

- The Big Picture - <http://thebigpicture.dev.wilder.ca/blog> -

ECRI's Leading Indicators in Recession Territory

Posted By [Barry Ritholtz](#) On July 17, 2008 @ 11:45 am In [Data Analysis](#), [Economy](#) | [18 Comments](#)

The Leading Economic Indicators (LEIs) have not been are not my favorite of all data points.

Long term readers may recall my ire over the way the Conference Bureau tweaked the calculating of the Leading Economic Indicators' [1] [in terms of the yield curve](#) in order to make them more bullish. Hence, why I look at them somewhat askance (NT's Paul Kasriel has convinced me this is a hasty opinion on my part).

Rather than rely on the Conference Board's [2] [Juiced Data](#), we can turn instead to the [3] [Economic Cycle Research Institute](#) (ECRI) data leading indicators. Their indicators have a very good track record of forecasting recessions.

Leading Economic Indicators Index in Recession Territory

click for jumbo chart



[4]
Chart courtesy of Lakshman Achuthan, ECRI

>

The ECRI's weekly leading economic index is now deep into the territory associated with recessions. Its down over 10% this month, and this week is running down 8% on a year-over-year basis. As the chart above shows, that is something that only happens when the economy is in recession.

>

Previously:

[2] [Juiced Data](#) (August 2005)

http://bigpicture.typepad.com/comments/2005/08/juiced_data_1.html

[5] [Mis-Leading Economic Indicators](#) (August 2005)
http://bigpicture.typepad.com/comments/2005/08/reviced_leading.html

~ ~ ~

Article printed from The Big Picture: <http://thebigpicture.dev.wilder.ca/blog>

URL to article: <http://thebigpicture.dev.wilder.ca/blog/2008/07/ecris-leading-indicators-in-recession-territory/>

URLs in this post:

[1] in terms of the yield curve: http://www.conference-board.org/economics/bci/RevisionsLEI_2005.pdf

[2] Juiced Data: http://bigpicture.typepad.com/comments/2005/08/juiced_data_1.html

[3] Economic Cycle Research Institute: <http://www.businesscycle.com/about/>

[4] Image: http://bigpicture.typepad.com/comments/files/ecri_wli.PNG

[5] Mis-Leading Economic Indicators:

http://bigpicture.typepad.com/comments/2005/08/reviced_leading.html

Copyright © 2008 The Big Picture. All rights reserved.