

OECD CLIs Point More Firmly Towards an Upcoming Peak in Growth

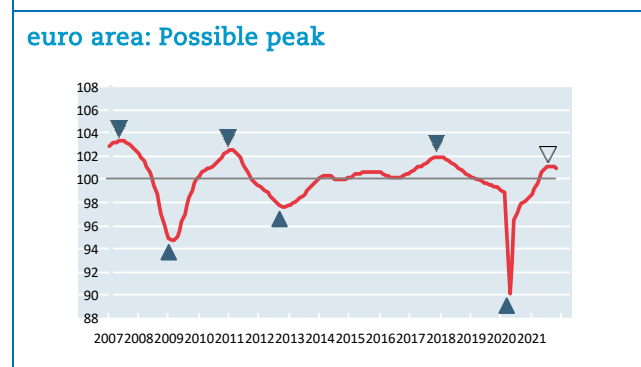
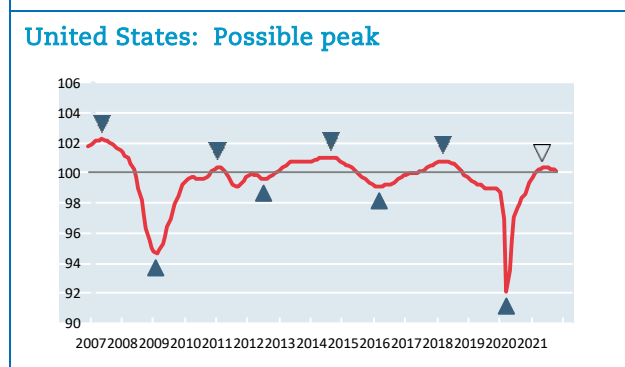
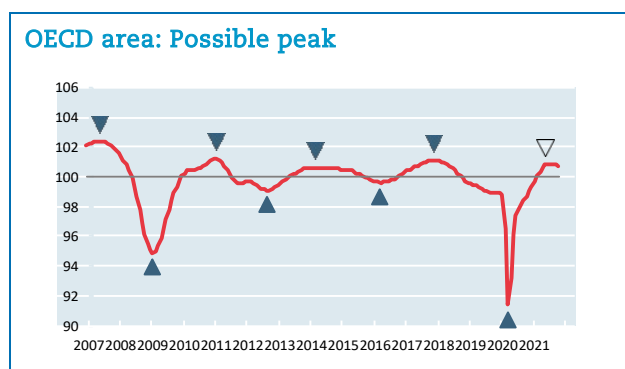
The OECD Composite leading indicators (CLIs), designed to anticipate turning points in economic activity relative to trend, continue to suggest that economic growth in the **OECD area** as a whole may reach a peak in the coming months.

The latest CLIs reaffirm last month's assessment which showed signs of a possible upcoming peak in the growth of economic activity in the **United States, Japan, Germany** and the **United Kingdom**. Similar signals have now emerged in **Canada** and the **euro area** as a whole, including **Italy**. However, in **France**, the CLI is pointing to a continuation in growth, albeit at a moderating pace.

Among major emerging-market economies, the CLIs continue to anticipate growth losing momentum in **China** (industrial sector). In **India**, the CLI indicates stable growth while in **Brazil**, the outlook continues to deteriorate with the CLI now contracting to below trend levels. By contrast, the CLI for **Russia** continues to point to a steady increase in growth above long-term trends.

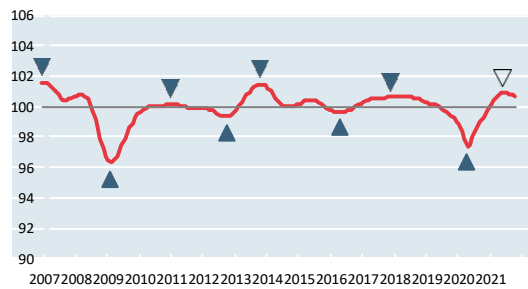
The OECD composite leading indicators, which include order books, building permits, confidence indicators, long-term interest rates, new car registrations and [many more](#), are cyclical indicators designed to anticipate fluctuations in economic activity over the next six to nine months. They paint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

Persisting uncertainties stemming largely from recent developments in the ongoing COVID-19 pandemic 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.

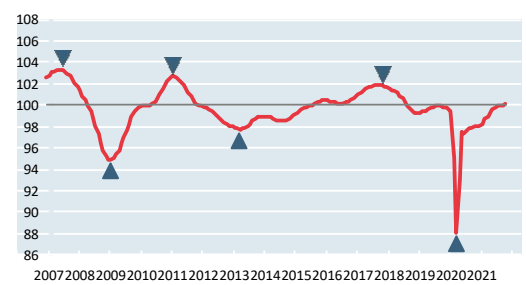


The above graphs show country specific composite leading indicators. Turning points of CLIs (marked by shaded triangles) tend to precede turning points in economic activity relative to trend by six to nine months. The horizontal line at 100 represents the trend of economic activity.

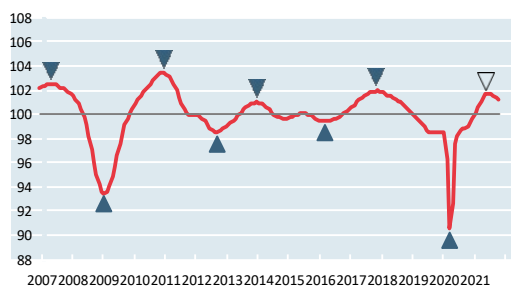
Japan: Possible peak



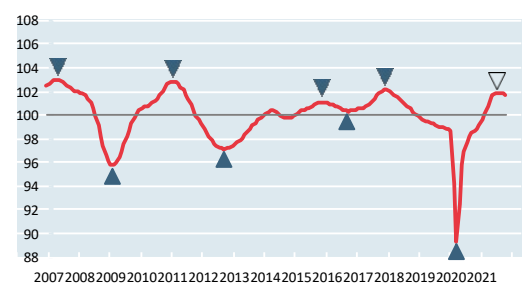
France: Moderating growth



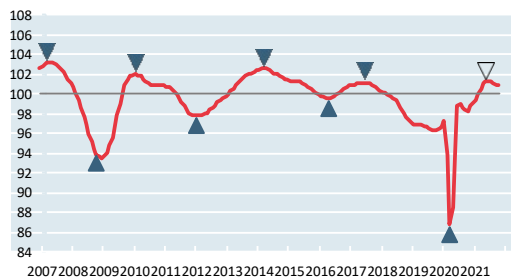
Germany: Possible peak



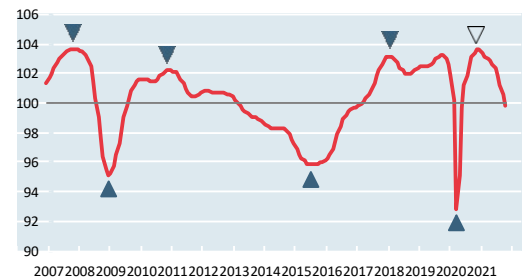
Italy: Possible peak



United Kingdom: Possible peak



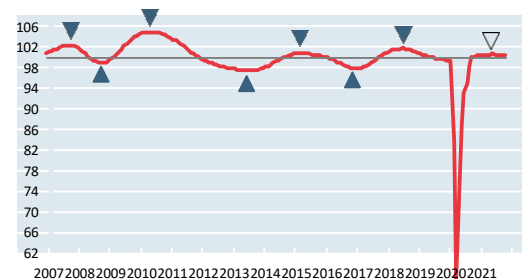
Brazil: Slowing growth



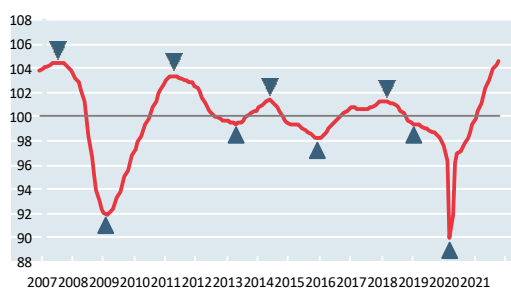
Canada: Possible peak



India: Stable growth



Russia: Steady increase



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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
	2021					2021					Latest month		Last month's growth cycle outlook (when different from current assessment)
	Jul	Aug	Sep	Oct	Nov	Jul	Aug	Sep	Oct	Nov			
OECD Area	100.9	100.9	100.8	100.8	100.7	0.07	0.00	-0.04	-0.05	-0.05	2.05	Possible peak	
Euro Area	101.1	101.1	101.1	101.1	101.0	0.16	0.06	0.00	-0.04	-0.06	2.82	Possible peak	Moderating growth
Major Five Asia**	100.6	100.5	100.4	100.3	100.2	-0.07	-0.09	-0.09	-0.08	-0.07	0.04	Growth losing momentum	
Major Seven	100.7	100.7	100.6	100.6	100.5	0.03	-0.03	-0.06	-0.07	-0.06	1.84	Possible peak	
Canada	101.2	101.1	101.1	101.0	101.0	-0.02	-0.05	-0.06	-0.06	-0.05	1.95	Possible peak	Moderating growth
France	99.8	99.9	100.0	100.0	100.1	0.20	0.13	0.08	0.05	0.05	2.12	Moderating growth	Possible peak
Japan	100.9	100.9	100.8	100.7	100.7	0.00	-0.05	-0.07	-0.06	-0.04	1.49	Possible peak	
Germany	101.7	101.6	101.5	101.4	101.2	0.06	-0.05	-0.10	-0.14	-0.16	2.20	Possible peak	
Italy	101.8	101.9	101.9	101.8	101.7	0.19	0.05	-0.02	-0.05	-0.07	3.13	Possible peak	Moderating growth
United Kingdom	101.3	101.2	101.0	100.9	100.9	0.07	-0.11	-0.13	-0.10	-0.09	2.64	Possible peak	
United States	100.4	100.3	100.3	100.2	100.1	-0.01	-0.04	-0.06	-0.07	-0.06	1.53	Possible peak	
Brazil	102.3	101.9	101.2	100.5	99.7	-0.29	-0.46	-0.61	-0.71	-0.78	-3.56	Slowing growth	
China***	100.9	100.8	100.6	100.5	100.4	-0.14	-0.14	-0.14	-0.12	-0.08	-0.59	Growth losing momentum	
India	100.6	100.6	100.5	100.5	100.4	-0.02	-0.03	-0.05	-0.06	-0.07	0.20	Stable growth	
Russia	103.0	103.5	104.0	104.3	104.6	0.55	0.51	0.48	0.32	0.26	6.55	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.