

Glossary: Leading indicator

Statistics Explained

A **leading indicator** is an economic [statistical indicator](#) that changes *before* general economic conditions and therefore can be used to predict turning points in the [business cycle](#) . Typical examples of leading indicators are stock prices, business and consumer expectations.

A leading indicator is distinct from both a [coincident indicator](#) , changing *simultaneously* with economic conditions, and a [lagging indicator](#) , reflecting changes in the general economic trend only *after* they have already taken place.

Related concepts

- [Coincident indicator](#)
- [Lagging indicator](#)