

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 December

The Conference Board Leading Economic Index® (LEI) for China ticked down by 0.1% in December 2025 to 145.3 (2016=100), after decreasing by 0.2% in November. As a result, the LEI contracted by 1.8% over the second half of 2025, after declining by 1.9% over the previous first half (December 2024 to June 2025).

The Conference Board Coincident Economic Index® (CEI) for China declined by 0.7% in December 2025 to 154.1 (2016=100), after decreasing by 0.9% in November. The CEI contracted by 0.6% in the second half of 2025, in contrast to the growth (1.8%) observed in the first half.

“The China LEI declined on a month-on-month and six-month basis in December, continuing its downward trend,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “Consumer confidence continued to be the primary drag on the index, while the logistics prosperity index also recorded a notable negative contribution. Meanwhile, growth in imports and transportation equipment and building construction bolstered the index, but not enough to offset widespread weakness in all remaining components.

“With the negative semi- and annual-growth rates of the LEI pointing to headwinds and the 6-month diffusion index remaining below 50, the recession signal was triggered again in December,” continued Brennan. “The demand-side of the economy remains soft, due to slowing growth of both retail sales and fixed asset investment. Meanwhile, exports continue to underpin overall growth, supported by strong shipments to the EU and emerging markets. Taking into account downward pressures, The Conference Board currently forecasts annual real GDP growth to slow to 4.5% in 2026.”

Note for Change in Annual BCI Benchmark Revision Timing

Annual BCI Benchmark Revisions

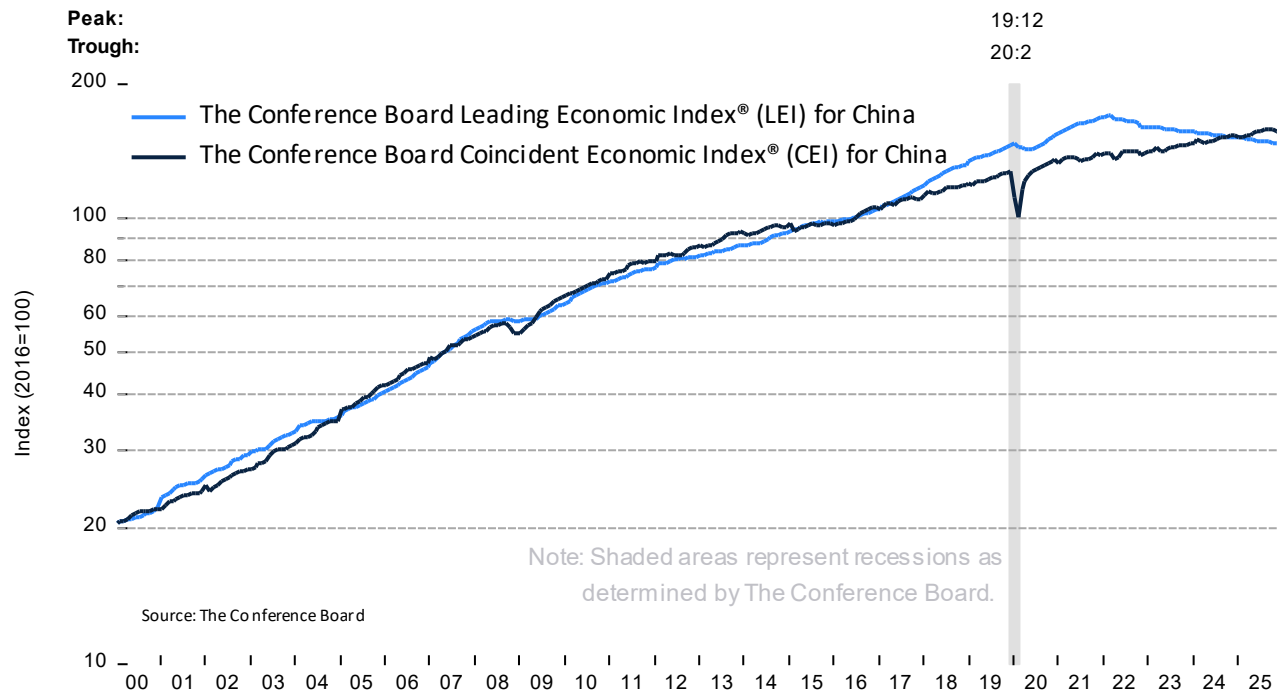
Release of the annual benchmark revisions for Business Cycle Indicator (BCI) composite economic indexes will be moved from **January 2026 to June 2026. Releases in subsequent years will also be in June.** This modification ensures that the sample period fully incorporates the most recent completed calendar year of the underlying components (source data) of composite indexes (leading and coincident). This data is used for calculating standardization factors and subsequently trend adjustments.

Due to the change in revision release timing from January to June, the cutoff for incorporating source data revisions into the benchmark process will shift accordingly:

- For the next benchmark revision in **June 2026**, the cutoff used for calculating standardization factors and trend adjustment will be **December 2025**, rather than December 2024.
 - This change in timing allows the volatility calculations and factor updates to reflect a more complete dataset prior to the annual recalculation of the historical composite indexes.
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The next release is scheduled for Wednesday, February 25, 2026, at 9:00 A.M. ET

The China LEI continued its downward trend in December

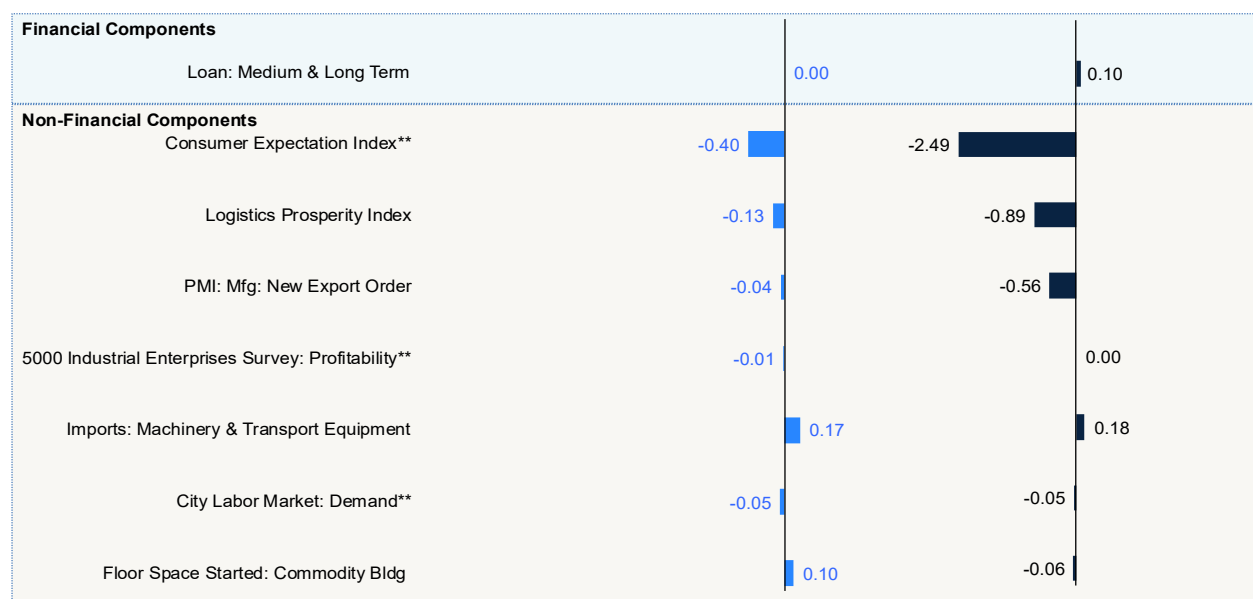


The December LEI decline was mainly fueled by weak consumer expectations and a decrease in the logistics prosperity index

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

Dec. '25

6 mo. ending Dec. '25

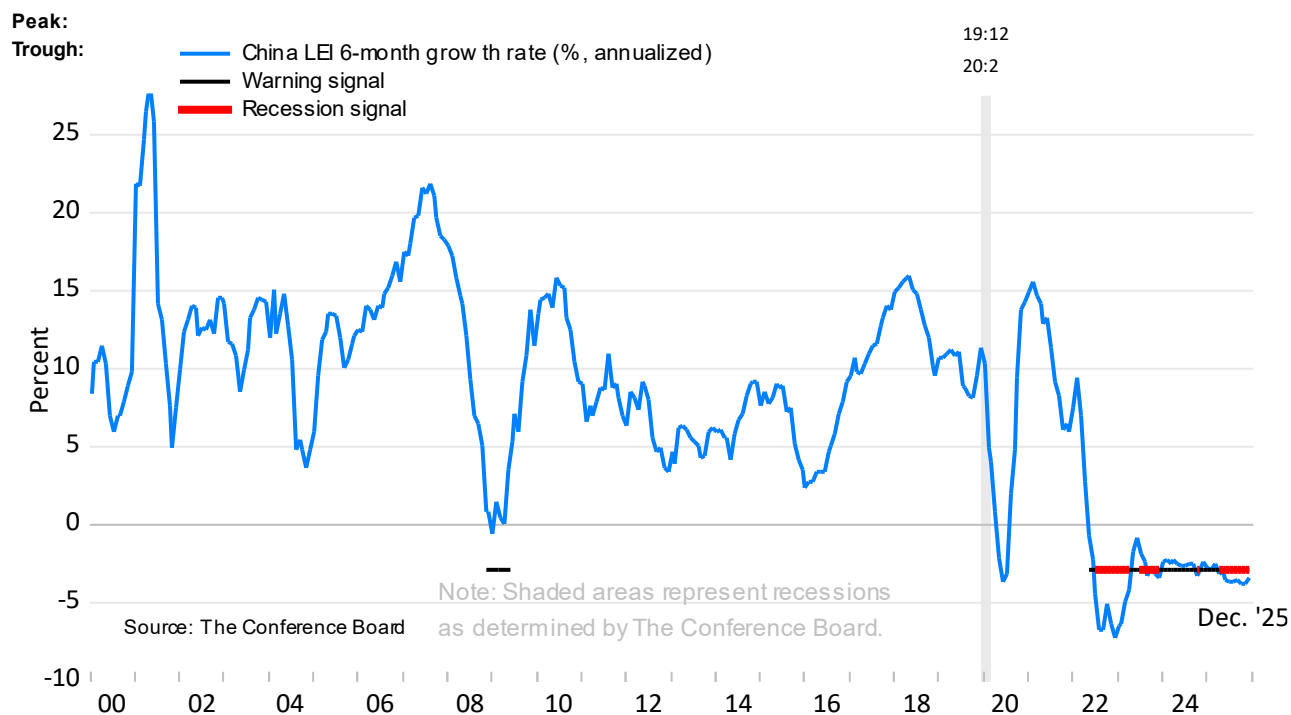


Source: The Conference Board

** Statistical Imputation

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

The negative 6-month growth rate and weakness across most of the LEI's components triggered the recession signal again in December



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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