

## News Release

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**For Release 9:00 AM ET, January 23, 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 India Increased in December**

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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).

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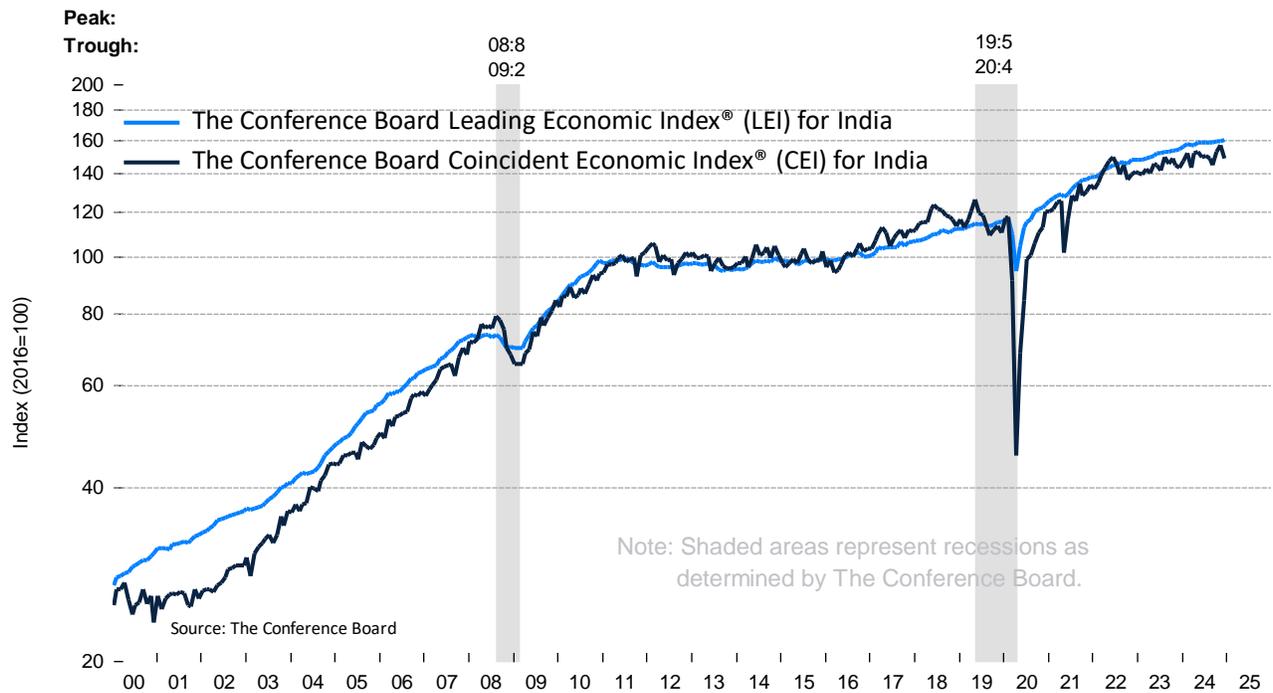
**The Conference Board Leading Economic Index® (LEI) for India** increased by 0.3% in December 2024 to 159.3 (2016=100), undoing the downwardly revised 0.3% decline in November. The LEI increased by 0.6% over the second half of 2024, significantly down from the 2.6% growth over the first half of last year.

**The Conference Board Coincident Economic Index® (CEI) for India** declined by 5.1% in December 2024 to 148.5 (2016=100), more than reversing a 2.8% gain in November. The Index fell by 0.3% over the past six-month period ending in December 2024, pulling back from the substantial growth of 4.1% over the previous six months.

"The LEI for India rose in December," said **Ian Hu, Economic Research Associate, at The Conference Board**. "The increase in the headline Index came from 6 of its 8 components, while industrial production remained unchanged, and the real effective exchange rate contributed negatively. The strongest positive contribution came from merchandise exports which have been very volatile in recent months and pulled the Index down in November. While the Index's semiannual growth rate ticked up, both the six-month and annual changes are muted relative to its aggressive growth rates seen earlier in 2024., That may suggest potential hurdles to economic growth ahead into 2025. All-in-all, the Conference Board currently estimates that India's real GDP grew by 6.4% in 2024 and forecasts a slight softening to 6.0% in 2025."

**The next release is scheduled for Monday, February 24, 2025, at 9 A.M. ET.**

## The India LEI ticked up in December



## The real exchange rate was the only component that contributed negatively to the Index

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

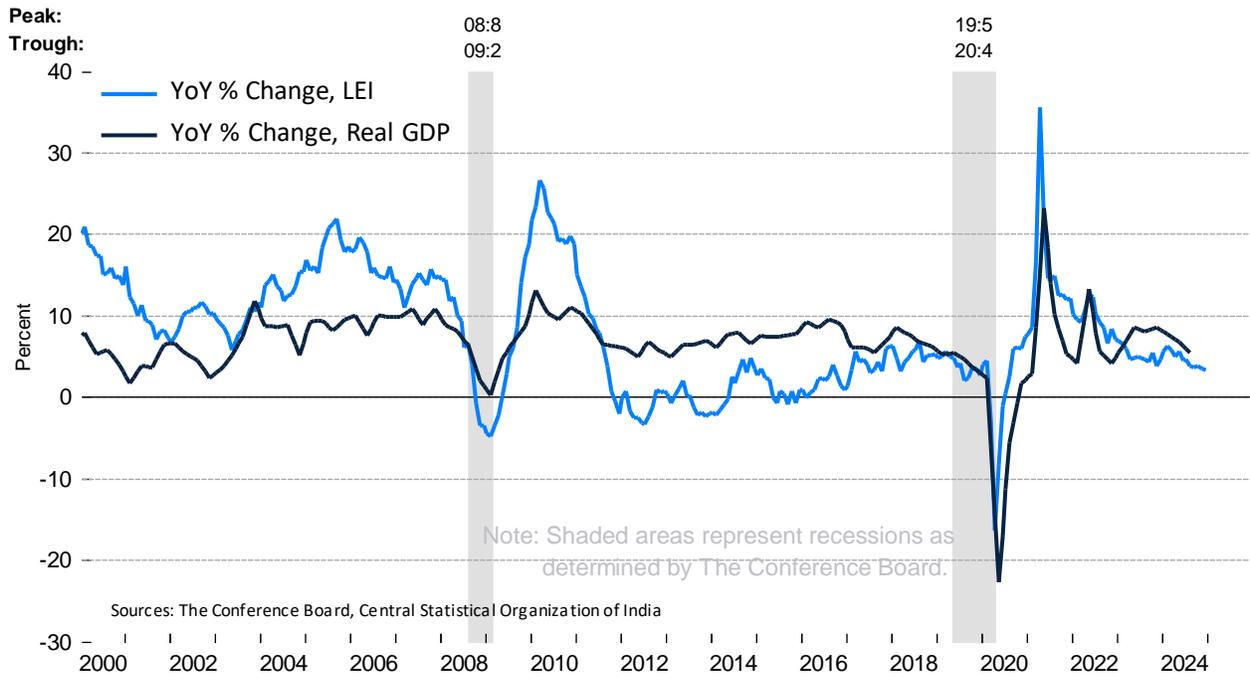


Source: The Conference Board

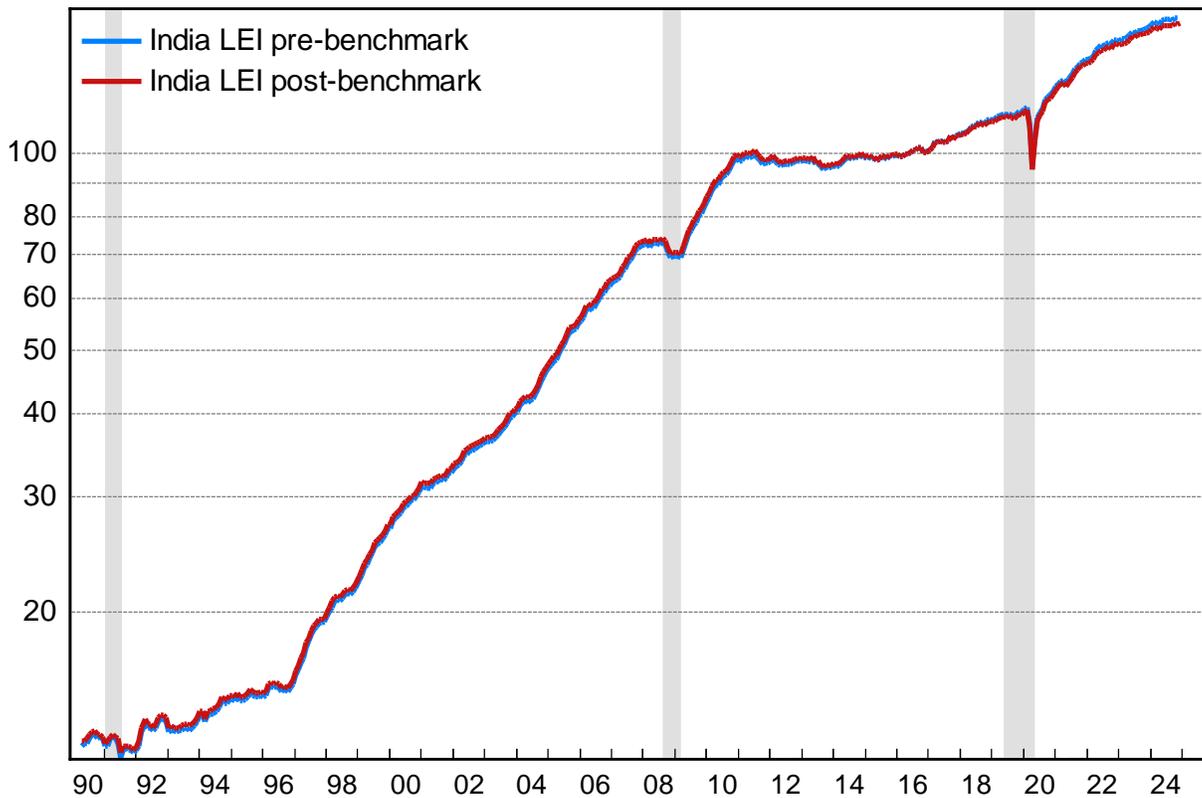
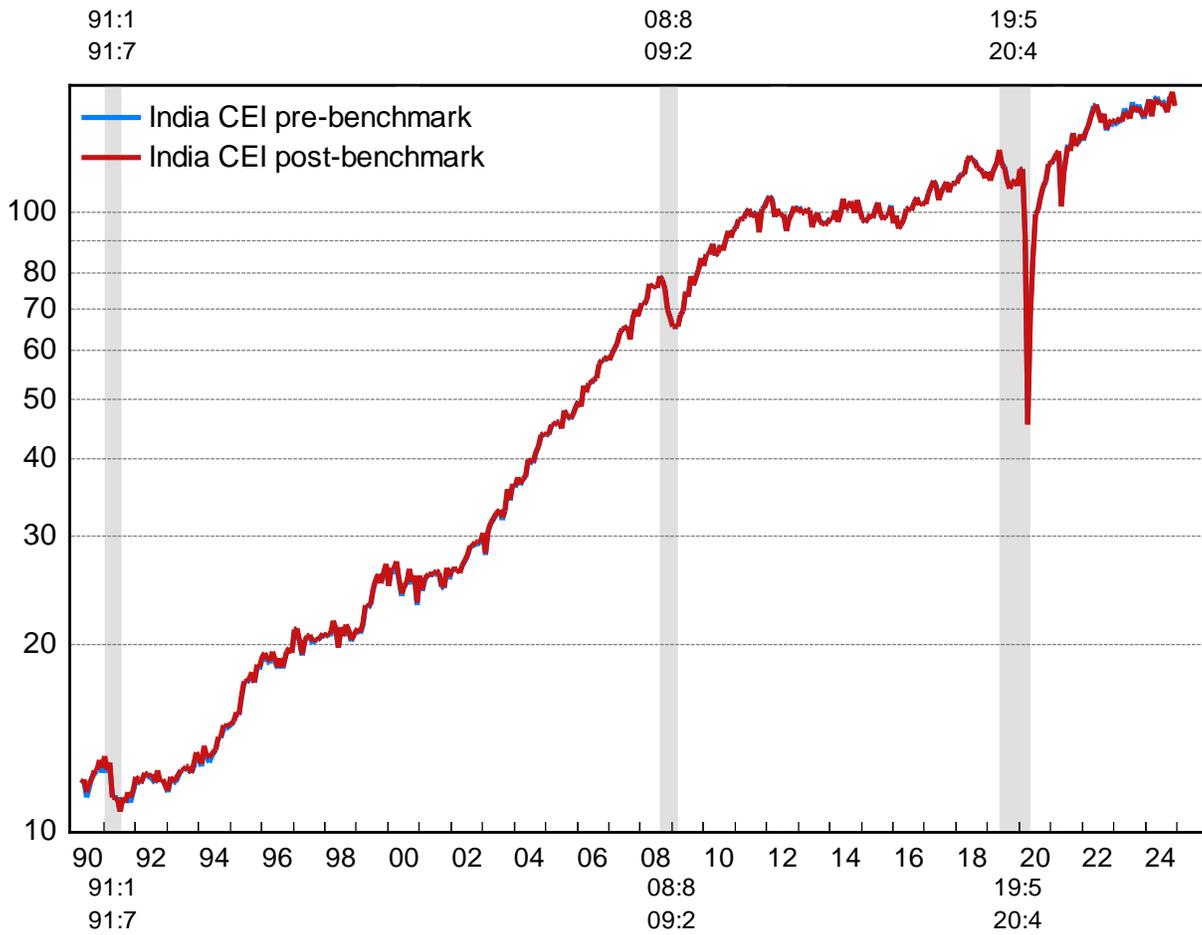
\*\* Statistical Imputation.

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

## The annual growth rate remains moderate, potentially pointing to slower growth ahead



## The composite business cycle indexes pre- and post- benchmark revisions: 1990-present



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

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 eight months.

The eight components of the ***Leading Economic Index*<sup>®</sup> for India** are:

- Interest Rate Spread
- BSE: Index: Monthly Average: SENSEX
- REER: 40 Currencies
- M3: Bank Credit to Commercial Sector
- Merchandise Exports (deflated by Wholesale Price Index)
- Cargo Handled
- Industrial Production: Capital Goods
- India PMI: Services Business Activity

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

- Industrial Production
- Total Imports (deflated by Wholesale Price Index)
- Vehicle Sales, Passenger Vehicles

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

### **About The Conference Board**

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