



News Release

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FOR RELEASE: 10:00 A.M. AEDT, WEDNESDAY, OCTOBER 21, 2015

The Conference Board®

Australia Business Cycle IndicatorsSM

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

AND RELATED COMPOSITE ECONOMIC INDEXES FOR AUGUST 2015

The Conference Board Leading Economic Index® (LEI) for Australia declined 0.4 percent and **The Conference Board Coincident Economic Index®** (CEI) increased 0.2 percent in August.

- The Conference Board LEI for Australia decreased in August after increasing in the prior month, with stock prices making a large negative contribution. Between February and August 2015, the leading economic index decreased 1.2 percent (about a -2.5 percent annual rate), a reversal from the growth of 1.1 percent (about a 2.1 percent annual rate) over the previous six months. The strengths among the leading indicators have become less widespread than the weaknesses.
- The Conference Board CEI for Australia, a measure of current economic activity, improved again in August. The coincident economic index increased 0.8 percent (about a 1.7 percent annual rate) in the six-month period ending August 2015, slower than its growth of 1.3 percent (about a 2.7 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 decreased in August and has declined in five of the last six months. As a result, the six-month growth rate of the LEI has moved further into negative territory. Meanwhile, the CEI for Australia continues to increase moderately, although the six-month growth rate has eased. Taken together, the downward trend in the LEI and the moderating growth rate of the CEI suggests downside risks to Australia's growth will persist in the near term.

LEADING INDICATORS. Three of the seven components that make up The Conference Board LEI for Australia increased in August. The positive contributors to the index — in order from the largest positive contributor to the smallest — were the yield spread, rural goods exports, and gross operating surplus*. Negative contributors – from the largest negative contributor to the smallest – were share prices, building approvals, money supply*, and the sales to inventories ratio*.

With the 0.4 percent decrease in August, The Conference Board LEI for Australia now stands at 103.4 (2010=100). Based on revised data, this index increased 0.3 percent in July and declined 0.3 percent in June. During the six-month period through August, the leading economic index decreased 1.2 percent, and two of the seven components increased (diffusion index, six-month span equals 28.6 percent).

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

With the increase of 0.2 percent in August, The Conference Board CEI for Australia now stands at 108.6 (2010=100). Based on revised data, this index increased 0.2 percent in July and increased 0.1 percent in June. During the six-month period through August, the coincident economic index increased 0.8 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 October 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 Feb to Aug
	Jun	Jul	Aug	
Leading Economic Index	103.5	p 103.8	p 103.4	p
Percent Change	-0.3	p 0.3	p -0.4	p -1.2
Diffusion	35.7	71.4	50.0	28.6
Coincident Economic Index	108.2	p 108.4	p 108.6	p
Percent Change	0.1	p 0.2	p 0.2	p 0.8
Diffusion	50.0	75.0	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 November 18, 2015 at 10:00 A.M. (AEDT)
In the U.S. – November 17, 2015 at 6:00 P.M. (ET)

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