

## News Release

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**For Release 10:30 AM ET, January 13, 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 Japan rebounded somewhat 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 Japan increased by 0.6% in November 2024 to 87.3 (2016=100), after a 0.5% decline in October. However, over the six-month period between May and November 2024, the LEI for Japan declined by 1.5%, more than reversing the 1.0% increase over the previous six-month period between November 2023 and May 2024.

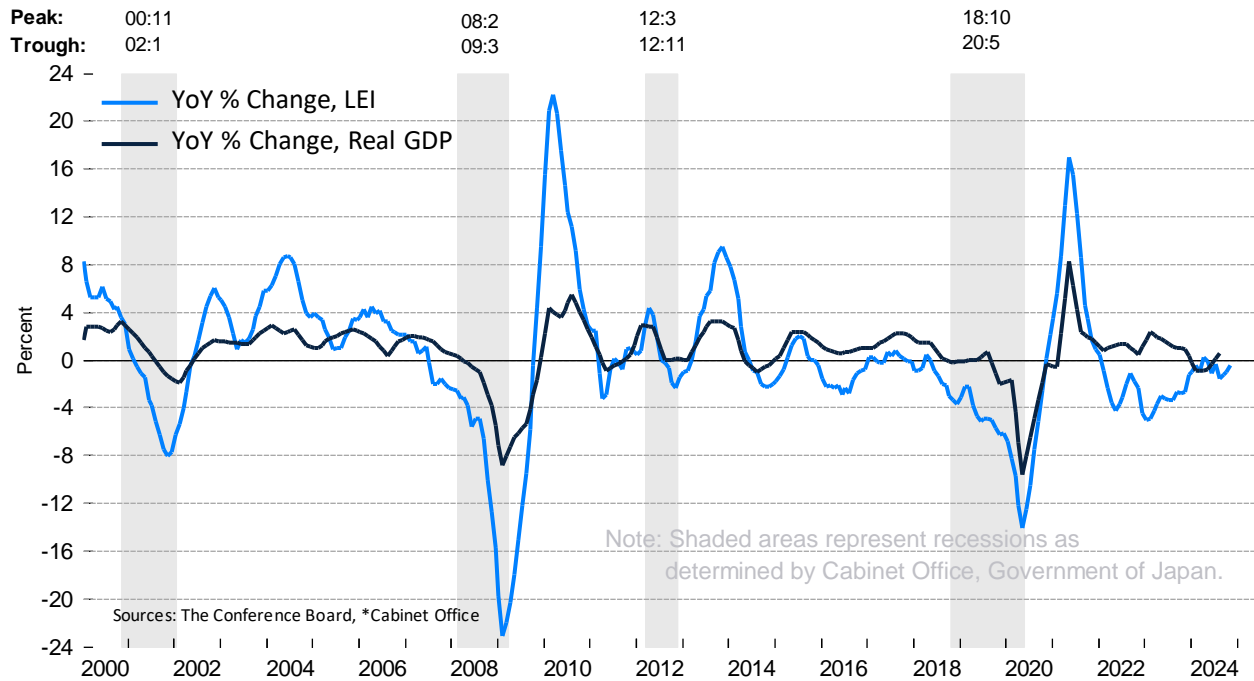
**The Conference Board Coincident Economic Index® (CEI)** for Japan fell by 0.2% to 98.9 (2016=100) in November 2024, partially reversing an increase of 0.4% in October. The CEI for Japan was also down by 0.2% over the six-month period from May to November 2024, after a 0.4% growth over the previous six-month period.

“The LEI for Japan rebounded in November after substantial declines in the 2 of the prior 3 months” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “Two components drove most of the November gain in the Index. First, labor productivity increased driven by strong industrial production gains on a 3-month moving average basis, despite the slight decline in November. Second, the suspension of transactions, that has been quite volatile in recent months, more than recovered from its October decline. Additionally, the positive yield spread continued to support the Index. GDP growth was revised slightly up for Q3 to 1.2% (annual rate). Based on CEI's readings the economy still struggled to gain momentum in the last months of 2024, but the improvements in the annual growth rate of the LEI suggesting lessened headwinds to economic growth ahead. The Conference Board currently forecasts annual real GDP growth for Japan to be negative at -0.3% in 2024 but to recover to 1% growth this year.”

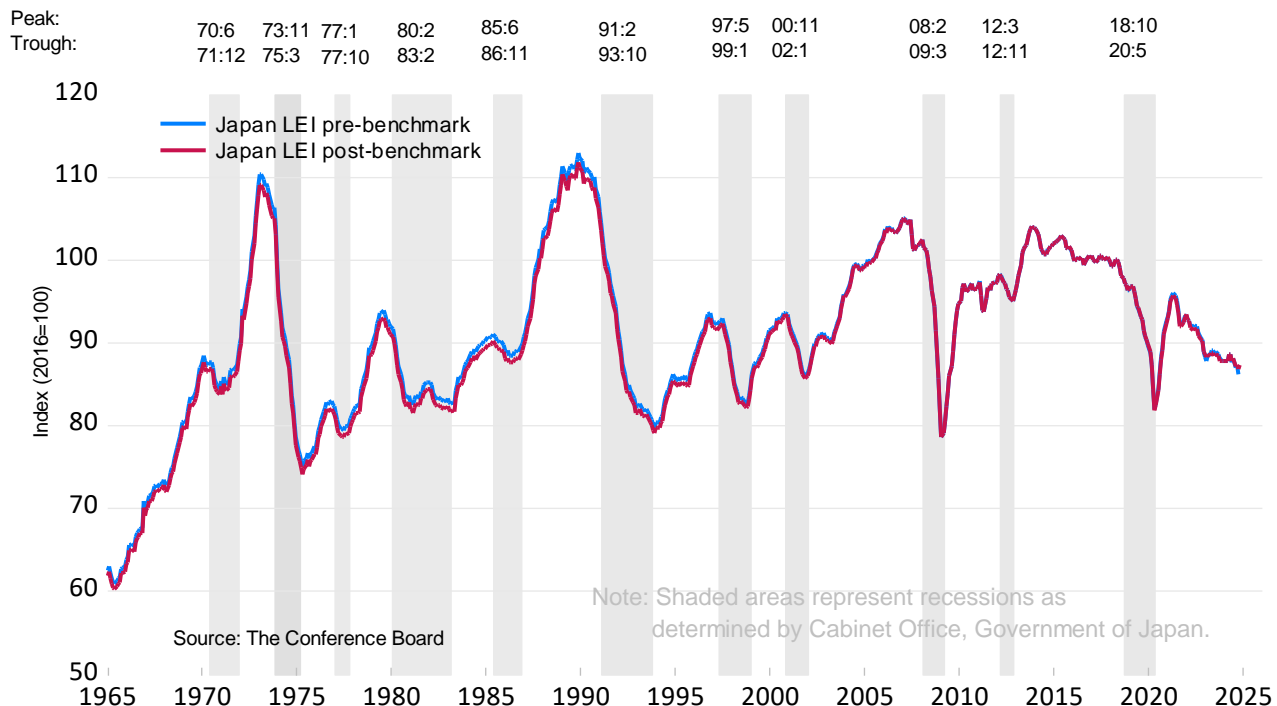
**The next release is scheduled for Monday, February 10, 2025, at 10:30 A.M. ET.**

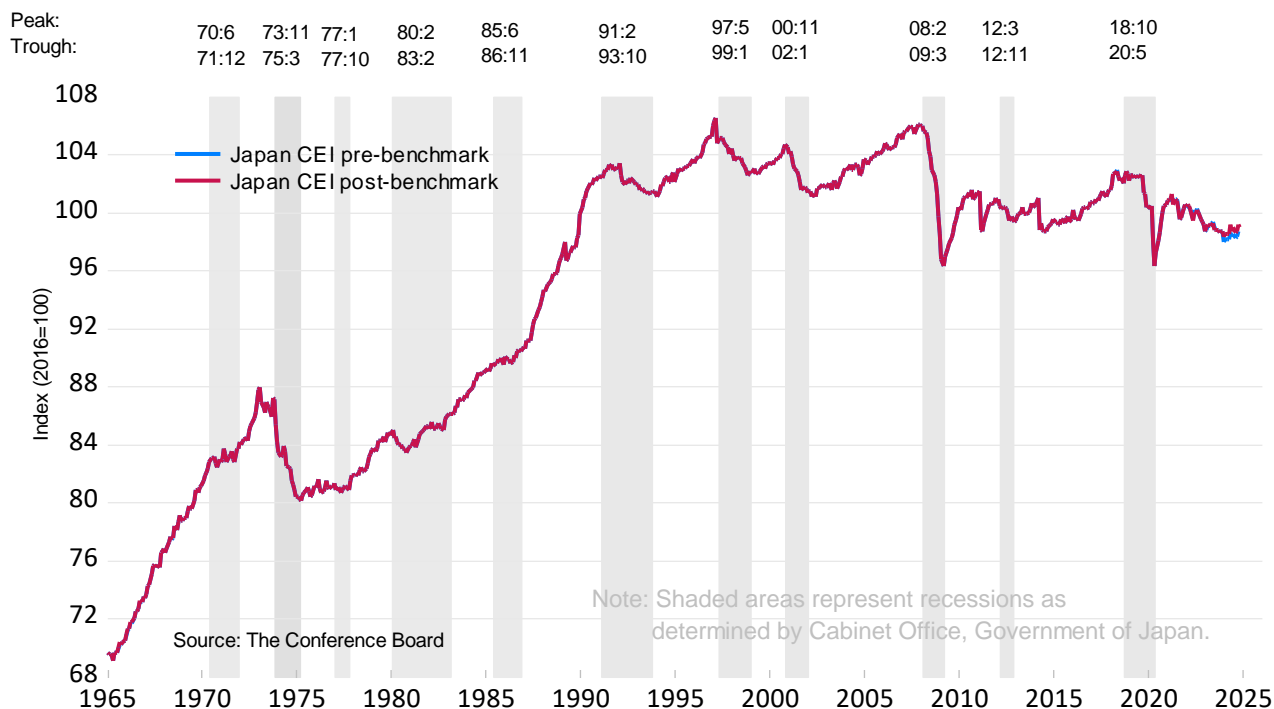


## The annual growth rate of Japan's LEI is still negative, however it is heading towards stability, suggesting lessened headwinds to economic growth ahead



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





### About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for Japan.

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 four months.

The ten components of the *Leading Economic Index*® for Japan are:

- Real Money Supply, M2 + CD Money
- Yield Spread, (10 year gov bonds minus Uncollateralized: Overnight Rate)
- Stock Price Index
- Dwelling Units Started
- Suspension of transactions
- Tankan Business Conditions, All Enterprises, All Industries
- Six-Month Growth Rate of Labor Productivity Mfg
- Real Operating Profits
- New Orders for Machinery and Construction
- Index of Overtime Worked, Mfg

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

- Number of Employed Persons
- Industrial Production
- Wage and Salary Income
- Real Retail, Wholesale, and Manuf. Sales

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

### About The Conference Board

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