



News Release

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Further information:

Carol Courter: 1- 732-672-2817

[Carol.courter@conference-board.org](mailto:Carol.courter@conference-board.org)

Jonathan Liu: 1-732- 991- 1754

[Jonathan.liu@conference-board.org](mailto:Jonathan.liu@conference-board.org)

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The Conference Board<sup>®</sup>

Japan Business Cycle Indicators<sup>SM</sup>

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX<sup>®</sup> (LEI) FOR  
JAPAN  
AND RELATED COMPOSITE ECONOMIC INDEXES FOR JUNE 2015**

**The Conference Board Leading Economic Index<sup>®</sup> (LEI)** for Japan increased 0.4 percent and **The Conference Board Coincident Economic Index<sup>®</sup> (CEI)** increased 0.6 percent in June.

- The Conference Board LEI for Japan improved in June, after declining in May. Large positive contributions from dwelling units started and business failures more than offset the negative contributions from stock prices and the six-month growth rate of labor productivity component. Between December 2014 and June 2015, the leading economic index contracted by 0.5 percent (about a -1.0 percent annual rate), a reversal from the increase of 1.2 percent (about a 2.4 percent annual rate) over the prior six months. However, the strengths among the leading indicators continue to be slightly more widespread than the weaknesses.
- The Conference Board CEI for Japan, a measure of current economic activity, also increased in June. The coincident economic index improved by 0.3 percent (about a 0.6 percent annual rate) during the six months ending in June 2015, after increasing by 0.5 percent (about a 1.0 percent annual rate) over the preceding six months. The strengths among the coincident indicators have become more widespread than the weaknesses in recent months. At the same time, real GDP expanded by 3.9 percent (annual rate) in the first quarter of 2015, after expanding by 1.2 percent (annual rate) in the fourth quarter of 2014.
- The Conference Board LEI for Japan increased in June after being on a gradual downward trend since the beginning of the year. However, its six-month growth rate remains in negative territory. The CEI also improved, and its six-month growth rate is now in positive territory. Taken together, the recent behavior of both indexes suggests that the growth in economic activity should continue, but is unlikely to gain momentum in the short-term.

**LEADING INDICATORS.** Eight of the ten components that make up The Conference Board LEI for Japan increased in June. The positive contributors to the index – in order from the largest positive contributor to the smallest – include dwelling units started, (inverted) business failures, the new orders for machinery and construction component\*, the Tankan business conditions survey, the interest rate spread, real money supply, the index of overtime worked, and real operating profits\*. The negative contributors this month were stock prices and the six-month growth rate of labor productivity.

With the increase of 0.4 percent in June, The Conference Board LEI for Japan now stands at 103.0 (2010=100). Based on revised data, this index decreased 0.2 percent in May and was unchanged in April. During the six-month span through June, the index decreased 0.5 percent, and six of the ten components advanced (diffusion index, six-month span equals 60.0 percent).

**COINCIDENT INDICATORS.** All four components that make up The Conference Board CEI for Japan increased in June. The positive contributors to the index – in order from the largest positive contributor to the smallest – include the number of employed persons, the retail, wholesale, and manufacturing sales\* component, industrial production, and wage and salary income.

With the increase of 0.6 percent in June, The Conference Board CEI for Japan now stands at 98.3 (2010=100). Based on revised data, this index decreased 0.2 percent in May and decreased 0.1 percent in April. During the six-month span through June, the index increased 0.3 percent, and two of the four components advanced (diffusion index, six-month span equals 62.5 percent).

**DATA AVAILABILITY AND NOTES.** The data series used to compute **The Conference Board Leading Economic Index**<sup>®</sup> (LEI) for Japan and **The Conference Board Coincident Economic Index**<sup>®</sup> (CEI) for Japan reported in this release are those available “as of” 9:00 P.M. ET August 10, 2015. Some series are estimated as noted below.

The series in The Conference Board LEI that are based on our estimates are the six-month growth rate of labor productivity, real operating profits and new orders for machinery. The series in The Conference Board CEI that is based on our estimates is real manufacturing sales.

**Summary Table of Composite Economic Indexes**

	2015						6-month	
	Apr		May		Jun		Dec to Jun	
<b>Leading Economic Index (LEI)</b>	102.8	p	102.6	p	103.0	p		
Percent Change	0.0	p	-0.2	p	0.4	p	-0.5	p
Diffusion	50.0		45.0		80.0		60.0	
<b>Coincident Economic Index (CEI)</b>	97.9	p	97.7	p	98.3	p		
Percent Change	-0.1	p	-0.2	p	0.6	p	0.3	p
Diffusion	62.5		25.0		100.0		62.5	

n.a. Not available    p Preliminary    r Revised

Indexes equal 100 in 2010

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The next release is scheduled for Tuesday, September 15, 2015 at 10:00 A.M. (JST)  
*In the U.S* – Monday, September 14, 2015 at 9:00 P.M. (ET)

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