



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. AEST, TUESDAY, NOVEMBER 24, 2009

The Conference Board®  
Australia Business Cycle Indicators<sup>SM</sup>  
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™  
(LEI) FOR AUSTRALIA**  
**AND RELATED COMPOSITE ECONOMIC INDEXES FOR SEPTEMBER 2009**

**The Conference Board Leading Economic Index™ (LEI)** for Australia increased 0.3 percent and **The Conference Board Coincident Economic Index™ (CEI)** increased 0.1 percent in September.

- The Conference Board LEI for Australia increased for the fourth consecutive month in September. However, there were large downward revisions to the index for the previous five months, as the second quarter data for the non-farm sales component of the sales-to-inventories ratio was revised down sharply. With the small gain this month, the leading economic index increased by 2.1 percent (about a 4.3 percent annual rate) for the period through September 2009 – a reversal from the 1.7 percent decline (a -3.4 percent annual rate) for the previous six months. In addition, the strengths among the leading indicators have remained slightly more widespread than the weaknesses in the past months.
- The Conference Board CEI for Australia, a measure of current economic activity, also increased in September. Retail trade continued to decline sharply, while the other coincident indicators advanced this month. With September's small gain, the coincident economic index increased 1.0 percent (about a 2.0 percent annual rate) in the six-month period through September 2009, slightly below the 1.2 percent increase (about a 2.4 percent annual rate) for the previous six months. Nevertheless, the strengths among the coincident indicators have been very widespread, with all components rising in the last six months. At the same time, real GDP increased at a 2.0 percent annual rate in the first half of 2009 (including a 2.5 percent annual rate in the second quarter), an improvement from the decline of 2.8 percent annual rate in the fourth quarter of 2008.
- After declining sharply in the second half of last year, The Conference Board LEI for Australia has been on a slightly rising trend since the beginning of 2009. Meanwhile, The Conference Board CEI for Australia, which had been growing slowly earlier this year, has remained essentially flat since the second quarter. Taken together, the current behavior of the composite indexes suggests that the economy will continue to expand, albeit slowly in the near term.

**LEADING INDICATORS.** Three of the seven components in The Conference Board LEI for Australia increased in September. The positive contributors to the index — in order from the largest positive contributor to the smallest — are yield spread, share prices, and building approvals\*. Rural goods exports\*, money supply\*, and gross operating surplus\* declined, while the sales-to-inventories ratio\* remained unchanged in September.

With the 0.3 percent increase in September, The Conference Board LEI for Australia now stands at 115.6 (2004=100). Based on revised data, this index increased 1.5 percent in August and increased 0.5 percent in July. During the six-month period through September, the leading economic index increased 2.1 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

**COINCIDENT INDICATORS.** Three of the four components in The Conference Board CEI for Australia increased in September. The increases - in order from the largest positive contributor to the smallest - occurred in employed persons, household gross disposable income\*, and industrial production\*. Retail trade declined in September.

With the increase of 0.1 percent in September, The Conference Board CEI for Australia now stands at 113.5 (2004=100). Based on revised data, this index decreased 0.2 percent in August and increased 0.1 percent in July. During the six-month period through September, the coincident economic index increased 1.0 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 November 20, 2009. 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

	Jul	2009 Aug	Sep	6-month Mar to Sep
<b>Leading Economic Index</b>	113.6 p	115.3 p	115.6 p	
Percent Change	0.5 p	1.5 p	0.3 p	2.1
Diffusion	64.3	64.3	35.7	57.1
<b>Coincident Economic Index</b>	113.6 p	113.4 p	113.5 p	
Percent Change	0.1 p	-0.2 p	0.1 p	1.0
Diffusion	75.0	50.0	75.0	100.0

n.a. Not available    p Preliminary    r Revised  
Indexes equal 100 in 2004

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The next release is scheduled for December 22, 2009 at 10:00 A.M. (AEST)

*In the U.S. – December 21, 2009 at 6:00 P.M. (EST)*