

News Release

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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 Ticked Down in September

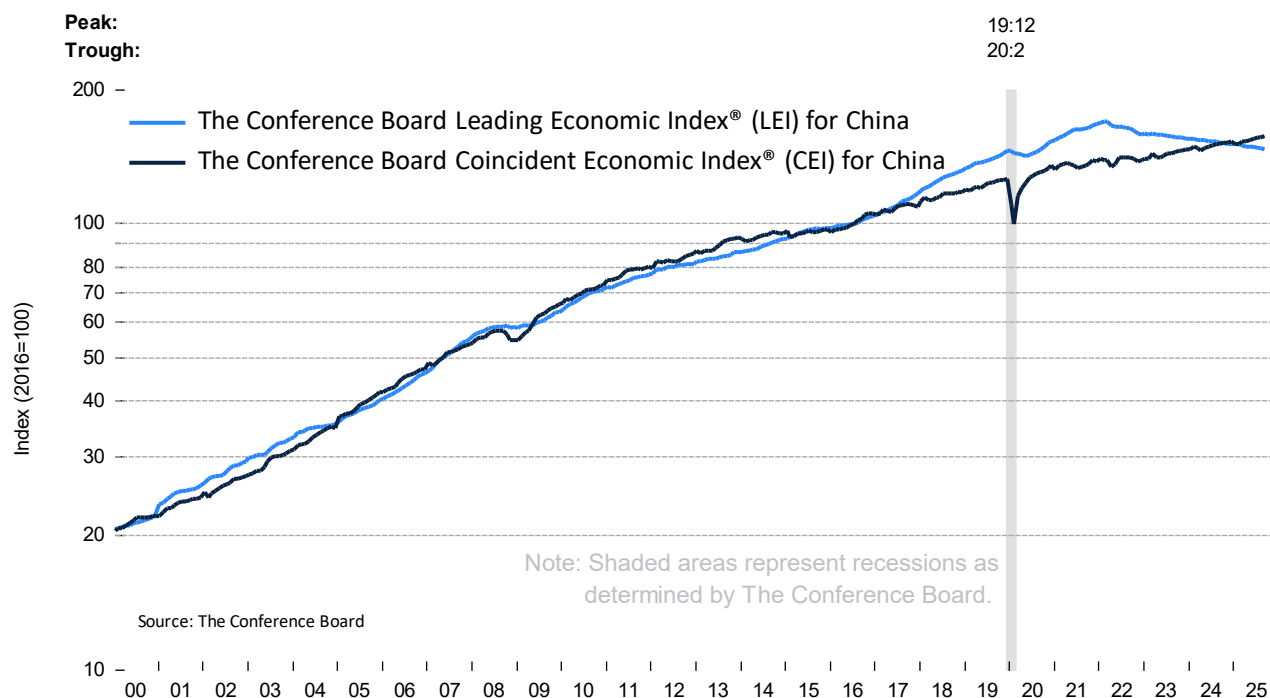
The Conference Board Leading Economic Index® (LEI) for China ticked down by 0.1% in September 2025 to 146.7 (2016=100), after contracting by 0.4% in August. As a result, the LEI declined by 2.0% over the six-month period from March to September 2025, continuing a 1.3% decline over the previous six-month period between September 2024 and March 2025.

The Conference Board Coincident Economic Index® (CEI) for China increased by 0.4% in September 2025 to 156.5 (2016=100), after expanding by 0.3% in August. Overall, the CEI grew by 2.6% over the six-month period from March to September 2025, close to twice the 1.4% growth observed over the previous six-month period between September 2024 and March 2025.

“The China LEI ticked down in September, marking the ninth month of consecutive decline in 2025,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “Weakness was driven by a decline in 5 out of 8 components of the LEI. Consumer confidence continued to be the primary drag on the index, while the logistics prosperity index, and new orders in manufacturing also made significant negative contributions. On the other hand, growth in machinery and transportation equipment imports, medium- and long-term loans, and building construction supported the index, but not enough to offset broader weakness in other components. With the negative semi- and annual growth rates of the LEI pointing to headwinds and with the 6-month diffusion falling below 50, the recession signal went off again in September. Persistent deflation, driven by weak consumption and overcapacity in many industries, slowed China’s third-quarter GDP growth to 4.8% year-on-year, its lowest level in a year. As such, The Conference Board currently forecasts annual real GDP growth to be 4.7% in 2025 and 4.5% in 2026.”

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

The China LEI has been on a downward trend since the beginning of 2022



The September contraction was fueled by weak consumer expectations, a decline in the logistics prosperity index, and decreased new orders in manufacturing

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

Sep. '25

6 mo. ending Sep. '25

Financial Components		
Loan: Medium & Long Term	0.08	0.39
Non-Financial Components		
Consumer Expectation Index**	-0.43	-2.65
Logistics Prosperity Index	-0.17	-0.89
PMI: Mfg: New Export Order	-0.08	-0.72
5000 Industrial Enterprises Survey: Profitability**	-0.03	-0.23
Imports: Machinery & Transport Equipment	0.18	0.14
City Labor Market: Demand**	-0.02	-0.02
Floor Space Started: Commodity Bldg	0.06	-0.08

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 among most of LEI's components triggered the recession signal again in September



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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