



THE CONFERENCE BOARD

FOR RELEASE: 10:00 A.M. AEST, THURSDAY, MARCH 26, 2009

The Conference Board®
Australia Business Cycle IndicatorsSM
**THE CONFERENCE BOARD LEADING ECONOMIC INDEX™
(LEI) FOR AUSTRALIA**
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JANUARY 2009

The Conference Board Leading Economic Index™ (LEI) for Australia declined 0.6 percent and **The Conference Board Coincident Economic Index™** (CEI) increased 0.6 percent in January.

- The Conference Board LEI for Australia declined for the fifth straight month in January. Building approvals, share prices, and the yield spread contributed negatively to the index this month, more than offsetting positive contributions from real money supply and rural goods exports. The six-month change in the index has continued to decline -- to -3.8 percent (a -7.5 percent annual rate) in the period through January, down from 1.8 percent (a 3.6 percent annual rate) for the previous six months. However, the strengths among the leading indicators have been slightly more widespread than the weaknesses in recent months.
- The Conference Board CEI for Australia increased again in January, as retail sales continued to make a very large positive contribution to the index. The six-month change in the index has increased to 2.3 percent (a 4.6 percent annual rate) in the period through January, up from 0.5 percent (a 1.1 percent annual rate) for the previous six months, and the strengths among its components have remained widespread. Meanwhile, real GDP fell at a 0.9 percent average annual rate in the second half of 2008 (including a decline of 2.1 percent annual rate for the fourth quarter).
- The Conference Board LEI for Australia began to decrease in September 2008, and its pace of decline has picked up in recent months. The index is now falling at rates not seen since 2000-01. Meanwhile, The Conference Board CEI for Australia remains on an upward trend, although its growth over the past two months can be attributed primarily to a large jump in retail sales fueled by the economic stimulus package. All in all, the continued decline in the LEI suggests that the economy will remain weak in the near term.

LEADING INDICATORS. Three of the seven components in The Conference Board LEI for Australia increased in January. The positive contributors to the index — in order from the largest positive contributor to the smallest — are real money supply*, the sales to inventories ratio*, and rural goods exports*. Building approvals*, share prices, gross operating surplus*, and the yield spread declined.

With the 0.6 percent decrease in January, The Conference Board LEI for Australia now stands at 111.2 (2004=100). Based on revised data, this index declined 1.1 percent in December and declined 1.3 percent in November. During the six-month period through January, the leading economic index decreased 3.8 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

The next release is scheduled for April 30, 2009 at 10:00 A.M. (AEST)
In the U.S. – April 29, 2009 at 8:00 P.M. (ET)

COINCIDENT INDICATORS. Two of the four components in The Conference Board CEI for Australia increased in January. The increases - in order from the larger positive contributor to the smaller - occurred in retail trade and household gross disposable income*. Industrial production* declined in January, while employment remained unchanged.

With the increase of 0.6 percent in January, The Conference Board CEI for Australia now stands at 113.1 (2004=100). Based on revised data, this index increased 0.8 percent in December and increased 0.1 percent in November. During the six-month period through January, the coincident economic index increased 2.3 percent, with three of the four components in the series making positive contributions (diffusion index, six-month span equals 75.0 percent).

* See notes under data availability.

FOR TABLES AND CHARTS, SEE BELOW

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 March 23, 2009. Some series are estimated as noted below.

NOTES: 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.

Effective with the February 26, 2009 release, the seasonally adjusted retail trade data replaced the trend estimated series, the publication of which was suspended by the Australia Bureau of Statistics.

Summary Table of Composite Economic Indexes

	Nov	Dec	Jan	6-month Jul to Jan
Leading Economic Index	113.1 r	111.9 p	111.2 p	
Percent Change	-1.3 r	-1.1 p	-0.6 p	-3.8
Diffusion	28.6	42.9	50.0	57.1
Coincident Economic Index	111.5 r	112.4 p	113.1 p	
Percent Change	0.1 r	0.8 p	0.6 p	2.3
Diffusion	25.0	62.5	62.5	75.0

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

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Professional Contacts at The Conference Board:

Indicator Program: 1-212-339-0330

Media Contacts:

Frank Tortorici: 1-212-339-0231

Carol Courter: 1-212-339-0232

Email: indicators@conference-board.org

Website: http://www.conference-board.org/economics/bci/