

News Release

For further information:

Carol Courter 212-339-0232 / courter@conference-board.org

Joe DiBlasi 781-308-7935 / joseph.dibiasi@conference-board.org

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

Economic Expansion Will Continue Through First Half of 2020

NEW YORK, February 20, 2020...The Conference Board Leading Economic Index® (LEI) for the U.S. increased 0.8 percent in January to 112.1 (2016 = 100), following a 0.3 percent decline in December and a 0.1 percent increase in November.

“The strong pickup in the January US LEI was driven by a sharp drop in initial unemployment insurance claims, increasing housing permits, consumers’ outlook on the economy and financial indicators,” said Ataman Ozyildirim, Senior Director of Economic Research at The Conference Board. “The LEI’s six-month growth rate has returned to positive territory, suggesting that the current economic expansion – at about 2 percent – will continue through early 2020. While weakness in manufacturing appears to show signs of softening, the COVID-19 outbreak may impact manufacturing supply chains in the US in the coming months.”

The Conference Board Coincident Economic Index® (CEI) for the U.S. increased 0.1 percent in January to 107.3 (2016 = 100), following no change in December, and a 0.4 percent increase in November.

The Conference Board Lagging Economic Index® (LAG) for the U.S. was unchanged in January at 108.7 (2016 = 100), following a 0.1 percent decline in December, and a 0.3 percent increase in November.

Summary Table of Composite Economic Indexes

	2019		2020	6-month	
	Nov	Dec	Jan	Jul to Jan	
Leading Index	111.5	111.2	112.1	p	
Percent Change	0.1	-0.3	0.8	p	0.1
Diffusion	65.0	55.0	85.0		55.0
Coincident Index	107.2	r 107.2	107.3	p	
Percent Change	0.4	r 0.0	r 0.1	p	0.8
Diffusion	100.0	62.5	75.0		100.0
Lagging Index	108.8	r 108.7	r 108.7	p	
Percent Change	0.3	r -0.1	0.0	p	0.1
Diffusion	42.9	50.0	50.0		28.6

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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