



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 NOVEMBER 2014

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. Also, with this benchmark revision, the base year of the composite indexes was changed to 2010 = 100 from 2004 = 100. 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, in levels and month-on-month changes, will not be directly comparable to those issued prior to the benchmark revision. For more information, please visit our website at <http://www.conference-board.org/data/bci.cfm> or contact us at indicators@conference-board.org.

The Conference Board Leading Economic Index[®] (LEI) for Australia increased 0.1 percent and **The Conference Board Coincident Economic Index[®] (CEI)** increased 0.5 percent in November.

- The Conference Board LEI for Australia increased slightly in November, with rural goods exports and building approvals making the largest positive contributions. Between May and November 2014, the leading economic index declined 0.6 percent (about a -1.2 percent annual rate), after no change over the previous six months. Additionally, the weaknesses among the leading indicators have become more widespread than the strengths in recent months.

- The Conference Board CEI for Australia, a measure of current economic activity, increased in November. The coincident economic index grew 1.4 percent (about a 2.9 percent annual rate) in the six-month period through November 2014, up from its increase of 1.0 percent (about a 1.9 percent annual rate) over the previous six months. Meanwhile, real GDP grew 1.4 percent (annual rate) in the third quarter of 2014, down from 2.0 percent (annual rate) in the second quarter.
- The Conference Board LEI for Australia increased marginally in November following three consecutive monthly declines. As a result, its six-month growth rate remains in negative territory, despite improving slightly compared to the third quarter of 2014. Meanwhile, the CEI for Australia continues to post moderate gains, and its six-month growth rate has picked up somewhat compared to the prior six months. Taken together, the recent behavior of the composite indexes suggests that the economic expansion should continue in the near term, but the pace is unlikely to pick up much in early 2015.

LEADING INDICATORS. Five of the seven components that make up 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—were rural goods exports, building approvals, the yield spread, money supply*, and gross operating surplus*. Share prices and the sales to inventories ratio* declined in November.

With the 0.1 percent increase in November, The Conference Board LEI for Australia now stands at 102.8 (2010=100). Based on revised data, this index declined 0.2 percent in October and declined 0.6 percent in September. During the six-month period through November, the leading economic index decreased 0.6 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

COINCIDENT INDICATORS. All four components that make up 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 0.5 percent in November, The Conference Board CEI for Australia now stands at 107.3 (2010=100). Based on revised data, this index increased 0.3 percent in October and increased 0.2 percent in September. During the six-month period through November, the coincident economic index increased 1.4 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 January 26, 2015. 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

	2014			6-month May to Nov
	Sep	Oct	Nov	
Leading Economic Index	102.9	102.7	102.8	
Percent Change	-0.6	-0.2	0.1	-0.6
Diffusion	42.9	57.1	71.4	42.9
Coincident Economic Index	106.5	106.8	107.3	
Percent Change	0.2	0.3	0.5	1.4
Diffusion	75.0	100.0	100.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2010

Source: The Conference Board All Rights Reserved

The next release is scheduled for February 18, 2015 at 10:00 A.M. (AEDT)
In the U.S. – February 17, 2015 at 6:00 P.M. (ET)

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