



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. AEST, THURSDAY, AUGUST 27, 2009

The Conference Board®
Australia Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™
(LEI) FOR AUSTRALIA
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2009**

The Conference Board Leading Economic Index™ (LEI) for Australia increased 0.9 percent and **The Conference Board Coincident Economic Index™ (CEI)** declined 0.1 percent in June.

- The Conference Board LEI for Australia increased in June, the fourth increase in the last five months. Positive contributions from building approvals*, the yield spread, stock prices, and money supply* more than offset the small decline in rural goods exports*. With June's increase, the six-month change in the leading economic index has become positive for the first time since September 2008, increasing to 1.3 percent (about a 2.7 percent annual rate) for the first half of 2009, a sharp reversal from the 2.8 percent decline (about a -5.5 percent annual rate) in the second half of last year. Moreover, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Australia, a measure of current economic activity, decreased modestly in June. Retail trade, after growing rapidly for most of this year, fell slightly this month. During the first half of 2009, the coincident economic index increased by 0.5 percent (about a 1.1 percent annual rate), down from the 1.5 percent increase (about a 2.9 percent annual rate) in the second half of 2008. In addition, the weaknesses among the coincident indicators have remained widespread in recent months. At the same time, real GDP increased at a 1.5 percent annual rate in the first quarter of 2009, following a decline of 2.2 percent annual rate in the fourth quarter of 2008.
- After declining sharply in the second half of last year, The Conference Board LEI for Australia has gradually increased in 2009, and the six-month change in the index has turned positive for the first time in nine months.. Additionally, The Conference Board CEI for Australia has been on a slightly rising trend for most of this year. All in all, despite the monthly volatility, the current behavior of the composite indexes suggests that economic growth will remain weak in the near term.

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

With the 0.9 percent increase in June, The Conference Board LEI for Australia now stands at 113.8 (2004=100). Based on revised data, this index declined 0.2 percent in May and increased 0.3 percent in April. During the six-month period through June, the leading economic index increased 1.3 percent, and five of the seven components increased (diffusion index, six-month span equals 71.4 percent).

COINCIDENT INDICATORS. None of the four components in The Conference Board CEI for Australia increased in June. Employed persons and retail trade declined in June, whereas household gross disposable income* and industrial production* remained unchanged.

With the decrease of 0.1 percent in June, The Conference Board CEI for Australia now stands at 112.5 (2004=100). Based on revised data, this index increased 0.4 percent in May and increased 0.1 percent in April. During the six-month period through June, the coincident economic index increased 0.5 percent, with one of the four components in the series making a positive contribution (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 August 25, 2009. Some series are estimated as noted below.

NOTES: 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.

Effective with the February 26, 2009 release, the seasonally adjusted retail trade data replaced the trend estimated series, the publication of which was suspended by the Australia Bureau of Statistics.

Summary Table of Composite Economic Indexes

	Apr	2009 May	Jun	6-month Dec to Jun
Leading Economic Index	113.0 p	112.8 p	113.8 p	
Percent Change	0.3 p	-0.2 p	0.9 p	1.3
Diffusion	85.7	64.3	78.6	71.4
Coincident Economic Index	112.2 p	112.6 p	112.5 p	
Percent Change	0.1 p	0.4 p	-0.1 p	0.5
Diffusion	50.0	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 September 30, 2009 at 10:00 A.M. (AEST)

In the U.S. – September 29, 2009 at 8:00 P.M. (EST)