

News Release

For further information:

Carol Courter 212-339-0232 / courter@conference-board.org

Joe DiBlasi 781-308-7935 / joseph.dibiasi@conference-board.org

For Release 10:00 AM ET, March 19, 2020

The Conference Board Leading Economic Index® (LEI) for the U.S. Increased Slightly in February

Improvement in Index Will Not Continue into March

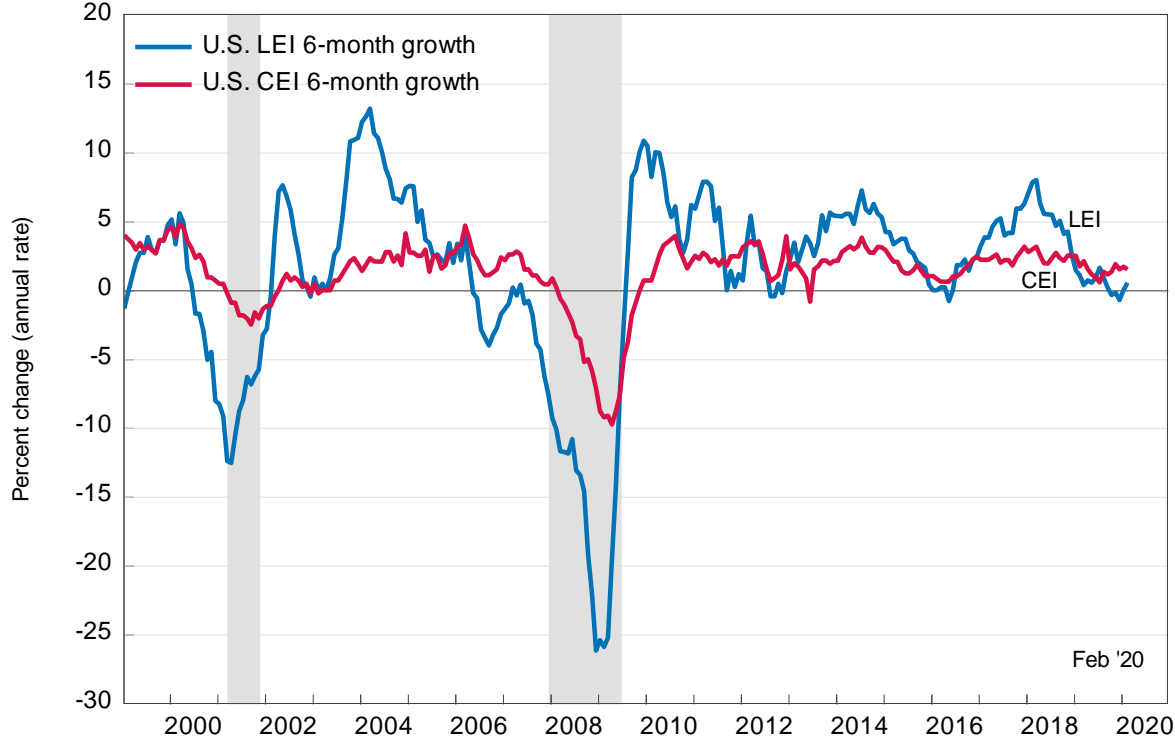
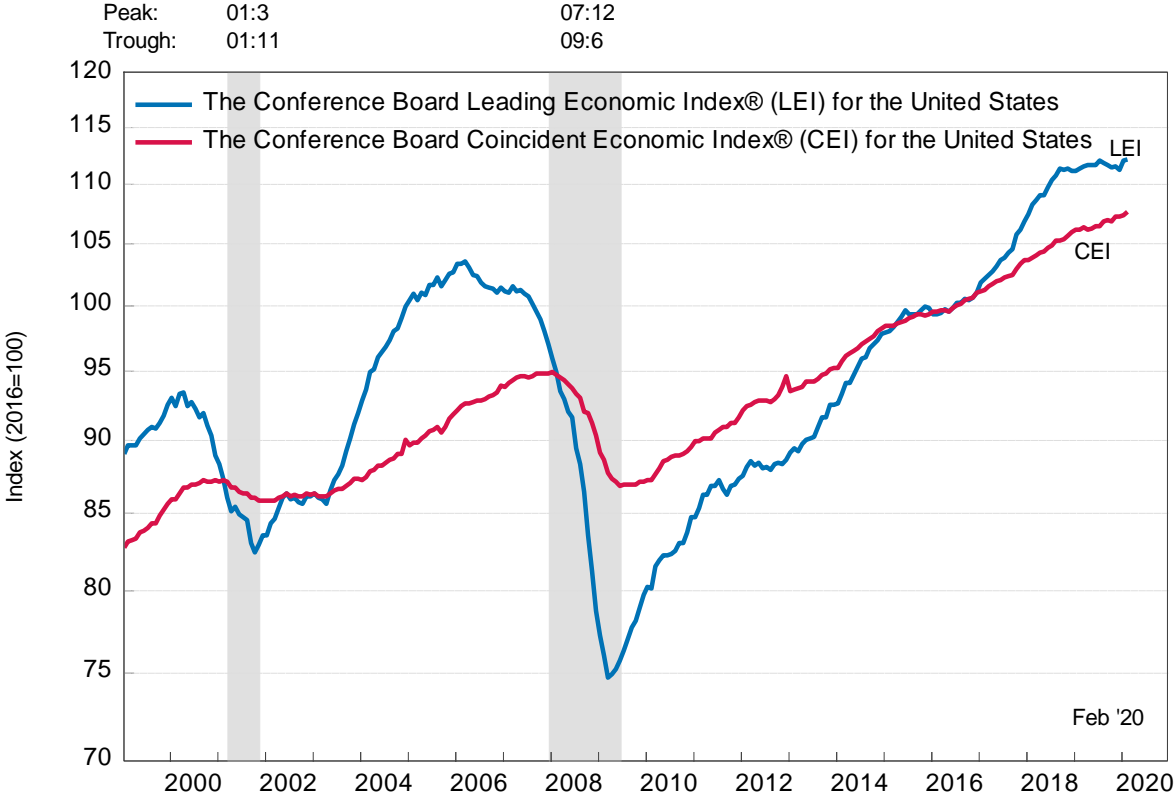
NEW YORK, March 19, 2020...The Conference Board Leading Economic Index® (LEI) for the U.S. edged up 0.1 percent in February to 112.1 (2016 = 100), following a 0.7 percent increase in January, and a 0.3 percent decline in December.

“The U.S. LEI rose slightly in February, but it doesn’t reflect the impact of the COVID-19 pandemic which began to hit the U.S. economy in full by early March. The slight gain in February came only from half of the LEI components. In particular, the recovery in manufacturing, which looked promising until February, will now be short-lived because of the disruption in global supply chains and falling demand,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “Declines in stock prices, consumers’ outlook on economic conditions, manufacturing new orders, average workweek in manufacturing, and rising unemployment claims will begin to negatively impact the economy. As a result, the economy may already be entering into a period of contraction.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.3 percent in February to 107.6 (2016 = 100), following a 0.1 percent increase in January, and no change in December.

The Conference Board Lagging Economic Index® (LAG) for the U.S. increased 0.4 percent in February to 109.1 (2016 = 100), following no change in January, and a 0.1 percent decline in December.

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Latest LEI Trough March 2009, Latest CEI Trough June 2009
Shaded areas represent recessions as determined by the NBER Business Cycle Dating Committee.
Source: The Conference Board

Summary Table of Composite Economic Indexes

	2019	2020		6-month
	Dec	Jan	Feb	Aug to Feb
Leading Index	111.2	112.0 r	112.1 p	
Percent Change	-0.3	0.7 r	0.1 p	0.3
Diffusion	55.0	75.0	50.0	80.0
Coincident Index	107.2	107.3	107.6 p	
Percent Change	0.0	0.1	0.3 p	0.7
Diffusion	25.0	75.0	100.0	75.0
Lagging Index	108.7	108.7	109.1 p	
Percent Change	-0.1	0.0	0.4 p	0.9
Diffusion	42.9	50.0	71.4	71.4

p Preliminary r Revised

Indexes equal 100 in 2016

Source: The Conference Board

About The Conference Board Leading Economic Index® (LEI) for the U.S.

The composite economic indexes are the key elements in an analytic system designed to signal peaks and troughs in the business cycle. The leading, coincident, and lagging economic indexes are essentially composite averages of several individual leading, coincident, or lagging indicators. They are constructed to summarize and reveal common turning point patterns in economic data in a clearer and more convincing manner than any individual component – primarily because they smooth out some of the volatility of individual components.

The ten components of **The Conference Board Leading Economic Index®** for the U.S. include:

Average weekly hours, manufacturing

Average weekly initial claims for unemployment insurance

Manufacturers' new orders, consumer goods and materials

ISM® Index of New Orders

Manufacturers' new orders, nondefense capital goods excluding aircraft orders

Building permits, new private housing units

Stock prices, 500 common stocks

Leading Credit Index™

Interest rate spread, 10-year Treasury bonds less federal funds

Average consumer expectations for business conditions

For full press release and technical notes:

<http://www.conference-board.org/data/bcicountry.cfm?cid=1>

For more information about The Conference Board global business cycle indicators:

<http://www.conference-board.org/data/bci.cfm>

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