

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 Japan increased in December

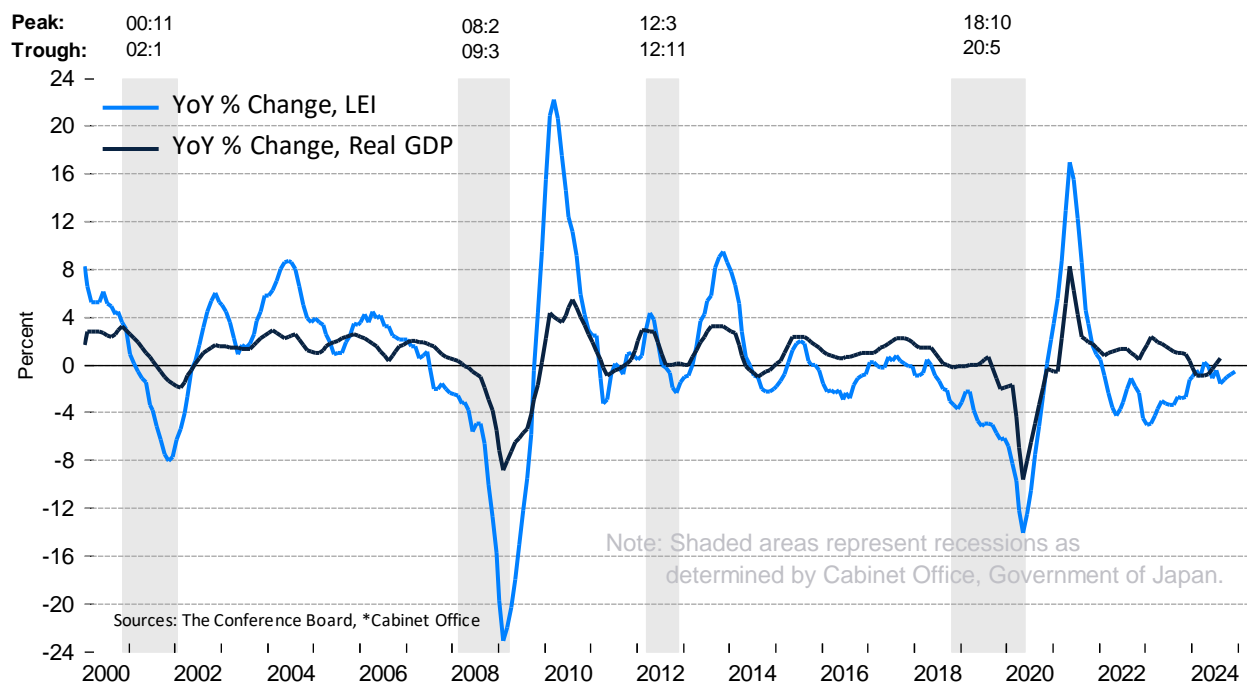
The Conference Board Leading Economic Index® (LEI) for Japan increased by 0.2% in December 2024 to 87.2 (2016=100), following a similar 0.2% increase in November. However, over the second half of 2024, the LEI for Japan declined by 0.6%, after being unchanged over the first half of the last year.

The Conference Board Coincident Economic Index® (CEI) for Japan was unchanged in December 2024 at 98.8 (2016=100), after declining by 0.3% in November. The CEI for Japan increased by 0.1% over the six-month period from June to December 2024, after no growth over the previous six-month period.

“The Japan LEI recovered for the second consecutive month in December” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “The recovery was broad-based with the majority of components fueling the gain in the Index. New orders were lifted by a substantial increase in the construction-related component. Also, machinery orders started to show signs of picking up specifically driven by a rise in chemical industry orders related to decarbonization and regulatory compliance. Furthermore, the positive yield spread, and a full recovery of stock prices from the late summer turmoil continued to support the Index. Improvements in the monthly changes and the annual growth rate of the LEI suggest more upside to economic growth ahead. The Conference Board currently expects annual real GDP growth for Japan to recover from the 0.2% contraction in 2024 and grow by over 1% in 2025.”

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

The annual growth rate of Japan's LEI is still negative, however it has been on an upward trajectory since August 2024



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/>

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