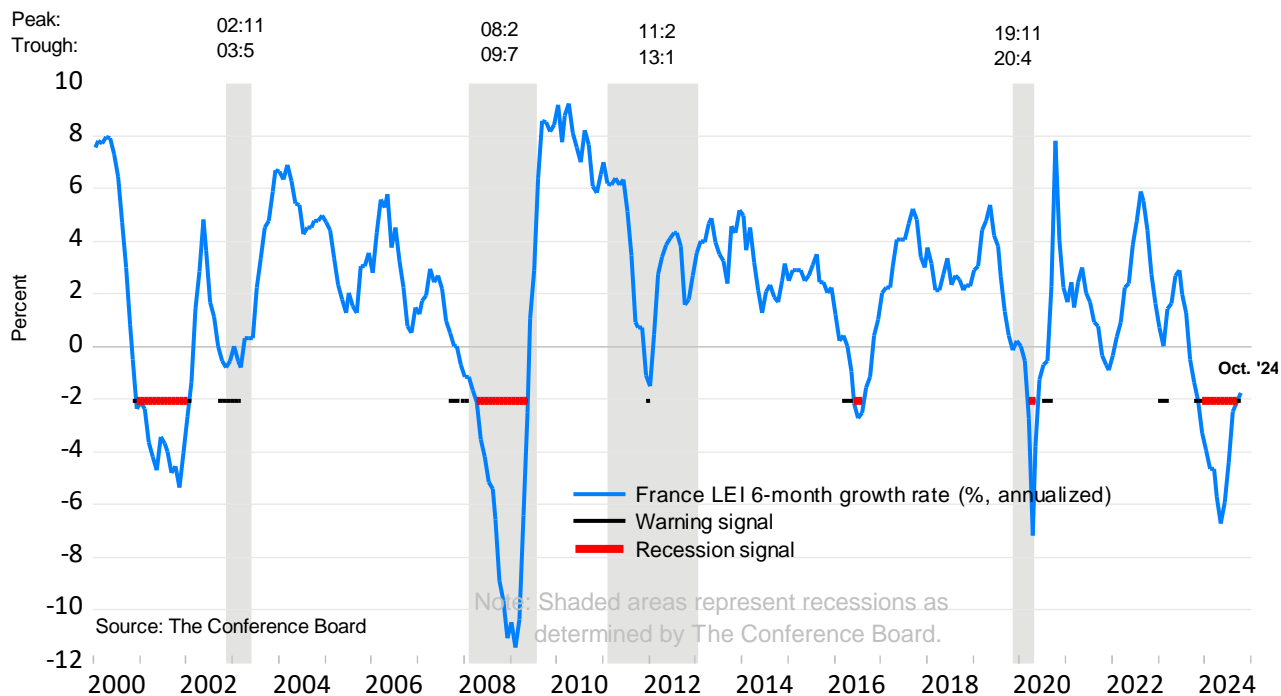
\* Inverted series; a negative change in this component makes a positive contribution.

\*\* Statistical imputation. -- Q. Quarterly series; these series are converted to a monthly series through a linear interpolation

# The short-term rates used are Day-to-Day Loan rate, Euribor, and Ester through the history of this variable.

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

## While the six-month growth rate of the France LEI improved and stopped signaling a recession, it still warned of headwinds to economic growth ahead



**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 **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the 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 -2.1 percent. 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 France

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 twelve months.

The seven components of *Leading Economic Index*® for France are:

- Yield Spread
- Stock Prices
- Building Permits
- New Unemployment Claims
- Industrial New Orders
- Production Expectations
- Ratio P/L Cost

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

- Industrial Production
- Personal Consumption
- Employment (Private sector)
- Wages and Salaries

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

**About The Conference Board**

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