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The Conference Board®

Australia Business Cycle Indicators℠

THE CONFERENCE BOARD LEADING ECONOMIC INDEX®

(LEI) FOR AUSTRALIA

AND RELATED COMPOSITE ECONOMIC INDEXES FOR MARCH 2015

The Conference Board Leading Economic Index® (LEI) for Australia declined 0.1 percent and **The Conference Board Coincident Economic Index®** (CEI) increased 0.5 percent in March.

- The Conference Board LEI for Australia decreased slightly in March after three consecutive months of gains. Between September 2014 and March 2015, the leading economic index increased 1.1 percent (about a 2.1 percent annual rate), a reversal its contraction of 1.3 percent (about a −2.7 percent annual rate) over the previous six months. Additionally, 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, increased in March. The coincident economic index increased 1.8 percent (about a 3.6 percent annual rate) in the six-month period ending March 2015, up from 0.6 percent (about a 1.1 percent annual rate)

over the previous six months. Meanwhile, real GDP expanded by 2.2 percent (annual rate) in the fourth quarter of 2014, up from 1.4 percent (annual rate) in the third quarter.

- The Conference Board LEI for Australia declined slightly after three consecutive increases, but the strengths among its components have remained more widespread than the weaknesses. As a result, the six-month growth rate of the LEI has improved considerably over recent months. Meanwhile, the CEI for Australia continues to increase, and its six-month growth rate is much improved from six months ago. Taken together, the recent behavior of the composite indexes suggests that the current economic expansion will continue in the near term.

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

With the 0.1 percent decrease in March, The Conference Board LEI for Australia now stands at 104.1 (2010=100). Based on revised data, this index increased 0.5 percent in February and increased 0.4 percent in January. During the six-month period through March, the leading economic index increased 1.1 percent, and six of the seven components increased (diffusion index, six-month span equals 85.7 percent).

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

With the increase of 0.5 percent in March, The Conference Board CEI for Australia now stands at 108.4 (2010=100). Based on revised data, this index increased 0.4 percent in February and increased 0.1 percent in January. During the six-month period through March, the coincident economic index increased 1.8 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 May 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
	Jan		Feb		Mar		Sep to Mar
Leading Economic Index	103.7	p	104.2	p	104.1	p	
Percent Change	0.4	p	0.5	p	-0.1	p	1.1
Diffusion	71.4		71.4		57.1		85.7
Coincident Economic Index	107.5	p	107.9	p	108.4	p	
Percent Change	0.1	p	0.4	p	0.5	p	1.8
Diffusion	87.5		100.0		100.0		100.0

n.a. Not available p Preliminary r Revised
Indexes equal 100 in 2010
Source: The Conference Board All Rights Reserved

The next release is scheduled for June 23, 2015 at 10:00 A.M. (AEST)
In the U.S. – June 22, 2015 at 8:00 P.M. (ET)

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