



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. AEST, TUESDAY, JULY 28, 2009

The Conference Board®  
Australia Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™  
(LEI) FOR AUSTRALIA  
AND RELATED COMPOSITE ECONOMIC INDEXES FOR MAY 2009**

**The Conference Board Leading Economic Index™ (LEI)** for Australia declined 0.1 percent, while **The Conference Board Coincident Economic Index™ (CEI)** increased 0.3 percent in May.

- The Conference Board LEI for Australia declined slightly in May following three consecutive monthly gains. Substantial negative contributions from building approvals and rural goods exports more than offset positive contributions from money supply, the yield spread, and stock prices. Despite May's decrease, the six-month decline in the leading economic index has continued to slow, to 0.1 percent (a -0.2 percent annual rate) between November 2008 and May 2009, an improvement from the 2.1 percent decline (about a -4.1 percent annual rate) in the previous six months. Moreover, the strengths among the leading indicators have become widespread in the last six months.
- The Conference Board CEI for Australia rose modestly in May. Retail trade continued to increase, while employed persons fell this month. During the last six months through May, the index increased by 0.9 percent (about a 1.8 percent annual rate), down from the six-month growth rate of 1.2 percent in November 2008. In addition, the weaknesses among the coincident indicators have remained widespread in recent months. Meanwhile, real GDP increased at a 1.5 percent annual rate in the first quarter of 2009, up from a decline of 2.2 percent annual rate in the fourth quarter of 2008.
- After rising for three consecutive months, The Conference Board LEI for Australia decreased slightly in May. However, the six-month decline in the index has continued to slow, while the strengths among its components have grown more widespread. The Conference Board CEI for Australia, a measure of current economic activity, has been growing slowly and has increased only slightly this year. All in all, the recent behavior of the composite indexes suggests that economic growth will remain weak in the near term.

**LEADING INDICATORS.** Five of the seven components in The Conference Board LEI for Australia increased in May. The positive contributors to the index — in order from the largest positive contributor to the smallest — are money supply\*, yield spread, the sales to inventories ratio\*, gross operating surplus\*, and share prices. Building approvals\* and rural goods exports\* declined in May.

With the 0.1 percent decrease in May, The Conference Board LEI for Australia now stands at 113.0 (2004=100). Based on revised data, this index increased 0.3 percent in April and increased 0.5 percent in March. During the six-month period through May, the leading economic index decreased 0.1 percent, and four of the seven components increased (diffusion index, six-month span equals 71.4 percent).

**COINCIDENT INDICATORS.** Only one of the four components in The Conference Board CEI for Australia increased in May. The increase occurred in retail trade. Employed persons and household gross disposable income\* declined, while industrial production\* remained unchanged in May.

With the increase of 0.3 percent in May, The Conference Board CEI for Australia now stands at 112.4 (2004=100). Based on revised data, this index remained unchanged in April and decreased 0.2 percent in March. During the six-month period through May, the coincident economic index increased 0.9 percent, with all four components in the series making positive contributions (diffusion index, six-month span equals 25.0 percent).

**DATA AVAILABILITY.** The data series used to compute **The Conference Board Leading Economic Index™** (LEI) for Australia and **The Conference Board Coincident Economic Index™** (CEI) for Australia reported in this release are those available “as of” 10 A.M. ET on July 23, 2009. Some series are estimated as noted below.

\* Series in The Conference Board LEI for Australia that are based on our estimates are sales to inventory ratio and gross operating surplus for private non-financial corporations, the implicit price index used to deflate rural goods exports and building approvals, and the CPI used to deflate money supply M3. Series in The Conference Board CEI for Australia that are based on our estimates are industrial production and household disposable income. CPI was used to deflate retail trade.

### Summary Table of Composite Economic Indexes

	Mar	Apr	May	6-month Nov to May
<b>Leading Economic Index</b>	112.8 p	113.1 p	113.0 p	
Percent Change	0.5 p	0.3 p	-0.1 p	-0.1
Diffusion	85.7	85.7	64.3	71.4
<b>Coincident Economic Index</b>	112.1 p	112.1 p	112.4 p	
Percent Change	-0.2 p	0.0 p	0.3 p	0.9
Diffusion	25.0	37.5	37.5	25.0

n.a. Not available    p Preliminary    r Revised  
Indexes equal 100 in 2004

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The next release is scheduled for August 27, 2009 at 10:00 A.M. (AEST)

*In the U.S. – August 26, 2009 at 8:00 P.M. (ET)*