

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 Decreased in January

The Conference Board Leading Economic Index® (LEI) for China decreased by 0.3% in January 2026 to 144.9 (2016=100), after remaining unchanged in December. As a result, the LEI contracted by 1.8% over the six-month period from July 2025 to January 2026, continuing a 1.9% decline over the previous six-month period between January to July 2025.

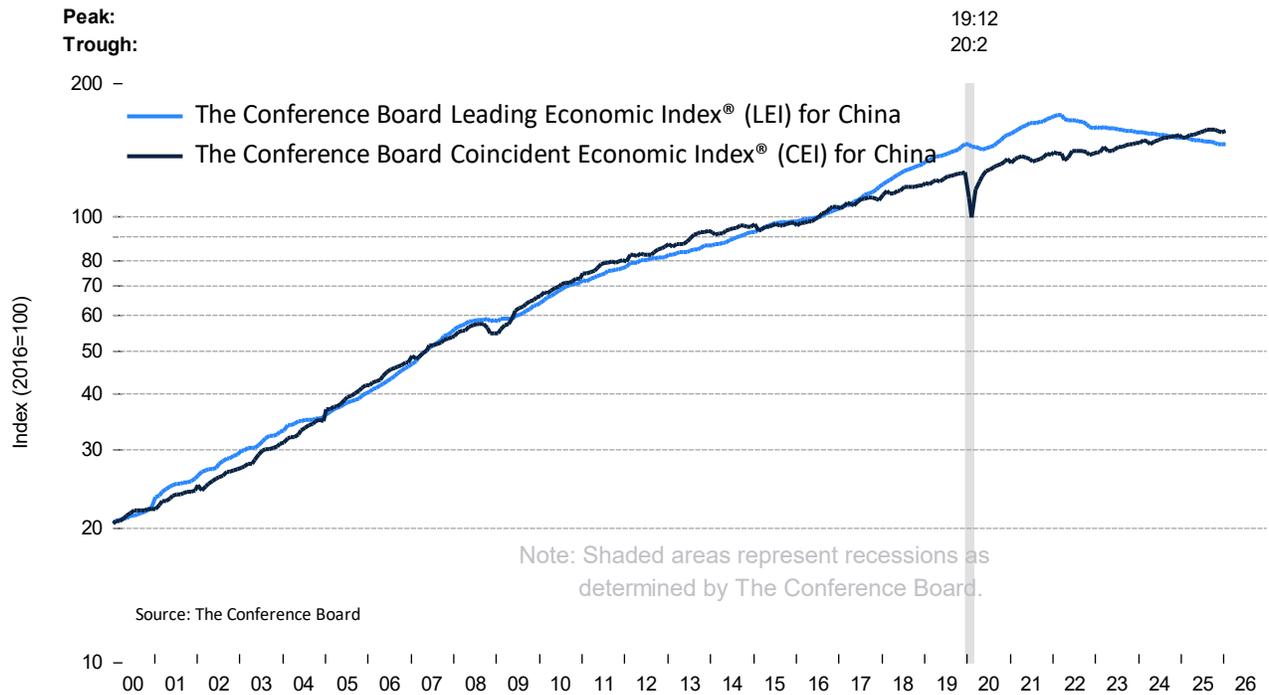
The Conference Board Coincident Economic Index® (CEI) for China increased by 0.7% in January 2026 to 155.9 (2016=100), after decreasing by 0.3% in December. The CEI grew by 0.1% over the six-month period from July 2025 to January 2026, after growing by 3.3% from January to July 2025.

“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**. “The weakness was broad-based with 7 out of 8 components decreasing. Consumer confidence continued to be the primary drag on the index, while the logistics prosperity index and imports of machinery and transportation equipment also recorded notable negative contributions. Meanwhile, medium and long-term loans 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 January,” continued Brennan. “The demand-side of the economy remains soft, due to slowing growth in both retail sales and fixed asset investment. Meanwhile, exports continue to underpin overall growth, supported by strong shipments to the EU and emerging markets. Considering downward pressures, The Conference Board currently forecasts annual real GDP growth to slow to 4.5% in 2026 from 5.0% in 2025.”

The next release is scheduled for Wednesday, March 25, 2026, at 9:00 A.M. ET

The China LEI continued its downward trend in January



The January LEI decline was fueled by weak consumer expectations, a decrease in the logistics prosperity index, and lower machinery and transportation equipment imports

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

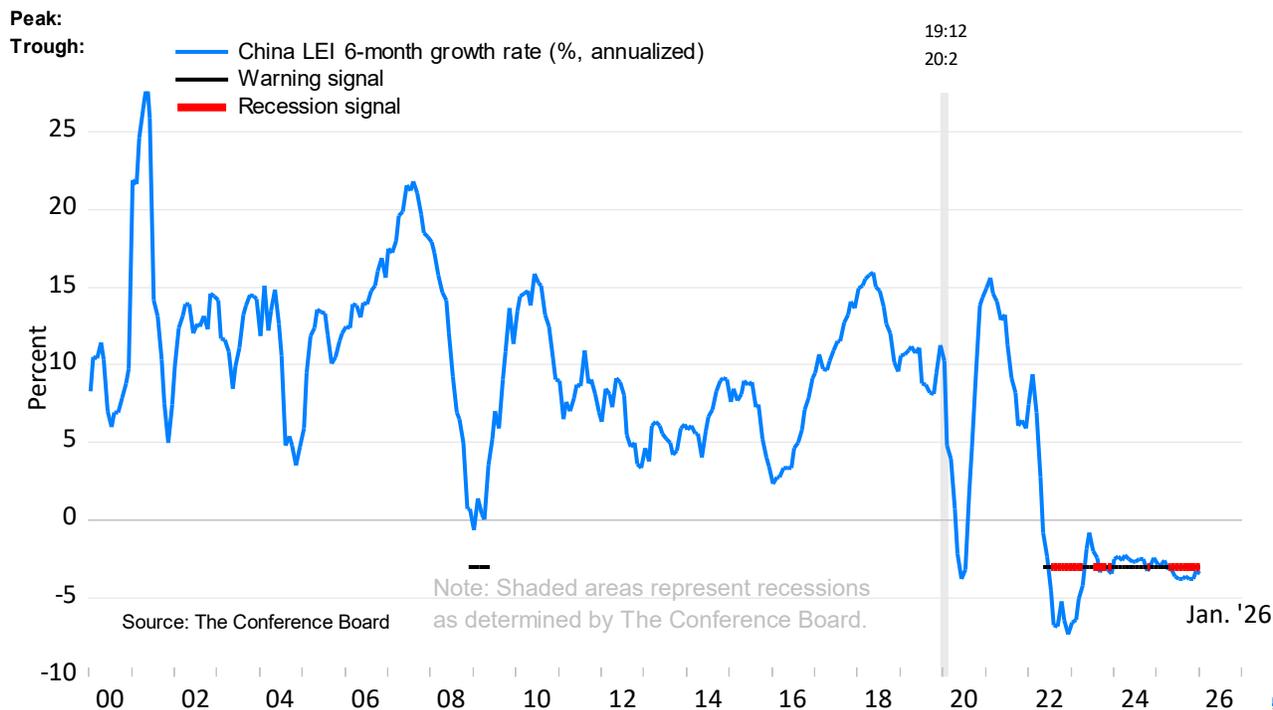
Jan. '26

6 mo. ending Jan. '26



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 January



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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