

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 in February

The Conference Board Leading Economic Index® (LEI) for China decreased by 0.2% in February 2026 to 145.1 (2016=100), after increasing by 0.1% in January. As a result, the LEI contracted by 1.3% over the six-month period from August 2025 to February 2026, after a 1.9% decline over the previous six-month period between February and August 2025.

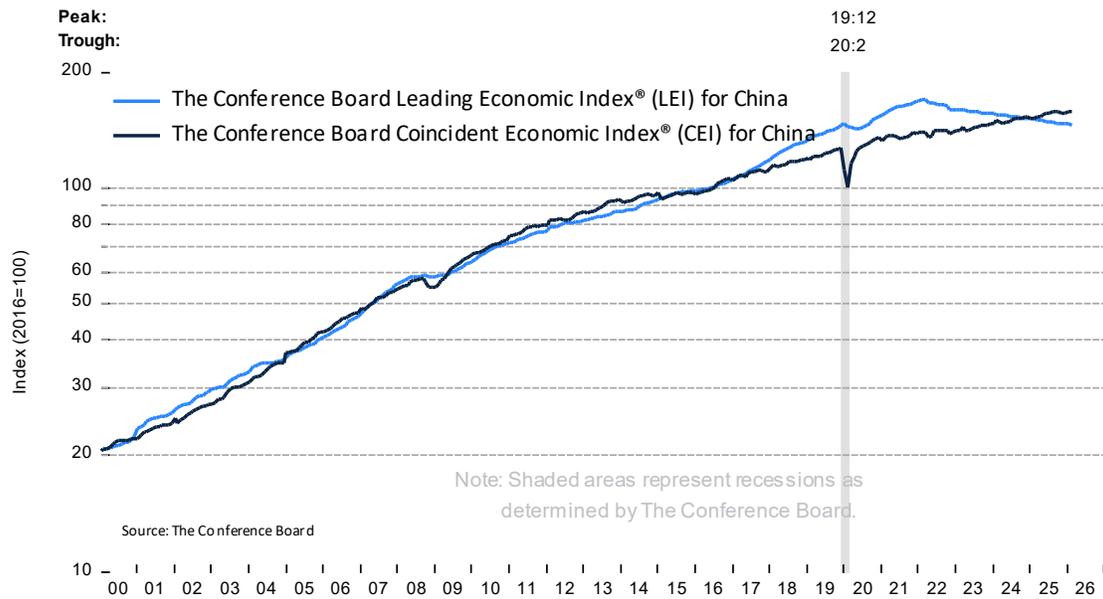
The Conference Board Coincident Economic Index® (CEI) for China increased by 0.2% in February 2026 to 157.1 (2016=100), after increasing by 1.4% in January. The CEI grew by 0.6% over the six-month period from August 2025 to February 2026, after growing by 3.8% from February to August 2025.

“The China LEI declined on a month-on-month and six-month basis in February, continuing its downward trend,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “Consumer confidence has been the primary drag on the index for close to 4 years now. The new export orders and the logistics prosperity indices also recorded notable negative contributions. Meanwhile, imports of machinery and transportation equipment contributed positively to the index, but not enough to offset weakness from other components.

“The semi- and annual-growth rates of the LEI improved but the 6-month diffusion index remained below 50, triggering the recession warning signal in February,” continued Brennan. “We do not anticipate a recession in China as during China’s “Two Sessions,” the government reaffirmed its commitment to state-led industrial growth, with continued prioritization in advanced manufacturing, AI, and infrastructure investment. Additionally, bolstering domestic demand has been elevated to the country’s top policy goal. However, without substantial reform and stimulus commitments, improvement is likely to be modest. The official GDP growth target for 2026 was also lowered to 4.5%–5%, signaling a shift towards stable, slower growth and lowering the prospects for major growth-supporting stimulus. 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 Monday, April 27, 2026, at 9:00 A.M. ET

The China LEI continued its downward trend in February



The February LEI decline was fueled by weak consumer expectations, lower new export orders, and a decrease in the logistics prosperity index

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

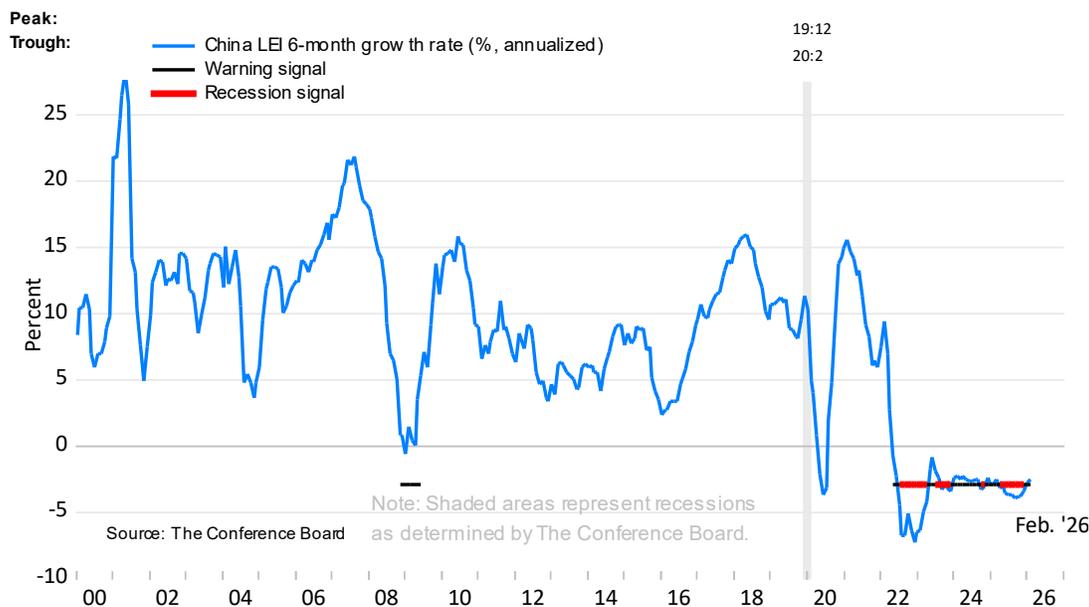
Feb. '26

6 mo. ending Feb. '26

Component	Feb. '26	6 mo. ending Feb. '26
Financial Components		
Loan: Medium & Long Term	0.00	0.26
Non-Financial Components		
Consumer Expectation Index**	-0.37	-2.39
Logistics Prosperity Index	-0.10	-0.88
PMI: Mfg: New Export Order	-0.17	-0.62
5000 Industrial Enterprises Survey: Profitability**	-0.02	-0.03
Imports: Machinery & Transport Equipment**	0.11	0.51
City Labor Market: Demand**	0.00	-0.08
Floor Space Started: Commodity Bldg**	0.00	-0.01

Source: The Conference Board
** Statistical Imputation.
LEI change might not equal sum of its contributions due to application of trend adjustment factor

Weakness across most LEI components triggered the recession warning signal in February, but we do not anticipate one for China



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/>

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