



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. AEST, FRIDAY, JANUARY 29, 2010

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 NOVEMBER 2009**

This month's release incorporates annual benchmark revisions to the composite economic indexes, which bring them up-to-date with revisions in 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 will not be comparable to those issued prior to the benchmark revision.

For more information, please visit our website at <http://www.conference-board.org/economics/bci/> or contact us at [indicators@conference-board.org](mailto:indicators@conference-board.org).

**The Conference Board Leading Economic Index™ (LEI)** for Australia declined 0.3 percent and **The Conference Board Coincident Economic Index™ (CEI)** increased 0.3 percent in November.

- The Conference Board LEI for Australia decreased for the third consecutive month in November. Large negative contributions from building approvals and the sales to inventories ratio more than offset positive contributions from the yield spread, stock prices, and rural good exports. Despite the decline in November, the leading economic index increased by 1.0 percent (about a 2.0 percent annual rate) from May to November 2009, a reversal from the 1.4 percent decline (about a -2.8 percent annual rate) in the previous six months. At the same time, the strengths among the leading indicators have become slightly less widespread than the weaknesses in recent months.
- The Conference Board CEI for Australia, a measure of current economic activity, increased for the second straight month in November. The strengths among the coincident indicators were also widespread, as all components advanced this month. Despite the gain, the coincident economic index declined by 0.1 percent (about a -0.2 percent annual rate) in the six-month period ending in November 2009, down from the 1.5 percent increase (about a 3.0 percent annual rate) during the previous six months. At the same time, real GDP increased at a 0.7 percent annual rate during the third quarter of 2009, after expanding at a 2.9 percent annual rate during the second quarter.
- After improving in the first three quarters of 2009, The Conference Board LEI for Australia began to decline in September and its six-month growth rate has moderated somewhat, as a result. Meanwhile, The Conference Board CEI for Australia has been essentially flat since May, with its six-month growth rate turning slightly negative this month. Taken together, the current behavior of the composite indexes suggests that economic growth will remain weak in the near term.

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

With the 0.3 percent decrease in November, The Conference Board LEI for Australia now stands at 111.2 (2004=100). Based on revised data, this index declined 0.3 percent in October and declined 0.1 percent in September. During the six-month period through November, the leading economic index increased 1.0 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

**COINCIDENT INDICATORS.** All four components in The Conference Board CEI for Australia increased in November. The increases - in order from the largest positive contributor to the smallest - occurred in employed persons, retail trade, household gross disposable income\*, and industrial production\*.

With the increase of 0.3 percent in November, The Conference Board CEI for Australia now stands at 114.0 (2004=100). Based on revised data, this index increased 0.2 percent in October and remained unchanged in September. During the six-month period through November, the coincident economic index decreased 0.1 percent, with two of the four components in the series making positive contributions (diffusion index, six-month span equals 50.0 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 January 27, 2010. 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.

### Summary Table of Composite Economic Indexes

	Sep	2009 Oct	Nov	6-month May to Nov
<b>Leading Economic Index</b>	111.8 p	111.5 p	111.2 p	
Percent Change	-0.1 p	-0.3 p	-0.3 p	1.0
Diffusion	28.6	28.6	42.9	42.9
<b>Coincident Economic Index</b>	113.5 p	113.7 p	114.0 p	
Percent Change	0.0 p	0.2 p	0.3 p	-0.1
Diffusion	37.5	87.5	100.0	50.0

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

Source: The Conference Board                      All Rights Reserved

Professional Contacts at The Conference Board:  
Indicator Program:                      1-212-339-0330

Media Contacts:  
Frank Tortorici:                      908-875-8908

Email:    indicators@conference-board.org

Website:    http://www.conference-board.org/economics/bci/

The next release is scheduled for February 25, 2010 at 10:00 A.M. (AEST)

*In the U.S. – February 24, 2010 at 6:00 P.M. (EST)*