

## News Release

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**FOR RELEASE: 10:00 A.M. AEDT, WEDNESDAY, NOVEMBER 18, 2015**

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 SEPTEMBER 2015**

**The Conference Board Leading Economic Index<sup>®</sup> (LEI)** for Australia declined 0.1 percent and **The Conference Board Coincident Economic Index<sup>®</sup> (CEI)** increased 0.2 percent in September.

- The Conference Board LEI for Australia declined slightly in September, with the large negative contribution from share prices more than offsetting the positive contributions from money supply and yield spread. Between March and September 2015, the leading economic index decreased 0.9 percent (about a -1.7 percent annual rate), a reversal from the growth of 1.4 percent (about a 2.7 percent annual rate) over the previous six months. The strengths among the leading indicators have become less widespread than the weaknesses in recent months.
- The Conference Board CEI for Australia, a measure of current economic activity, improved in September for the fifth consecutive month. The coincident economic index increased 1.1 percent (about a 2.2 percent annual rate) in the six-month period ending September 2015, moderately less than its growth of 1.4 percent (about a 2.8 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.

- The Conference Board LEI for Australia decreased in September and has declined in six of the last seven months. As a result, the six-month growth rate of the LEI has remained in negative territory. Meanwhile, the CEI for Australia continues to increase, but its six-month growth rate has moderated in recent months. The downward trend in the LEI combined with the slower growth rate of the CEI suggests that the current economic expansion will continue at a modest pace in the near-term, but downside risks may persist.

**LEADING INDICATORS.** Four of the seven components that make up 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 money supply\*, the yield spread, gross operating surplus\*, and rural goods exports. Share prices and building approvals declined, while the sales to inventories ratio remained unchanged in September.

With the 0.1 percent decrease in September, The Conference Board LEI for Australia now stands at 103.5 (2010=100). Based on revised data, this index declined 0.4 percent in August and increased 0.4 percent in July. During the six-month period through September, the leading economic index decreased 0.9 percent, and three of the seven components increased (diffusion index, six-month span equals 42.9 percent).

**COINCIDENT INDICATORS.** Three of the four components that make up The Conference Board CEI for Australia increased in September. The increases — in order from the largest positive contributor to the smallest — occurred in household gross disposable income\*, retail trade, and industrial production\*. Employed persons was unchanged in September.

With the increase of 0.2 percent in September, The Conference Board CEI for Australia now stands at 109.2 (2010=100). Based on revised data, this index increased 0.4 percent in August and increased 0.3 percent in July. During the six-month period through September, the coincident economic index increased 1.1 percent, with three of the four components increasing (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 November 16, 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 Mar to Sep
	Jul	Aug	Sep	
<b>Leading Economic Index</b>	104.0	p 103.6	p 103.5	p
Percent Change	0.4	p -0.4	p -0.1	p -0.9
Diffusion	71.4	64.3	64.3	42.9
<b>Coincident Economic Index</b>	108.6	p 109.0	p 109.2	p
Percent Change	0.3	p 0.4	p 0.2	p 1.1
Diffusion	87.5	100.0	87.5	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 December 24, 2015 at 10:00 A.M. (AEDT)  
*In the U.S. – December 23, 2015 at 6:00 P.M. (ET)*

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