

News Release

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For Release 9:00 AM ET, July 24, 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 for a Third Month in June

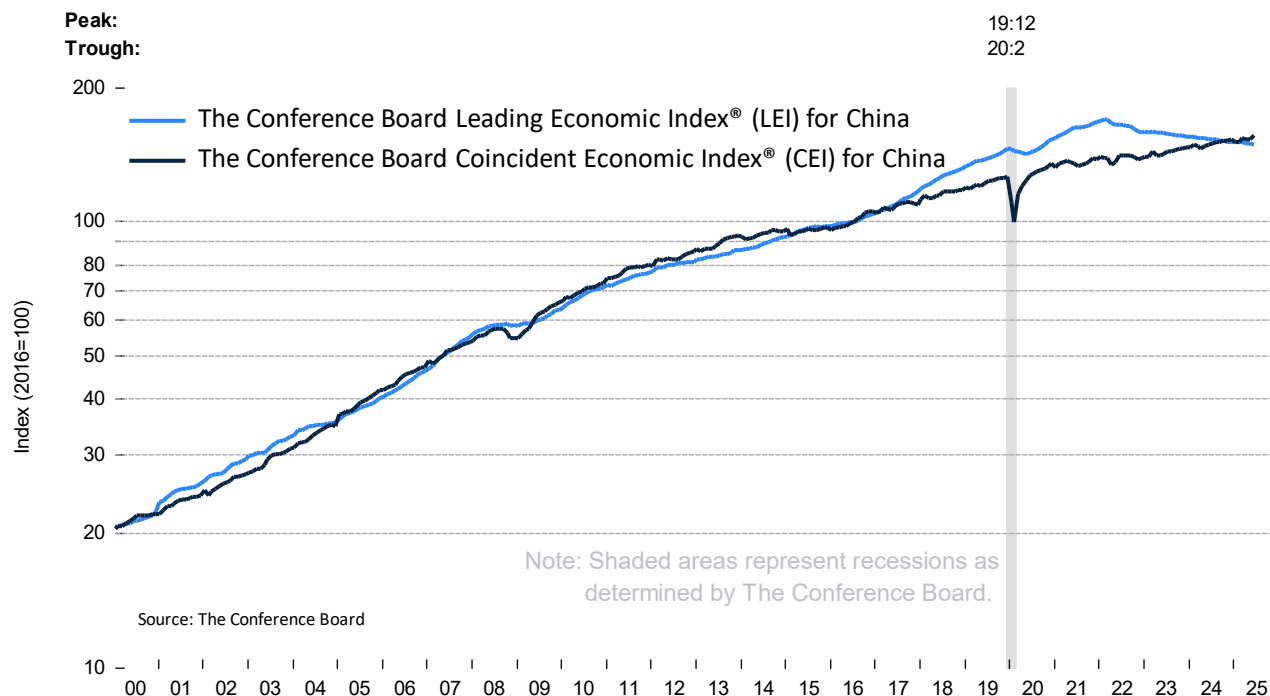
The Conference Board Leading Economic Index® (LEI) for China decreased by 0.2% in June 2025 to 148.6 (2016=100), after decreasing by 0.1% in May. As a result, the LEI declined by 1.4% over the first half of 2025, after decreasing by -1.2% over the second half of 2024.

The Conference Board Coincident Economic Index® (CEI) for China increased by 1.6% in June 2025 to 155.1 (2016=100), after increasing by 0.4% in May. Overall, the Index grew by 1.9% over the first half of this year, significantly slower than the 2.8% growth observed over the second half of 2024 (between June and December 2024).

“The China LEI declined for the third consecutive month in June, after being unchanged in March,” said **Justyna Zabinska-La Monica, Senior Manager, Business Cycle Indicators, at The Conference Board**. “The decline was broad-based with 5 out of 8 components weighing negatively on the LEI. In particular, consumer confidence has been depressed since April 2022 and continues to be a major drag on the Index. Meanwhile, medium- and long-term loans continued to support the Index but not enough to offset widespread weaknesses among other components. With the negative semi- and annual growth rates of the LEI pointing to headwinds and with 6-month diffusion falling below 50, the recession signal went off in June. The de-escalation of the trade tensions with the US may give China’s economy some temporary relief now, but it will continue to face headwinds from weak domestic demand and global uncertainties. As such, The Conference Board currently forecasts annual real GDP growth to slow to 4.7% in 2025 after 5.0% in 2024.”

The next release is scheduled for Wednesday, August 27, 2025, at 9:00 A.M. ET

The China LEI decreased again in June



The June 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)

Jun. '25

6 mo. ending Jun. '25

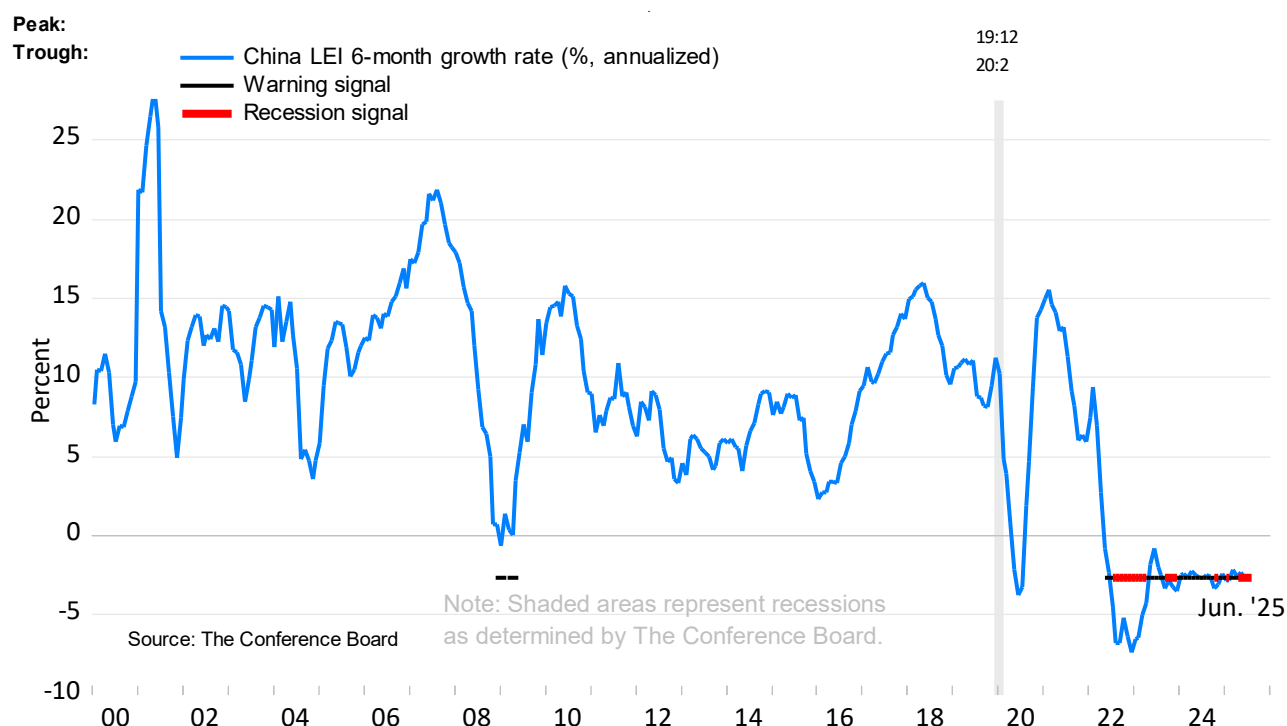


Source: The Conference Board

** Statistical Imputation.

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

The more negative 6-month growth rate and weakness amongst the majority of components triggered the recession signal for the first time 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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