



News Release

Follow The Conference Board

[twitter](#) [facebook](#) [Linked in](#)

Further information:

Professional Contacts at The Conference Board:

Indicator Program: 1-212-339-0330

indicators@conference-board.org

Media Contacts:

Barbara Rosen: 1-973-979-5912

Barbara.rosen@conference-board.org

Carol Courter: 1-732-672-2817

carol.courter@conference-board.org

FOR RELEASE: 10:00 A.M. AEST, TUESDAY, DECEMBER 21, 2010

The Conference Board[®]

Australia Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®]

(LEI) FOR AUSTRALIA

AND RELATED COMPOSITE ECONOMIC INDEXES FOR OCTOBER 2010

Next month's release will incorporate annual benchmark revisions to the composite indexes. These regular benchmark revisions bring the indexes up-to-date with revisions in the source data. The revisions do not change the cyclical properties of the indexes. The indexes are updated throughout the year, but only for the previous six months. Data revisions that fall outside of the moving six-month window are incorporated when the benchmark revision is made and the entire histories of the indexes are recomputed. As a result, the revised indexes and their month-over-month changes will no longer be directly comparable to those issued prior to the benchmark revision.

For more information, please visit our website at <http://www.conference-board.org/data/bci.cfm> or contact indicators@conference-board.org.

The Conference Board Leading Economic Index[®] (LEI) for Australia increased 0.6 percent and **The Conference Board Coincident Economic Index[®] (CEI)** increased 0.1 percent in October.

- The Conference Board LEI for Australia increased in October, following a small decline in September, and the strengths among the leading components were widespread. Index levels were revised downward in recent months as third quarter data for the sales-to-inventory ratio and gross operating surplus became available. Despite the gain in October, the six-month growth rate of the leading economic index continued to moderate, to 2.0 percent (a 4.1 percent annual rate) in the period through October 2010, from 3.4 percent (a 6.8 percent annual rate) in the previous six months. Nevertheless, the strengths and weaknesses among the leading indicators have been roughly balanced over the past six months.
- The Conference Board CEI for Australia, a measure of current economic activity, increased again in October. With this month's gain, the coincident economic index grew by 1.6 percent (a 3.2 percent annual rate) in the six-month period through October 2010, up from 0.9 percent (a 1.8 percent annual rate) in the previous six months. At the same time, real GDP grew at a 0.8 percent annual rate in the third quarter of 2010, slower than the 4.6 percent (annual rate) increase in the second quarter and the 2.7 percent increase (annual rate) in the first quarter of the year.
- The Conference Board LEI for Australia resumed increasing in October, after declining slightly in the previous month. However, its six-month growth rate has moderated in recent months. At the same time, The Conference Board CEI for Australia continues to increase, and its growth rate has picked up slightly lately. Taken together, the current behavior of the composite indexes suggests that economic growth will likely be moderate in the near term.

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

With the 0.6 percent increase in October, The Conference Board LEI for Australia now stands at 119.5 (2004=100). Based on revised data, this index declined 0.2 percent in September and remained unchanged in August. During the six-month period through October, the leading economic index increased 2.0 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

COINCIDENT INDICATORS. Two of the four components in The Conference Board CEI for Australia increased in October. The increases - in order from the larger positive contributor- occurred in employed persons and household gross disposable income*. Retail trade declined in October, while industrial production** remained unchanged.

With the increase of 0.1 percent in October, The Conference Board CEI for Australia now stands at 116.7 (2004=100). Based on revised data, this index increased 0.3 percent in September and increased 0.3 percent in August. During the six-month period through October, the coincident economic index

increased 1.6 percent, with three of the four components in the series making positive contributions (diffusion index, six-month span equals 75.0 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 December 17, 2010. 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.

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

	2010			6-month
	Aug	Sep	Oct	Apr to Oct
Leading Economic Index	119.0 r	118.8 p	119.5 p	
Percent Change	0.0	-0.2 p	0.6 p	2.0
Diffusion	28.6	57.1	71.4	57.1
Coincident Economic Index	116.2 r	116.6 p	116.7 p	
Percent Change	0.3	0.3 p	0.1 p	1.6
Diffusion	75.0	75.0	62.5	75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2004

Source: The Conference Board All Rights Reserved

The next release is scheduled for January 25, 2011 at 10:00 A.M. (AEST)

In the U.S. – January 24, 2011 at 6:00 P.M. (EST)

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