

News Release

Jonathan Liu (732) 991-1754 / jonathan.liu@tcb.org

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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 May

The Conference Board Leading Economic Index® (LEI) for China decreased by 0.3% in May 2025 to 148.9 (2016=100), after decreasing by 0.5% in April. As a result, the LEI declined by 1.2% over the six-month period from November 2024 to May 2025, however the decline was smaller than the 1.6% contraction over the previous six-month period between May and November 2024.

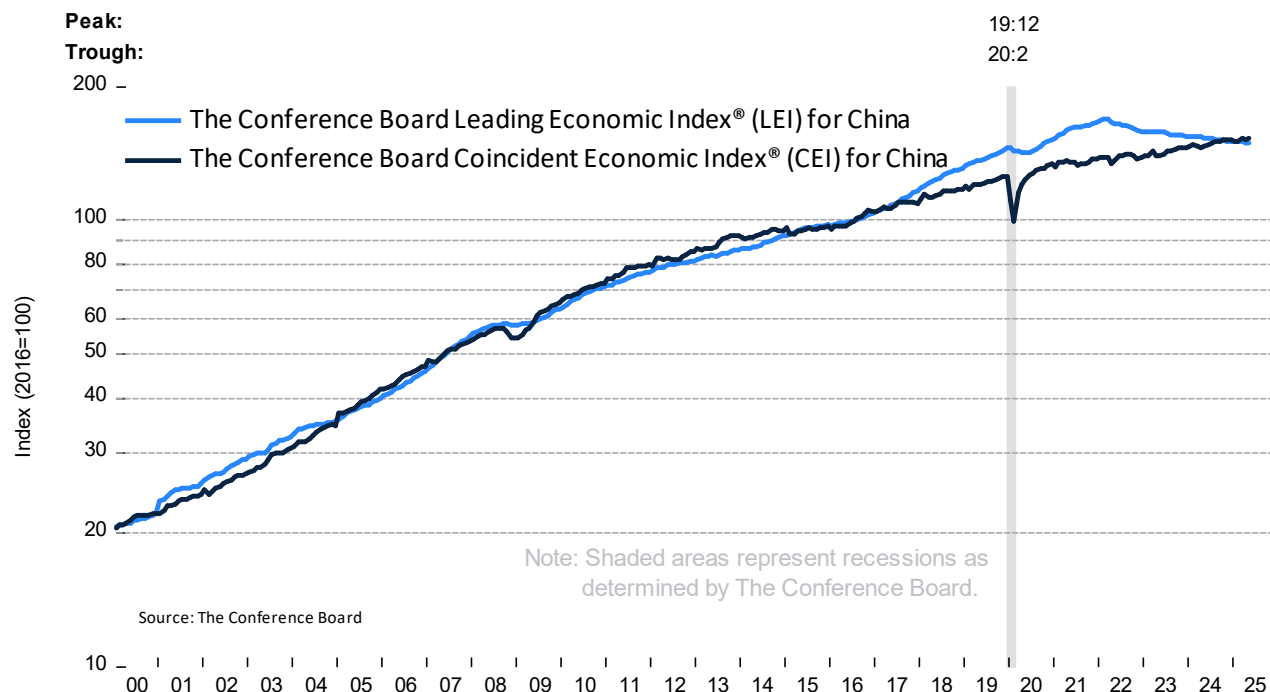
The Conference Board Coincident Economic Index® (CEI) for China increased by 0.4% in May 2025 to 152.8 (2016=100), partially reversing the 0.8% decline in April. Overall, the Index grew by 0.9% over the six-month period from November 2024 to May 2025, but significantly slower than the 3.0% growth over the previous six-month period (between May and November 2024).

“The China LEI decreased again in May,” said **Malala Lin, Economic Research Associate, at The Conference Board.**

“Much like previous months, the main drivers of the decline in the LEI were weaknesses in consumer expectations, the logistics prosperity index, and new export orders. Both the semi-annual and annual growth rates of the LEI remained negative, continuing to suggest challenges ahead. However, the 6-month growth rate has become less negative and no longer signaled recession risks since February 2025, despite the persisting weakness among the underlying components of the LEI. Furthermore, it is expected that the de-escalation of the China-US tariffs tensions and the implemented monetary policies will help mitigate risks to growth going forward. Overall, The Conference Board currently forecasts annual real GDP growth to remain resilient, between 4.5% to 5.0% in 2025.”

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

The China LEI decreased again in May



The May 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)

May '25

6 mo. ending May '25

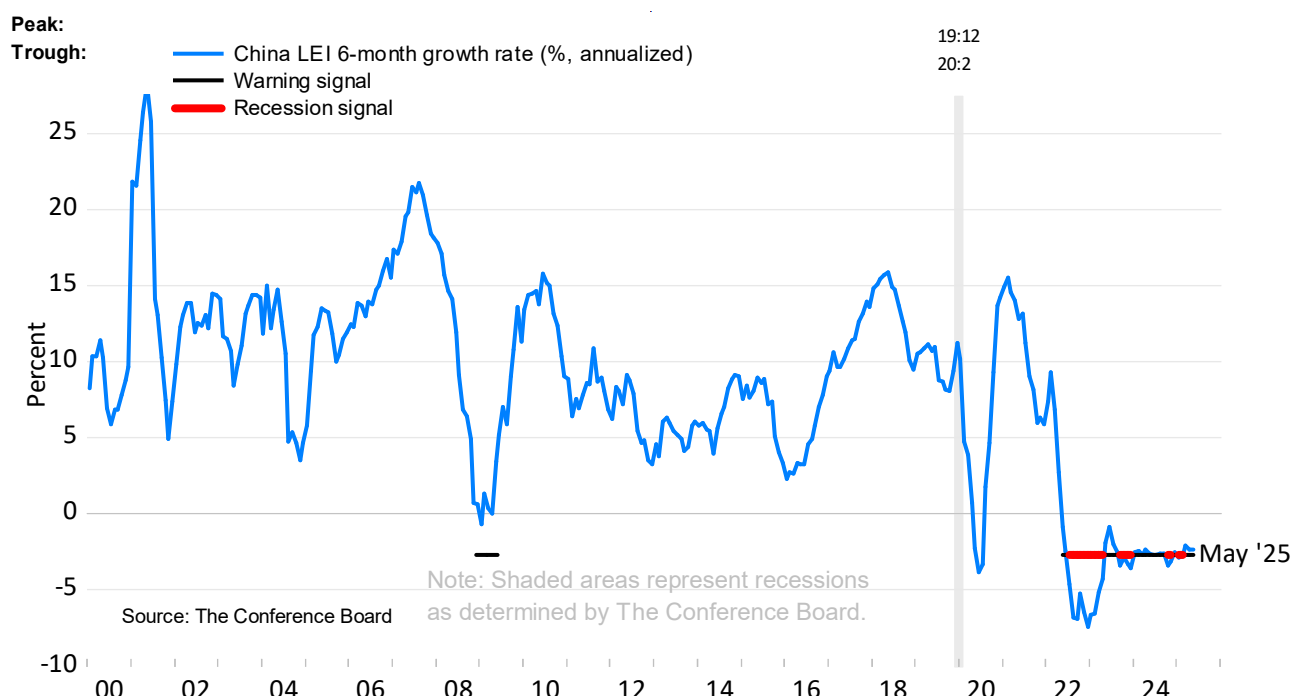


Source: The Conference Board

** Statistical Imputation.

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

Although still negative, the 6-month growth rate has not triggered the recession signal since February 2025



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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