

OECD Composite Leading Indicators Suggest Economic Growth Approaching Post-Pandemic Peak

The post-pandemic economic growth rebound may soon reach its peak in the **OECD area as a whole** according to the latest OECD Composite Leading Indicators.

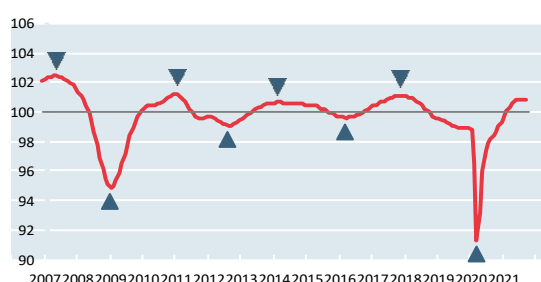
Signs of a possible upcoming peak in the growth of economic activity have emerged in the **United States, Japan, Germany** and the **United Kingdom**. In **France**, the CLI also indicates a possible peak ahead, though from below the long-term trend level. In **Canada** and the **euro area as a whole**, including **Italy**, the CLIs continue to point to a moderating pace of expansion.

Among major emerging-market economies, growth is expected to lose momentum in **China**. In **India** the CLI also signals growth losing momentum, but real GDP levels are expected to remain below the long-term growth trend. Slowing growth continues to be anticipated for **Brazil**, while the CLI for **Russia** continues to point to a steady increase in growth above long-term trends.

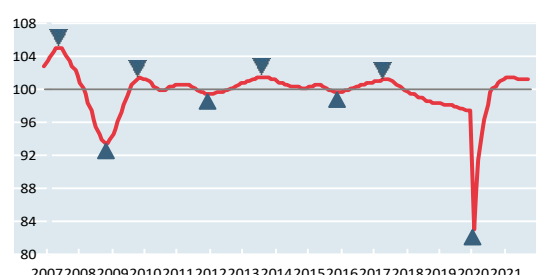
The OECD composite leading indicators, which include order books, building permits, confidence indicators, long-term interest rates, new car registrations and [many more](#), are cyclical indicators designed to anticipate fluctuations in economic activity over the next six to nine months. They paint a broad picture of economic activity based on a large amount of recent forward-looking data.

Despite the gradual lifting of COVID-19 containment measures in some countries and the progress of vaccination campaigns, persisting uncertainties may result in higher than usual fluctuations in the CLI and its components. As such, the CLIs should be interpreted with care and their magnitude should be regarded as an indication of the strength of the signal rather than a precise measure of anticipated growth in economic activity.

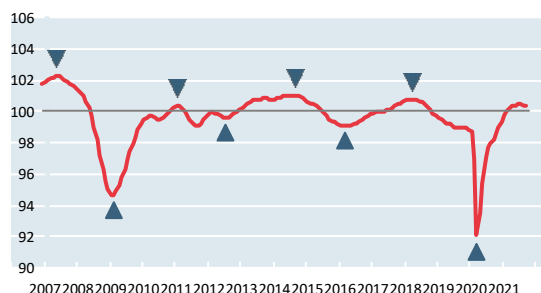
OECD area: Possible peak



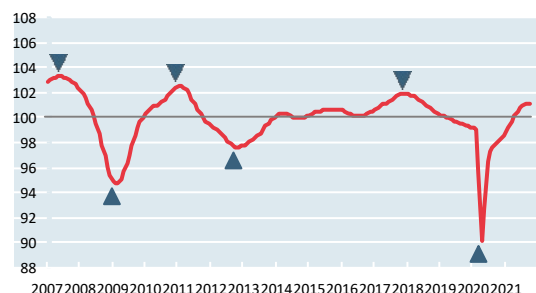
China: Growth losing momentum



United States: Possible peak

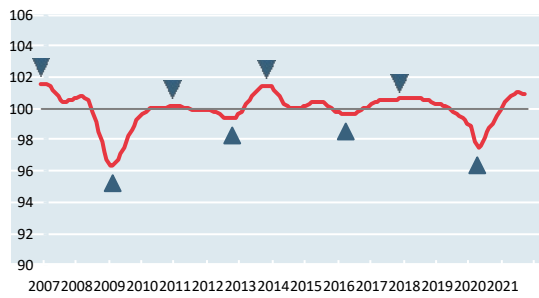


euro area: Moderating growth

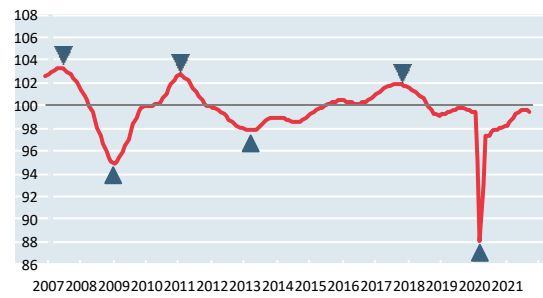


The above graphs show country specific composite leading indicators. Turning points of CLIs (marked by shaded triangles) tend to precede turning points in economic activity relative to trend by six to nine months. The horizontal line at 100 represents the trend of economic activity.

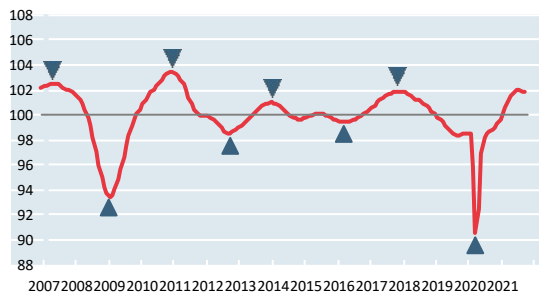
Japan: Possible peak



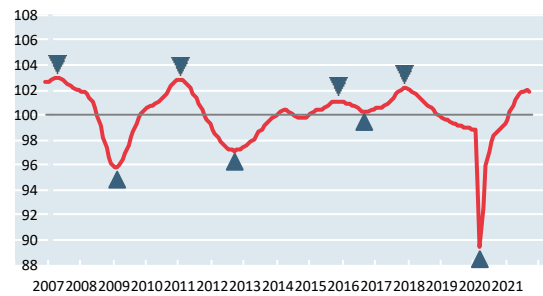
France: Possible peak



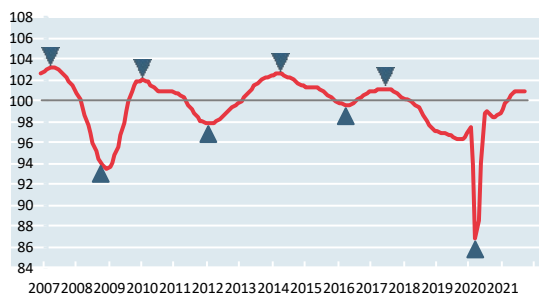
Germany: Possible peak



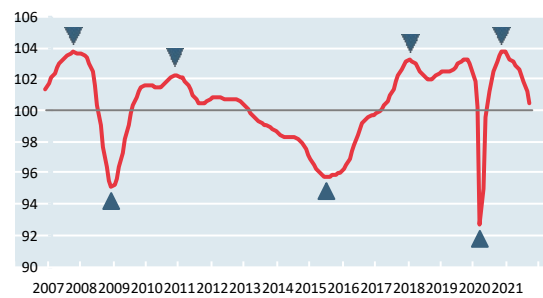
Italy: Moderating growth



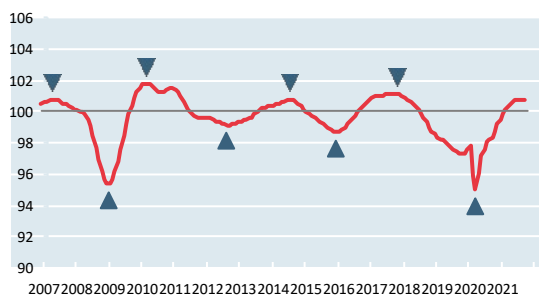
United Kingdom: Possible peak



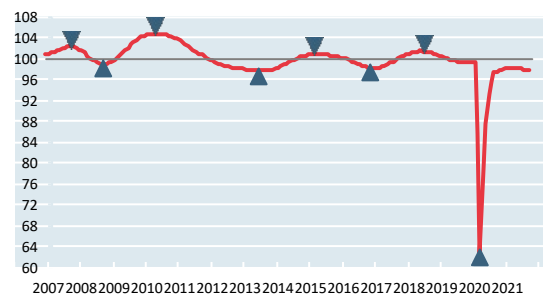
Brazil: Slowing growth



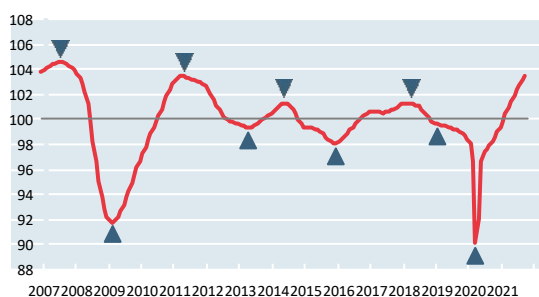
Canada: Moderating growth



India: Growth losing momentum



Russia: Steady increase



The 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.

Table 1: Composite Leading Indicators*

	Ratio to trend, amplitude adjusted (long term average =100)					Month on Month change (%)					Year on Year change (%)	Growth cycle outlook	Memorandum item Last month's growth cycle outlook (when different from current assessment)
	2021					2021					Latest month		
	Jun	Jul	Aug	Sep	Oct	Jun	Jul	Aug	Sep	Oct			
OECD Area	100.8	100.9	100.9	100.9	100.9	0.19	0.09	0.03	-0.01	-0.02	2.51	Possible peak	Moderating growth
Euro Area	100.8	101.0	101.1	101.1	101.1	0.29	0.15	0.06	0.02	0.00	3.04	Moderating growth	
Major Five Asia**	100.2	100.2	100.1	100.1	100.1	0.00	-0.02	-0.04	-0.04	-0.04	0.85	Growth losing momentum	Moderating growth
Major Seven	100.7	100.8	100.8	100.7	100.7	0.16	0.06	0.01	-0.03	-0.05	2.28	Possible peak	Moderating growth
Canada	100.7	100.8	100.8	100.8	100.8	0.15	0.10	0.01	-0.04	0.04	2.45	Moderating growth	
France	99.4	99.5	99.5	99.5	99.5	0.27	0.08	0.01	-0.01	-0.01	1.63	Possible peak	Moderating growth
Japan	100.9	101.0	101.0	101.0	100.9	0.10	0.05	0.00	-0.02	-0.05	1.93	Possible peak	Moderating growth
Germany	101.8	102.0	102.0	101.9	101.8	0.27	0.13	0.00	-0.06	-0.08	3.00	Possible peak	Moderating growth
Italy	101.6	101.8	101.9	101.9	101.9	0.36	0.20	0.08	0.02	-0.01	3.33	Moderating growth	
United Kingdom	100.8	100.9	100.9	100.9	100.8	0.27	0.14	0.00	-0.02	-0.08	2.44	Possible peak	Moderating growth
United States	100.4	100.4	100.4	100.4	100.4	0.11	0.02	0.00	-0.03	-0.05	2.15	Possible peak	Moderating growth
Brazil	102.6	102.3	101.8	101.2	100.5	-0.23	-0.33	-0.47	-0.60	-0.69	-2.49	Slowing growth	
China***	101.3	101.3	101.2	101.2	101.2	-0.02	-0.02	-0.02	-0.03	-0.03	0.77	Growth losing momentum	Stable growth
India	98.1	98.0	97.9	97.8	97.7	-0.08	-0.09	-0.14	-0.11	-0.12	0.04	Growth losing momentum	Stable growth
Russia	101.8	102.3	102.8	103.2	103.6	0.47	0.45	0.44	0.43	0.35	5.47	Steady increase	

* 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.