

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 Germany Declined in January

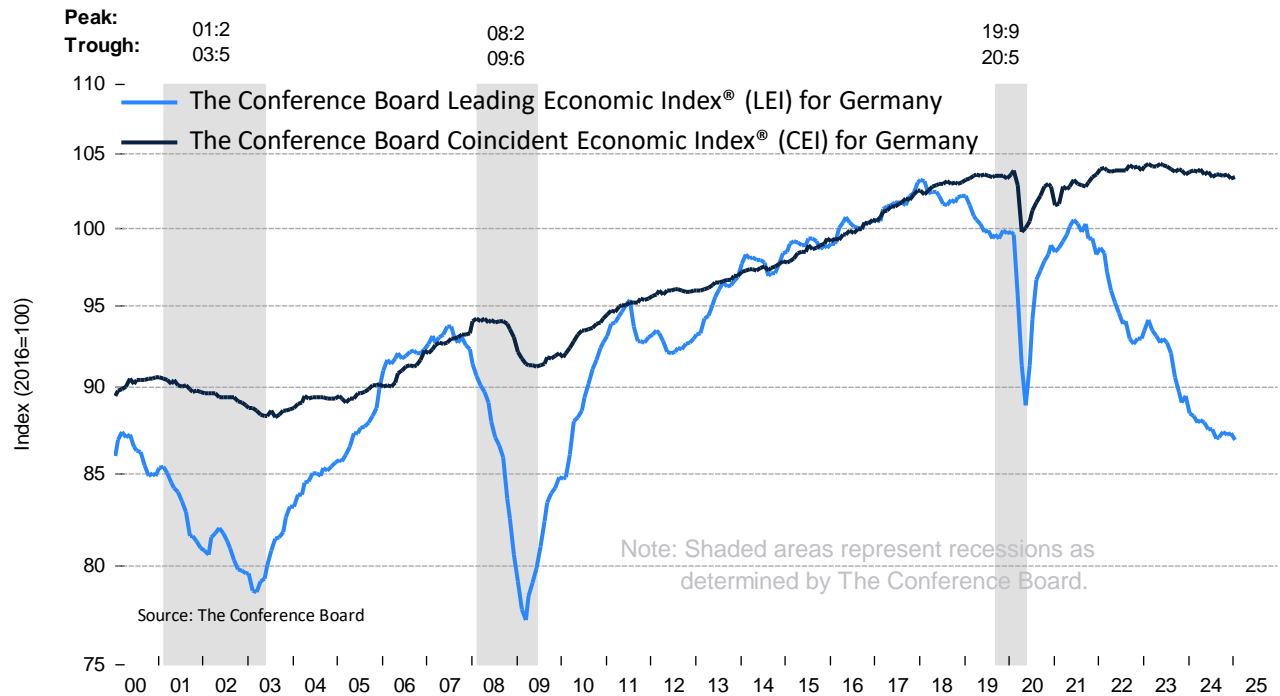
The Conference Board Leading Economic Index® (LEI) for Germany declined by 0.5% in January 2025 to 86.9 (2016=100), after inching up by 0.1% in December 2024. During the six-month period between July 2024 and January 2025, the LEI for Germany contracted by 0.7%, still an improvement from the 1.1% contraction over the previous six-month period, from January to July 2024.

The Conference Board Coincident Economic Index® (CEI) for Germany inched up by 0.1% in January 2025 to 103.4 (2016=100), after a 0.3% decline in December 2024. Over the six-month period between July 2024 and January 2025, the CEI for Germany was unchanged, a still positive turn from the 0.3% contraction over the previous six-month period.

“The LEI for Germany declined in January,” said **Allen Li, Associate Economist at The Conference Board**. “A significant negative contribution from new orders for investment goods and consumer confidence weighed on the index in the first month of the year. This likely reflected policy uncertainties preceding the February general elections as well as concerns about trade tensions with the United States. However, the Index is still showing some improvements from early 2024 lows, suggesting lessened headwinds to economic growth ahead. The Conference Board currently projects the German economy to stagnate in early 2025, but to develop into a sluggish recovery, with real GDP reaching just 0.1% for the year.”

The next release is scheduled for Friday, April 11, 2025, at 9:30 A.M. ET.

The Germany LEI declined in January



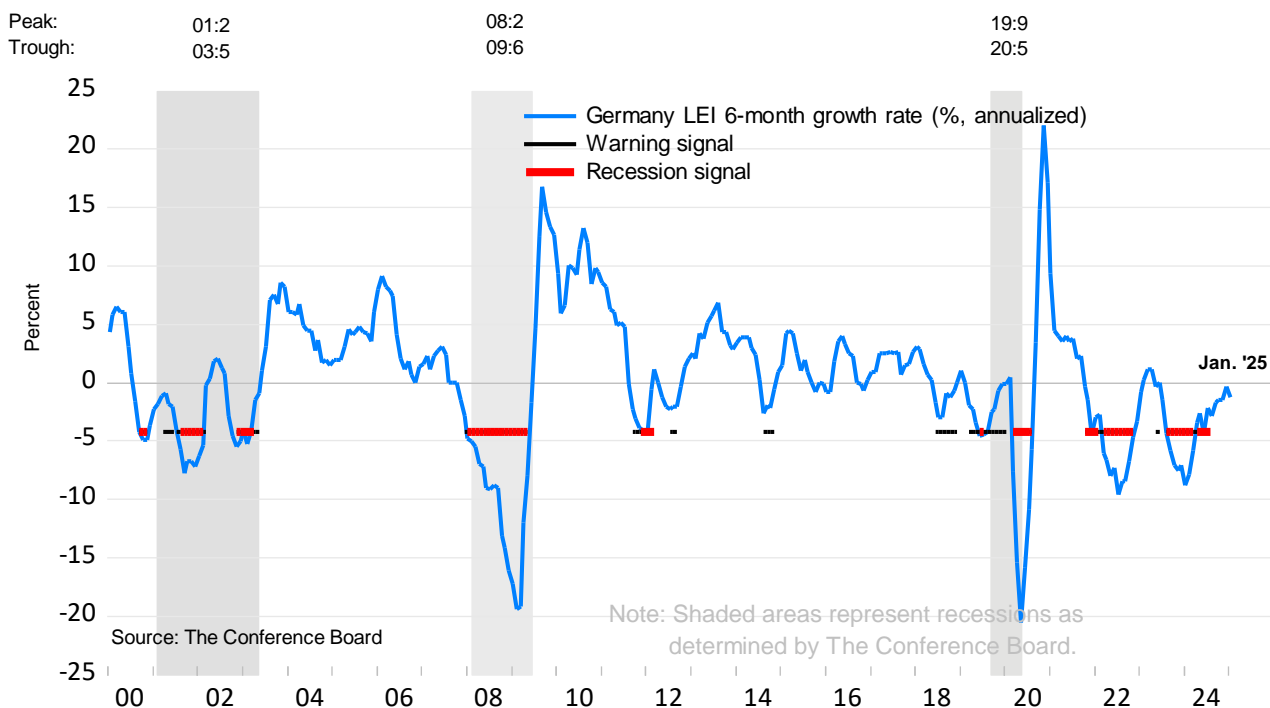
New orders for investment goods and consumer confidence weighed on the index in January

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



Source: The Conference Board
 ** Statistical Imputation.— Q: Quarterly series; these series are converted to a monthly series through a linear interpolation
 LEI change might not equal sum of its contributions due to application of trend adjustment factor

The six-month growth rate of the Germany LEI has recovered from the weakness of the past two years, 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 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 -4.3% . 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 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*® 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*® 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

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