THE CONFERENCE BOARD

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 Ticked Up in June

The Conference Board Leading Economic Index® (LEI) for China ticked up by 0.1% in June 2026 to 148.8 (2016=100), after decreasing by 0.3% in May. The LEI weakened by 1.3% over H1 of 2026, a slightly smaller rate of decline compared to the 1.8% contraction over H2 of 2025.

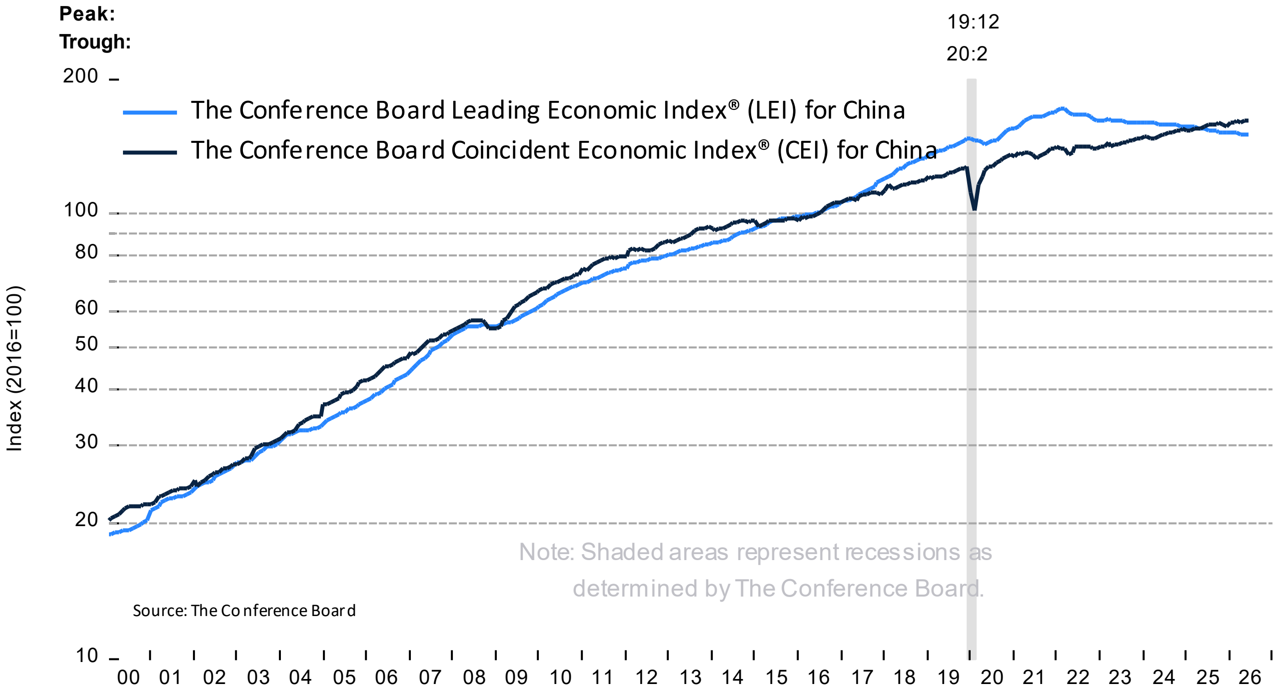
The Conference Board Coincident Economic Index® (CEI) for China increased by 0.3% in June 2026 to 160.1 (2016=100), after rising by 1.0% in May. As a result, the CEI expanded by 2.8% over H1 of 2026, greater than the 0.2% growth rate registered over H2 of 2025.

“The China LEI increased marginally for the first time since January 2026,” said **Timothy Brennan, Economic Research Associate, at The Conference Board.** “Imports of machinery and transportation equipment, medium- and long-term loans, and building construction components improved in June. These components just barely offset weakness from consumer expectations, the logistics prosperity index, and the business profitability index.

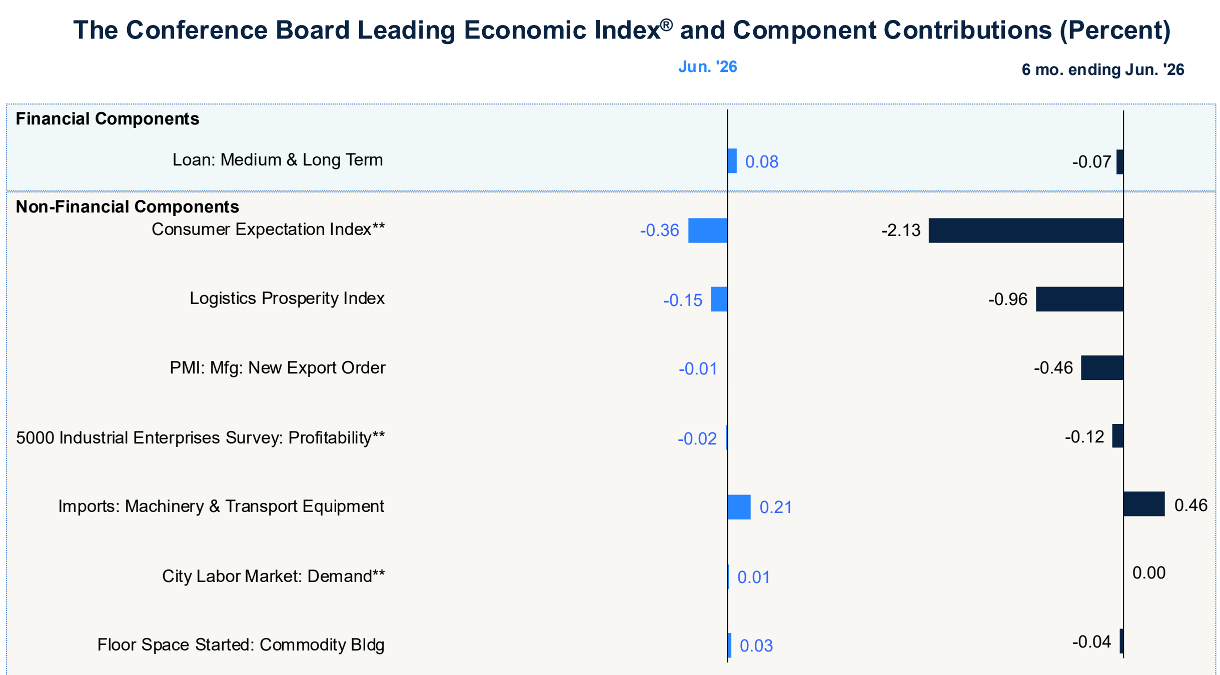
“The semi- and annual-growth rates of the LEI while negative, improved slightly. Nevertheless, the 6-month diffusion index remained below 50, triggering the recession warning signal in June, but we do not anticipate a recession in China,” added Brennan. “China’s real GDP expanded 4.3% y/y in Q2 of 2026. The slowest growth since 2022. Export growth remained strong at the end of H1, growing by 27% y/y in June. However, persistent weakness in consumer demand and the real estate market continues to weigh on the economy. Taking these factors into account, 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, August 27, 2026, at 9:00 A.M. ET

The China LEI increased for the first time since January 2026

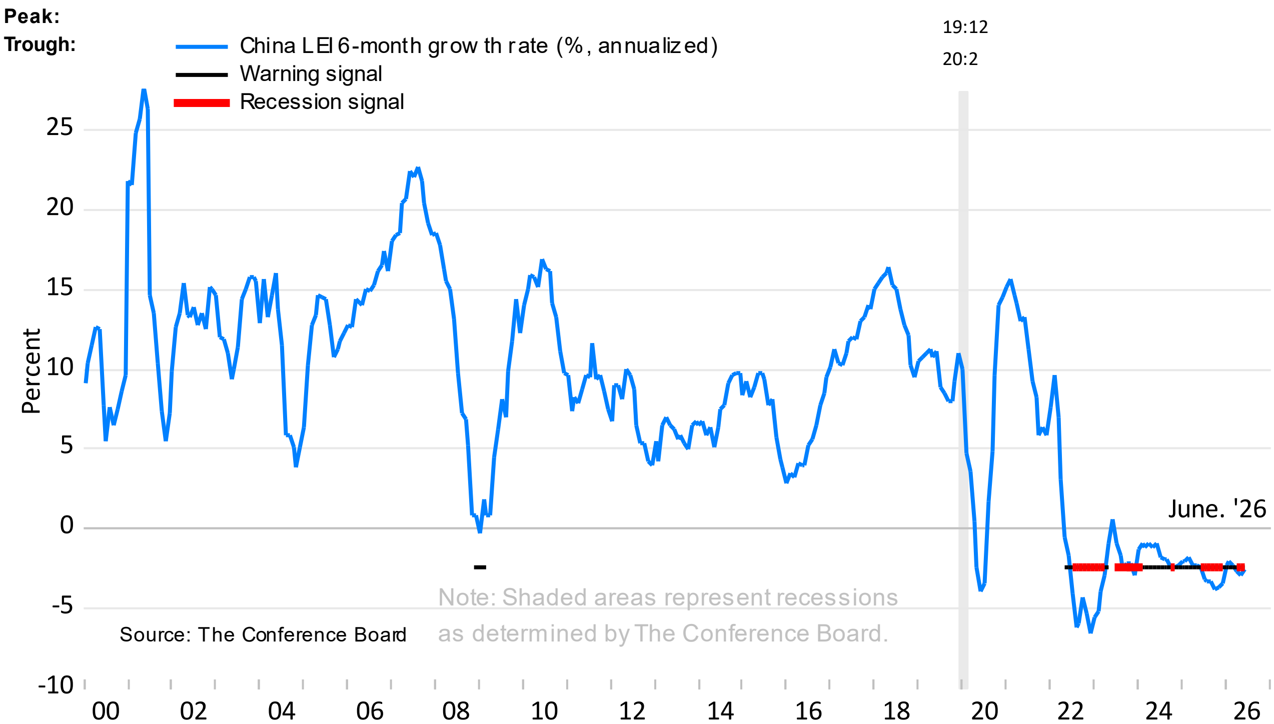


An increase in imports, expansion of medium- and long-term loans, and a rise in building construction spurred the LEI's growth in June



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

Weaknesses across most LEI components and still negative growth rate triggered the recession signal again in June, but we do not anticipate a downturn in 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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