

## News Release

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

**For Release 9:30 AM ET, February 12, 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 the UK Ticked Down in December**

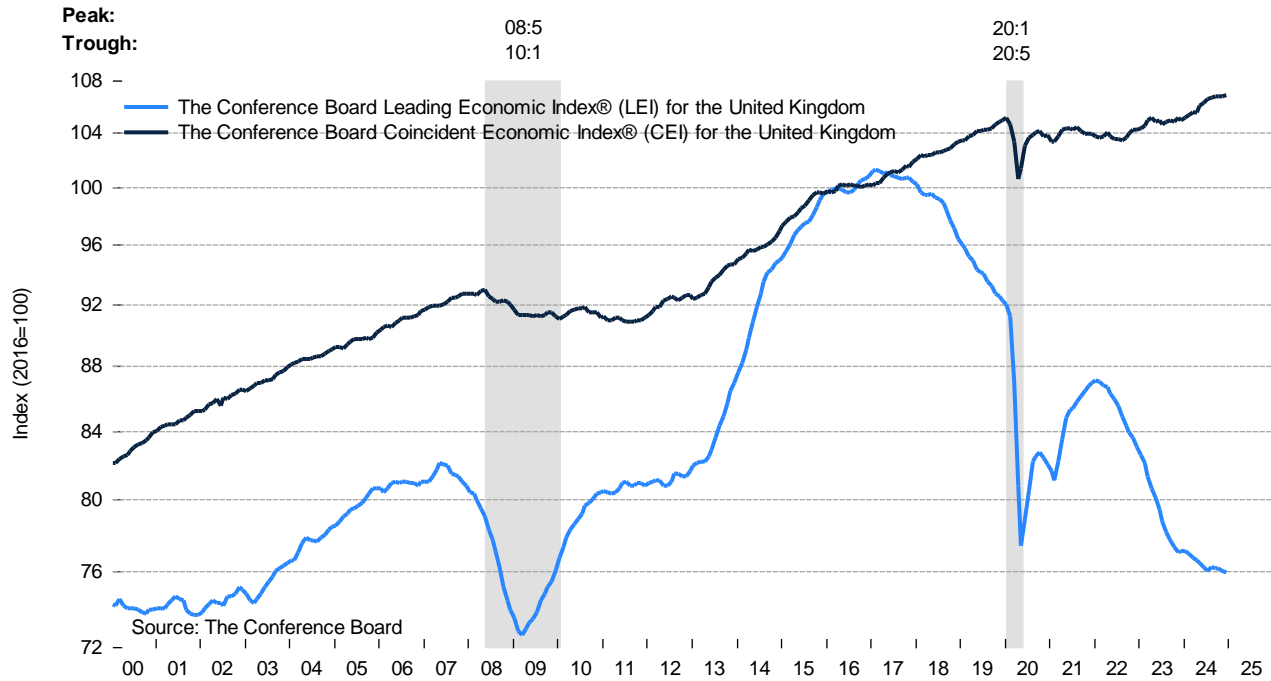
**The Conference Board Leading Economic Index® (LEI)** for the United Kingdom declined by 0.1% in December 2024 to 75.9 (2016=100), after also declining by 0.1% in November. Overall, the LEI for the UK contracted by 0.4% over the second half of 2024, still a positive development compared to the 1.2% contraction over the first half of 2024.

**The Conference Board Coincident Economic Index® (CEI)** for the United Kingdom rose by 0.1% in December 2024 to 106.8 (2016=100), following no change in the previous two months. The CEI for the UK grew by 0.6% over the second half of 2024, half of the pace of 1.2% increase over the first half of 2024.

“The UK LEI ticked down for a second consecutive month in December,” said **Allen Li, Associate Economist at The Conference Board**. “However, the decline was concentrated on only 3 components, including consumer confidence that remained weak as UK consumers’ views of the general economy continued to be soft. The other five components of the LEI were either unchanged or had slight positive contributions. In addition, the UK LEI’s six-month and annual growth rates have become less negative in recent months. Overall, the Index suggests that headwinds to economic growth, while still present, could moderate in the near term. The Conference Board currently estimates that the UK real GDP grew by 0.8% in 2024 and expects growth to reach a slightly higher mark of 0.9% in 2025, aided by less restrictive monetary policy, but balanced by global uncertainty and stubborn inflation.”

**The next release is scheduled for Tuesday, March 11, 2025, at 9:30 A.M. ET.**

## In December, the UK LEI ticked down for a second month



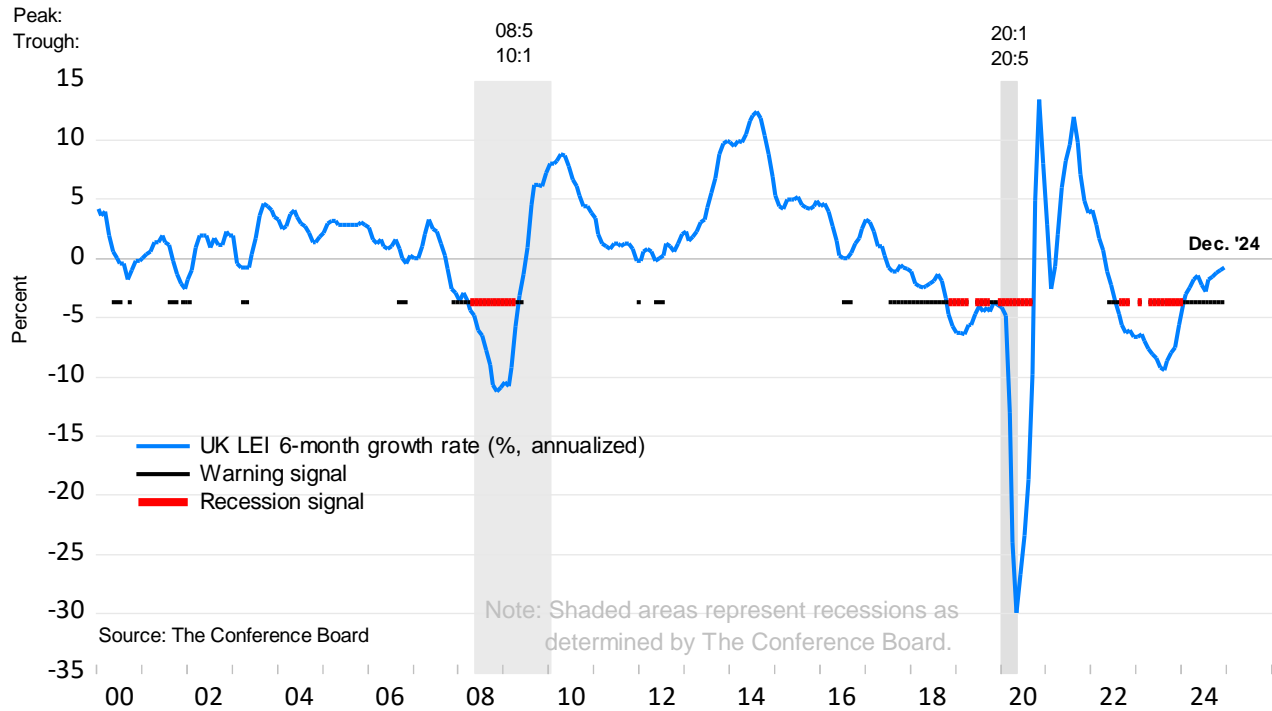
## Most of the UK LEI components were little changed

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

	Dec. '24	6 mo. ending Dec. '24
<b>Financial Components</b>		
Yield Spread 10 Year Minus Official Bank Rate	-0.03	-0.42
Stock prices, FTSE all share prices index	0.03	0.01
<b>Non-Financial Components</b>		
Unemployment Claimant Counts*	0.00	-0.23
Operating Surplus, Corporations (Q)**	0.02	0.01
Housing Sales Expectation for Next 3 Months	0.04	0.66
Weekly Working Hours**	-0.06	-0.12
GfK Consumer Survey: General Economic Situation: Next 12 Mo.	-0.08	-0.18
Productivity - Whole Economy (Q)**	0.03	0.17

Source: The Conference Board \* Inverted series; a negative change in this component makes a positive contribution.  
\*\* Statistical Imputation.-- Q: Quarterly series; these series are converted to a monthly series through a linear interpolation.  
LEI change might not equal sum of its contributions due to application of trend adjustment factor.

**Although warning signals to economic growth remain, the 6-month growth rate of the UK LEI has continued to improve, indicating that headwinds to growth may lessen in the near term**



**NOTE:** The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months. **Diffusion** is a measure of how widespread the decline is among the LEI’s component indicators—on a scale of 0 to 100, a **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies below 50, shown by the black warning signal lines in the chart; and 2) the LEI’s six-month rate of decline falls below the threshold of -3.8%. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

### **About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for the United Kingdom**

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 eleven months.

The eight components of the *Leading Economic Index*® for the U.K. are:

- Unemployment Claimant Counts
- Weekly Working Hours
- GfK Consumer Survey: General Economic Situation: Next 12 months
- Stock prices, FTSE all share prices index
- Yield Spread
- Productivity, Whole Economy
- Total Gross Operating Surplus of Corporations
- Housing Sales Expectation for next 3 months ©

The four components of the *Coincident Economic Index*® for the U.K. are:

- Industrial Production
- Retail Sales
- Employment
- Real Household Disposable Income

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)