



News Release

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FOR RELEASE: 10:00 A.M. KST, FRIDAY, MARCH 13, 2015

The Conference Board[®]

Korea Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®] (LEI) FOR KOREA AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2015

**The Conference Board Leading Economic Index[®] (LEI) for Korea increased 0.7 percent and
The Conference Board Coincident Economic Index[®] (CEI) for Korea declined 0.4 percent in January.**

- The Conference Board LEI for Korea increased in January, with private construction orders making the largest positive contribution. With this month's increase, the leading economic index grew 2.0 percent (about a 4.0 percent annual rate) in the six-month period ending in January 2015, down from 2.7 percent (about a 5.4 percent annual rate) over the previous six months. However, the strengths among the leading indicators have remained widespread in recent months.
- The Conference Board CEI for Korea, a measure of current economic activity, declined in January after improving considerably in December. Large negative contributions from industrial production and wholesale and retail sales more than offset positive contributions from employment and earnings. Between July 2014 and January 2015, the coincident economic index grew 0.4 percent (about a 0.7 percent annual rate), up from its 0.2 percent increase (about a 0.4 percent annual rate) during the previous six months. At the same time, real GDP expanded at a 1.5 percent annual rate in the fourth quarter of 2014, down from 3.7 percent growth (annual rate) in the third quarter.
- The LEI for Korea has increased for two consecutive months. Although its six-month growth rate eased a bit compared to the middle of last year, the strengths among the leading indicators

remain widespread. Meanwhile, the CEI for Korea pulled back in January, but its six-month change remains positive. Taken together, the current behavior of the composite indexes and their components suggests that the current rate of economic expansion is likely to continue, and may even increase in the months ahead.

LEADING INDICATORS. Four of the six components that make up The Conference Board LEI for Korea increased in January. The positive contributors—from the largest positive contributor to the smallest—were private construction orders, real exports FOB, value of machinery orders*, and the (inverted) yield of government public bonds. Negative contributors—from the larger negative contributor to the smaller—were the (inverted) index of inventories to shipments* and stock prices.

With the 0.7 percent increase in January, The Conference Board LEI for Korea now stands at 109.2 (2010=100). Based on revised data, this index increased 0.1 percent in December and declined 0.4 percent in November. Over the six-month span through January, the leading economic index increased 2.0 percent, with five of the six components advancing (diffusion index, six-month span equals 83.3 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Korea increased in January. The positive contributors—in order from the largest positive contributor to the smallest—were total employment and monthly cash earnings*. Industrial production and the wholesale and retail sales component declined in January.

With the 0.4 percent decrease in January, The Conference Board CEI for Korea now stands at 107.2 (2010=100). Based on revised data, this index increased 0.7 percent in December and increased 0.1 percent in November. During the six-month span through January, the coincident economic index increased 0.4 percent, with two of the four components advancing (diffusion index, six-month span equals 50.0 percent).

DATA AVAILABILITY. The data series used to compute **The Conference Board Leading Economic Index[®]** (LEI) and **The Conference Board Coincident Economic Index[®]** (CEI) for Korea reported in this release are those available “as of” 1 P.M. (ET) on March 11, 2015.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. The forecasted series in the leading economic index are value of machinery orders and index of inventories to shipments.

Summary Table of Composite Economic Indexes

	2014		2015		6-month		
	<u>Nov</u>	<u>Dec</u>	<u>Jan</u>		<u>Jul to</u>	<u>Jan</u>	
Leading Economic Index (LEI)	108.3	r	108.4	r	109.2	p	
Percent Change	-0.4	r	0.1	r	0.7	p	2.0 p
Diffusion	66.7	r	41.7	r	66.7	p	83.3
Coincident Economic Index (CEI)	106.9	p	107.6	p	107.2	p	
Percent Change	0.1	p	0.7	p	-0.4	p	0.4 p
Diffusion	75.0		100.0		50.0		50.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2010

Source: The Conference Board

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The next release is scheduled for Friday, April 10, 2015 at 10:00 A.M. (KST)

In the U.S – Thursday, April 9, 2015 at 9:00 P.M. (EDT)

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

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