

## News Release

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**For Release 9:00 AM ET, September 24, 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 August**

**The Conference Board Leading Economic Index® (LEI)** for China decreased by 0.2% in August 2026 to 148.2 (2016=100), after also declining by 0.2% in July. As a result, the LEI contracted by 1.7% over the six-month period from February to August 2026, a larger rate of decline compared to the 1.0% decrease over the previous six-month period between August 2025 and February 2026.

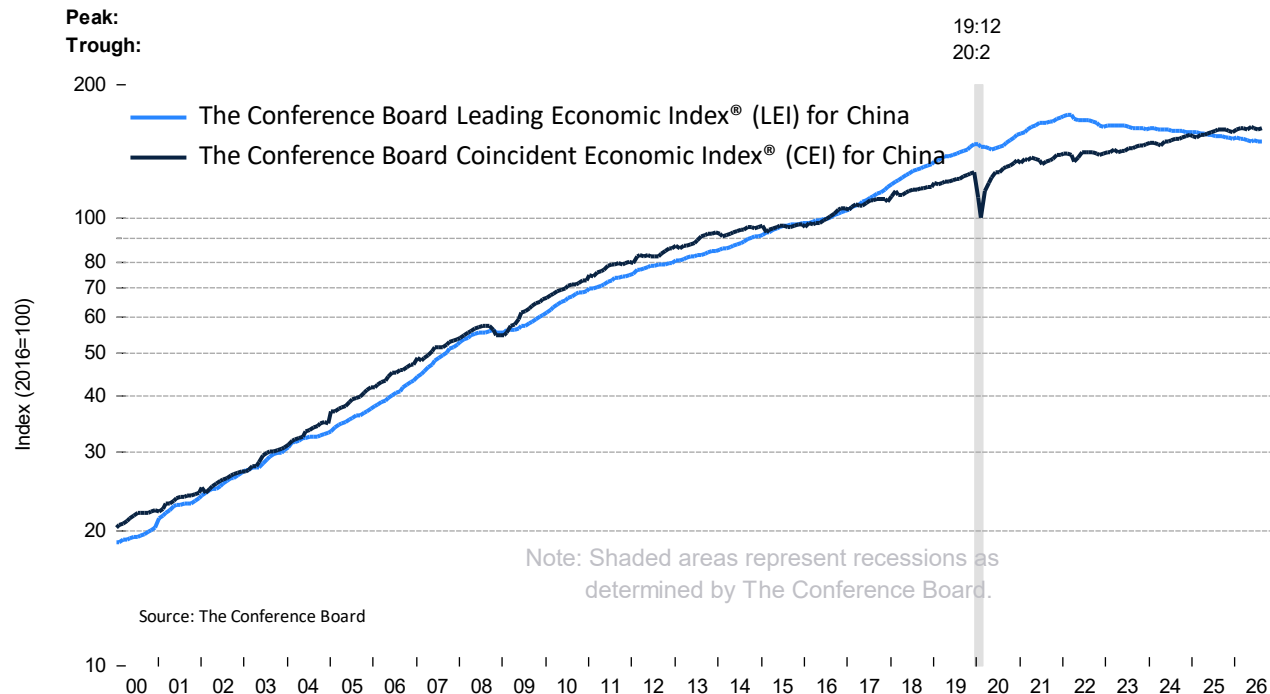
**The Conference Board Coincident Economic Index® (CEI)** for China rose by 0.6% in August 2026 to 158.8 (2016=100), partially reversing a 0.8% decline in July. The CEI expanded by only 0.1% over the six-month period from February to August 2026, smaller than the 0.8% growth rate registered over the previous six-month period between August 2025 and February 2026.

“The China LEI declined in August — the fifth time in the last six months,” said **Timothy Brennan, Economic Research Associate, at The Conference Board**. “Consumer expectations remained the primary drag on the index. Additionally, the logistics prosperity and building construction components recorded notable declines. Imports of machinery and transportation equipment improved in August, but not enough to offset the weaknesses from remaining components.

“The semi-annual growth rate of the LEI slid further into negative territory in August, and the 6-month diffusion index remained below 50, triggering the recession warning signal. However, we continue to anticipate annual real GDP growth slowing to 4.5% in 2026 from 5.0% in 2025,” added Brennan. “This is because of China’s two-speed economy, where domestic demand continues to offset supply-side strength. Fixed asset investment softened, falling by 7.2% year-to-date, while retail sales slowed to 0.4% y/y in August. Conversely, exports remained a key driver of growth, expanding by 25.0% y/y in August. Without major fiscal stimulus, domestic demand is expected to remain lackluster through year end 2026. As a result, economic growth is becoming increasingly dependent on strong external demand and stimulus.”

**The next release is scheduled for Wednesday, October 28, 2026, at 9:00 A.M. ET**

## The China LEI continued its downward trend in August

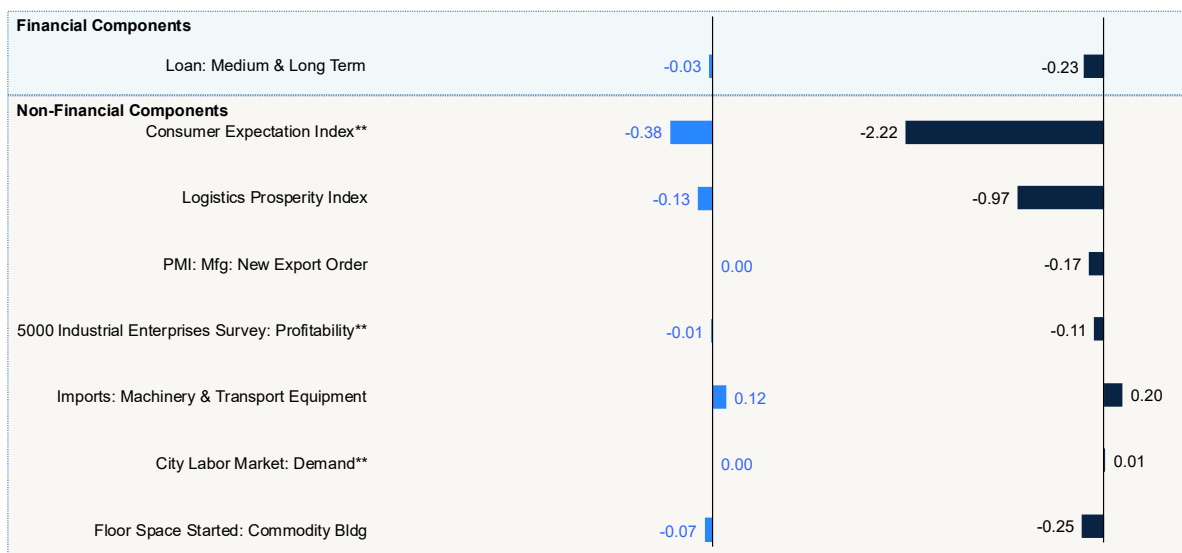


The decline in the August LEI was fueled by weak consumer expectations, a contraction in the logistics prosperity index, and a reduction in building construction

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

Aug. '26

6 mo. ending Aug. '26

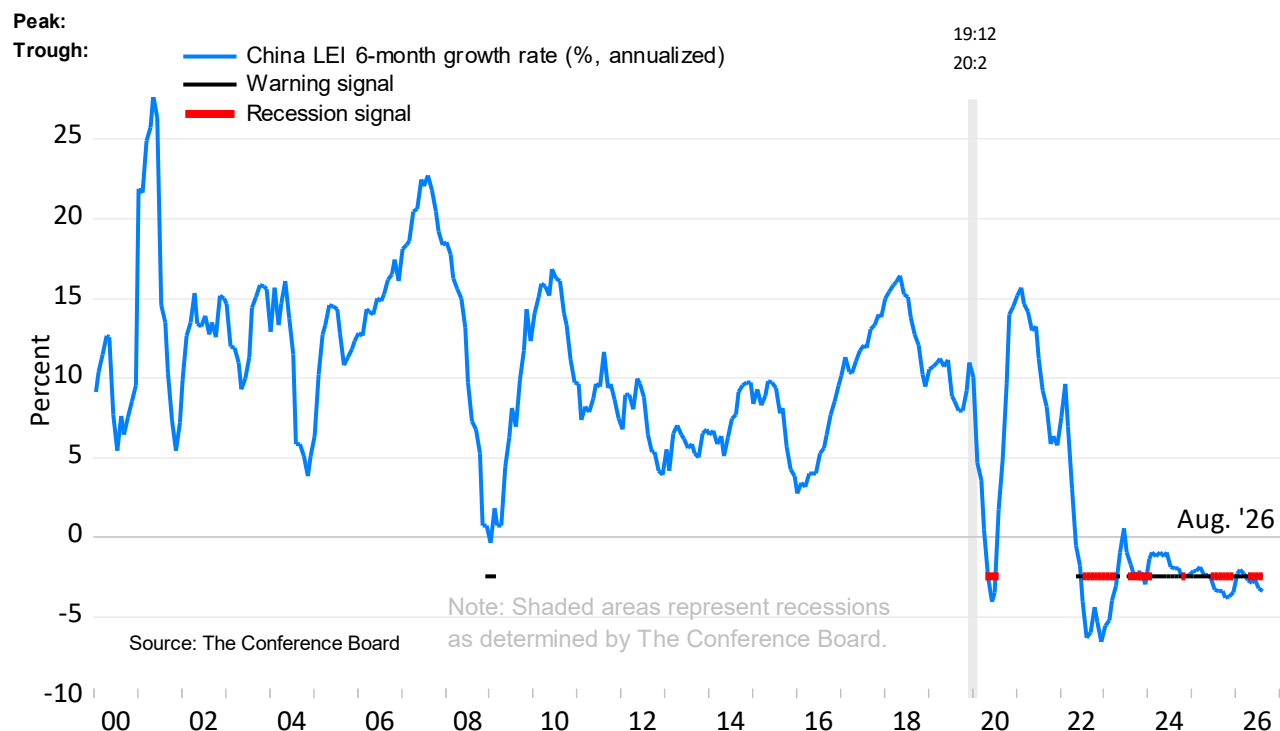


Source: The Conference Board

\*\* Statistical Imputation

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

## Weaknesses across most LEI components and a more negative growth rate triggered the recession signal again in August, 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://www.conference-board.org/data>

### **About The Conference Board**

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