

News Release

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Using the Composite Indexes: *The Leading Economic Index (LEI) provides an early indication of significant turning points in the business cycle and where the economy is heading in the near term. The Coincident Economic Index (CEI) provides an indication of the current state of the economy. Additional details are below.*

The Conference Board Leading Economic Index® (LEI) for Australia Inched Up in December

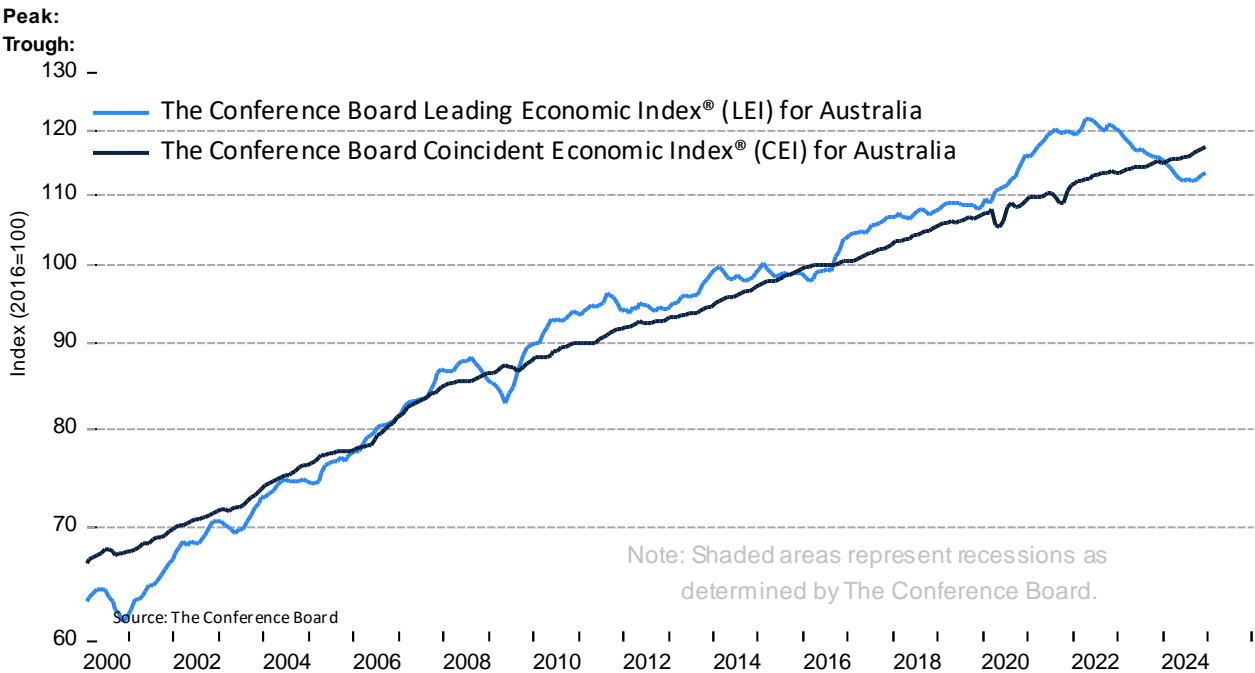
The Conference Board Leading Economic Index® (LEI) for Australia ticked up by 0.2% in December 2024 to 113.3 (2016=100), following a 0.6% increase in November. Furthermore, the LEI grew by 1.1% over the second half of 2024, partially reversing the 2.9% contraction over the first half of the year.

The Conference Board Coincident Economic Index® (CEI) for Australia increased by 0.3% in December 2024 to 117.5 (2016=100), after also increasing by 0.3% in November. The CEI grew by 1.6% over the second half of 2024, much faster than the 0.6% increase over the first half of the year.

“The LEI for Australia increased for a fourth consecutive month in December,” said **Ian Hu, Economic Research Associate at The Conference Board**. “Strong exports of meat products and other rural goods (excluding cereal and wool), in combination with higher building approvals, more than offset a fall in share prices, driving the uptick in the Index. The positive semiannual growth and improvements of the Index’s annual growth suggest tailwinds to economic expansion in the near term. All-in-all, The Conference Board currently estimates that Australia’s annual real GDP grew by 1.0% in 2024 and forecasts an acceleration to 1.5% in 2025.”

The next release is scheduled for Tuesday, March 18, 2025, at 10:30 A.M. ET.

The Australia LEI continued its recovery following a series of declines in early 2024



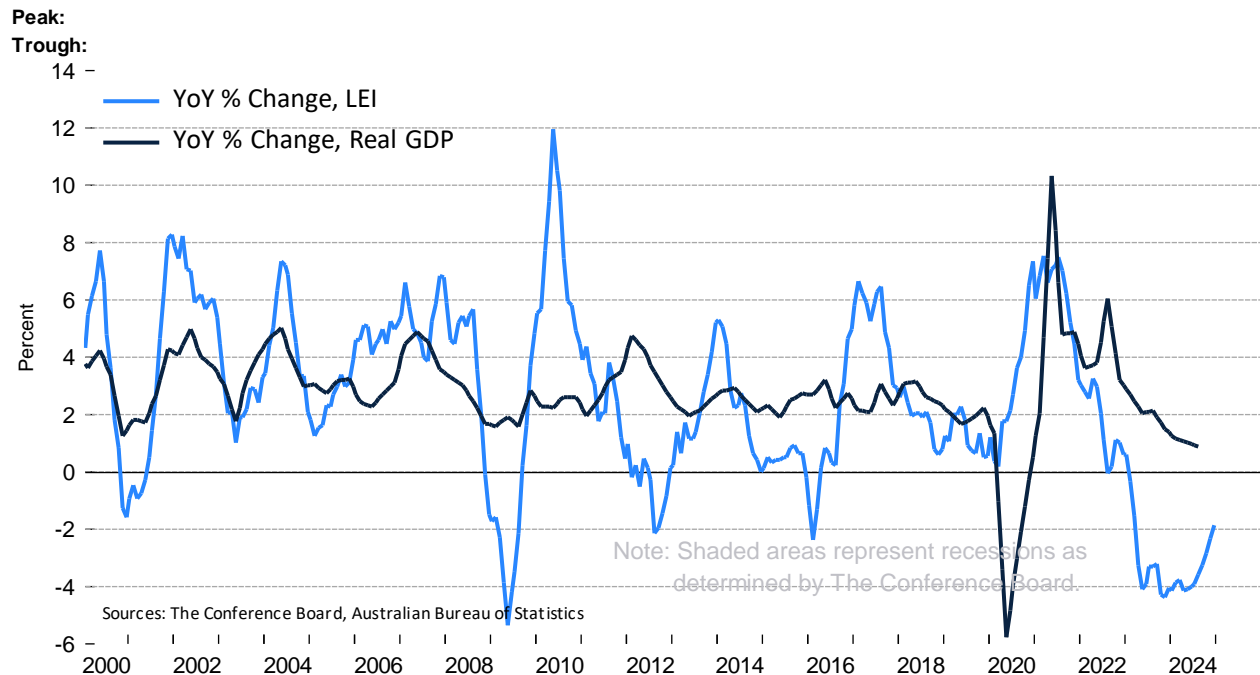
Rural goods exports and building approvals fueled the increase to the LEI in December

The Conference Board Leading Economic Index® and Component Contributions (Percent)

	Dec. '24	6 mo. ending Dec. '24
Financial Components		
Yield Spread, 10Y - Policy Rate	-0.01	-0.11
Share Prices, All Ordinaries S&P/ASX 200	-0.15	0.23
Money Supply, M3	0.08	0.75
Non-Financial Components		
Gross Operating Surplus, Private Non-Financial Corp. (Q)**	0.06	-0.48
Non-farm Sector, Sales to Inventories Ratio (Q)**	0.00	0.61
Rural Goods Exports	0.27	0.63
Building Approvals	0.13	0.34

Source: The Conference Board * Inverted series; a negative change in this component makes a positive contribution.
** Statistical Imputation. -- Q: Quarterly series; these series are converted to a monthly series through a linear interpolation.
LEI change might not equal sum of its contributions due to application of trend adjustment factor

The improving annual growth rate of the Australia LEI has not been signaling recession risks since September 2024



About The Conference Board *Leading Economic Index*® (LEI) and *Coincident Economic Index*® (CEI) for Australia

The composite economic indexes are key elements in an analytic system designed to signal peaks and troughs in the business cycle. Comprised of multiple independent indicators, the indexes are constructed to summarize and reveal common turning points in the economy in a clearer and more convincing manner than any individual component.

The CEI reflects current economic conditions and is highly correlated with real GDP. The LEI is a predictive tool that anticipates—or “leads”—turning points in the business cycle by around seven months.

The seven components of *Leading Economic Index*® for Australia are:

- Yield Spread, 10Y – Policy Rate
- Share Prices, All Ordinaries S&P/ASX 200
- Money Supply, M3
- Building Approvals
- Rural Goods Exports
- Non-Farm Sector, Sale to Inventories Ratio
- Gross Operating Surplus, Private Non-Financial Corp.

The four components of the *Coincident Economic Index*® for Australia are:

- Employment
- Household Income
- Industrial Production
- Retail Trade

To access data, please visit: <https://data-central.conference-board.org/>

About The Conference Board

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