

## News Release

Jonathan Liu (732) 991-1754 / [jonathan.liu@tcb.org](mailto:jonathan.liu@tcb.org)

**For Release 9:30 AM ET, January 21, 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® (LEI) for Germany Declined in November**

---

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

---

**The Conference Board Leading Economic Index® (LEI)** for Germany declined by 0.5% in November 2024 to 87.1 (2016=100), after increasing by 0.2% in October. Over the six-month period between May and November 2024, the LEI for Germany contracted by 0.9%, a slightly slower decline than the 1.3% contraction over the previous six-month period, between November 2023 and May 2024.

**The Conference Board Coincident Economic Index® (CEI)** for Germany rose by 0.1% in November 2024 to 103.6 (2016=100), reversing a 0.1% decline October. The CEI for Germany was flat from May to November 2024, a positive turn from the 0.2% decrease over the previous six-month period.

"The LEI for Germany declined in November 2024, erasing all the gains reported in September and October," said **Allen Li, Associate Economist at The Conference Board**. "The September-October rebound was short lived. Consumer confidence, that had improved in October, weakened again following the political instability that resulted from the collapse of the governing coalition. Meanwhile, the negative yield spread continued to weigh on the Index. In addition, stock prices and new orders for investment goods, which supported the Index in recent months, also contributed negatively potentially reflecting the political crisis and trade uncertainties associated with the tariff announcements by the incoming US administration. After a contraction of 0.2% in 2024, the Conference Board currently projects German real GDP growth to remain weak in 2025 at 0.4%."

**The next release is scheduled for Monday, February 17, 2025, at 9:30 A.M. ET.**



## Despite the monthly decline, the semi-annual growth of the Germany LEI remains much less negative than a year ago, suggesting lessened headwinds to economic growth ahead

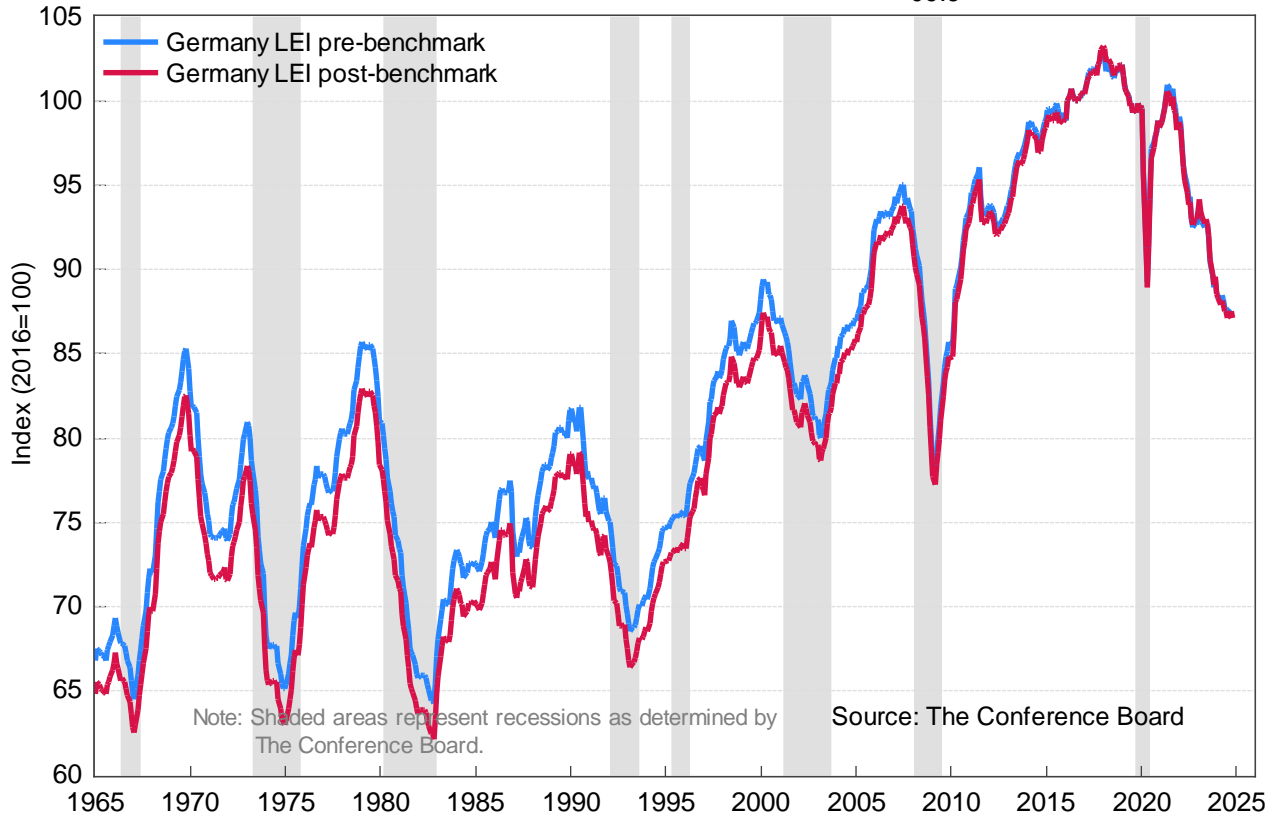


**NOTE:** The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over 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.

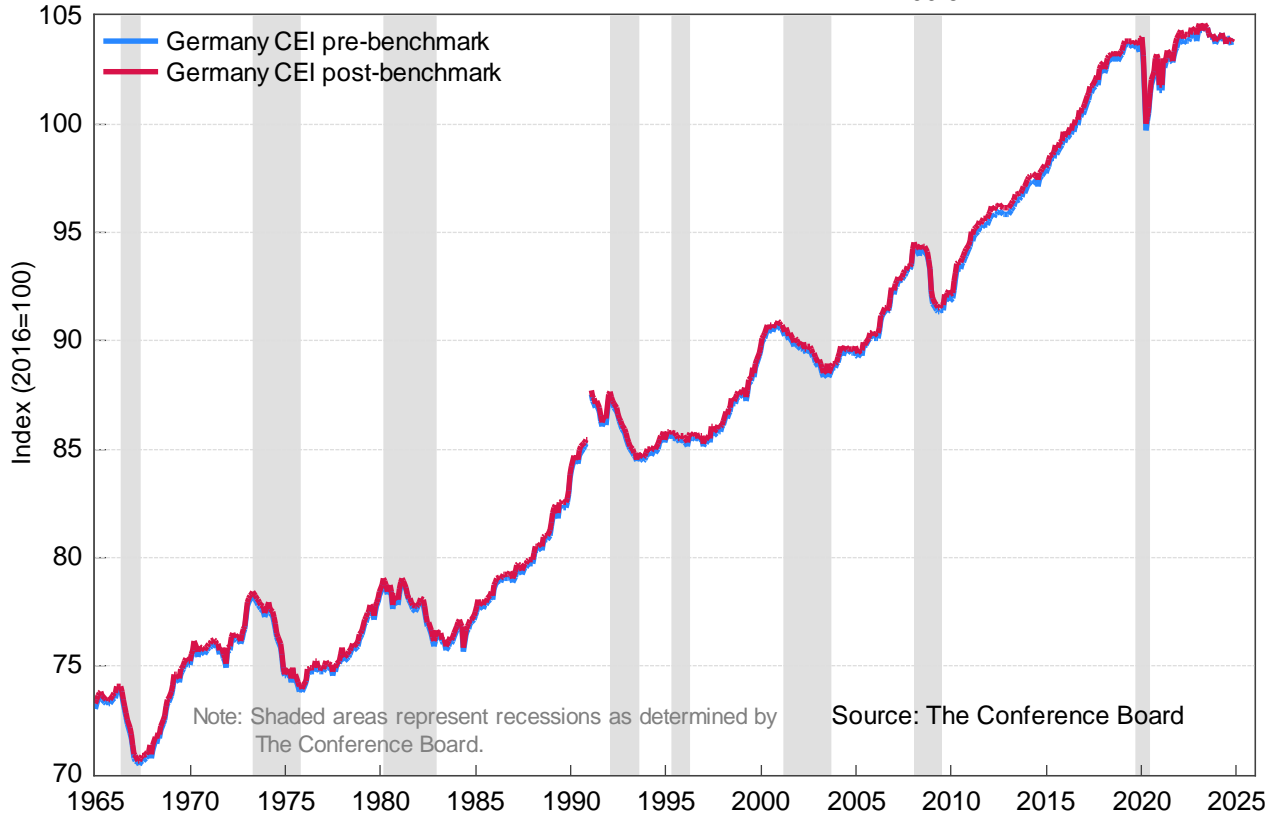
The **3Ds rule** signals an impending recession when: 1) the diffusion index lies below 50, shown by the black warning signal lines in the chart; and 2) the LEI’s six-month rate of decline falls below the threshold of -4.6 percent. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

## The composite business cycle indexes pre- and post- benchmark revisions: 1965-present

|         |      |       |       |      |      |      |      |      |
|---------|------|-------|-------|------|------|------|------|------|
| Peak:   | 66:5 | 73:5  | 80:3  | 92:2 | 95:5 | 01:2 | 08:2 | 19:9 |
| Trough: | 67:5 | 75:10 | 82:11 | 93:7 | 96:3 | 03:5 | 09:6 | 20:5 |



|         |      |       |       |      |      |      |      |      |
|---------|------|-------|-------|------|------|------|------|------|
| Peak:   | 66:5 | 73:5  | 80:3  | 92:2 | 95:5 | 01:2 | 08:2 | 19:9 |
| Trough: | 67:5 | 75:10 | 82:11 | 93:7 | 96:3 | 03:5 | 09:6 | 20:5 |



## **About The Conference Board *Leading Economic Index*<sup>®</sup> (LEI) and *Coincident Economic Index*<sup>®</sup> (CEI) for Germany**

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 five months.

The seven components of ***Leading Economic Index*<sup>®</sup> for Germany** are:

- New Orders for Investment Goods
- Yield Spread, 10-Year Minus 3-Month Time Deposits Rate
- Consumer Confidence Index
- Inventory Change
- New Residential Construction Orders
- Stock Price Index
- Gross Enterprises and Properties Income

The four components of the ***Coincident Economic Index*<sup>®</sup> for Germany** are:

- Industrial Production
- Employed Persons
- Retail Trade
- Manufacturing Sales

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)