



News Release

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**FOR RELEASE: 10:00 A.M. JST, FRIDAY, APRIL 10, 2015**

The Conference Board<sup>®</sup>

Japan Business Cycle Indicators<sup>SM</sup>

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX<sup>®</sup> (LEI) FOR  
JAPAN  
AND RELATED COMPOSITE ECONOMIC INDEXES FOR FEBRUARY 2015**

**The Conference Board Leading Economic Index<sup>®</sup> (LEI)** for Japan increased 0.2 percent and **The Conference Board Coincident Economic Index<sup>®</sup> (CEI)** decreased 0.2 percent in February.

- The Conference Board LEI for Japan increased in February, after no change in January. Large positive contributions from stock prices and new orders for machinery and construction more than offset the large negative contributions from business failures (inverted) and the index of overtime worked. The leading economic index also increased by 2.1 percent (about a 4.2 percent annual rate) from August 2014 to February 2015, a reversal from its contraction of 3.2 percent (about a -6.4 percent annual rate) over the prior six months. Moreover, the strengths among the leading indicators continue to be more widespread than the weaknesses.
- The Conference Board CEI for Japan, a measure of current economic activity, edged down in February. However, the coincident economic index increased by 1.3 percent (about a 2.7 percent annual rate) between August 2014 and February 2015, an improvement from the decline of 1.9 percent (about a -3.8 percent annual rate), over the preceding six months. In addition, the strengths among the coincident indicators continue to be very widespread. At the same time, real GDP expanded by 1.5 percent (annual rate) in the fourth quarter of 2014, after contracting by 2.6 percent (annual rate) in the third quarter.
- The Conference Board LEI for Japan increased in February. The growth of the LEI has improved considerably compared to six months ago and the strengths among its components are widespread. Despite the decline in the CEI, its six-month growth rate remains in positive territory with all components advancing over the past six months. Taken together, the behavior of both indexes suggests that the recovery in current economic activity will continue in the short-term.

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

With the increase of 0.2 percent in February, The Conference Board LEI for Japan now stands at 103.9 (2010=100). Based on revised data, this index remained unchanged in January and increased 0.1 percent in December. During the six-month span through February, the index increased 2.1 percent, and nine of the ten components advanced (diffusion index, six-month span equals 90.0 percent).

**COINCIDENT INDICATORS.** Two of the four components that make up The Conference Board CEI for Japan increased in February. The positive contributors to the index – in order from the larger positive contributor to the smaller – include wage and salary income and the number of employed persons. Industrial production declined, while the retail, wholesale, and manufacturing sales\* component was unchanged.

With the decrease of 0.2 percent in February, The Conference Board CEI for Japan now stands at 98.5 (2010=100). Based on revised data, this index increased 0.5 percent in January and increased 0.4 percent in December. During the six-month span through February, the index increased 1.3 percent, and all four components advanced (diffusion index, six-month span equals 100.0 percent).

**DATA AVAILABILITY AND NOTES.** The data series used to compute **The Conference Board Leading Economic Index**<sup>®</sup> (LEI) for Japan and **The Conference Board Coincident Economic Index**<sup>®</sup> (CEI) for Japan reported in this release are those available “as of” 9:00 P.M. ET April 8, 2015. 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	2015		6-month
	Dec	Jan	Feb	Aug to Feb
<b>Leading Economic Index (LEI)</b>	103.7 p	103.7 p	103.9 p	
Percent Change	0.1 p	0.0 p	0.2 p	2.1 p
Diffusion	80.0	70.0	70.0	90.0
<b>Coincident Economic Index (CEI)</b>	98.2 p	98.7 p	98.5 p	
Percent Change	0.4 p	0.5 p	-0.2 p	1.3 p
Diffusion	75.0	87.5	50.0	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 Wednesday, May 13, 2015 at 10:00 A.M. (JST)  
*In the U.S* – Tuesday, May 12, 2015 at 9:00 P.M. (ET)

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

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