



News Release

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Further information:

Carol Courter: 1- 732-672-2817

Carol.courter@conference-board.org

Jonathan Liu: 1-732- 991- 1754

Jonathan.liu@conference-board.org

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The Conference Board[®]

Japan Business Cycle IndicatorsSM

**THE CONFERENCE BOARD LEADING ECONOMIC INDEX[®] (LEI) FOR
JAPAN
AND RELATED COMPOSITE ECONOMIC INDEXES FOR AUGUST 2015**

The Conference Board Leading Economic Index[®] (LEI) for Japan increased 0.2 percent and **The Conference Board Coincident Economic Index[®] (CEI)** decreased 0.1 percent in August.

- The Conference Board LEI for Japan increased in August, with the largest positive contributions coming from (inverted) business failures and real money supply. The leading economic index rose by 1.1 percent (about a 2.1 percent annual rate) between February and August 2015, moderately lower than the increase of 1.4 percent (about a 2.8 percent annual rate) over the prior six months. However, the strengths among the leading indicators continue to be more widespread than the weaknesses.
- The Conference Board CEI for Japan, a measure of current economic activity, decreased for the second consecutive month in August. The coincident economic index remained unchanged during the six months ending in August 2015, after increasing by 1.0 percent (about a 2.1 percent annual rate) over the prior six months. The weaknesses among the coincident indicators have become more widespread than the strengths in recent months. At the same time, real GDP contracted by 1.2 percent (annual rate) in the second quarter, after expanding by 4.5 percent (annual rate) in the first quarter.
- The Conference Board LEI for Japan increased in August after declining in July. Its six-month growth rate has improved in recent months, but is lower compared to the prior six months. The CEI declined for the second straight month, and as a result its six-month growth rate has been flat. Taken together, the recently improved six-month growth and widespread strength in the LEI suggests that the current economic contraction should ease in the near-term.

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

With the increase of 0.2 percent in August, The Conference Board LEI for Japan now stands at 104.3 (2010=100). Based on revised data, this index decreased 0.2 percent in July and increased 0.8 percent in June. During the six-month span through August, the index increased 1.1 percent, and eight of the ten components advanced (diffusion index, six-month span equals 80.0 percent).

COINCIDENT INDICATORS. Only one of the four components that make up The Conference Board CEI for Japan increased in August. The positive contributor to the index was the retail, wholesale, and manufacturing sales* component. Industrial production, number of employed persons and wage and salary income declined in August.

With the decrease of 0.1 percent in August, The Conference Board CEI for Japan now stands at 98.2 (2010=100). Based on revised data, this index decreased 0.2 percent in July and increased 0.6 percent in June. During the six-month span through August, the index was flat, and only one of the four components advanced (diffusion index, six-month span equals 37.5 percent).

DATA AVAILABILITY AND NOTES. The data series used to compute **The Conference Board Leading Economic Index**[®] (LEI) for Japan and **The Conference Board Coincident Economic Index**[®] (CEI) for Japan reported in this release are those available “as of” 9:00 P.M. ET October 9, 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	
	Jun		Jul		Aug		Feb to Aug	
Leading Economic Index (LEI)	104.3	p	104.1	p	104.3	p		
Percent Change	0.8	p	-0.2	p	0.2	p	1.1	p
Diffusion	90.0		60.0		80.0		80.0	
Coincident Economic Index (CEI)	98.5	p	98.3	p	98.2	p		
Percent Change	0.6	p	-0.2	p	-0.1	p	0.0	p
Diffusion	100.0		50.0		37.5		37.5	

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2010

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The next release is scheduled for Friday, November 13, 2015 at 10:00 A.M. (JST)
In the U.S – Thursday, November 12, 2015 at 8:00 P.M. (ET)

For more information, visit The Conference Board website: <http://www.conference-board.org/data/bci.cfm>

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