

COMPOSITE LEADING INDICATORS

Paris, 9 August 2022

Next release: 12 September 2022

Leading indicators continue to point to a deteriorating growth outlook in most major economies

The OECD Composite Leading Indicators (CLIs), designed to anticipate turning points in economic activity over the next six to nine months, continue to point to a **deteriorating outlook in most major economies**.

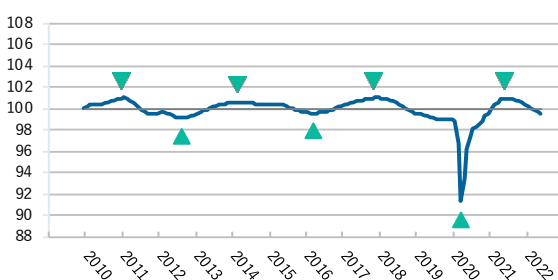
Dragged down by historically high inflation, low consumer confidence and declining share price indices, the CLIs remain below trend and continue to anticipate a loss of growth momentum in most large OECD economies. This is the case for Canada, the United Kingdom and the United States, as well as in the euro area as a whole including France, Germany and Italy. In Japan, the CLI continues to point to stable growth around trend.

Among major emerging-market economies, **the CLI is still declining in China (industrial sector), though showing signs of stabilisation.** In India, the assessment remains for stable growth, whereas in Brazil the CLI continues to point to slowing growth.

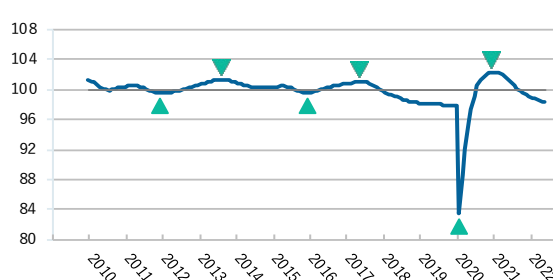
The OECD composite leading indicators are cyclical indicators based on a range of forward-looking indicators such as order books, building permits, confidence indicators, long-term interest rates, new car registrations and [many more](#). Most indicators are available up to July 2022.

Persisting uncertainties related to the war in Ukraine, renewed COVID-19 threats, supply chain disruptions and the impact of high inflation on real household income are resulting in larger-than-usual fluctuations in the CLI components. As a result, the indicators should be interpreted with care and their magnitude should be regarded as an indication of the strength of the signal rather than as a measure of growth in economic activity.

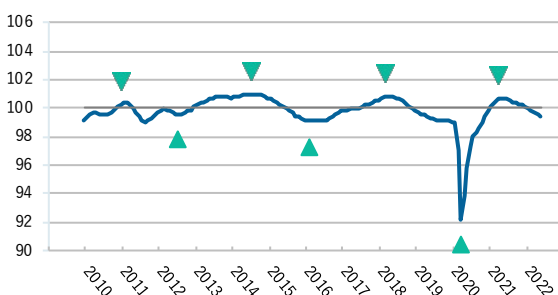
**OECD area:
Growth losing momentum**



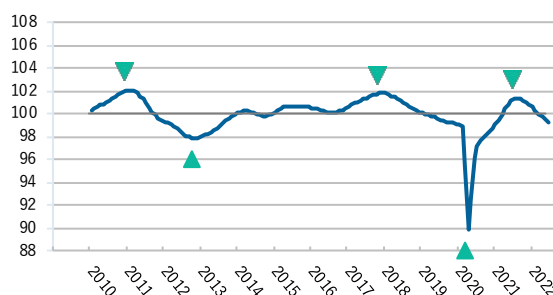
**China:
Signs of stabilising growth momentum**



**United States:
Growth losing momentum**

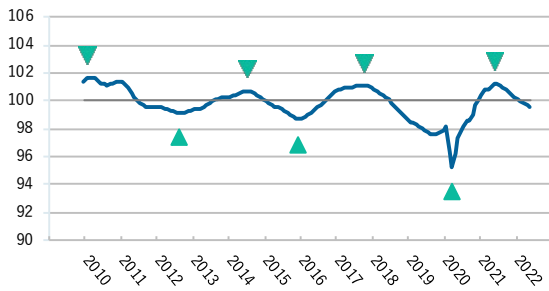


**Euro area:
Growth losing momentum**

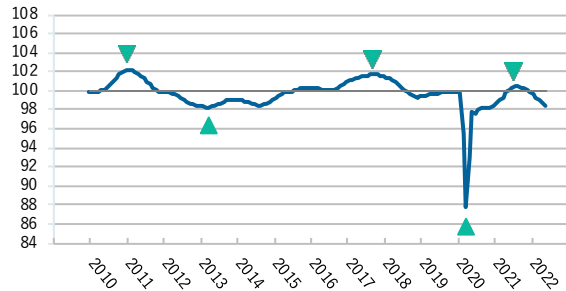


The above graphs show country specific composite leading indicators. Turning points of CLIs (marked by shaded triangles) tend to precede turning points in economic activity relative to trend by six to nine months. The horizontal line at 100 represents the trend of economic activity.

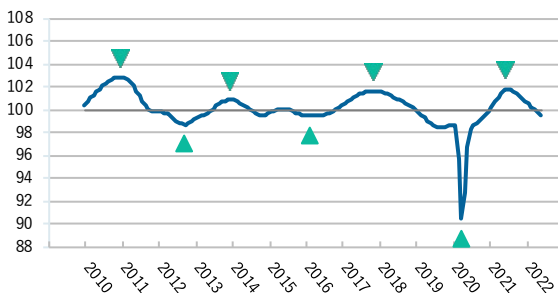
Canada:
Growth losing momentum



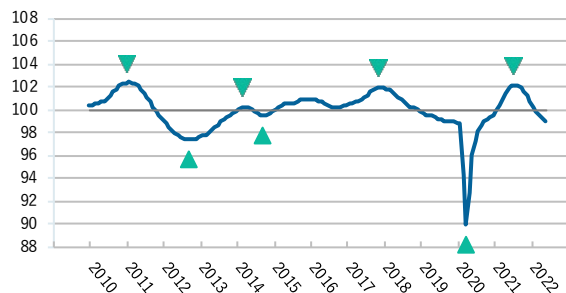
France:
Growth losing momentum



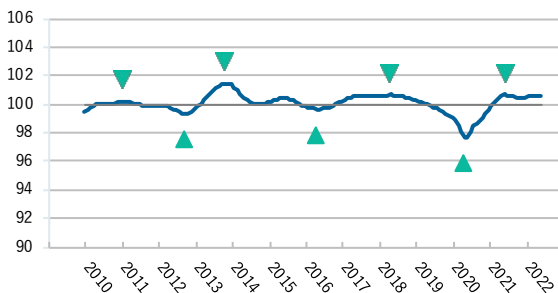
Germany:
Growth losing momentum



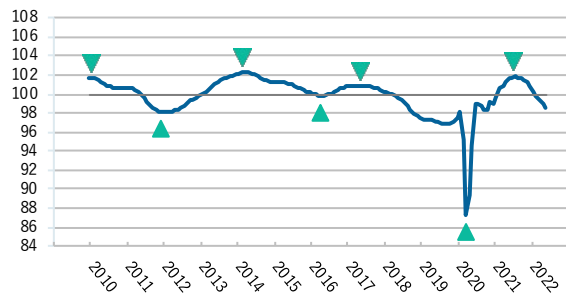
Italy:
Growth losing momentum



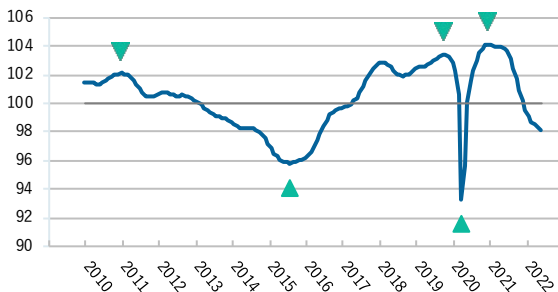
Japan:
Stable growth



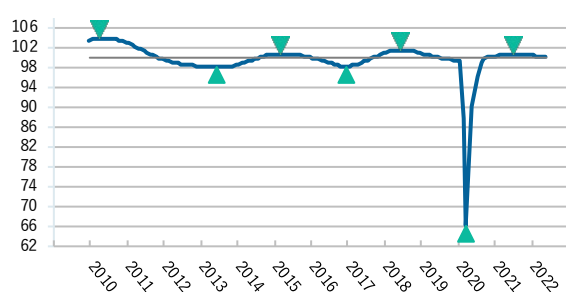
United Kingdom:
Growth losing momentum



Brazil:
Slowing growth



India:
Stable growth



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Table 1: Composite Leading Indicators*

	Ratio to trend, amplitude adjusted					Month on Month change					Growth cycle outlook	Memorandum item Last month's growth cycle outlook (when different from current assessment)
	(long term average =100)					(%)						
	2022					2022						
	Mar	Apr	May	Jun	Jul	Mar	Apr	May	Jun	Jul		
OECD Area	100.1	99.9	99.6	99.4	99.2	-0.22	-0.23	-0.24	-0.23	-0.22	Growth losing momentum	
Euro Area	100.1	99.8	99.5	99.2	99.0	-0.31	-0.30	-0.29	-0.28	-0.26	Growth losing momentum	
Major Five Asia**	99.3	99.2	99.1	99.0	98.9	-0.11	-0.11	-0.10	-0.11	-0.09	Signs of stabilising growth momentum	Growth losing momentum
Major Seven	100.0	99.7	99.5	99.3	99.1	-0.23	-0.23	-0.23	-0.22	-0.20	Growth losing momentum	
Canada	100.1	99.9	99.6	99.3	99.0	-0.19	-0.23	-0.28	-0.30	-0.30	Growth losing momentum	
France	99.4	99.0	98.7	98.4	98.1	-0.35	-0.36	-0.34	-0.31	-0.28	Growth losing momentum	
Germany	100.4	100.1	99.8	99.4	99.1	-0.31	-0.32	-0.32	-0.33	-0.33	Growth losing momentum	
Italy	99.9	99.5	99.2	98.9	98.7	-0.47	-0.37	-0.30	-0.27	-0.24	Growth losing momentum	
Japan	100.5	100.5	100.5	100.5	100.5	0.02	0.01	-0.01	-0.02	-0.03	Stable growth	
United Kingdom	99.6	99.1	98.7	98.5	98.3	-0.58	-0.49	-0.38	-0.27	-0.18	Growth losing momentum	
United States	99.9	99.7	99.5	99.2	99.0	-0.18	-0.20	-0.22	-0.22	-0.20	Growth losing momentum	
Brazil	99.0	98.8	98.5	98.3	98.0	-0.33	-0.26	-0.24	-0.25	-0.26	Slowing growth	
China***	98.9	98.7	98.6	98.5	98.5	-0.14	-0.13	-0.12	-0.10	-0.08	Signs of stabilising growth momentum	Growth losing momentum
India	100.2	100.2	100.1	100.0	100.0	-0.06	-0.06	-0.06	-0.05	-0.05	Stable growth	

* CLI data for 34 OECD member countries and 6 OECD non-member economies are available at:

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

Please note that CLI for New Zealand is currently under revision and could not be updated this month.

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

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

Methodological information:

[Methodological Notes for OECD CLI News Release.](#)

Access Data:

[OECD CLI News Release underlying data](#)

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