

News Release

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

Slowing pace of improvement suggests economy could be losing momentum

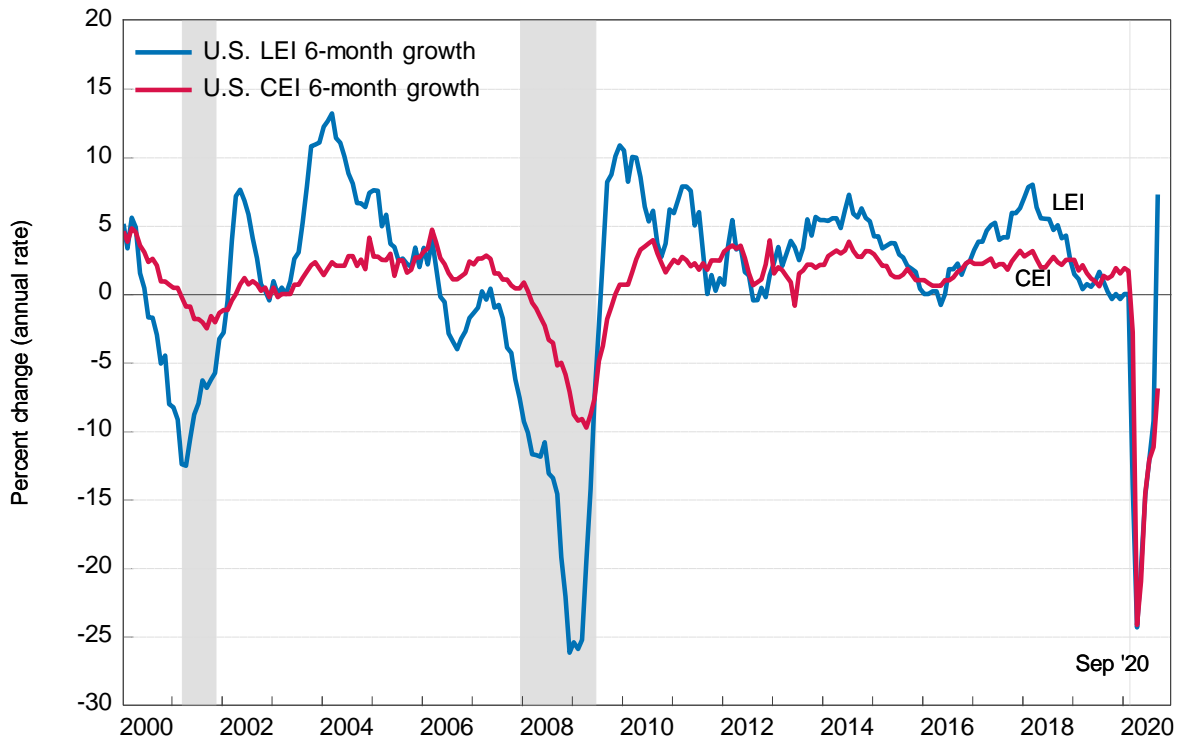
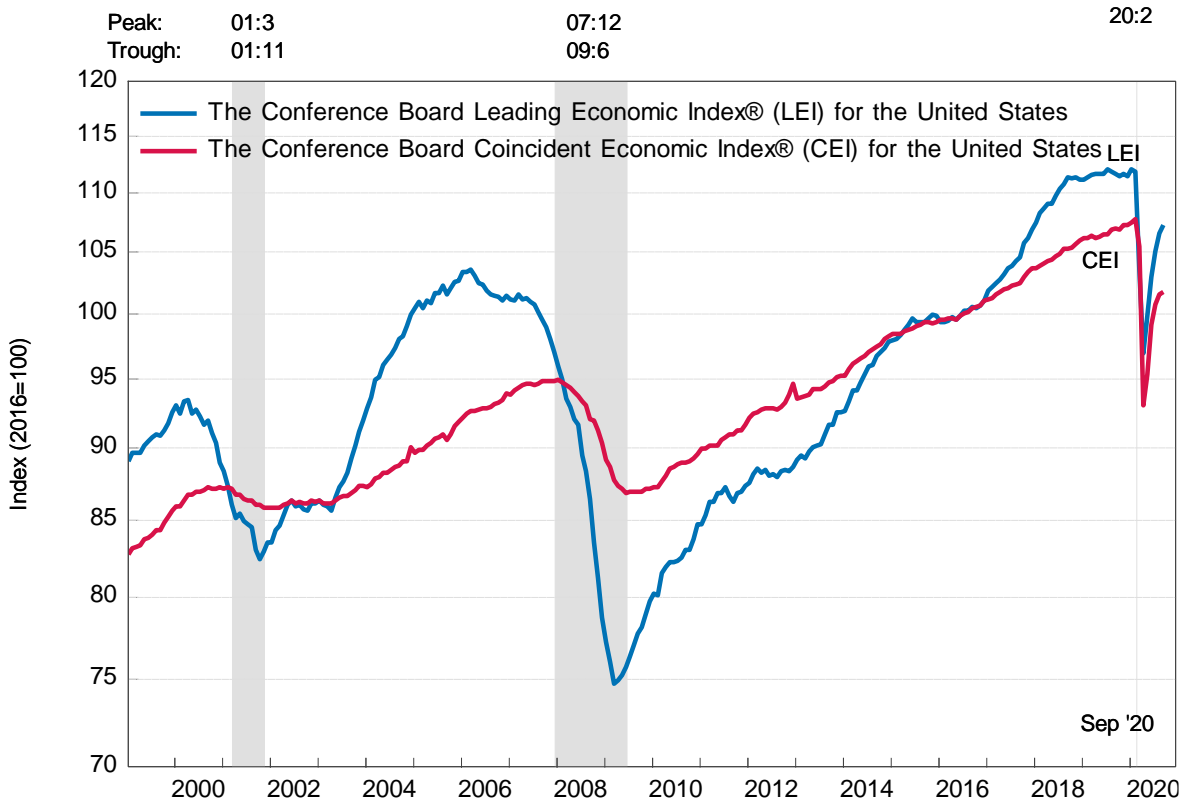
NEW YORK, October 22, 2020...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.7 percent in September to 107.2 (2016 = 100), following a 1.4 percent increase in August and a 2.0 percent increase in July.

“The US LEI increased in September, driven primarily by declining unemployment claims and rising housing permits. However, the decelerating pace of improvement suggests the US economy could be losing momentum heading into the final quarter of 2020,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “The US economy is projected to expand in Q4, but at a substantially slower rate of 1.5 percent (annual rate) according to The Conference Board’s GDP forecast. Furthermore, downside risks to the recovery may be increasing amid rising new cases of COVID-19 and continued labor market weakness.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.2 percent in September to 101.7 (2016 = 100), following a 0.8 percent increase in August and a 1.6 percent increase in July.

The Conference Board Lagging Economic Index® (LAG) for the U.S. decreased 0.1 percent in September to 107.6 (2016 = 100), following a 0.1 percent decrease in August and a 1.0 percent decrease in July.

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



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

	2020			6-month
	Jul	Aug	Sep	Mar to Sep
Leading Index	105.0 r	106.5	107.2 p	
Percent Change	2.0	1.4 r	0.7 p	3.6
Diffusion	80	60	65	60
Coincident Index	100.7 r	101.5 r	101.7 p	
Percent Change	1.6 r	0.8 r	0.2 p	-3.5
Diffusion	100	75	75	25
Lagging Index	107.8 r	107.7 r	107.6 p	
Percent Change	-1.0 r	-0.1 r	-0.1 p	-3.2
Diffusion	21.4	35.7	42.9	0

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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