



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 MAY 2015

The Conference Board Leading Economic Index® (LEI) for Australia increased 0.2 percent and

The Conference Board Coincident Economic Index® (CEI) increased 0.3 percent in May.

- The Conference Board LEI for Australia increased in May after a slight decline in April. Between November 2014 and May 2015, the leading economic index increased 1.8 percent (about a 3.7 percent annual rate), a reversal from its contraction of 0.5 percent (about a -1.0 percent annual rate) over the previous six months. Moreover, the strengths among the leading indicators have remained more widespread than the weaknesses in recent months.
- The Conference Board CEI for Australia, a measure of current economic activity, improved again in May. The coincident economic index increased 1.3 percent (about a 2.6 percent annual rate) in the six-month period ending May 2015, up slightly from 1.2 percent (about a 2.5 percent

annual rate) over the previous six months. Meanwhile, real GDP grew 3.8 percent (annual rate) in the first quarter of 2015, up from 1.9 percent (annual rate) in the final quarter of 2014.

- The Conference Board LEI for Australia increased modestly in May and the strengths among its components remain widespread. As a result, the six-month growth rate of the LEI has improved considerably compared to six months ago. Meanwhile, the CEI for Australia continues to increase, and its six-month growth rate has also improved over the same time span. Taken together, the recent behavior of the composite indexes suggests that the current economic expansion should continue in the near term.

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

With the 0.2 percent increase in May, The Conference Board LEI for Australia now stands at 104.8 (2010=100). Based on revised data, this index declined 0.3 percent in April and remained unchanged in March. During the six-month period through May, the leading economic index increased 1.8 percent, and all seven components increased (diffusion index, six-month span equals 100.0 percent).

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

With the increase of 0.3 percent in May, The Conference Board CEI for Australia now stands at 108.5 (2010=100). Based on revised data, this index increased 0.1 percent in April and increased 0.3 percent in March. During the six-month period through May, the coincident economic index increased 1.3 percent, with all four components in the series making positive contributions (diffusion index, six-month span equals 100.0 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 July 14, 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 Nov to May |
|----------------------------------|-------|---|-------|---|-------|---|--------------------------|
| | Mar | | Apr | | May | | |
| Leading Economic Index | 104.9 | p | 104.6 | p | 104.8 | p | |
| Percent Change | 0.0 | p | -0.3 | p | 0.2 | p | 1.8 |
| Diffusion | 71.4 | | 57.1 | | 71.4 | | 100.0 |
| Coincident Economic Index | 108.1 | p | 108.2 | p | 108.5 | p | |
| Percent Change | 0.3 | p | 0.1 | p | 0.3 | p | 1.3 |
| Diffusion | 100.0 | | 75.0 | | 87.5 | | 100.0 |

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2010

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The next release is scheduled for August 25, 2015 at 10:00 A.M. (AEST)
In the U.S. – August 24, 2015 at 8:00 P.M. (ET)

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