

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 South Korea Decreased in October

Next month's release of the composite economic indexes will incorporate 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.

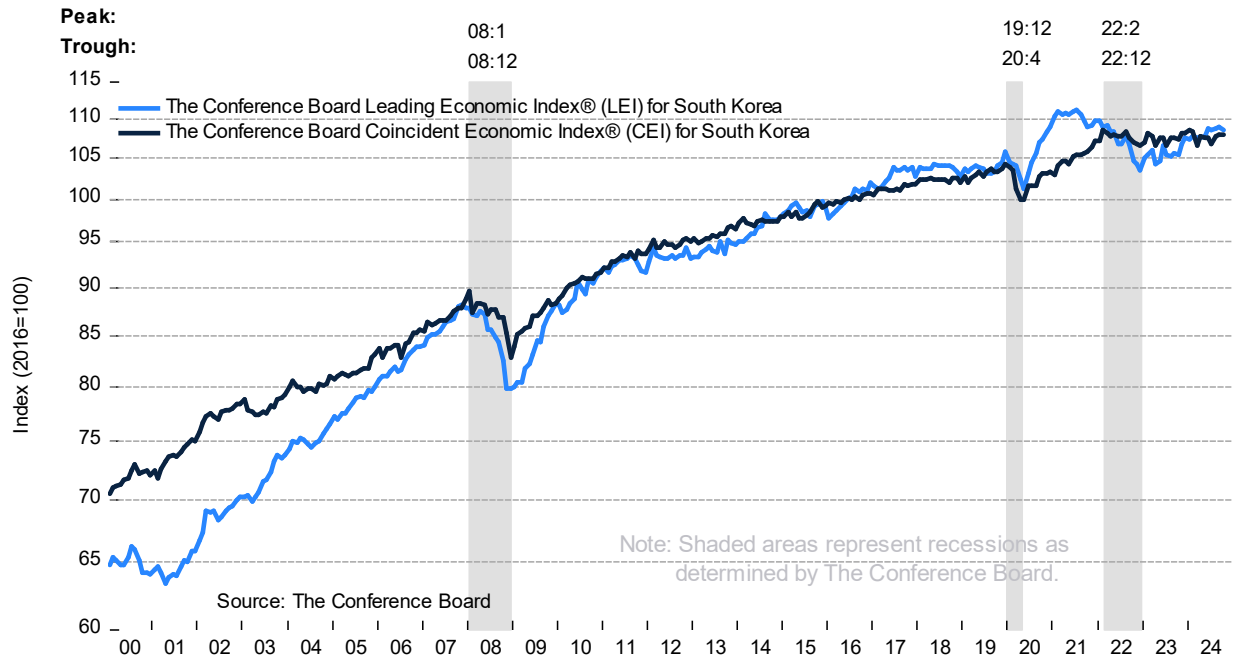
The Conference Board Leading Economic Index® (LEI) for South Korea decreased by 0.5% to 108.5 (2016=100) in October 2024, more than reversing a 0.3% increase in September. Over the six-month period between April and October 2024, the LEI slowed to 0.8% growth from 2.1% over the previous six-month period between October 2023 and April 2024.

The Conference Board Coincident Economic Index® (CEI) for South Korea ticked up by 0.1% to 108.0 (2016=100) in October 2024 following a 0.2% increase in September. Overall, the CEI increased by 0.3% over the six-month period between April and October 2024, a growth rate similar to the previous six-month period.

“The South Korea LEI decreased in October, driven by large negative contributions from the inventory-to-shipment index, private construction orders, and to a much lesser extent, the bonds yield.” said **Malala Lin, Economic Research Associate, at The Conference Board**. “In the past few months, manufacturing inventories and shipments have been very volatile, especially for tech products, including semiconductors. As the semiconductor industry make up approximately 20% of South Korean exports, uncertainties in the sector posed by potential US tariffs and Chinese competition may create downward pressure on economic growth. Hence, the government announced plans to support the industry in the coming year, offering low-interest loans and proposing subsidy legislation. Moreover, the Bank of Korea cut rates once again in November to further mitigate downside risks. Overall, softening LEI's growth continued to indicate slower economic expansion going forward. However, supporting policies may lessen the challenges ahead for Korea's economy.”

The next release is scheduled for Thursday, January 9th, 2025, at 10:30 A.M. ET.

The South Korea LEI decreased in October



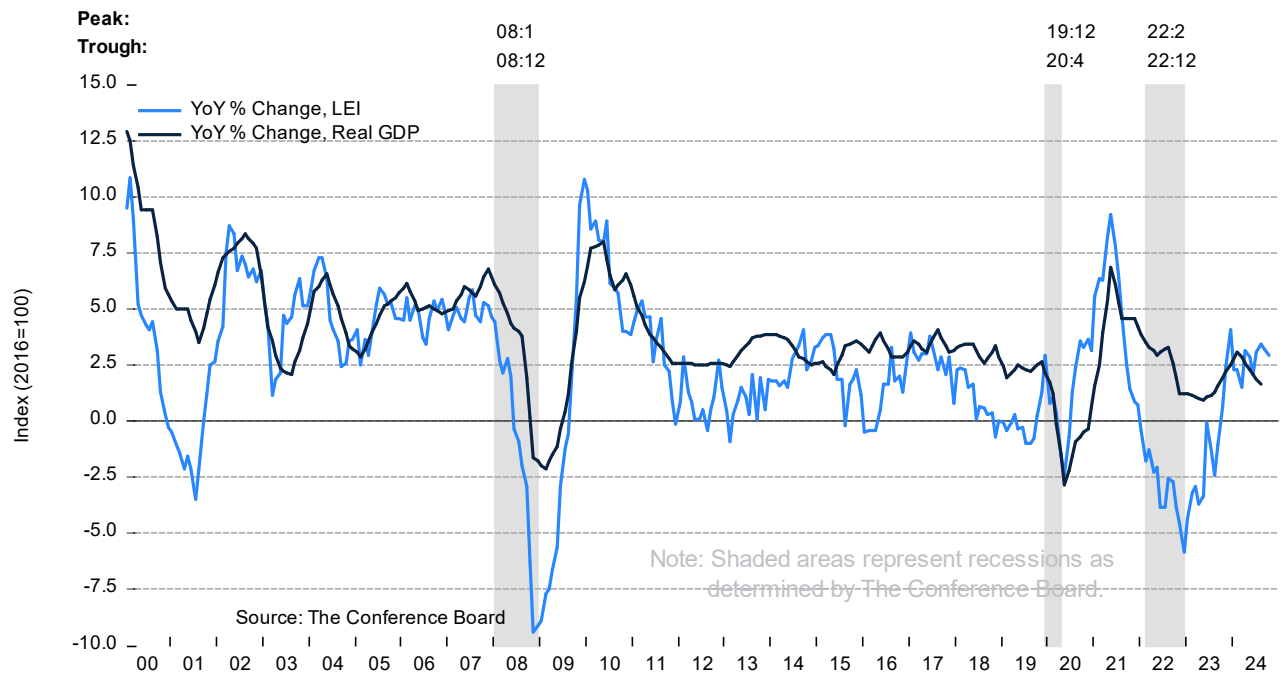
Weakness in the inventories-to-shipment ratio and private construction orders dragged the Index down in October

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

	Oct. '24	6 mo. ending Oct. '24
Financial Components		
Yield of Government Public Bonds*	-0.03	0.33
Stock Prices	0.01	-0.15
Non-Financial Components		
Index of Inventories to Shipments*	-0.55	-0.27
Exports FOB	0.24	0.60
Value of Machinery Orders	0.08	-0.03
Private Construction Orders	-0.28	-0.16

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

A moderating annual growth rate of the South Korea LEI signaled some slowing going forward



About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for South Korea

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 three months.

The six components of the *Leading Economic Index*® for South Korea are:

- Stock Prices
- Yield of Government Public Bonds
- Real Exports FOB (3-month moving average)
- Value of Machinery Orders
- Index of Inventories to Shipments
- Private Construction Orders

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

- Industrial Production
- Wholesale and Retail Sales
- Total Employment
- Monthly Cash Earnings

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

About The Conference Board

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