



News Release

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The Conference Board®

Australia Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX®

(LEI) FOR AUSTRALIA

AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2014

The Conference Board Leading Economic Index® (LEI) for Australia increased 0.2 percent and

The Conference Board Coincident Economic Index® (CEI) also increased 0.2 percent in January.

- The Conference Board LEI for Australia increased again in January, with large positive contributions from the yield spread and exports more than offsetting the negative contributions from share prices and building approvals. With this month's increase, the six-month growth rate in the leading economic index picked up to 2.3 percent (about a 4.7 percent annual rate) from July 2013 to January 2014, up from 1.1 percent (about a 2.3 percent annual rate) for the previous six months. The strengths among the leading indicators have continued to be very widespread in recent months.
- The Conference Board CEI for Australia also increased in January, with all its components advancing. The coincident economic index grew by 0.8 percent (about a 1.6 percent annual rate) in the six-month period through January 2014 – up from 0.4 percent (about a 0.8 percent annual rate) for the previous six months. At the same time, real GDP increased at a 3.2 percent annual

rate in the fourth quarter of 2013, an improvement from 2.6 percent (annual rate) in the third quarter.

- The Conference Board LEI for Australia has been on an upward trend since mid-2013, and as a result its six-month growth rate has improved considerably compared to the first half of last year. At the same time, The Conference Board CEI for Australia, a measure of current economic activity, has also been improving over the same time span. Taken together, the current behavior of the composite indexes suggests that economic expansion will continue in the near term.

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

With the 0.2 percent increase in January, The Conference Board LEI for Australia now stands at 128.3 (2004=100). Based on revised data, this index increased 0.9 percent in December and increased 0.3 percent in November. Over the six-month period through January, the leading economic index increased 2.3 percent, and all seven components improved (diffusion index, six-month span equals 100.0 percent).

COINCIDENT INDICATORS. All four components in The Conference Board CEI for Australia increased in January. The positive contributors – in order from the largest to the smallest – are retail trade, employed persons, household gross disposable income*, and industrial production*.

With the increase of 0.2 percent in January, The Conference Board CEI for Australia now stands at 123.7 (2004=100). Based on revised data, this index increased 0.1 in December and increased 0.2 percent in November. During the six-month period through January, the coincident economic index increased 0.8 percent, with all four components in the series making positive contributions (diffusion index, six-month span equals 100.0 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 March 19, 2014. 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

| | 2013 | | 2014 | | 6-month |
|--------------------------------------|-------------|-------------|-------------|--|-------------------|
| | Nov | Dec | Jan | | Jul to Jan |
| Leading Economic Index | 127.0 | r 128.1 | p 128.3 | | |
| Percent Change | 0.3 | r 0.9 | p 0.2 | | 2.3 |
| Diffusion | 85.7 | 100.0 | 71.4 | | 100.0 |
| Coincident Economic Index | 123.3 | r 123.4 | p 123.7 | | |
| Percent Change | 0.2 | 0.1 | p 0.2 | | 0.8 |
| Diffusion | 87.5 | 75.0 | 100.0 | | 100.0 |

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

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The next release is scheduled for April 22, 2014 at 10:00 A.M. (AET)
In the U.S. – April 21, 2014 at 8:00 P.M. (ET)

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