

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 Fell in April

Next month's release of the composite economic indexes will incorporate annual benchmark revisions, which will bring them up to date with revisions from the source data. These revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are not incorporated until the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision.

For more information, please visit conference-board.org/topics/business-cycle-indicators/ or contact us at indicators@tcb.org.

The Conference Board Leading Economic Index® (LEI) for China dropped by 0.8% in April 2026 to 143.6 (2016=100), after declining by 0.3% in March. As a result, the LEI contracted by 1.5% over the six-month period from October 2025 to April 2026, after decreasing by 1.9% over the previous six-month period between April and October 2025.

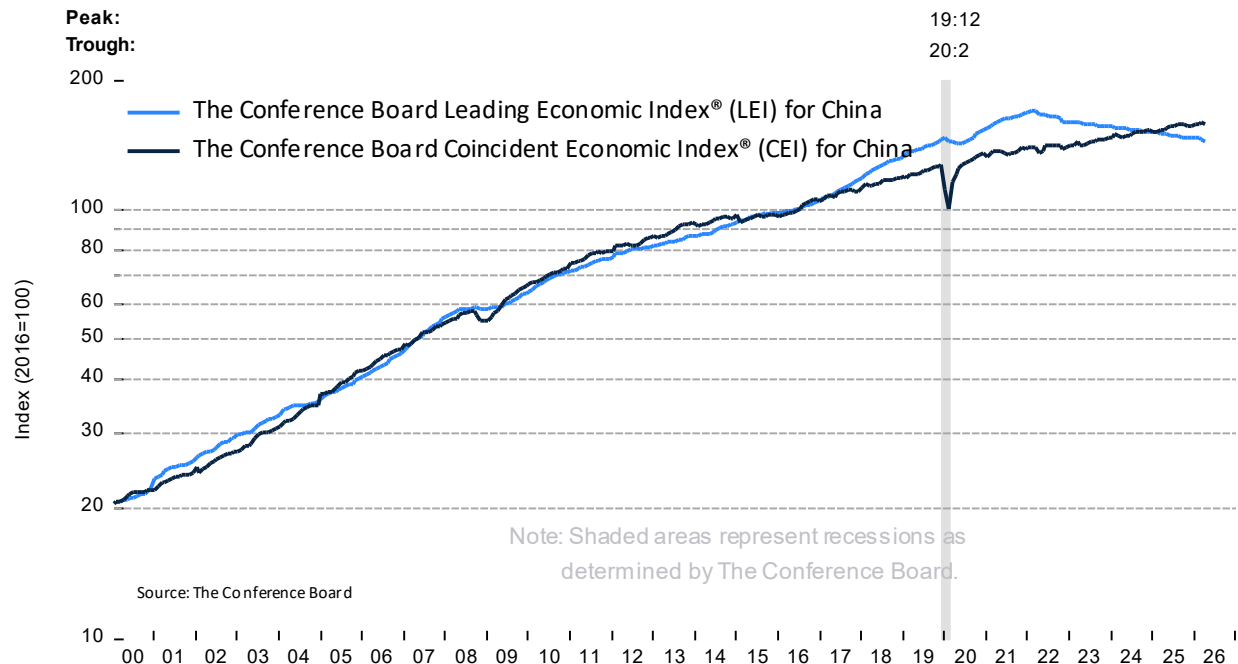
The Conference Board Coincident Economic Index® (CEI) for China fell by 0.8% in April 2026 to 156.9 (2016=100), almost offsetting the 0.9% increase in March. However, the CEI grew only by 0.2% over the six-month period from October 2025 to April 2026, significantly less than the growth of 2.9% registered from April to October 2025.

“The China LEI declined in 6 out of the last 7 months and continued its downward trend in April,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “The weakness was broad-based with 7 out of 8 components contributing negatively to the index. Consumer expectations continued to be the primary drag. This has been the case for the past four years. The outstanding stock of medium- and long-term loans from the banking sector and the logistics prosperity index also recorded material negative contributions. Imports of machinery and transportation equipment improved in April but not enough to offset the weaknesses of all remaining components.”

“Widespread weakness among the LEI's components over the previous 6-month period continued to trigger the warning signal to growth,” added Brennan. “The demand-side of the economy continued to undermine overall growth. According to published data, retail sales grew by just 0.2% y/y in April, the slowest pace recorded since December 2022. Tepid domestic demand, paired with a challenging external environment exacerbated by the conflict in the Middle East, is expected to generate headwinds for the Chinese economy. 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 Thursday, June 25, 2026, at 9:00 A.M. ET

The China LEI continued its downward trend in April

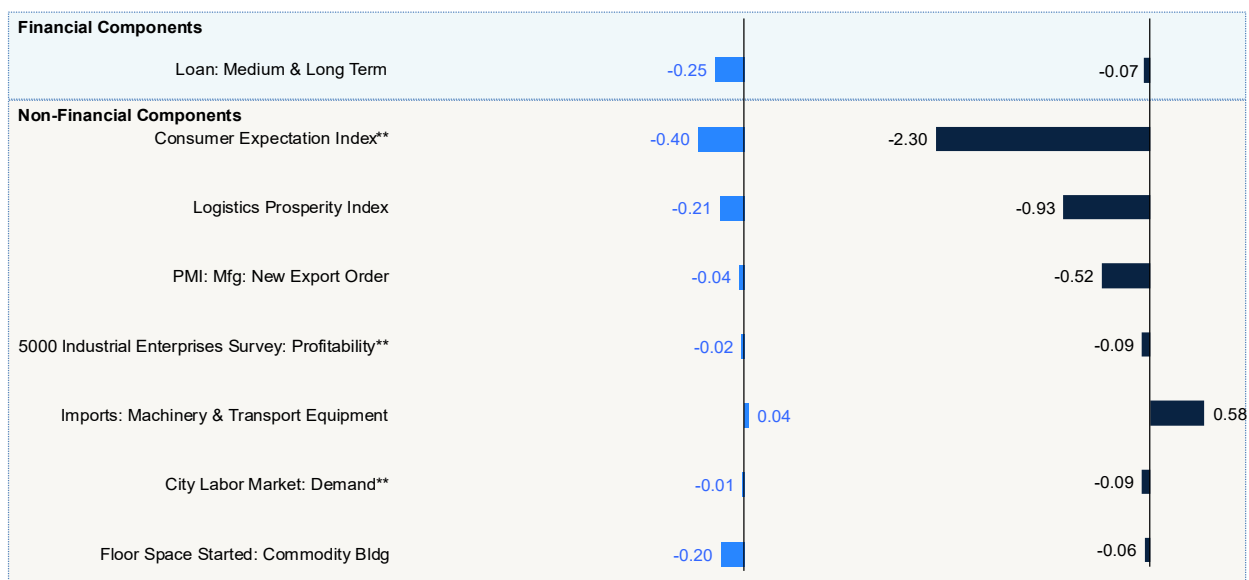


The decline in the April LEI was fueled by weak consumer expectations, a reduction of medium- and long-term loans, and a decrease in the logistics prosperity index

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

Apr. '26

6 mo. ending Apr. '26

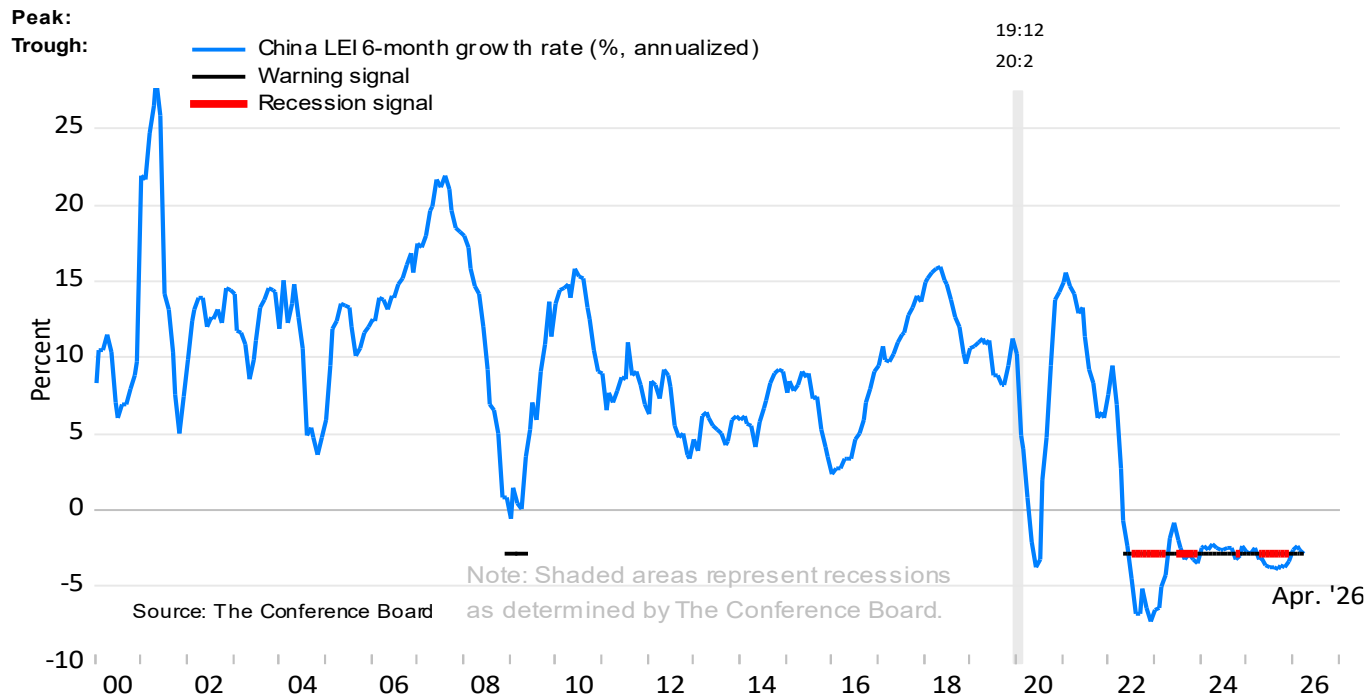


Source: The Conference Board

** Statistical Imputation

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

Weaknesses across most LEI components triggered the warning signal for growth in April



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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