

## News Release

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**For Release 9:00 AM ET, May 28, 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 Again in April**

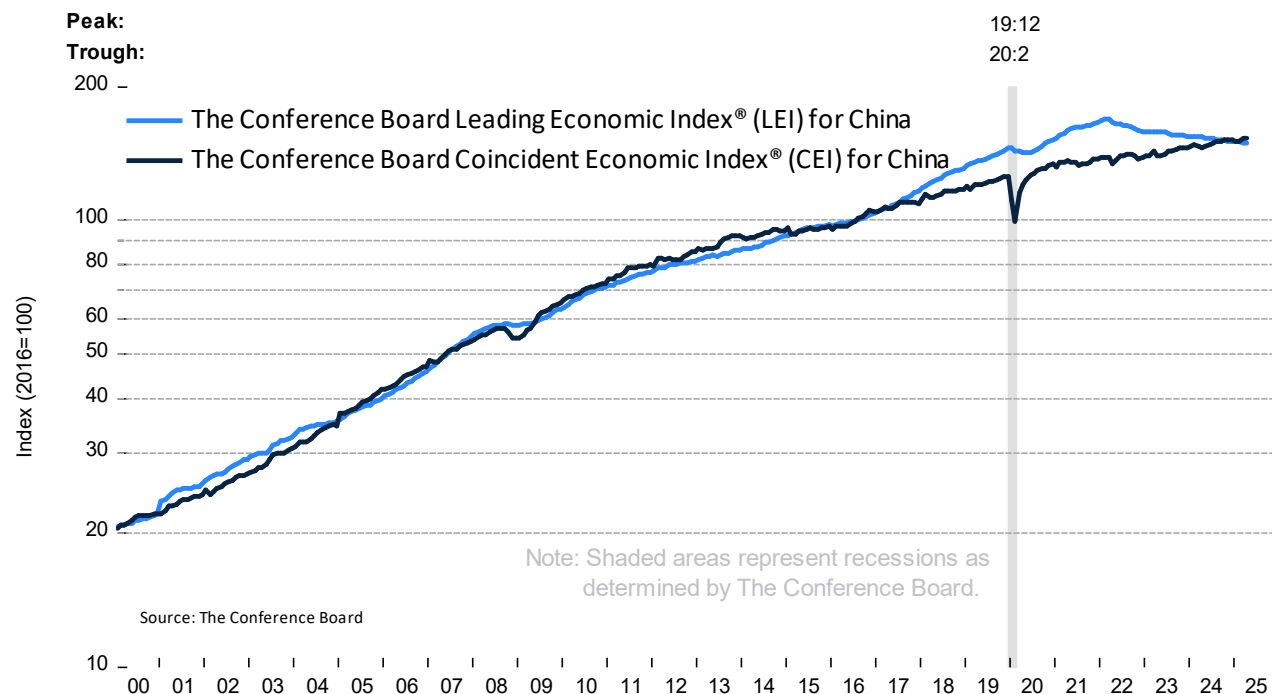
**The Conference Board Leading Economic Index® (LEI)** for China decreased by 0.3% in April 2025 to 149.2 (2016=100), after also decreasing by 0.3% in March. As a result, the LEI declined by 1.3% over the six-month period from October 2024 to April 2025, a smaller decline than the 1.7% contraction over the previous six-month period between April and October 2024.

**The Conference Board Coincident Economic Index® (CEI)** for China fell by 0.7% in April 2025 to 152.4 (2016=100), partially reversing the 1.7% increase in March. The Index grew by 0.7% over the six-month period from October 2024 to April 2025, significantly slower than the 4.0% growth over the previous six-month period (between April and October 2024).

“The China LEI decreased again in April,” said **Malala Lin, Economic Research Associate, at The Conference Board**. “For at least 6 months, the month-on-month declines in the LEI have primarily been driven by persistent weakness in three components: consumer expectations, logistics prosperity index and new export orders in manufacturing. The new export orders fell to a reading last seen in 2022, likely because of the steep US tariffs first imposed in early April. However, not captured in this latest LEI reading, most recently, the US and China have reached an agreement to de-escalate tariff impositions, which could alleviate pressure on export driven sectors of China’s economy. Additionally, 10 coordinated monetary policy measures were launched in early May to mitigate the impacts of trade tensions. While the negative LEI growth rates still signal headwinds ahead, these extensive monetary actions are expected to support growth going forward. Overall, The Conference Board currently forecasts annual real GDP growth at between 4.5% to 5.0% in 2025.”

**The next release is scheduled for Thursday, June 26, 2025, at 9:00 A.M. ET**

## The China LEI decreased again in April



## The April decline was driven by weak consumer expectations, logistics prosperity index and new export orders in manufacturing

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

Apr. '25

6 mo. ending Apr. '25

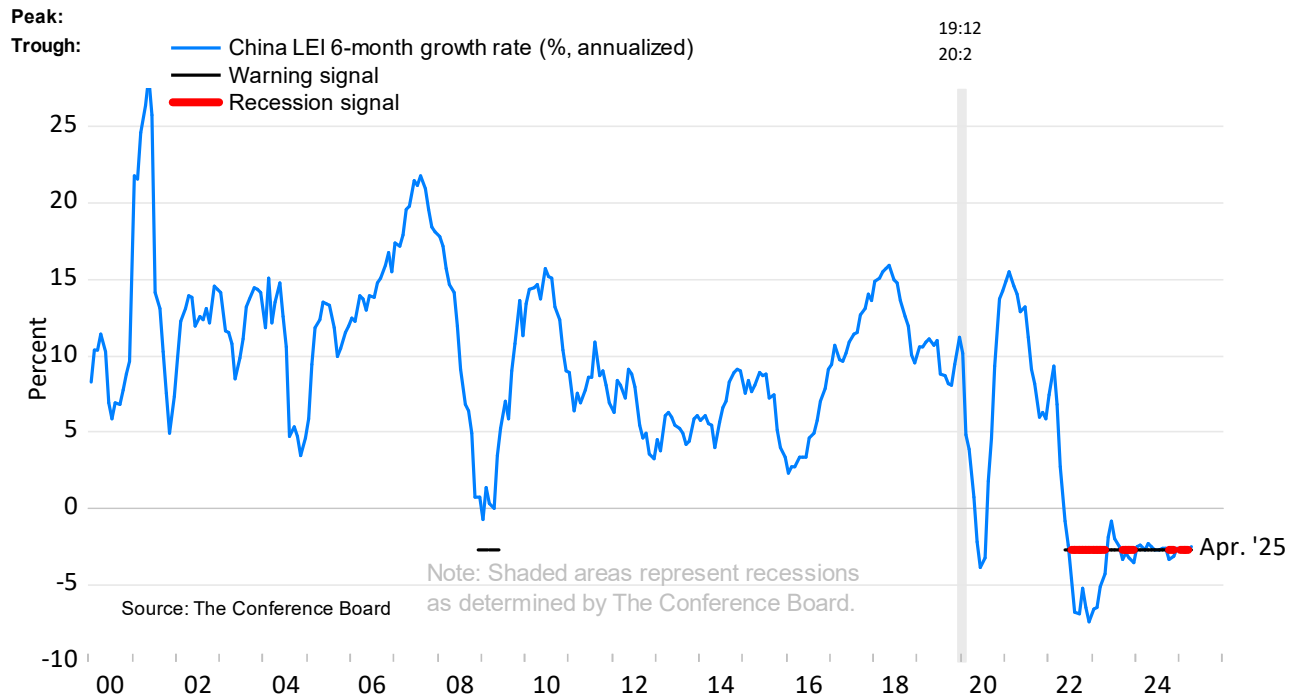
Financial Components		
Loan: Medium & Long Term	0.00	0.40
Non-Financial Components		
Consumer Expectation Index**	-0.45	-2.80
Logistics Prosperity Index	-0.12	-0.61
PMI: Mfg: New Export Order	-0.07	-0.44
5000 Industrial Enterprises Survey: Profitability**	0.04	0.19
Imports: Machinery & Transport Equipment	0.00	-0.04
City Labor Market: Demand**	0.00	-0.03
Floor Space Started: Commodity Bldg	0.00	0.03

Source: The Conference Board

\*\* Statistical Imputation.

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

## In April, the recession signal went off but the warning signal for growth ahead stayed on



**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 at an annualized rate. **Diffusion** is a measure of how widespread the decline is among the LEI's component indicators—on a scale of 0 to 100, a **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 growth rate (annualized) falls below the threshold of  $-2.8\%$ . 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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