

News Release

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About the Leading Economic Index and the Coincident Economic Index:

The Leading Economic Index provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index provides an indication of the current state of the economy. Additional details are below.

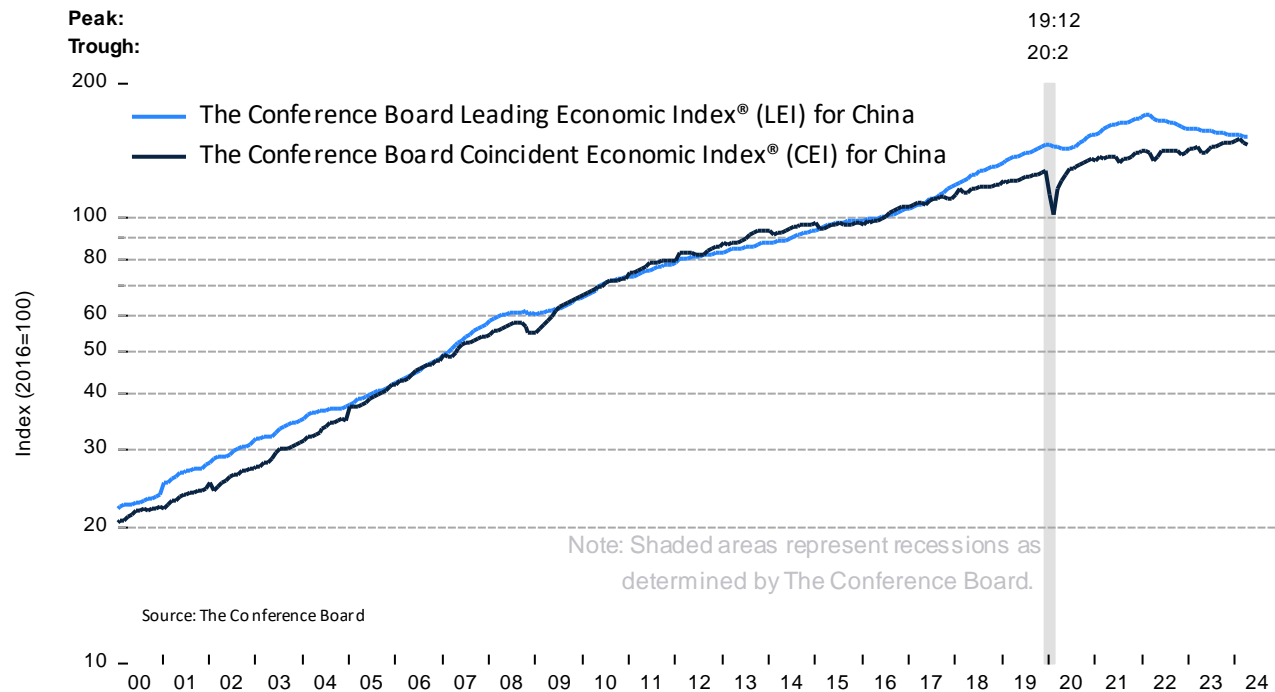
The Conference Board Leading Economic Index® (LEI) for China Inched Down in April

The Conference Board Leading Economic Index® (LEI) for China declined by 0.2 percent in April 2024 to 150.8 (2016=100), following a downwardly revised decline of 0.4 percent in March. As a result, the LEI declined by 1.4 percent during the six-month period ending April 2024, a slightly smaller decrease than the contraction of 1.7 percent over the previous six-month period.

The Conference Board Coincident Economic Index® (CEI) for China dropped by 0.8 percent in April 2024 to 145.0 (2016=100), following a decline of 1.5 percent in March. The CEI fell by 0.2 percent in the six-month period between October 2023 and April 2024, significantly down from the 4.6 percent growth rate over the previous six months period.

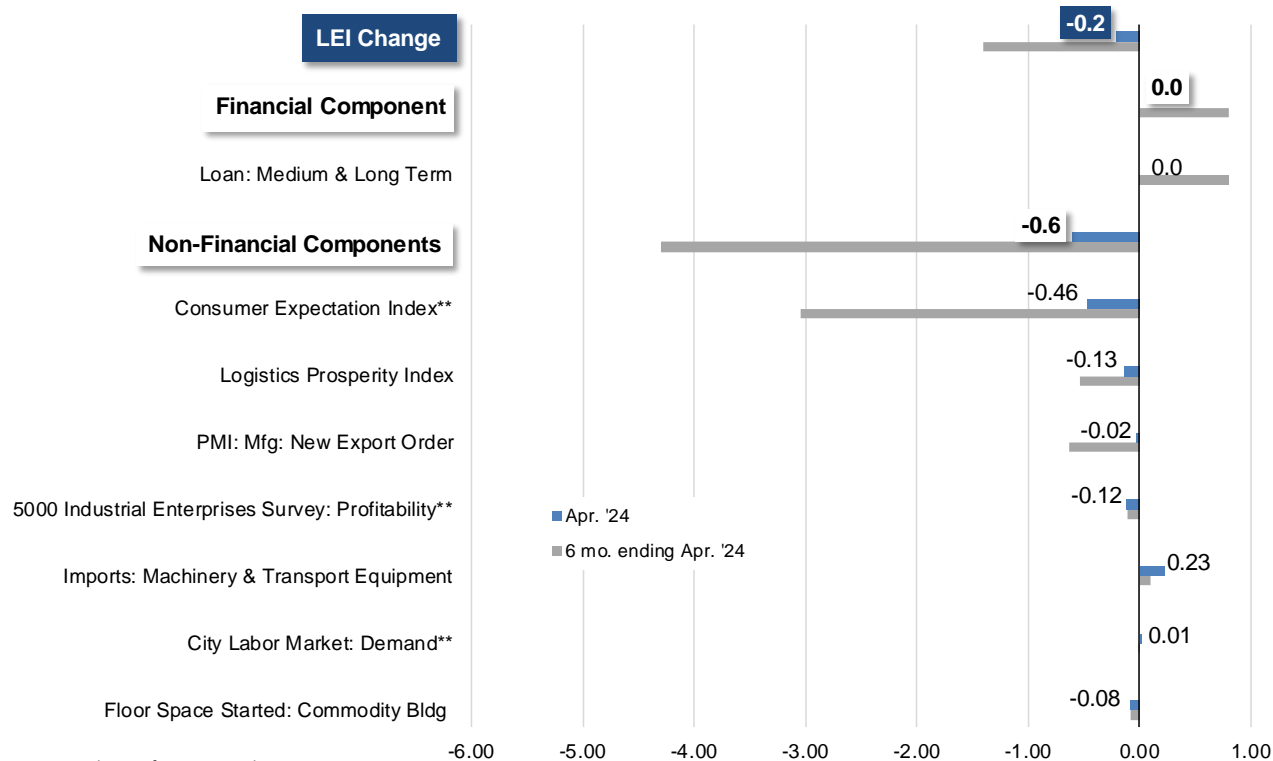
“The LEI for China declined again in April continuing a downward trend that started in March 2022,” said **Ian Hu, Economic Research Associate, at The Conference Board**. “As in past months, depressed consumer expectations weighed heavily on the Index. Additionally, the Logistics Prosperity Index, the 5000 Industrial Enterprises profitability survey, and total floor space started contributed negatively, offsetting the large positive contribution from machinery and transport equipment imports. The six- and twelve-month growth rates for the China LEI remain depressed, pointing to continued economic obstacles ahead. Furthermore, the first negative six-month reading for the CEI suggests that the Chinese economy may have already started to slow after a strong first quarter. All in all, The Conference Board projects annual real GDP growth will slow to 4.6 percent in 2024, after 5.2 percent in 2023.”

The LEI for China remained on a downward trend



Non-financial components drove the decline in the China LEI in April

The Conference Board Leading Economic Index® and Component Contributions (Percent)



Source: The Conference Board

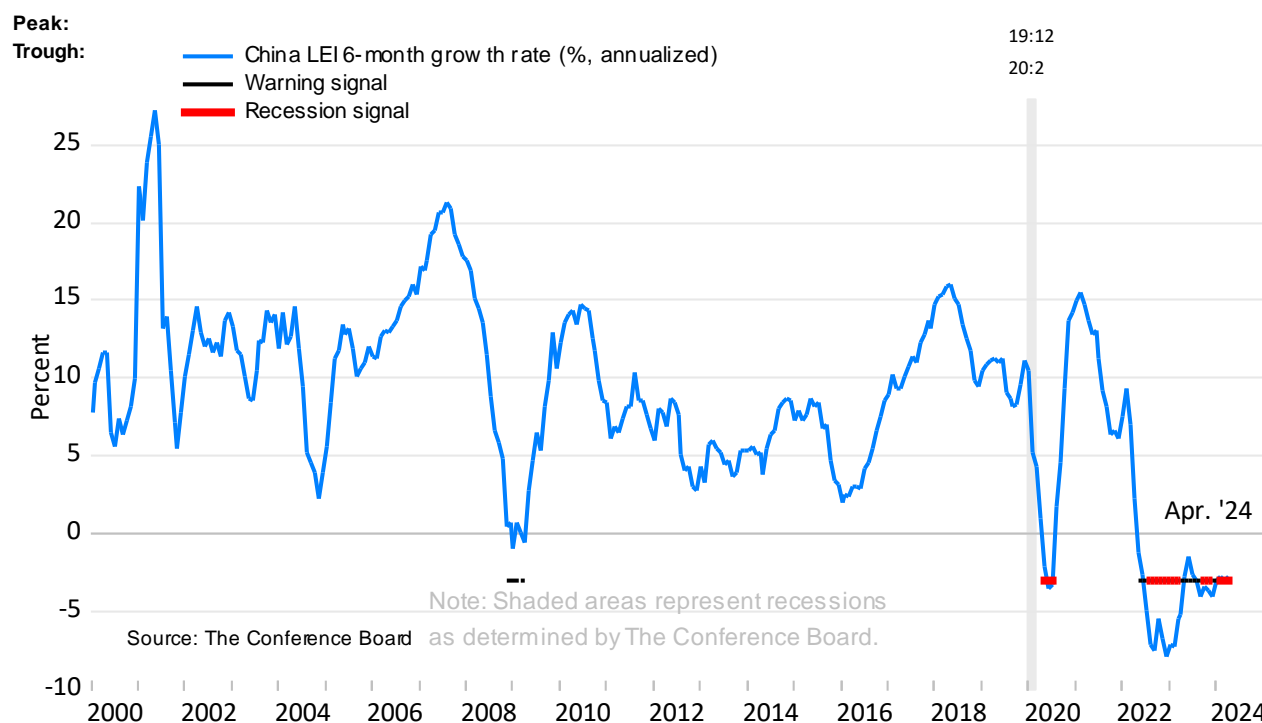
** Statistical Imputation.

LEI change might not equal sum of its contributions due to application of trend adjustment factor

Source: The Conference Board

** Statistical Imputation.

The six-month growth rate of the China LEI barely avoided recession signal territory in April



NOTE: The chart illustrates the so-called **3Ds**—**duration, depth, and diffusion**—for interpreting a downward movement in the LEI. **Duration** refers to how long the decline has lasted. **Depth** denotes the size of decline. Duration and depth are measured by the rate of change of the index over the most recent six months. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a six-month **diffusion index** reading below 50 indicates most components are weakening.

The **3Ds rule** signals an impending recession when: 1) the six-month diffusion index lies below 50, shown by the black warning signal lines in the chart; and 2) the LEI's six-month rate of decline falls below the threshold of -3.1 percent. The **red recession signal lines** indicate months when both criteria are met simultaneously—and thus that a recession is likely imminent or underway.

About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for China

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around seven months.

The eight components of the *Leading Economic Index*® for China are:

- Consumer Expectation Index
- PMI: Mfg: New Export Order
- 5000 Industrial Enterprises Survey: Profitability
- Logistics Prosperity Index
- Loan: Medium & Long Term
- Floor Space Started
- City Labor Market: Demand
- Imports: Machinery and Transport Equipment

The four components of the *Coincident Economic Index*® for China are:

- Value-Added Industrial Production
- Retail Sales of Consumer Goods

- Electricity Production
- Railway: Freight Traffic

To access data, please visit: <https://data-central.conference-board.org/>

About The Conference Board

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