



Macroeconomic Indicators

Leading Economic Index (LEI)

Definition

The Leading Economic Index (LEI) is a composite of 10 components:

- Average weekly work hours, manufacturing
- Average weekly initial jobless claims
- Manufacturers' new orders: consumer goods and materials
- Institute for Supply Management (ISM) new orders index
- Manufacturers' new orders: nondefense capital goods excl. aircraft
- Building permits, new private housing units
- S&P 500 Index
- Leading Credit Index
- Interest rate spread, 10-year Treasury bonds less federal funds
- Avg. consumer expectations for business conditions.

The average weekly work hours, manufacturing is the most heavily weighted factor (27.78 percent).

Who Releases the Leading Economic Index?

The Conference Board. The Conference Board publishes the LEI, as well as the weight attributed to its individual components. See the Conference Board's website for details: www.conference-board.org

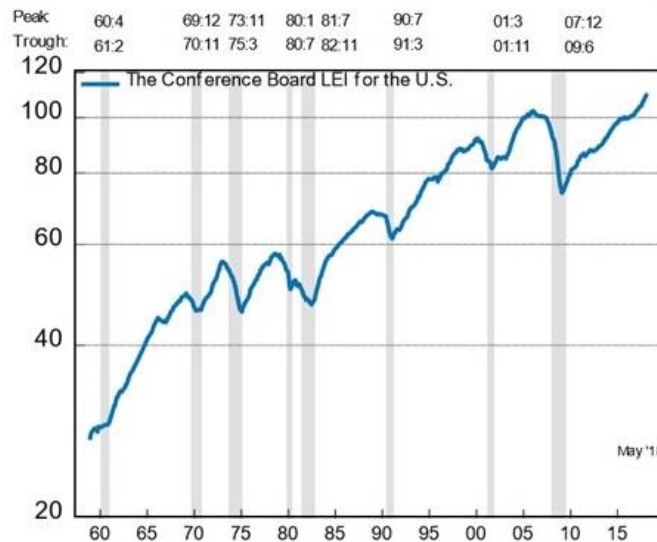
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What Does the Index Tell Investors?

The LEI is composed of several individual leading indicators. It incorporates labor market, economic activity and financial markets data. The combination of individual leading indicators is designed to provide a clearer picture of the economy than the individual indicators, because the combination of the individual indicators reduces the volatility.

The graph has been published by the Conference Board. It shows the LEI (as revised by the Conference Board) over several decades (2016=100). Gray areas denote U.S. recessions.



Type of Indicator

The LEI is a leading economic indicator.

How Often Is the LEI Released?

Once a month, in the third week of the month, using data from the previous month.

Is the Indicator Revised?

Yes. The Conference Board incorporates revisions to data of the individual components; additionally, the weighting of the individual components may be revised. In 2018, the weighting of the individual components was revised effective with the release in January 2018.