

News Release

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For Release 9:00 AM ET, March 26, 2025

Using the Composite Indexes: *The Leading Economic Index (LEI) 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 (CEI) provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for China Decreased in February

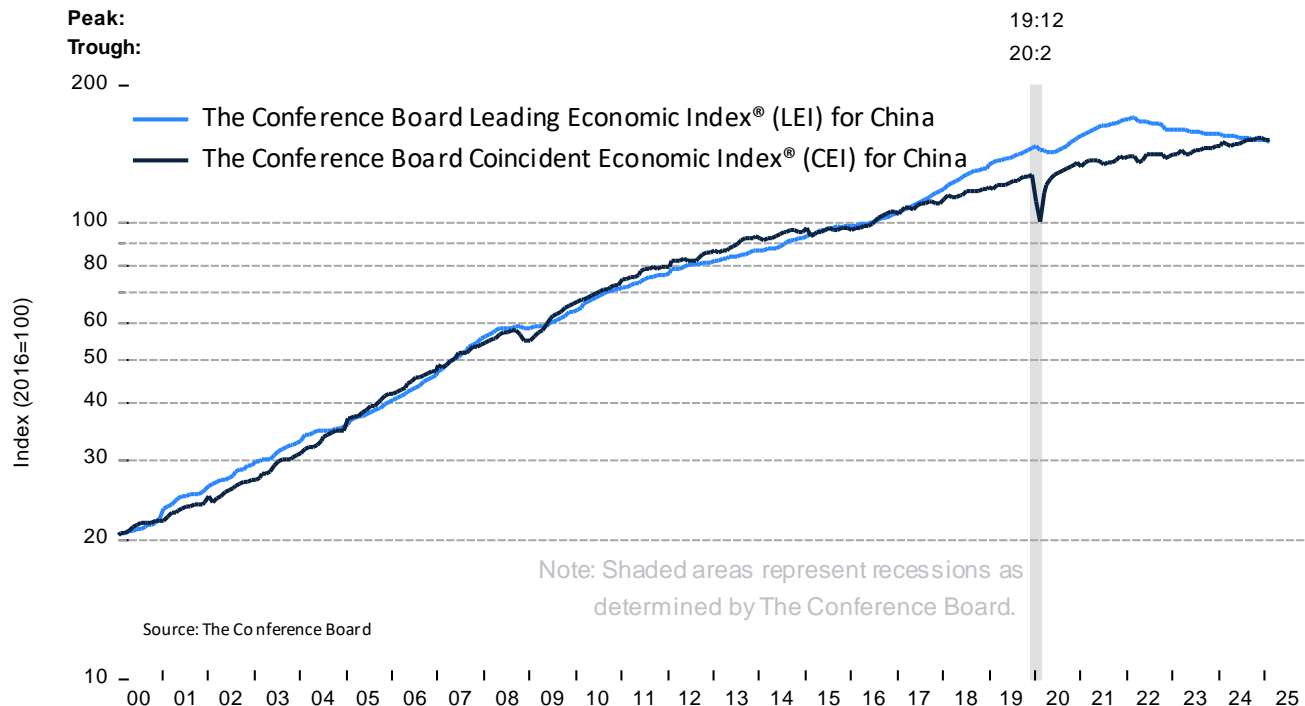
The Conference Board Leading Economic Index® (LEI) for China ticked down by 0.3% in February 2025 to 149.8 (2016=100), after decreasing similarly by 0.3% in January. Overall, the LEI declined by 1.6% over the six-month period from August 2024 to February 2025, a slightly faster rate of decline than the 1.3% contraction experienced over the previous six-month period between February and August 2024.

The Conference Board Coincident Economic Index® (CEI) for China ticked up by 0.1% in February 2025 to 151.2 (2016=100), after decreasing by 1.1% in January. Overall, the Index grew by 0.7% over the six-month period from August 2024 to February 2025, slower than the 1.1% growth over the previous six-month period.

“The China LEI fell slightly in February, continuing a near 3-year long downtrend,” said **Ian Hu, Economic Research Associate, at The Conference Board**. “All non-financial components, save the 5000 Industrial Enterprises profitability survey, contributed to the decline of the Index. Anemic consumer confidence remained the main source of weakness in the LEI. Furthermore, the negative readings of the six-month and annual growth rates of the LEI suggest continued downside risks to economic growth in the near term. Additionally, high trade tensions between the US and China may further dampen growth ahead. All-in-all, The Conference Board currently forecasts annual real GDP growth to slow to 4.7% in 2025, which would be the second consecutive yearly decline in growth, after 5.4% expansion in 2023 and 5.0% in 2024.”

The next release is scheduled for Thursday, April 24, 2025, at 9:00 A.M. ET

The China LEI continued to deteriorate in January



Depressed consumer confidence continues to weigh on the Index

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

Feb. '25

6 mo. ending Feb. '25

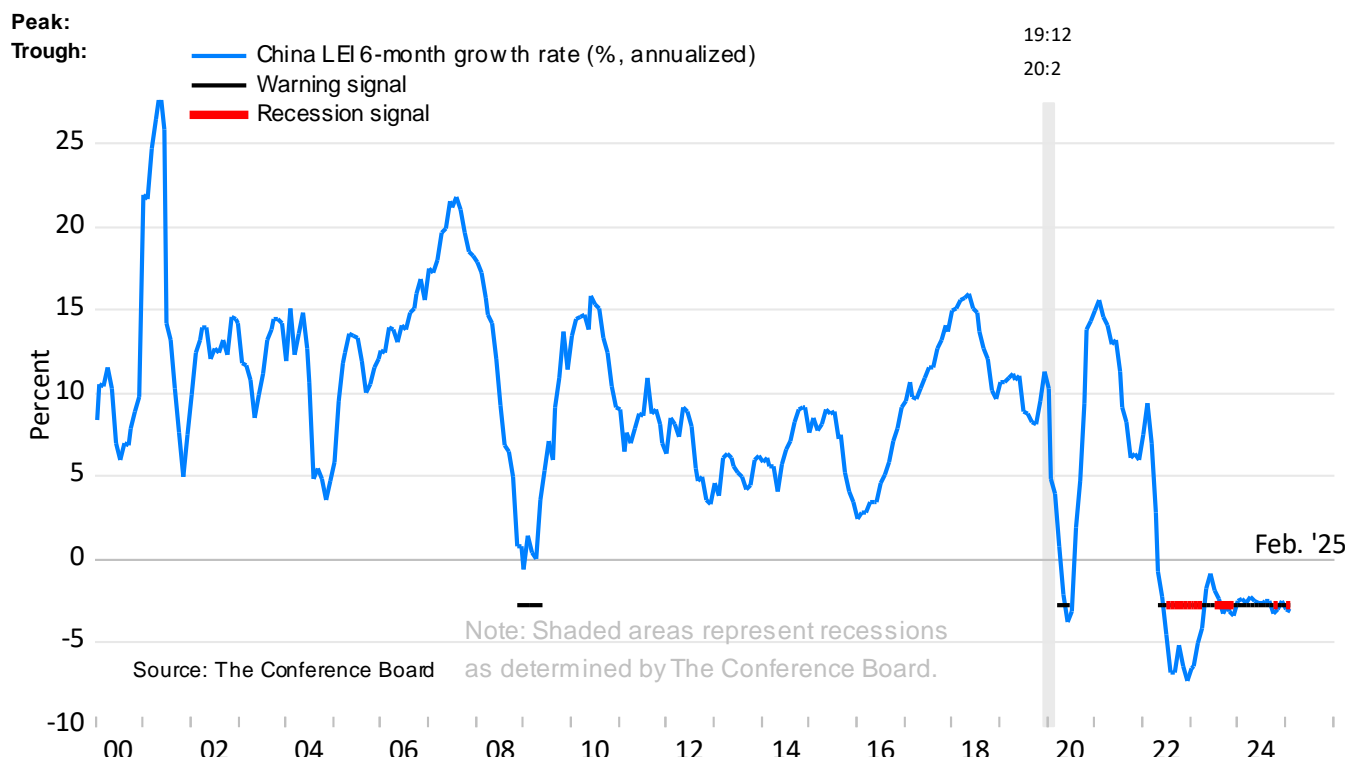
Financial Components		
Loan: Medium & Long Term	0.04	0.59
Non-Financial Components		
Consumer Expectation Index**	-0.47	-2.95
Logistics Prosperity Index	-0.12	-0.60
PMI: Mfg: New Export Order	-0.05	-0.48
5000 Industrial Enterprises Survey: Profitability**	0.04	0.05
Imports: Machinery & Transport Equipment	0.00	-0.05
City Labor Market: Demand**	-0.04	-0.13
Floor Space Started: Commodity Bldg	0.00	-0.02

Source: The Conference Board

** Statistical Imputation.

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

The China LEI's six-month growth rate and weakness among its components triggered the recession signal again, predicting obstacles to growth ahead



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 at or 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 -3.0%. 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 five 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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