

## News Release

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**For Release 9:00 AM ET, April 27, 2026**

**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 March**

**The Conference Board Leading Economic Index® (LEI)** for China decreased by 0.2% in March 2026 to 144.8 (2016=100), after declining by 0.2% in February. As a result, the LEI contracted by 1.3% over the six-month period from September 2025 to March 2026, after a 2.0% drop over the previous six-month period between March and September 2025.

**The Conference Board Coincident Economic Index® (CEI)** for China rose by 0.8% in March 2026 to 158.2 (2016=100), after increasing by 0.1% in February. The CEI grew by 1.2% over the six-month period from September 2025 to March 2026, less than half the growth of 2.5% registered from March to September 2025.

“The China LEI declined in 6 out of the last 7 months and continued its downward trend in March,” 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 logistics prosperity and the new export order indices also recorded notable negative contributions. Meanwhile, building construction contributed positively to the index, but not enough to offset weakness from other components.

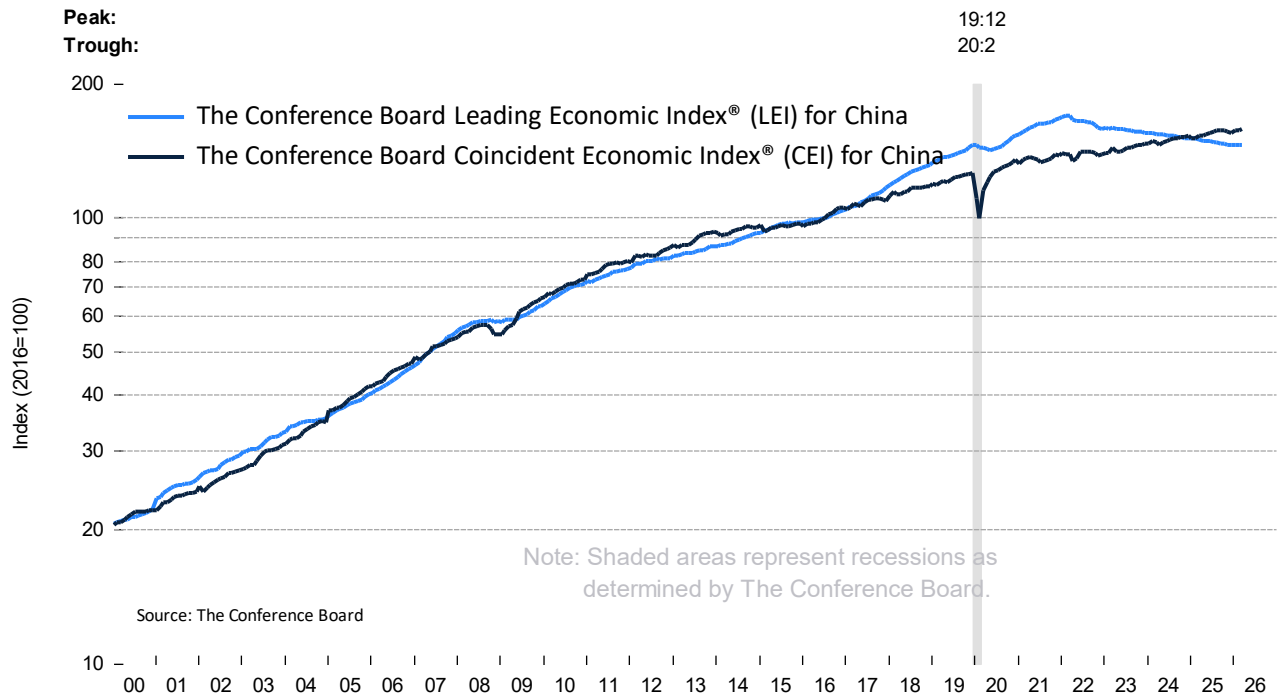
“The semi- and annual-growth rates of the LEI stabilized but remained negative and with the 6-month diffusion index below 50, continued to trigger the warning signal to growth,” added Brennan. “China’s economy entered 2026 on strong footing with real GDP increasing by 5.0% y/y in Q1. Key indicators including exports, industrial output, and fixed-asset investment showed signs of improvement.

However, the demand side of the economy remains subdued. Retail sales grew by only 2.4% y/y in Q1 compared to 4.6% in Q1 of 2025. Additionally, household spending continues to lag income growth signaling a weak propensity to consume. The conflict in the Middle East also looks to negatively impact the Chinese economy in the coming months. China’s largest exposure is likely in trade, insofar as export demand may fall. Major trading partners in Europe and Southeast Asia are less insulated from the energy price shock and may reduce spending on imports from China.

Furthermore, higher crude oil prices caused the producer price index to rise by 0.5% y/y in March, marking its first gain after more than three years of contraction. Oil prices are unlikely to ease in the short term, and it is expected that producer prices will continue to rise, gradually feeding through to consumer prices. 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, May 27, 2026, at 9:00 A.M. ET**

## The China LEI continued its downward trend in March



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

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

Mar. '26

6 mo. ending Mar. '26

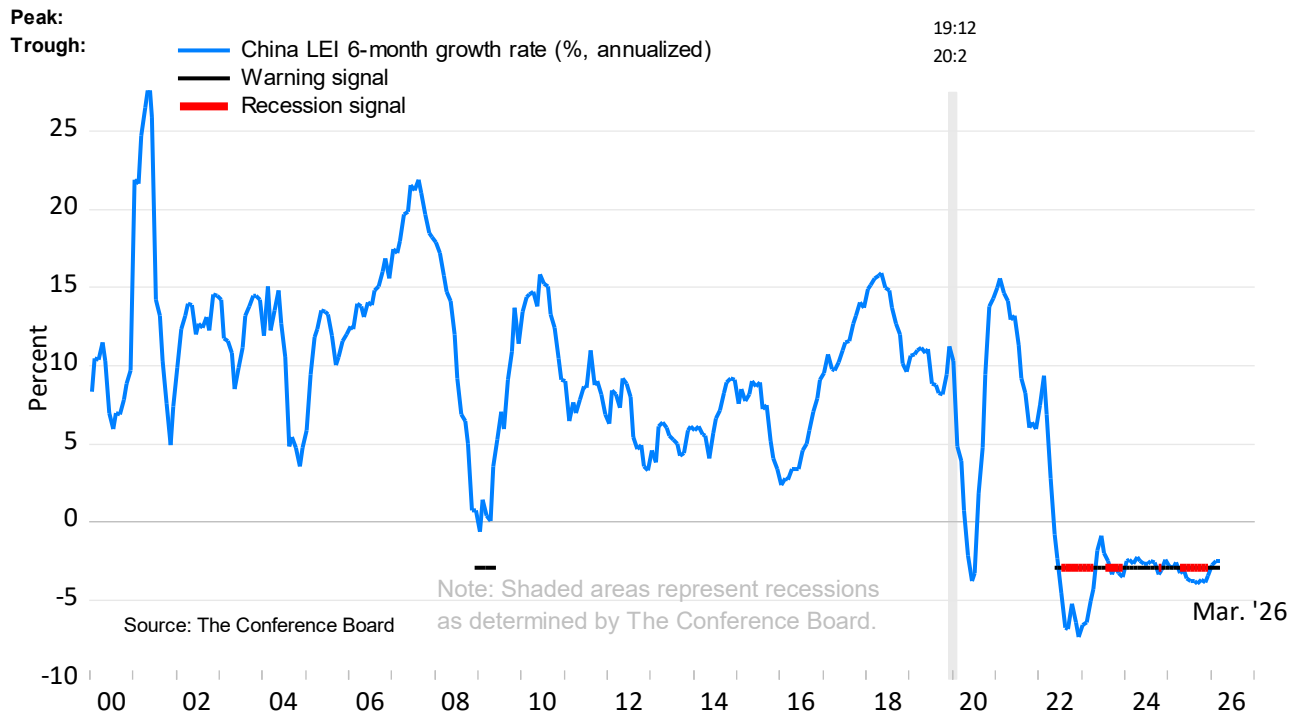
Component	Mar. '26	6 mo. ending Mar. '26
<b>Financial Components</b>		
Loan: Medium & Long Term	-0.01	0.17
<b>Non-Financial Components</b>		
Consumer Expectation Index**	-0.36	-2.31
Logistics Prosperity Index	-0.17	-0.90
PMI: Mfg: New Export Order	-0.10	-0.64
5000 Industrial Enterprises Survey: Profitability**	-0.02	-0.06
Imports: Machinery & Transport Equipment	0.01	0.46
City Labor Market: Demand**	0.01	-0.05
Floor Space Started: Commodity Bldg	0.05	-0.04

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 warning signal to growth in March



**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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