



News Release

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The Conference Board®

Korea Business Cycle IndicatorsSM

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

The Conference Board Leading Economic Index® (LEI) for Korea increased 2.2 percent and **The Conference Board Coincident Economic Index® (CEI)** for Korea declined 0.2 percent in March.

- The Conference Board LEI for Korea increased in March, with the index of inventories to shipments and private construction orders making large positive contributions. The leading economic index increased by 2.0 percent (about a 4.1 percent annual rate) between September 2014 and March 2015, slower than the increase of 2.7 percent (about a 5.4 percent annual rate) during the previous six months. However, the strengths among the leading indicators remain more widespread than the weaknesses.
- The Conference Board CEI for Korea, a measure of current economic activity, declined slightly in March. Between September 2014 and March 2015, the coincident economic index grew by 1.1 percent (about a 2.3 percent annual rate), after no growth over the previous six months. At the same time, real GDP expanded at a 3.1 percent annual rate in the first quarter of 2015, up from 1.1 percent (annual rate) in the last quarter of 2014.
- The LEI for Korea increased in March, but its six-month growth rate remains lower compared to six months ago. Meanwhile, The CEI for Korea decreased slightly, but its six-month change has improved. Taken together, the behavior of both indexes suggests that the current pace of economic expansion is likely to continue in the near term.

LEADING INDICATORS. Five of the six components that make up The Conference Board LEI for Korea increased in March. The positive contributors – from the largest positive contributor to the smallest – were the (inverted) index of inventories to shipments, private construction orders, value of machinery orders, stock prices, and the (inverted) yield of government public bonds. Only real exports FOB declined in March.

With the 2.2 percent increase in March, The Conference Board LEI for Korea now stands at 110.5 (2010=100). Based on revised data, this index declined 0.5 percent in February and increased 0.4 percent in January. Over the six-month span through March, 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 March. The positive contributors – from the larger positive contributor to the smaller-- were the wholesale and retail sales component and monthly cash earnings*. Total employment and industrial production declined in March.

With the 0.2 percent decrease in March, The Conference Board CEI for Korea now stands at 107.9 (2010=100). Based on revised data, this index increased 0.7 percent in February and decreased 0.3 percent in January. During the six-month span through March, the coincident economic index increased 1.1 percent, with all four components advancing (diffusion index, six-month span equals 100.0 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” 10 A.M. (ET) on May 7, 2015.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. There is no forecasted series in the leading economic index.

Summary Table of Composite Economic Indexes

	2015			6-month <u>Sep to</u> <u>Mar</u>
	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	
Leading Economic Index (LEI)	108.6	r 108.1	110.5	
Percent Change	0.4	-0.5	r 2.2	2.0
Diffusion	66.7	66.7	r 83.3	83.3
Coincident Economic Index (CEI)	107.3	p 108.1	p 107.9	
Percent Change	-0.3	p 0.7	p -0.2	1.1
Diffusion	50.0	100.0	50.0	100.0

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, June 12, 2015 at 10:00 A.M. (KST)

In the U.S – Thursday, June 11, 2015 at 9:00 P.M. (ET)

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

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