

News Release

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The Conference Board[®]

Australia Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®] (LEI) FOR AUSTRALIA

AND RELATED COMPOSITE ECONOMIC INDEXES FOR JULY 2015

The Conference Board Leading Economic Index[®] (LEI) for Australia increased 0.3 percent and **The Conference Board Coincident Economic Index[®] (CEI)** increased 0.2 percent in July.

- The Conference Board LEI for Australia increased in July, after four consecutive monthly declines. Positive contributions from share prices and money supply were the primary drivers of the increase. Between January and July 2015, the leading economic index decreased 0.5 percent (about a -0.9 percent annual rate), a reversal from the growth of 0.3 percent (about a 0.6 percent annual rate) over the previous six months. However, the strengths among the leading indicators are still slightly more widespread than the weaknesses.
- The Conference Board CEI for Australia, a measure of current economic activity, improved again in July. The coincident economic index increased 0.9 percent (about a 1.9 percent annual rate) in the six-month period ending July 2015, down slightly from growth of 1.1 percent (about a 2.3 percent annual rate) over the previous six months. Meanwhile, real GDP grew by 0.7 percent (annual rate) in the second quarter, down from 3.6 percent (annual rate) in the first quarter of 2015.

- The Conference Board LEI for Australia increased in July after four months of declines. However, the six-month growth rate of the LEI has slowed in recent months and has dipped into negative territory. Meanwhile, the CEI for Australia continues to increase moderately, and its six-month growth rate has remained relatively steady. Taken together, the recent behavior of the composite indexes suggests that the current economic expansion should continue, though is likely to face headwinds in the near-term.

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

With the 0.3 percent increase in July, The Conference Board LEI for Australia now stands at 103.7 (2010=100). Based on revised data, this index declined 0.3 percent in June and declined 0.2 percent in May. During the six-month period through July, the leading economic index decreased 0.5 percent, and four of the seven components increased (diffusion index, six-month span equals 57.1 percent).

COINCIDENT INDICATORS. Two of the four components that make up The Conference Board CEI for Australia increased in July. Employed persons and household gross disposable income* increased, while retail trade and industrial production were unchanged in July.

With the increase of 0.2 percent in July, The Conference Board CEI for Australia now stands at 108.4 (2010=100). Based on revised data, this index increased 0.1 percent in June and in May. During the six-month period through July, the coincident economic index increased 0.9 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 September 18, 2015. 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

	2015				6-month Jan to Jul
	May	Jun	Jul		
Leading Economic Index	103.7	103.4	p	103.7	p
Percent Change	-0.2	-0.3	p	0.3	p
Diffusion	42.9	35.7		71.4	57.1
Coincident Economic Index	108.1	108.2	p	108.4	p
Percent Change	0.1	0.1	p	0.2	p
Diffusion	50.0	50.0		75.0	75.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2010

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The next release is scheduled for October 21, 2015 at 10:00 A.M. (AEDT)
In the U.S. – October 20, 2015 at 7:00 P.M. (ET)

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