

## News Release

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**For Release 9:30 AM ET, July 11, 2024**

**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 United Kingdom Dipped in May**

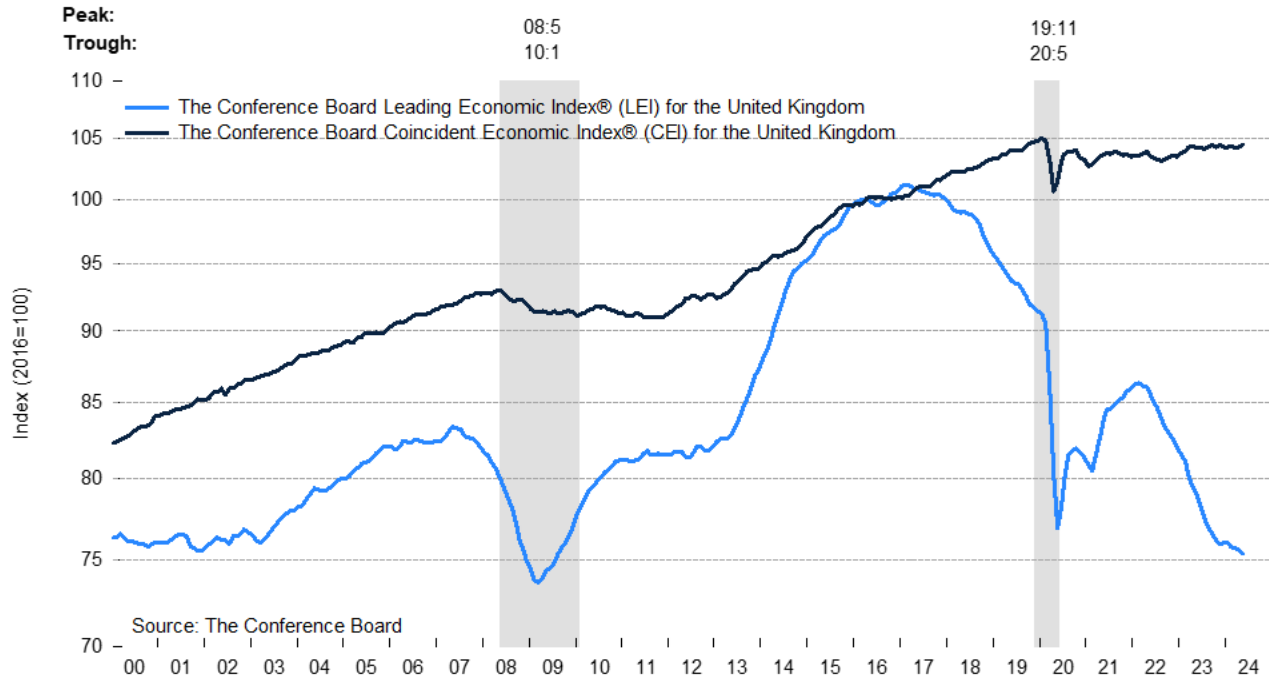
**The Conference Board Leading Economic Index® (LEI)** for the United Kingdom dipped by 0.3 percent in May 2024 to 75.4 (2016=100), following a 0.1 percent decline in April. As a result, the LEI for the UK contracted by 0.7 percent between November 2023 and May 2024, an improvement from a 4.0 percent contraction over the previous six-month period.

**The Conference Board Coincident Economic Index® (CEI)** for the United Kingdom rose by 0.3 percent in May 2024 to 104.5 (2016=100), more than reversing a decline of 0.1 percent in April. However, the CEI for the UK was flat over the six-month period between November 2023 and May 2024, following a 0.3 percent growth over the previous six-month period.

“The UK LEI dipped again in May,” said **Allen Li, Associate Economist at The Conference Board**. “While components of the LEI were mixed, a large negative contribution from unemployment claims drove the decline. As in previous months, the negative yield spread, weak housing sales expectations and depressed consumer’s assessment of current economic conditions also weighed on the index. The LEI’s six-month growth rate is still negative, but it has improved considerably since the beginning of the year, suggesting that headwinds to economic activity have lessened. The Conference Board currently expects that after a strong reading in Q1 GDP growth, the UK economy will continue to expand in remainder of 2024, although at a more modest pace, and grow by 0.8 percent overall this year.”

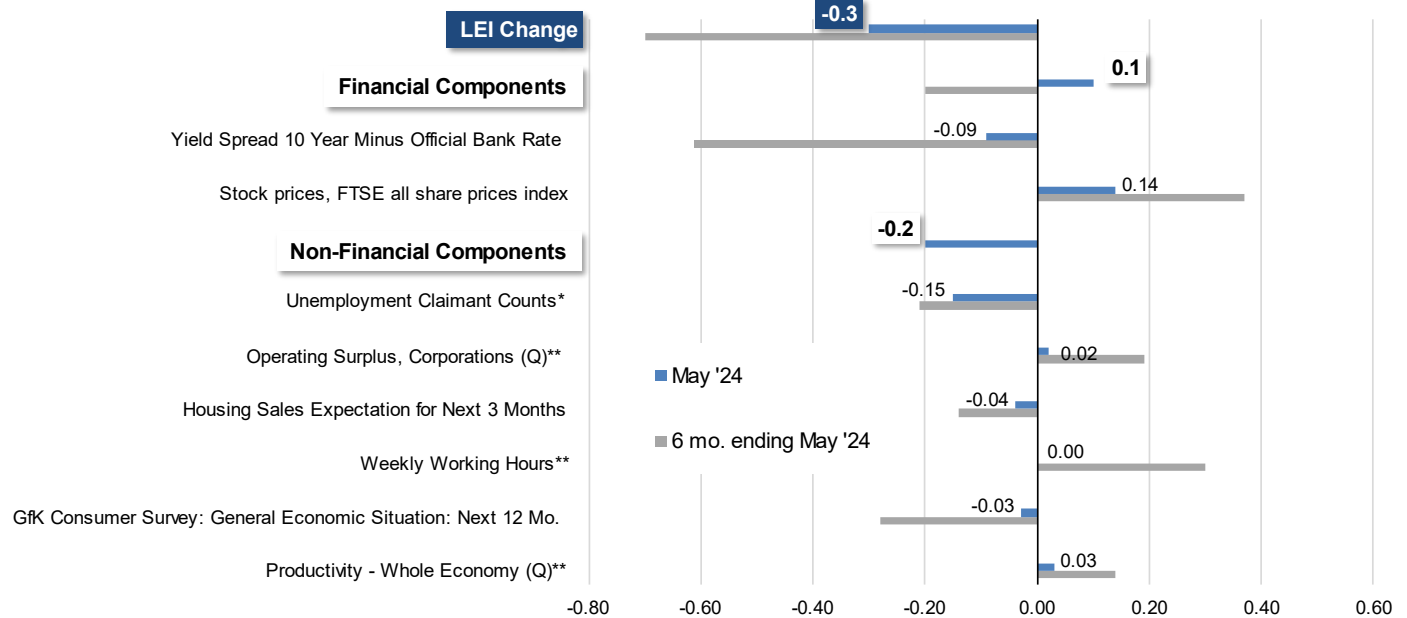
**The next release is scheduled for Friday, August 16, 2024, at 9:30 A.M. ET.**

## The U.K. LEI dipped in May



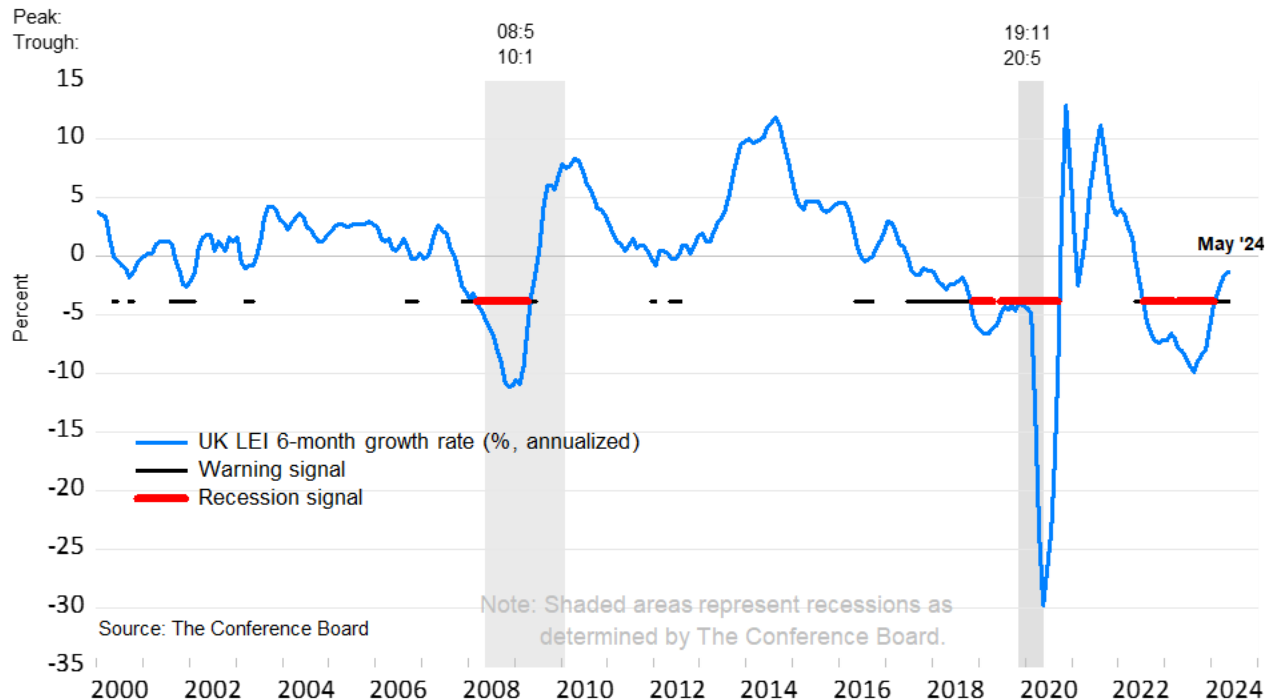
## In May, components of the UK LEI were mixed, and tilted toward the downside

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



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

## While the recession signal stopped flashing in 2024, warning signals remained



**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 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 –3.1 percent. 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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