



News Release

Follow The Conference Board

[twitter](#) [facebook](#) [LinkedIn](#)

Further information:

Carol Courter: 1- 732-672-2817

Carol.courter@conference-board.org

Jonathan Liu: 1-732- 991- 1754

Jonathan.liu@conference-board.org

FOR RELEASE: 10:00 A.M. JST, FRIDAY, AUGUST 8, 2014

The Conference Board[®]

Japan Business Cycle IndicatorsSM

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®] (LEI) FOR
JAPAN
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2014**

The Conference Board Leading Economic Index[®] (LEI) for Japan decreased 0.5 percent and **The Conference Board Coincident Economic Index[®] (CEI)** decreased 0.5 percent in June.

- The Conference Board LEI for Japan fell for the fourth consecutive month in June. Business failures, the six-month growth rate of labor productivity and the index of overtime worked made the largest negative contributions to the index this month. With June's decline, the leading economic index has fallen by 2.2 percent (about a -4.3 percent annual rate) in the first half of 2014, a reversal from the growth of 3.0 percent (about a 6.0 percent annual rate) in the second half of last year. Moreover, the weaknesses among the leading indicators have become very widespread.
- The Conference Board CEI for Japan, a measure of current economic activity, also declined in June, and with the exception of employment, all of its components decreased. The six-month growth rate of the coincident economic index contracted by 1.0 percent (about a -2.0 percent annual rate), slower than its growth of 0.6 percent (about a 1.2 percent annual rate). In addition, the strengths among the coincident indicators have become less widespread and were only balanced with the weaknesses in the first half of this year. At the same time, real GDP expanded at a 6.7 percent annual rate in the first quarter of 2014, after 0.3 percent (annual rate) growth in the last quarter of 2013.
- The declines in both the LEI and CEI for Japan have become widespread and persistent in recent months, and the rate at which they are falling continued to accelerate through June. Taken

together, the behavior of both indexes suggests that the impressive growth in the first quarter is not sustainable and the economy will slow considerably in the second half of 2014.

LEADING INDICATORS. Six of the ten components that make up The Conference Board LEI for Japan increased in June. The positive contributors to the index – in order from the largest positive contributor to the smallest – include new orders for machinery and construction component*, stock prices, the Tankan business conditions survey, the interest rate spread, dwelling units started, and real operating profits*. The negative contributors – in order from the largest negative contributor to the smallest – include (inverted) business failures, the six-month growth rate of labor productivity, and the index of overtime worked. Real money supply remained unchanged in June.

With the decrease of 0.5 percent in June, The Conference Board LEI for Japan now stands at 99.0 (2004=100). Based on revised data, this index decreased 1.1 percent in May and decreased 0.1 percent in April. During the six-month span through June, the index decreased 2.2 percent, and three of the ten components advanced (diffusion index, six-month span equals 30.0 percent).

COINCIDENT INDICATORS. None of the four components that make up The Conference Board CEI for Japan increased in June. The negative contributors to the index – in order from the largest negative contributor to the smallest – include industrial production, wage and salary income and the retail, wholesale, and manufacturing sales component*. Employed persons held steady in June.

With the decrease of 0.5 percent in June, The Conference Board CEI for Japan now stands at 95.7 (2004=100). Based on revised data, this index increased 0.3 percent in May and decreased 1.5 percent in April. During the six-month span through June, the index decreased 1.0 percent, and two of the four components advanced (diffusion index, six-month span equals 50.0 percent).

DATA AVAILABILITY AND NOTES. The data series used to compute **The Conference Board Leading Economic Index**[®] (LEI) for Japan and **The Conference Board Coincident Economic Index**[®] (CEI) for Japan reported in this release are those available “as of” 5:00 P.M. ET August 6, 2014. Some series are estimated as noted below.

* The series in The Conference Board LEI that are based on our estimates are the six month growth rate of labor productivity, real operating profits and new orders for machinery. The series in The Conference Board CEI that is based on our estimates is real manufacturing sales.

Summary Table of Composite Economic Indexes

	2014			6-month
	Apr	May	Jun	Dec to Jun
Leading Economic Index (LEI)	100.6 p	99.5 p	99.0 p	
Percent Change	-0.1 p	-1.1 p	-0.5 p	-2.2 p
Diffusion	50.0	40.0	65.0	30.0
Coincident Economic Index (CEI)	95.9 p	96.2 p	95.7 p	
Percent Change	-1.5 p	0.3 p	-0.5 p	-1.0 p
Diffusion	0.0	75.0	12.5	50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board

All Rights Reserved

The next release is scheduled for Wednesday, September 10, 2014 at 10:00 A.M. (JST)

In the U.S – Tuesday, September 9, 2014 at 9:00 P.M. (EDT)

For more information, visit The Conference Board website: <http://www.conference-board.org/data/bci.cfm>

© The Conference Board 2014. All data contained in this table are protected by United States and international copyright laws. The data displayed are provided for informational purposes only and may only be accessed, reviewed, and/or used in accordance with, and the permission of, The Conference Board consistent with a subscriber or license agreement and the Terms of Use displayed on our website at www.conference-board.org. The data and analysis contained herein may not be used, redistributed, published, or posted by any means without express written permission from The Conference Board.

COPYRIGHT TERMS OF USE. All material in this press release and on Our Sites are protected by United States and international copyright laws. You must abide by all copyright notices and restrictions contained in Our Sites. You may not reproduce, distribute (in any form including over any local area or other network or service), display, perform, create derivative works of, sell, license, extract for use in a database, or otherwise use any materials (including computer programs and other code) in this press release or on Our Sites (collectively, "Site Material"), except that you may download Site Material in the form of one machine readable copy that you will use only for personal, noncommercial purposes, and only if you do not alter Site Material or remove any trademark, copyright or other notice displayed on the Site Material. If you are a subscriber to any of the services offered on Our Sites, you may be permitted to use Site Material, according to the terms of your subscription agreement.

TRADEMARKS. "THE CONFERENCE BOARD", the TORCH LOGO, "THE CONFERENCE BOARD LEADING ECONOMIC INDEX", "THE CONFERENCE BOARD COINCIDENT ECONOMIC INDEX", "THE CONFERENCE BOARD LAGGING ECONOMIC INDEX", and any other logos, indicia and trademarks featured on this press release or Our Sites are trademarks owned by The Conference Board, Inc. in the United States and other countries ("Our Trademarks"). You may not use Our Trademarks in connection with any product or service that does not belong to us nor in any manner that is likely to cause confusion among users about whether The Conference Board is the source, sponsor, or endorser of the product or service, nor in any manner that disparages or discredits us.

Violators of these rights will be prosecuted to the full extent of the law.

Violators of these rights will be prosecuted to the full extent of the law. Nothing herein shall restrict the use of the information by news journalists using the information in a legitimate news publication or periodical.