



News Release

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The Conference Board®

Korea Business Cycle IndicatorsSM

THE CONFERENCE BOARD LEADING ECONOMIC INDEX® (LEI) FOR KOREA AND RELATED COMPOSITE ECONOMIC INDEXES FOR SEPTEMBER 2015

The Conference Board Leading Economic Index® (LEI) for Korea increased 1.2 percent and **The Conference Board Coincident Economic Index® (CEI)** for Korea increased 0.6 percent in September.

- The Conference Board LEI for Korea rebounded in September, driven by an increase in construction and machinery orders and the index of inventory to shipments. Despite the increase, the leading economic index contracted by 0.9 percent (about a -1.8 percent annual rate) between March and September 2015, a reversal from its increase of 1.8 percent (about a 3.7 percent annual rate) during the previous six months. Additionally, over the same time span, the weaknesses among the leading indicators have remained more widespread than the strengths.
- The Conference Board CEI for Korea, a measure of current economic activity, continued to increase. Over the six-month period ending in September 2015, the coincident economic index grew by 0.8 percent (about a 1.7 percent annual rate), slightly slower than the 1.0 percent increase (about a 2.1 percent annual rate) during the previous six months. At the same time, real GDP grew at a 5.0 percent annual rate in the third quarter, significantly faster than the 1.3 percent growth (annual rate) in the second quarter.
- The LEI for Korea increased in September for the first time in five months. However, its six-month change has turned negative with widespread weaknesses among its components. Meanwhile, the CEI for Korea continues to increase modestly, but its six-month growth rate has slowed compared to earlier this year. Taken together, the composite indexes and their

components suggest that Korea will most likely experience little, if any, improvement in economic activity in the near term.

LEADING INDICATORS. Four of the six components that make up The Conference Board LEI for Korea increased in September. The positive contributors – from the largest positive contributor to the smallest – were private construction orders, the (inverted) index of inventories to shipments, value of machinery orders, and the (inverted) yield of government public bonds. Real exports FOB and stock prices declined.

With the 1.2 percent increase in September, The Conference Board LEI for Korea now stands at 109.3 (2010=100). Based on revised data, this index declined 1.1 percent in August and declined 0.2 percent in July. Over the six-month span through September, the leading economic index decreased 0.9 percent, with just two of the six components advancing (diffusion index, six-month span equals 33.3 percent).

COINCIDENT INDICATORS. All four components that make up The Conference Board CEI for Korea increased in September. The positive contributors – in order from the largest positive contributor to the smallest – were the wholesale and retail sales component, industrial production, total employment, and monthly cash earnings*.

With the 0.6 percent increase in September, The Conference Board CEI for Korea now stands at 108.7 (2010=100). Based on revised data, this index increased 0.3 percent in August and increased 0.4 percent in July. During the six-month span through September, the coincident economic index increased 0.8 percent, with all four components advancing (diffusion index, six-month span equals 100.0 percent).

DATA AVAILABILITY. The data series used to compute **The Conference Board Leading Economic Index[®]** (LEI) and **The Conference Board Coincident Economic Index[®]** (CEI) for Korea reported in this release are those available “as of” 10 A.M. (ET) on November 10, 2015.

* The series in the coincident economic index based on The Conference Board’s estimates is monthly cash earnings. There is no forecasted series in the leading economic index.

Summary Table of Composite Economic Indexes

	2015			6-month <u>Mar to</u> <u>Sep</u>
	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	
Leading Economic Index (LEI)	109.2	108.0	r 109.3	
Percent Change	-0.2	r -1.1	r 1.2	-0.9
Diffusion	25.0	r 16.7	r 66.7	33.3
Coincident Economic Index (CEI)	107.7	p 108.0	p 108.7	p
Percent Change	0.4	p 0.3	p 0.6	p 0.8
Diffusion	75.0	100.0	100.0	100.0

n.a. Not available p Preliminary r Revised

Indexes equal 100 in 2010

Source: The Conference Board

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The next release is scheduled for Friday, December 11, 2015 at 10:00 A.M. (KST)

In the U.S – Thursday, December 10, 2015 at 8:00 P.M. (ET)

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

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