

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 the UK Fell in January

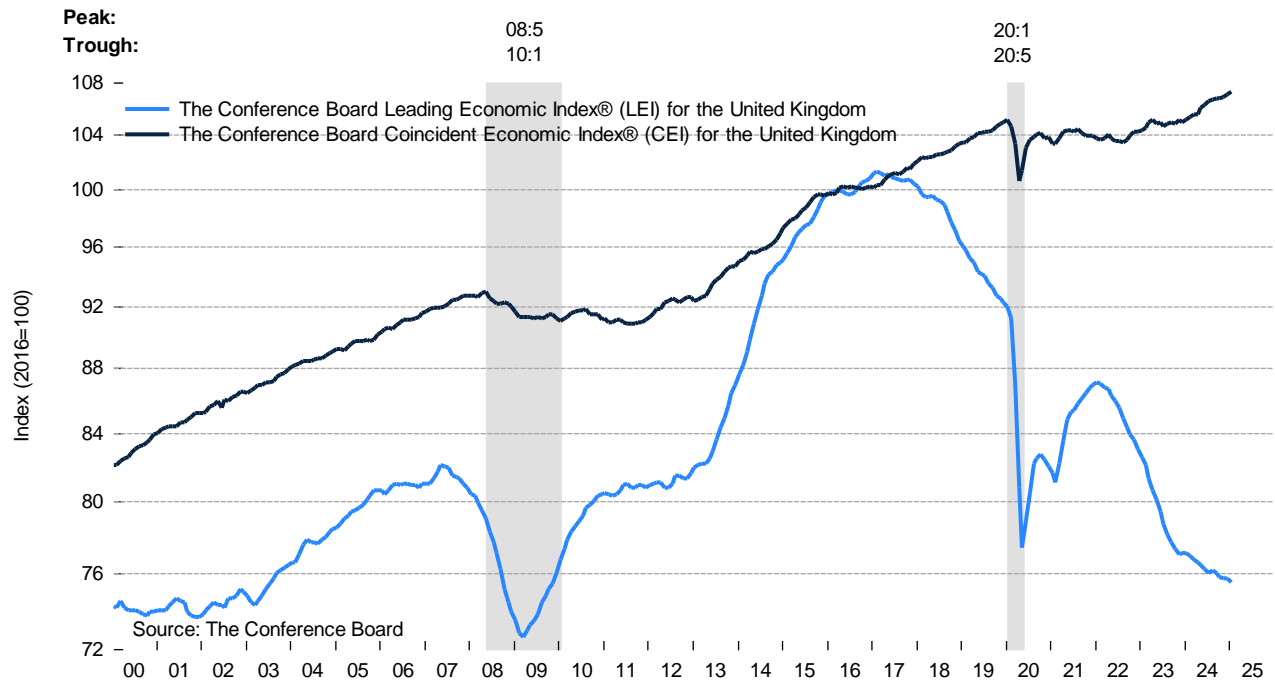
The Conference Board Leading Economic Index® (LEI) for the United Kingdom fell by 0.3% in January 2025 to 75.5 (2016=100), after being unchanged in December 2024 (an upward revision). Overall, the UK LEI contracted by 0.7% over the six-month period between July 2024 and January 2025, still an improvement from the 1.4% decline over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for the United Kingdom rose by 0.2% in December 2024 to 107.2 (2016=100), following a 0.2% gain in December 2024. As a result, the CEI for the UK expanded by 0.7% over the six-month period between July 2024 and January 2025, a little more than a half the 1.3% growth rate over the previous six-month period, between January and July 2024.

“The UK LEI fell in January, but the rate of decline has eased since mid-2024,” said **Allen Li, Associate Economist at The Conference Board**. “In January, the LEI weakness was concentrated in two components: the further softening in consumers’ views of the general economy and an uptick in unemployment claims. While half of the components are still contributing negatively on a six-month basis, 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 are still present but could moderate in the near term. The UK real GDP grew by 0.9% in 2024. The Conference Board expects annual growth to remain below 1% in 2025 in a context of high global uncertainty and still elevated inflation.”

The next release is scheduled for Tuesday, April 15, 2025, at 9:30 A.M. ET.

The UK LEI fell in January



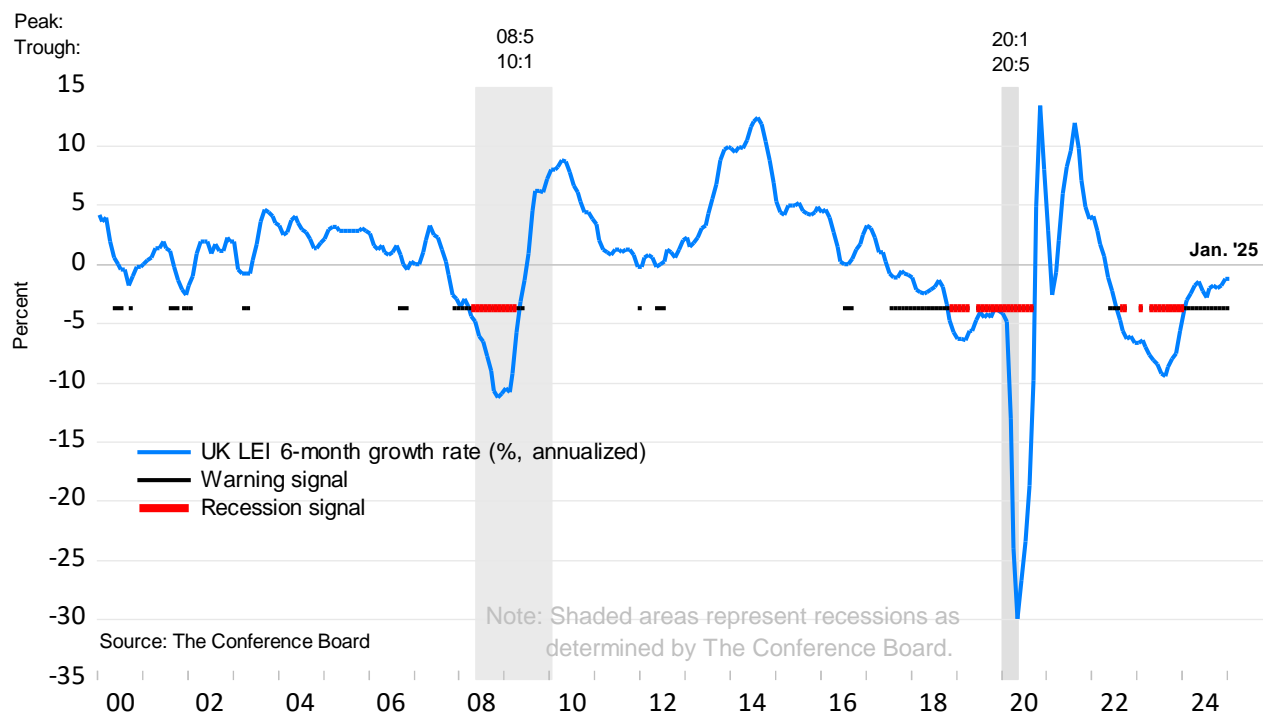
The non-financial components of the UK LEI led the decline in January

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

	Jan. '25	6 mo. ending Jan. '25
Financial Components		
Yield Spread 10 Year Minus Official Bank Rate	-0.01	-0.33
Stock prices, FTSE all share prices index	0.05	0.05
Non-Financial Components		
Unemployment Claimant Counts*	-0.06	0.05
Operating Surplus, Corporations (Q)**	0.00	-0.27
Housing Sales Expectation for Next 3 Months	-0.01	0.48
Weekly Working Hours**	0.00	-0.06
GfK Consumer Survey: General Economic Situation: Next 12 Mo.	-0.14	-0.36
Productivity - Whole Economy (Q)**	0.03	0.05

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.

The 6-month growth rate of the UK LEI, has been on a recovery trajectory, suggesting that headwinds to growth may lessen



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 -3.7% . 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

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