

Composite leading indicators point to stable growth momentum in the OECD area

Composite leading indicators (CLIs) are designed to anticipate turning points in economic activity relative to trend six to nine months ahead, using a range of indicators that have leading properties in relation to future movements in the economic cycle.

In July, the OECD CLI Press Release was suspended (see [the note to journalists](#)) for two months in order to accommodate incoming data that were able to capture changes in expectations and outturns in the United Kingdom and in other countries following the 23 June referendum in the UK.

Although there remains uncertainty about the nature of the agreement the UK will eventually conclude with the EU, the volatility in data that emerged in the weeks immediately following the referendum appears to have reduced. Assuming this remains the case for the next 6 months, the current assessment for the **United Kingdom** points to growth continuing to slow, before stabilising around a lower rate towards the end of the year.

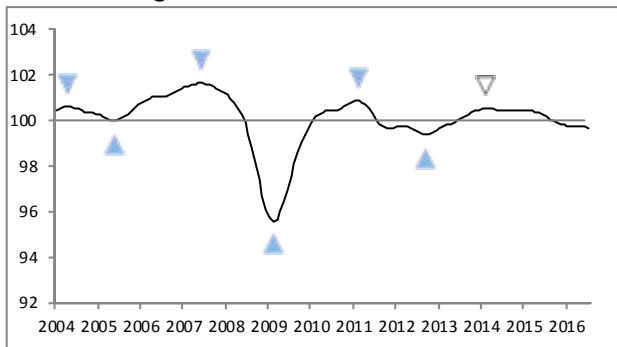
Stable growth momentum is anticipated in the **OECD area** as a whole, the **United States**, **Japan** as well as the **euro area**, including **Germany**.

In **Canada**, the CLI indicates growth picking up.

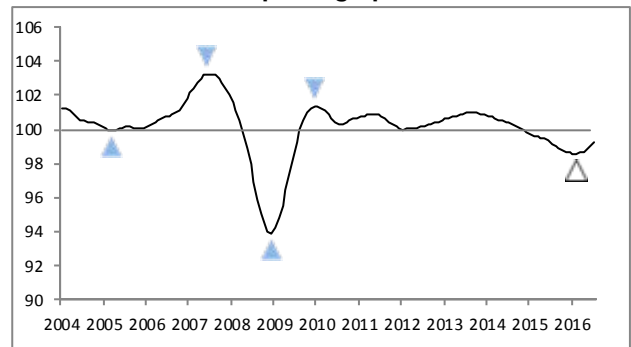
On the other hand, growth is expected to ease in **France**, while the CLI for **Italy** points to a more severe weakness in growth momentum.

Amongst major emerging economies, the CLIs continue to indicate that growth is picking up in **China**, **Russia** and **Brazil**, while the CLI for **India** continues to point to firming growth.

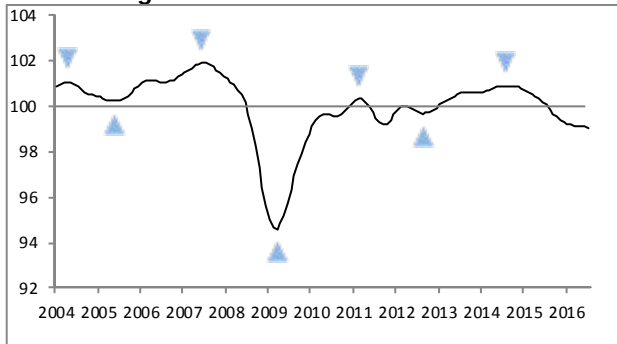
Stable growth momentum in the OECD area



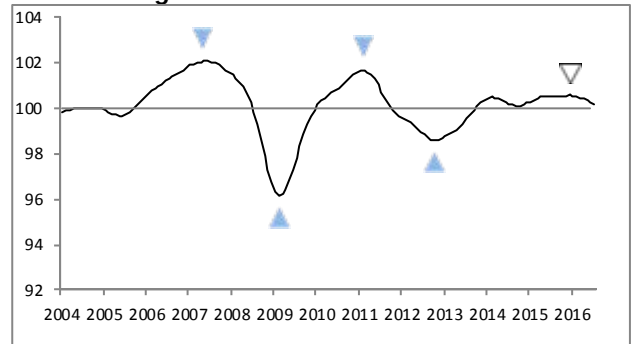
Growth picking up in China



Stable growth momentum in the United States



Stable growth momentum in the Euro area



The above graphs show country specific composite leading indicators (CLIs). Turning points of CLIs tend to precede turning points in economic activity relative to trend by approximately six months. The horizontal line at 100 represents the trend of economic activity. Shaded triangles mark confirmed turning-points of the CLI. Blank triangles mark provisional turning-points that may be reversed.

Methodological Notes:

The CLI methodological notes are available at: www.oecd.org/std/leading-indicators/44728410.pdf

Watch our video explaining the CLIs: www.youtube.com/watch?feature=player_embedded&v=UY8iPW0GVAQ

Access data: : http://stats.oecd.org/Index.aspx?DataSetCode=MEI_CLI

Contacts:

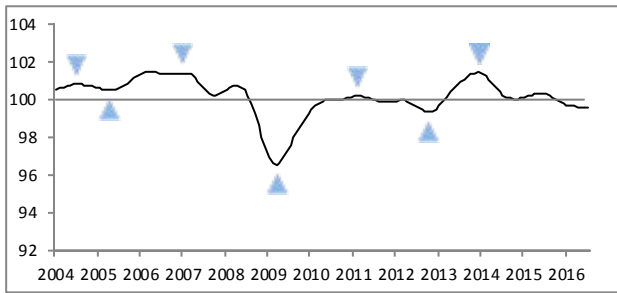
For further information journalists are invited to contact the OECD's Media Relations Division on

(33) 1 45 24 97 00 or e-mail news.contact@oecd.org.

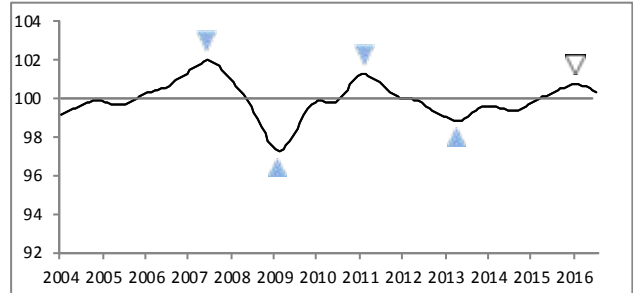
For technical questions contact stat.contact@oecd.org

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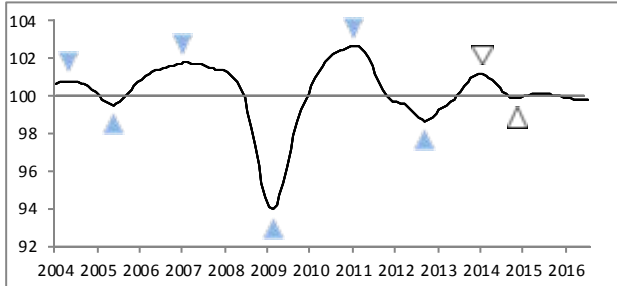
Stable growth momentum in Japan



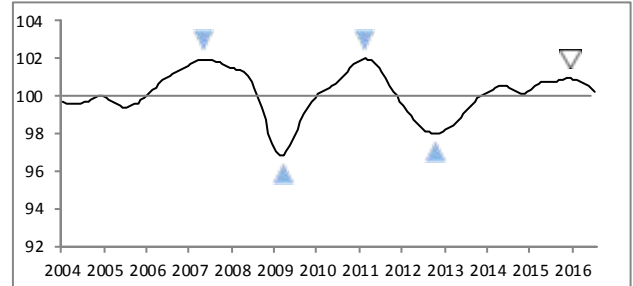
Easing growth in France



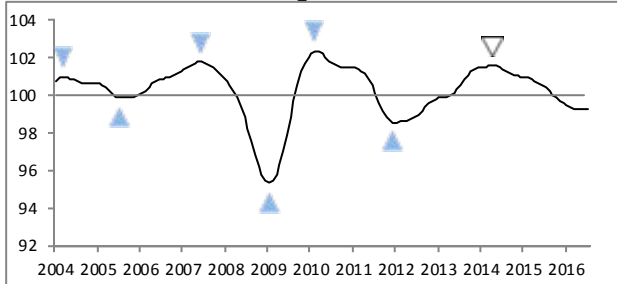
Stable growth momentum in Germany



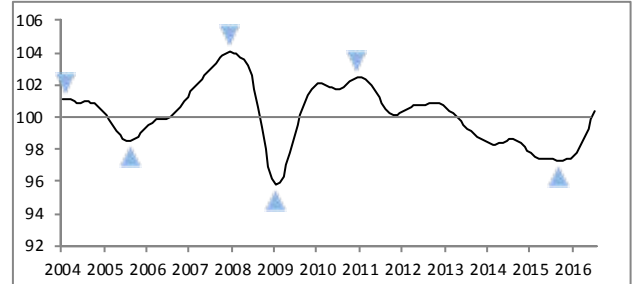
Weak growth in Italy



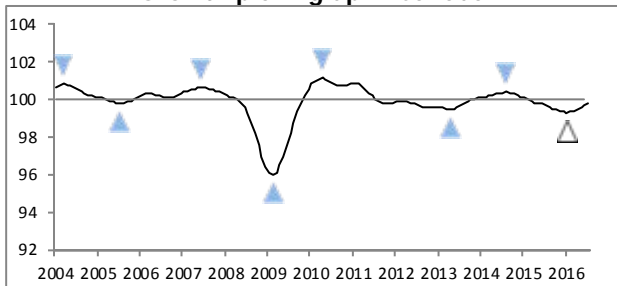
Growth stabilising around a lower rate in United Kingdom



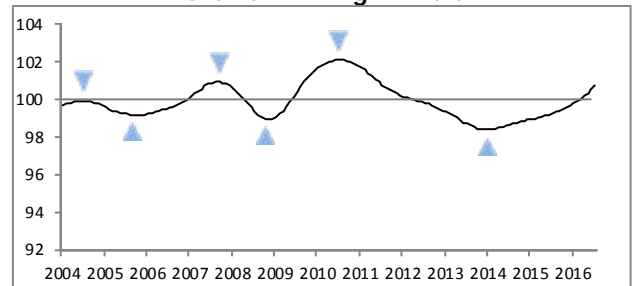
Growth picking up in Brazil



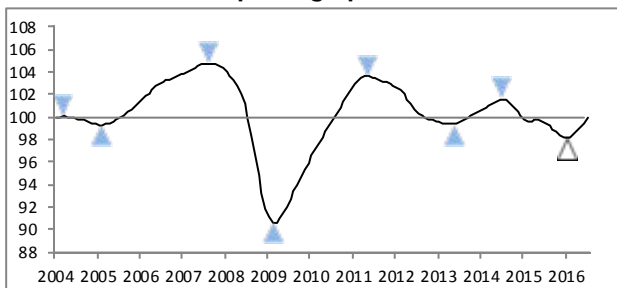
Growth picking up in Canada



Growth firming in India



Growth picking up in Russia



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Table 1: Composite Leading Indicators*

	Ratio to trend, amplitude adjusted					Month on Month change					Year on Year change	Growth cycle outlook
	(long term average =100)					(%)					(%)	
	Mar	Apr	May	Jun	Jul	Mar	Apr	May	Jun	Jul	Latest month	
OECD Area	99.7	99.7	99.7	99.7	99.7	-0.02	0.00	0.00	-0.01	-0.04	-0.47	Stable growth momentum
Euro Area	100.4	100.4	100.3	100.3	100.2	-0.05	-0.05	-0.06	-0.06	-0.08	-0.30	Stable growth momentum
Major Five Asia**	99.3	99.4	99.5	99.6	99.7	0.07	0.09	0.10	0.12	0.13	0.28	Stable growth momentum
Major Seven	99.5	99.5	99.5	99.5	99.4	-0.02	-0.02	-0.02	-0.04	-0.06	-0.75	Stable growth momentum
Canada	99.4	99.5	99.6	99.7	99.8	0.07	0.10	0.11	0.10	0.07	0.12	Growth picking up
France	100.7	100.6	100.5	100.4	100.3	-0.06	-0.08	-0.09	-0.10	-0.11	0.03	Easing growth
Japan	99.7	99.6	99.6	99.6	99.6	-0.04	-0.04	-0.04	-0.02	-0.02	-0.76	Stable growth momentum
Germany	99.9	99.8	99.8	99.8	99.8	-0.02	-0.01	0.00	0.00	-0.02	-0.32	Stable growth momentum
Italy	100.8	100.7	100.6	100.4	100.2	-0.08	-0.09	-0.11	-0.12	-0.22	-0.54	Weak growth
United Kingdom	99.3	99.3	99.3	99.3	99.3	-0.06	-0.04	-0.01	0.02	0.04	-1.09	Growth stabilising around a lower rate
United States	99.2	99.2	99.1	99.1	99.0	-0.01	0.00	-0.01	-0.04	-0.07	-1.02	Stable growth momentum
Brazil	98.2	98.7	99.3	99.8	100.3	0.43	0.53	0.56	0.55	0.50	3.09	Growth picking up
China***	98.6	98.7	98.9	99.0	99.2	0.05	0.09	0.13	0.17	0.20	0.04	Growth picking up
India	100.1	100.2	100.4	100.6	100.8	0.14	0.16	0.17	0.18	0.19	1.49	Growth firming
Russia	98.5	98.8	99.2	99.5	99.9	0.26	0.34	0.35	0.30	0.39	0.42	Growth picking up

* CLI data for 33 OECD member countries and 6 OECD non-member economies are available at:

http://stats.oecd.org/wbos/default.aspx?datasetcode=MEI_CLI

** China, India, Indonesia, Japan and Korea.

*** The reference series for China is the value added of industry, at 1995 constant prices, 100 million Yuan.