

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® for Brazil, together with Fundação Getulio Increased in June

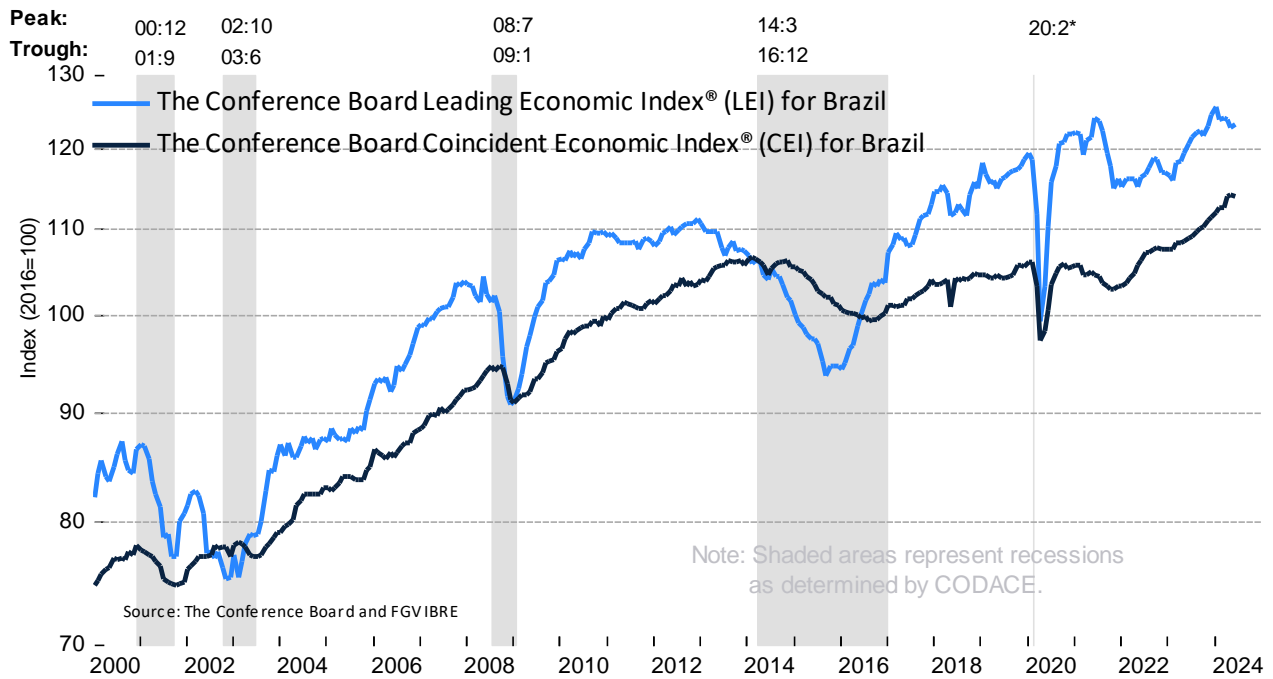
The Conference Board Leading Economic Index® (LEI) for Brazil, together with Fundação Getulio Vargas, increased by 0.2 percent in June 2024 to 123.0 (2016=100), after a substantial decrease of 0.9 percent in May. Over the first half of 2024, the LEI contracted by 1.0 percent, after expanding by 3.2 percent over the second half of the last year.

The Conference Board Coincident Economic Index® (CEI) for Brazil, together with Fundação Getulio Vargas, decreased by 0.2 percent in June 2024 to 113.9 (2016=100), following an increase of 0.3 percent in May. Over the first half of 2024, the CEI increased by 2.3 percent, a similar rate to the 2.4 percent increase over the second half of 2023.

“In June, the Brazil LEI recovered slightly from the May drop that was largely caused by dampened consumer and services sector confidence, and goods production due to the devastating floods in the south of the country,” said **Malala Lin, Economic Research Associate at The Conference Board**. “A rebound in consumer expectations, business expectations in the services sector, and improved stock prices fueled June’s recovery in the Index. Nevertheless, as a result of large month-on-month contractions in February and May, the LEI’s six-month growth rate has become negative. Additionally, the annual growth rate, though still positive, has decelerated, suggesting potential downward pressures ahead for economic activity in Brazil. Against this backdrop The Conference Board currently projects Brazil’s real GDP to grow at 1.9 percent in 2024 after 2.9 percent in 2023.”

The next release is scheduled for Wednesday, August 14, 2024, at 10 A.M. ET.

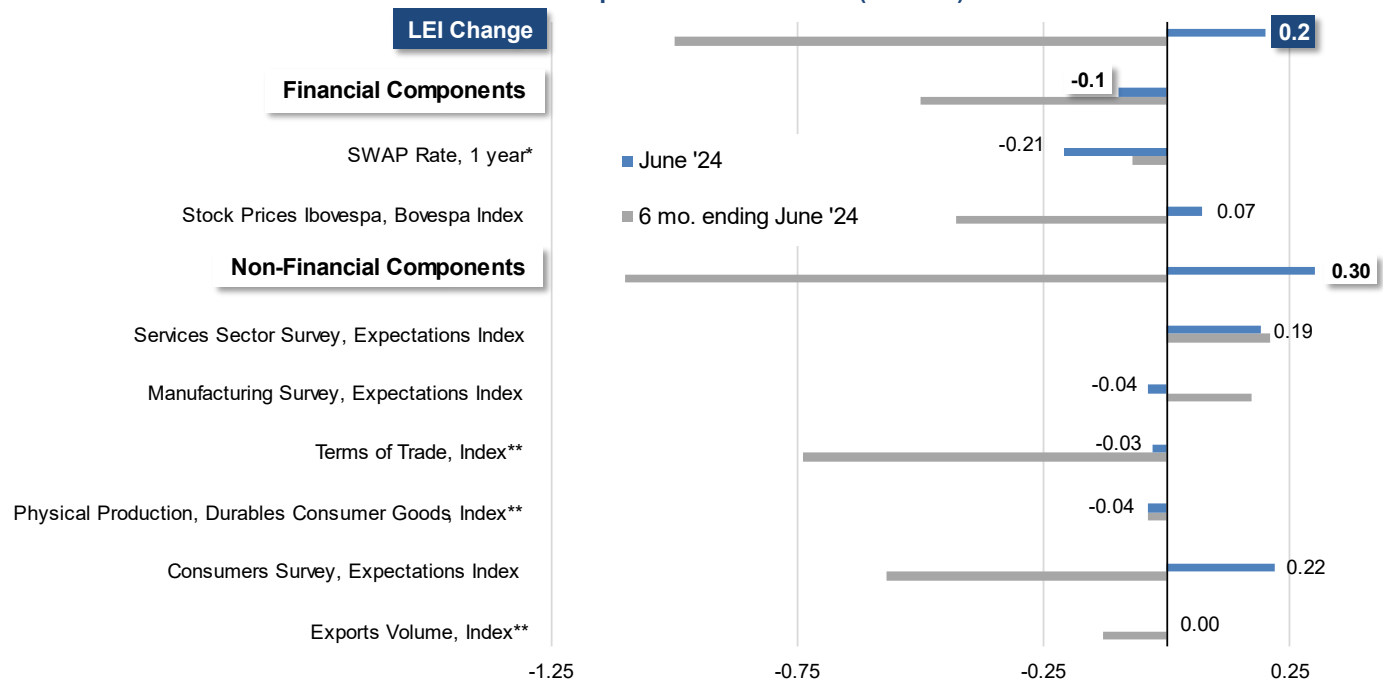
The Conference Board/Fundação Getulio Vargas Brazil LEI slightly recovered in June



*CODACE has determined that the recession beginning in February 2020 ended in the second quarter of 2020. We will update our business cycle chronology when the monthly trough date is available.

The June uptick in the LEI was led by consumer expectations, business expectations in the services sector, and stock prices

The Conference Board Leading Economic Index® together with Fundação Getulio Vargas and Component Contributions (Percent)



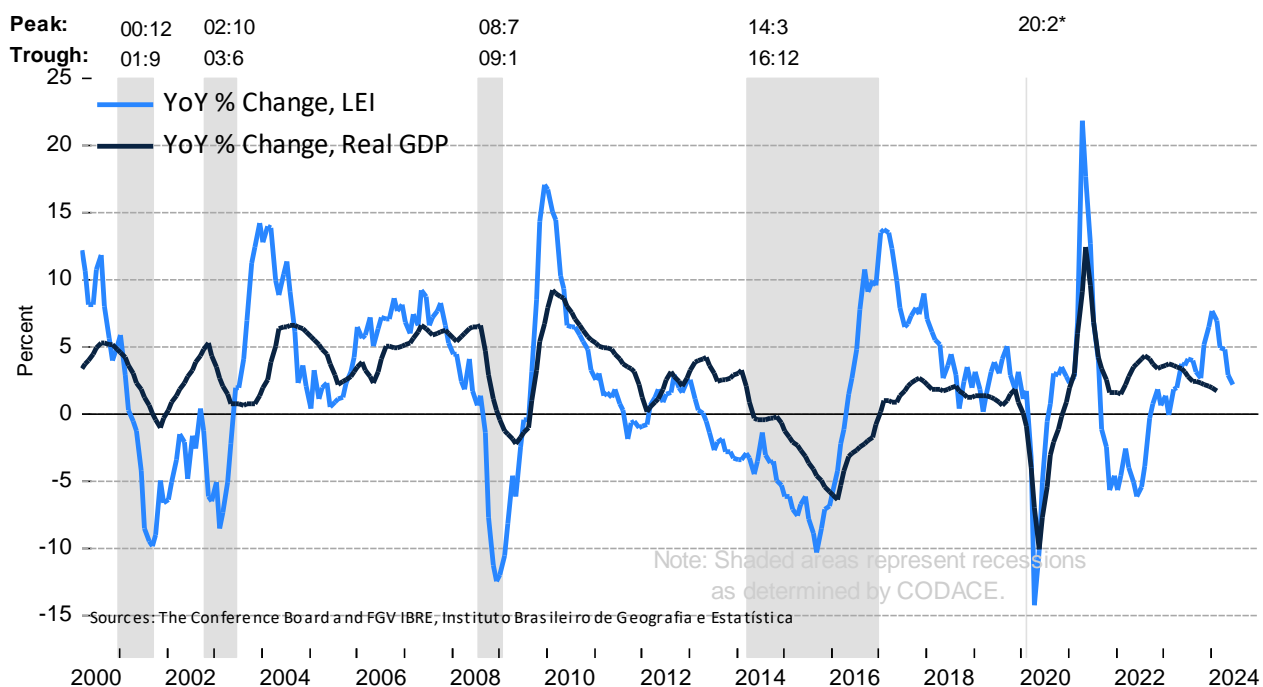
Source: The Conference Board

* Inverted series; a negative change in this component makes a positive contribution.

** Statistical Imputation.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

The year-over-year growth rate of the Brazil LEI continued to slow



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

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 six months.

The eight components of the *Leading Economic Index*® for Brazil are:

- Swap Rate - 1 year
- Ibovespa, Bovespa Index
- Manufacturing Survey, Expectations Index
- Services Sector Survey, Expectations Index
- Consumers Survey, Expectations Index
- Terms of Trade, Index
- Physical Production, Durables Consumer Goods, Index
- Exports, Quantum, Index

The six components of the *Coincident Economic Index*® for Brazil are:

- Industrial production
- Industrial Electric Energy Consumption
- Shipments of Corrugated Paper
- Volume of Sales of the Retail Market
- Occupied Employment Population
- Average Real Income of Workers

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

About The Conference Board

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Created in 1944, FGV is a Brazilian private higher education institution, think tank and producer of statistics, with a mission "to foster Brazil's socioeconomic development." The Brazilian Institute of Economics (IBRE) is FGV's arm with the mission to produce and disseminate high-quality economic statistics and studies that are relevant to improve policies and private action in Brazil.

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