

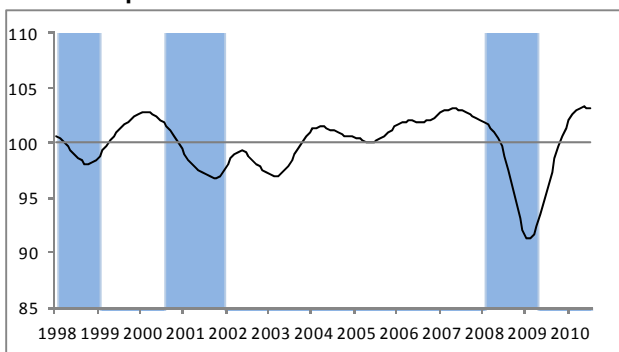
OECD composite leading indicators show signs of possible peak in expansion

OECD composite leading indicators (CLIs) for July 2010 point to clearer signs of a moderation in the pace of expansion compared to last month's assessment. The CLI for the OECD area decreased by 0.1 point in July 2010.

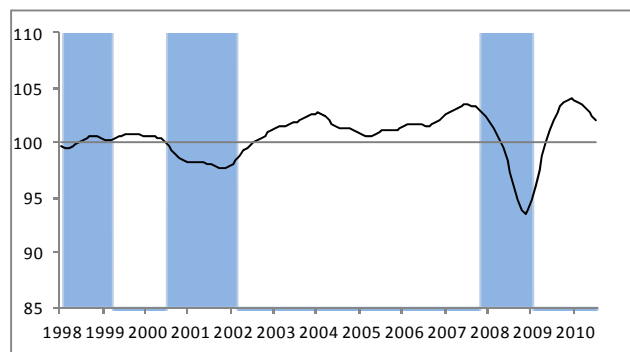
In **Canada, France, Italy, the United Kingdom, China** and **India** there are stronger signals of a slower pace of economic growth in coming months than was anticipated in last month's release. Stronger signals that the expansion may lose momentum have emerged in **Japan, the United States** and **Brazil**. Tentative signals have also emerged that the expansion phases of **Germany** and **Russia** may soon peak.

The OECD Development Centre's Asian Business Cycle Indicators (ABCIs) show that the recovery of ASEAN economies keeps on track with some signs of moderation. ([Read more](#)).

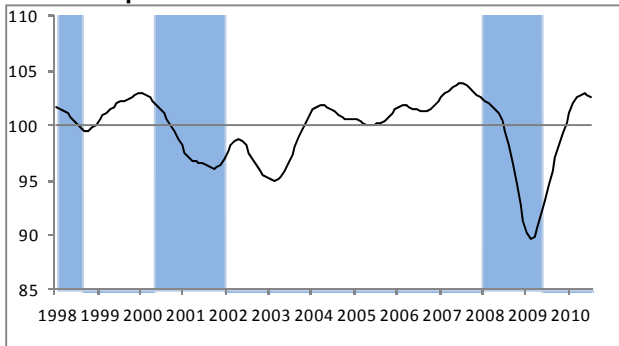
Possible peak in the OECD area



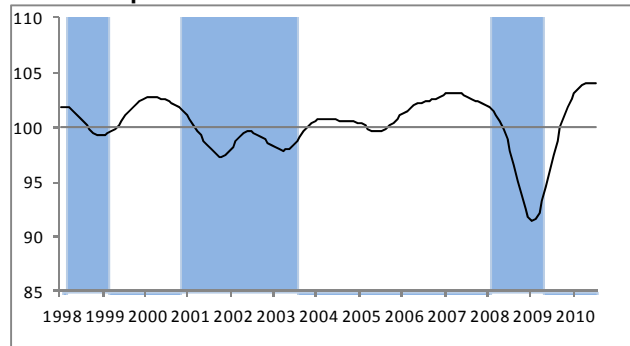
Downturn in China



Possible peak in the United States



Possible peak in the Euro area



The above graphs show for each country the outlook for economic activity based on the CLIs. CLIs attempt to indicate turning points in economic activity approximately six months in advance. Shaded areas represent observed downturns (measured from peak to trough) in the de-trended industrial production (the reference series for economic activity).

Methodological Notes:

The CLI methodological notes are available at: <http://www.oecd.org/dataoecd/22/47/44728410.pdf> Please note that Chile, Slovenia and Israel are now OECD member countries. They have not yet been included in OECD area aggregation.

Access data:

CLI data is available at: http://stats.oecd.org/wbos/default.aspx?datasetcode=MEI_CLI

The OECD Development Centre's ABCIs are available at: www.oecd.org/dev/asiapacific/abcis

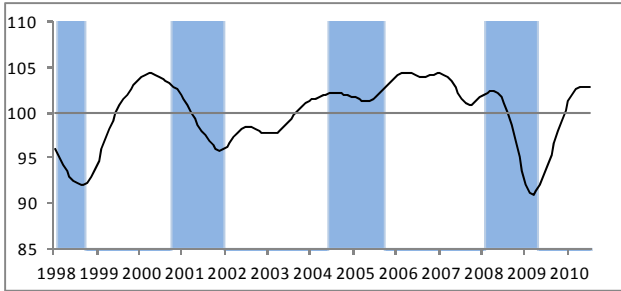
Contacts:

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.

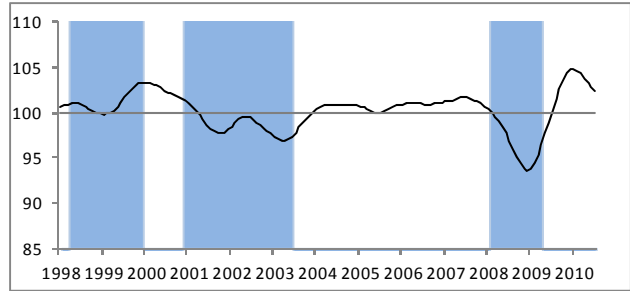
For technical questions contact stat.contact@oecd.org

Next release: 11 October 2010

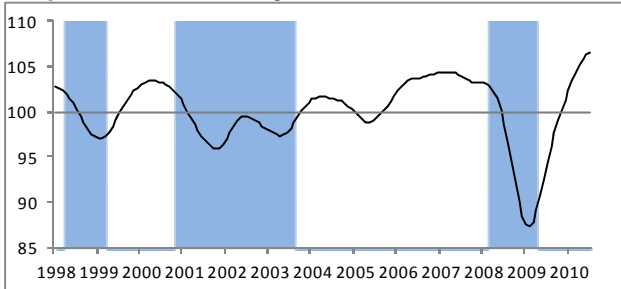
Possible peak in Japan



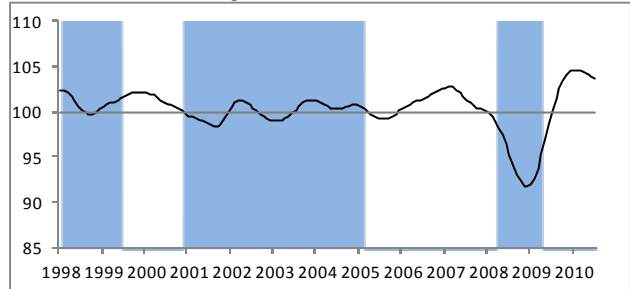
Downturn in France



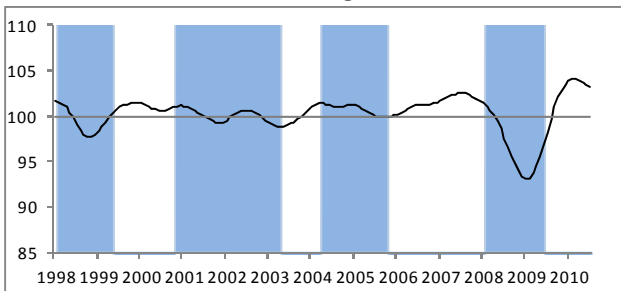
Expansion in Germany



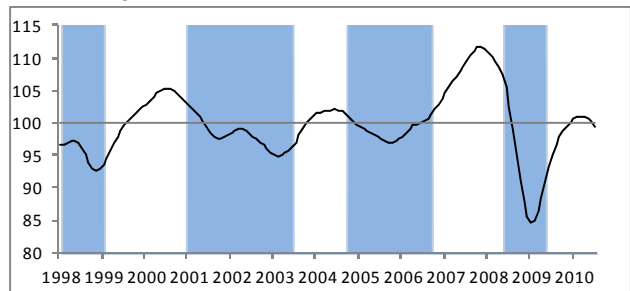
Downturn in Italy



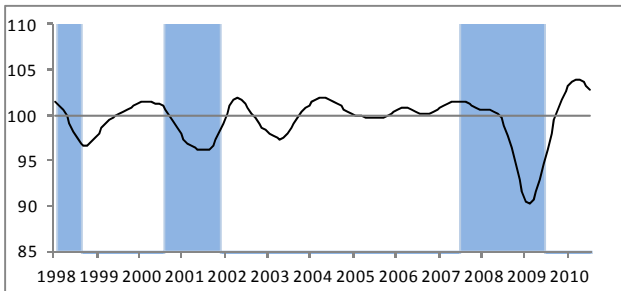
Downturn in the United Kingdom



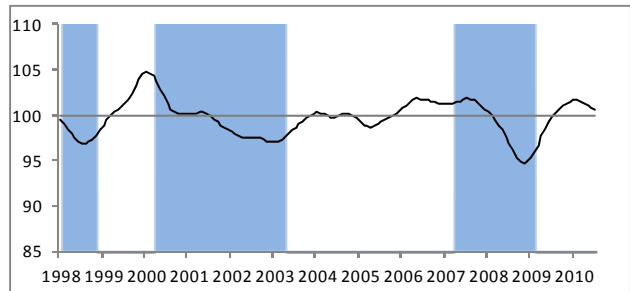
Possible peak in Brazil



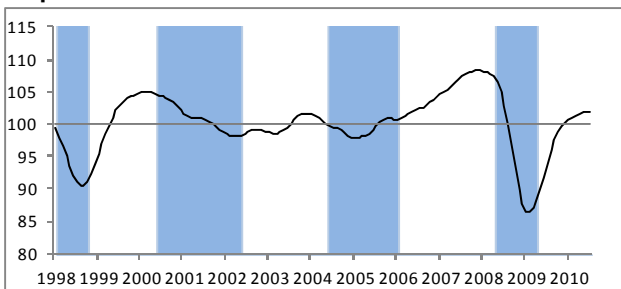
Downturn in Canada



Downturn in India



Expansion in Russia



Note: The horizontal line 100 shows the long-term trend in industrial production (the reference series). *Expansion* denotes a CLI increasing above 100; *downturn* a CLI decreasing but still above 100; *slowdown* a CLI decreasing below 100; *recovery* a CLI increasing but below 100.

Table 1: Composite Leading Indicators

	Ratio to trend, amplitude adjusted					Change from previous month					Year on Year change (points)	Growth cycle outlook**
	(long term average =100)					(points)						
	2010					2010						
Mar	Apr	May	Jun	Jul	Mar	Apr	May	Jun	Jul			
OECD Area	103.0	103.2	103.3	103.2	103.1	0.4	0.2	0.1	-0.1	-0.1	7.0	possible peak
Euro Area	103.8	104.0	104.1	104.1	104.1	0.3	0.2	0.1	0.0	0.0	6.6	possible peak
Major Five Asia*	102.8	102.6	102.4	102.2	101.9	-0.1	-0.2	-0.2	-0.2	-0.2	2.2	downturn
Major Seven	103.2	103.4	103.4	103.3	103.1	0.4	0.2	0.0	-0.1	-0.2	7.5	possible peak
Canada	104.0	104.0	103.7	103.3	102.9	0.3	0.0	-0.2	-0.4	-0.4	6.6	downturn
France	104.3	103.8	103.3	102.7	102.3	-0.3	-0.5	-0.5	-0.5	-0.4	2.1	downturn
Japan	102.5	102.7	102.8	102.8	102.8	0.5	0.3	0.1	0.0	-0.1	8.6	possible peak
Germany	104.4	105.2	105.8	106.2	106.5	1.0	0.8	0.6	0.4	0.2	12.1	expansion
Italy	104.5	104.3	104.1	103.9	103.7	-0.1	-0.2	-0.3	-0.2	-0.2	3.5	downturn
United Kingdom	104.1	104.0	103.7	103.5	103.3	0.0	-0.1	-0.2	-0.3	-0.2	5.0	downturn
United States	102.5	102.8	102.9	102.7	102.5	0.6	0.3	0.0	-0.2	-0.2	8.0	possible peak
Brazil	101.0	101.0	100.7	100.2	99.4	0.2	0.0	-0.3	-0.6	-0.8	4.3	possible peak
China	103.5	103.2	102.8	102.4	102.1	-0.2	-0.3	-0.4	-0.4	-0.4	-0.1	downturn
India	101.4	101.2	101.0	100.7	100.6	-0.2	-0.2	-0.2	-0.2	-0.2	0.7	downturn
Russia	101.3	101.5	101.8	101.8	101.9	0.3	0.2	0.2	0.1	0.1	8.1	expansion

* China, India, Indonesia, Japan and Korea.

** Growth cycle phases of the CLI are defined as follows: expansion (increase above 100), downturn (decrease above 100), slowdown (decrease below 100), recovery (increase below 100). CLI data for 29 OECD member countries and 6 OECD non-member economies available at: http://stats.oecd.org/wbos/default.aspx?datasetcode=MEI_CLI

Table 2: Historical Performance of CLI and Recent Cyclical Turning Points in the Reference Series

	CLI Historical Performance			Recent Turning Point dates in the reference series					
	Lead at all turning points			Dates marked with (P) are provisional turning points					
	start year	mean	st. dev.	peak	trough	peak	trough	peak	trough
OECD Area	1961	6	3.5	Aug 2000	Jan 2002			Feb 2008 P	May 2009 P
Euro Area	1963	7	3.1	Nov 2000	Jul 2003			Mar 2008 P	May 2009 P
Major Five Asia*	1983	8	5.8	Aug 2000	Dec 2001	May 2004 P	Jun 2005 P	Jan 2008 P	Mar 2009 P
Major Seven	1959	6	3.7	Aug 2000	Jan 2002			Mar 2008 P	May 2009 P
Canada	1956	8	3.7	Aug 2000	Nov 2001			Aug 2007 P	Jun 2009 P
France	1962	7	4.9	Dec 2000	Jul 2003			Feb 2008 P	Apr 2009 P
Japan	1959	6	4.5	Sep 2000	Dec 2001			Mar 2008 P	Apr 2009 P
Germany	1961	5	4.0	Nov 2000	Jul 2003			Mar 2008 P	May 2009 P
Italy	1973	7	5.8	Dec 2000			Feb 2005 P	Mar 2008 P	May 2009 P
United Kingdom	1958	7	5.2	Sep 2000	Apr 2003	Apr 2004	Aug 2005 P	Feb 2008 P	Jun 2009 P
United States	1955	5	3.4	May 2000	Dec 2001			Feb 2008 P	May 2009 P
Brazil	1989	5	2.3	Jan 2001	Jun 2003	Oct 2004	Aug 2006 P	May 2008 P	Apr 2009 P
China	1990	6	4.9	Jul 2000	Jan 2002			Jan 2008 P	Feb 2009 P
India	1994	4	2.7	May 2000	Apr 2003			Mar 2007 P	Feb 2009 P
Russia	1993	3	2.3	Jun 2000	Jul 2002	Jun 2004	Sep 2005 P	Apr 2008 P	May 2009 P

* China, India, Indonesia, Japan and Korea

P= provisional