

## News Release

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

**For Release 10:30 AM ET, March 10, 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 fell in January**

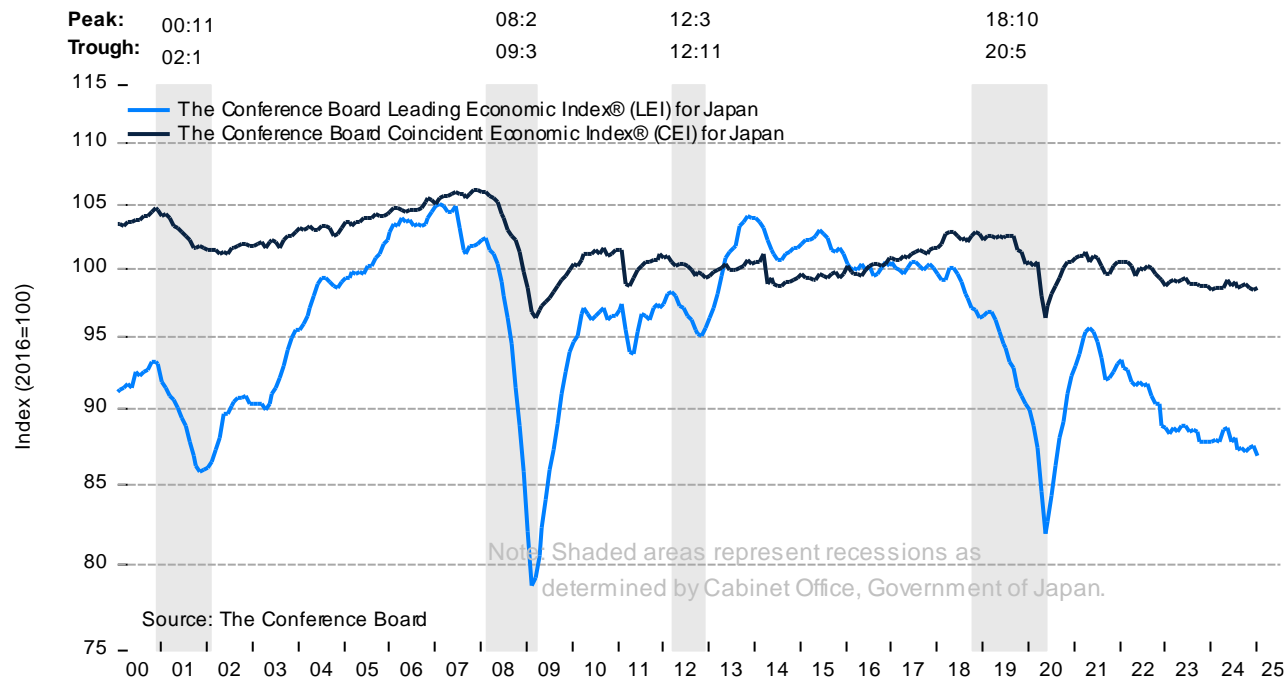
**The Conference Board Leading Economic Index® (LEI)** for Japan decreased by 0.7% in January 2025 to 86.8 (2016=100), after a 0.1% increase in December 2024. In addition, over the six months period between July 2024 and January 2025, the LEI for Japan declined by 1.4%, after growing by 0.3% over the previous six months between January and July 2024.

**The Conference Board Coincident Economic Index® (CEI)** for Japan inched up by 0.1% in January 2025 to 98.5 (2016=100), reversing the 0.1% decrease in December 2024. Overall, the CEI for Japan contracted by 0.4% over the six-month period from July 2024 to January 2025, partially reversing the 0.6% expansion over the previous six-month period.

“The LEI for Japan declined in January, more than offsetting the gains recorded over the prior two months” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board.** “The dip in the Index was mainly driven by new orders for machinery and construction and labor productivity. The new orders have been the weakest components of the LEI in the past six months, despite a temporary rebound in November and December. In addition, the Tankan Business Conditions have weakened in the past two months. This potentially reflects some concerns by Japanese businesses about the on-going uncertainty over US tariff policies and signals some possible postponement of capital expenditures. Initial estimates show solid quarter-on-quarter GDP growth in the last quarter of 2024 at 0.7% (non-annualized) and an annual growth of 0.1% in 2024. The Conference Board currently forecasts Japan GDP to be above 1% in 2025.

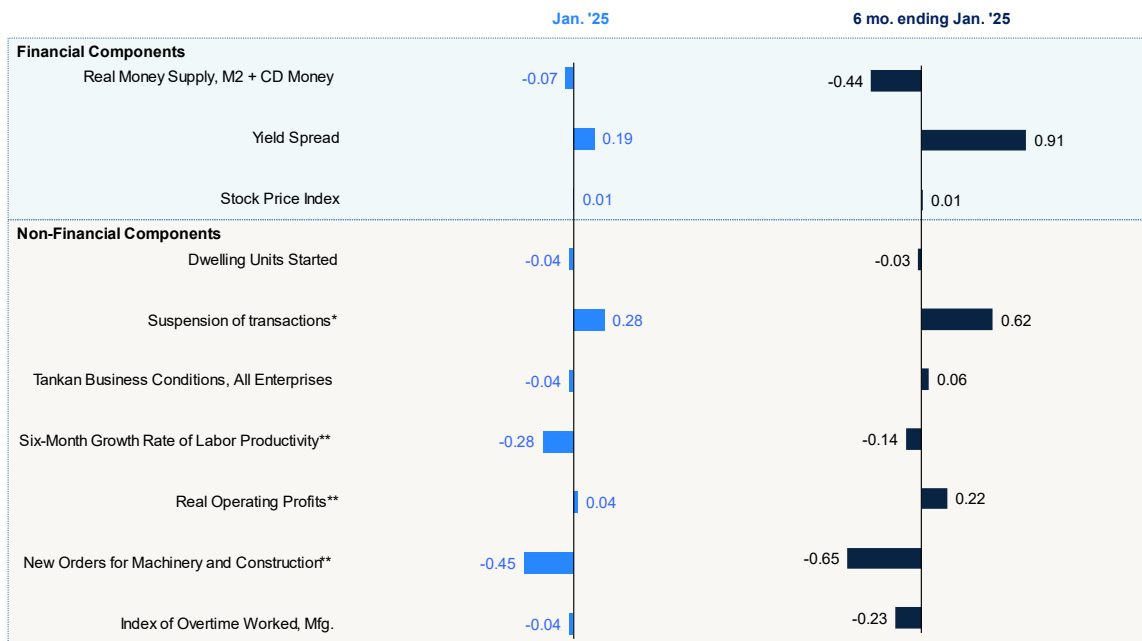
**The next release is scheduled for Wednesday, April 9, 2025, at 10:30 A.M. ET.**

## The Japan LEI decreased in January



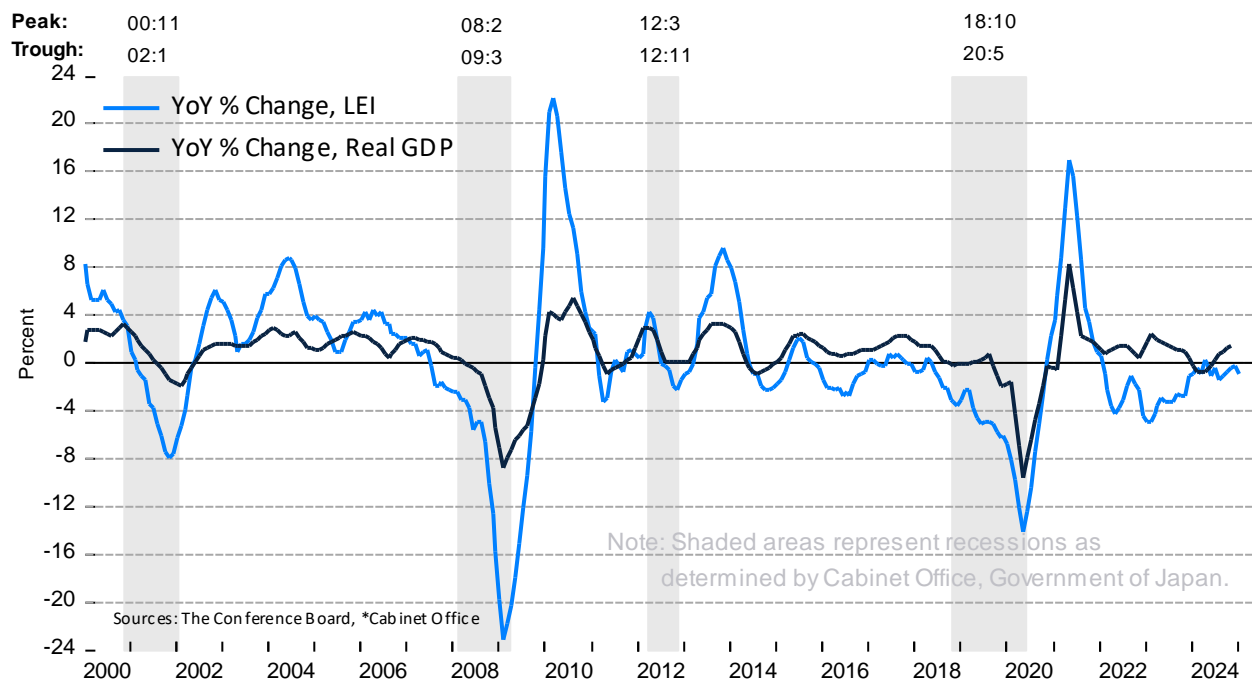
## The dip in the LEI was led by new orders for machinery and construction and labor productivity

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



Source: The Conference Board  
\* Inverted series; a negative change in this component makes a positive contribution  
\*\* Statistical Imputation  
LEI change might not equal sum of its contributions due to application of trend adjustment factor

The annual growth rate of Japan's LEI is down slightly, but has been hovering around 0% since the beginning of last year, indicating a somewhat soft economic environment ahead



#### 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**

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)