



## News Release

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**FOR RELEASE: 10:00 A.M. AEST, THURSDAY, AUGUST 26, 2010**

The Conference Board<sup>®</sup>

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

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX<sup>®</sup>**

**(LEI) FOR AUSTRALIA**

**AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2010**

**The Conference Board Leading Economic Index<sup>®</sup> (LEI)** for Australia increased 0.1 percent and **The Conference Board Coincident Economic Index<sup>®</sup> (CEI)** increased 0.3 percent in June.

- The Conference Board LEI for Australia increased slightly in June, following a gain in May. Despite this month's increase, the six-month growth rate in the leading economic index has continued to slow, to 1.0 percent (a 2.1 percent annual rate) during the first half of 2010, substantially down from 3.8 percent (a 7.7 percent annual rate) for the previous six months. Nonetheless, the strengths among the leading indicators have remained slightly more widespread than the weaknesses over the past six months.
- The Conference Board CEI for Australia also increased slightly in June, and all its components continued to advance. With June's gain, the coincident economic index grew by 1.0 percent (a 1.9 percent annual rate) in the six-month period through June 2010, slightly higher than the increase of 0.4 percent (about a 0.7 percent annual rate) in the second half of last year. At the same time, real GDP increased at a 2.0 percent annual rate in the first quarter of 2010, down from a 4.5 percent annual rate in the fourth quarter of 2009.

- Although The Conference Board LEI for Australia has been on a rising trend since the middle of last year, its six-month growth rate has slowed significantly in recent months. At the same time, The Conference Board CEI for Australia has continued to increase at a fairly stable but moderate rate of growth this year. Taken together, the current behavior of the composite indexes suggests that the economic expansion will continue, but growth will likely be modest in the near term.

LEADING INDICATORS. Five of the seven components in The Conference Board LEI for Australia increased in June. 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\*, the yield spread, money supply\*, and gross operating surplus\*. Building approvals\* and share prices declined in June.

With the 0.1 percent increase in June, The Conference Board LEI for Australia now stands at 115.9 (2004=100). Based on revised data, this index increased 0.4 percent in May and remained unchanged in April. During the six-month period through June, the leading economic index increased 1.0 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

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

With the increase of 0.3 percent in June, The Conference Board CEI for Australia now stands at 115.4 (2004=100). Based on revised data, this index increased 0.2 percent in May and increased 0.1 percent in April. During the six-month period through June, the coincident economic index increased 1.0 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**<sup>®</sup> (LEI) for Australia and **The Conference Board Coincident Economic Index**<sup>®</sup> (CEI) for Australia reported in this release are those available “as of” 10 A.M. ET on August 24, 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.

### Summary Table of Composite Economic Indexes

	2010			6-month
	Apr	May	Jun	Dec to Jun
<b>Leading Economic Index</b>	115.3 p	115.8 p	115.9 p	
Percent Change	0.0 p	0.4 p	0.1 p	1.0
Diffusion	42.9	50.0	57.1	57.1
<b>Coincident Economic Index</b>	114.9 p	115.1 p	115.4 p	
Percent Change	0.1 p	0.2 p	0.3 p	1.0
Diffusion	75.0	100.0	100.0	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 September 29, 2010 at 10:00 A.M. (AEST)  
*In the U.S. – September 28, 2010 at 8:00 P.M. (EST)*

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