



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. AEST, THURSDAY, MAY 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 MARCH 2009**

**The Conference Board Leading Economic Index™ (LEI)** for Australia increased 0.4 percent and **The Conference Board Coincident Economic Index™ (CEI)** increased 0.2 percent in March.

- The Conference Board LEI for Australia increased for the second consecutive month in March. Stock prices rose sharply; and rural goods export, sales-to-inventory ratio, money supply, and the yield spread all contributed positively to the index. With this month's gain, the six-month rate of decline in the leading economic index has moderated, to 2.6 percent (a -5.1 percent annual rate) in the period through March.. Moreover, the strengths among the leading indicators have remained somewhat more widespread than the weaknesses in recent months.
- The Conference Board CEI for Australia also rose again in March, helped by continued increases in retail sales and household disposable income. The six-month change in the index has increased to 2.6 percent (about a 5.3 percent annual rate) in the period through March, up from 1.0 percent (a 2.0 percent annual rate) for the previous six months, and the strengths among its components have remained widespread. Meanwhile, real GDP fell at an average 0.9 percent annual rate in the second half of 2008 (including a decline of 2.1 percent annual rate for the fourth quarter), well below the 1.6 percent annual rate of growth in the first half of the year.
- The Conference Board LEI for Australia has risen modestly for two consecutive months now, after declining for almost half a year. However, the six-month change in the index remains negative. Meanwhile, The Conference Board CEI for Australia remains on an upward trend, although its growth over the past several months can be attributed primarily to a large jump in retail sales fueled by the economic stimulus package. All in all, the current behavior of the leading economic index suggests that economic activity will remain weak in the near term, but is likely to improve in upcoming months.

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

With the 0.4 percent increase in March, The Conference Board LEI for Australia now stands at 112.2 (2004=100). Based on revised data, this index increased 0.2 percent in February and declined 0.5 percent in January. During the six-month period through March, the leading economic index decreased 2.6 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

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

With the increase of 0.2 percent in March, The Conference Board CEI for Australia now stands at 114.0 (2004=100). Based on revised data, this index increased 0.4 percent in February and increased 0.7 percent in January. During the six-month period through March, the coincident economic index increased 2.6 percent, with three of the four components in the series making positive contributions (diffusion index, six-month span equals 75.0 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 May 26, 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.

### Summary Table of Composite Economic Indexes

	Jan	Feb	Mar	6-month Sep to Mar
<b>Leading Economic Index</b>	111.5 p	111.7 p	112.2 p	
Percent Change	-0.5 p	0.2 p	0.4 p	-2.6
Diffusion	50.0	57.1	64.3	57.1
<b>Coincident Economic Index</b>	113.3 p	113.8 p	114.0 p	
Percent Change	0.7 p	0.4 p	0.2 p	2.6
Diffusion	62.5	62.5	62.5	75.0

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

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Professional Contacts at The Conference Board:

Indicator Program:                      1-212-339-0330

Media Contacts:

Frank Tortorici:                      1-212-339-0231

Carol Courter:                      1-212-339-0232

Email:    indicators@conference-board.org

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

The next release is scheduled for June 25, 2009 at 10:00 A.M. (AEST)

*In the U.S. – June 24, 2009 at 8:00 P.M. (ET)*