



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.4% on a month-to-month basis in March 2019. Two of the nine available component time series decreased while seven increased. The negative contributions to the movement in the composite leading business cycle indicator in March came from a decrease in the number of residential building plans approved and a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions resulted from an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold and an increase in the South African produced export commodity price index (US dollar based).
- The composite **coincident** business cycle indicator *decreased* by 0.1% on a month-to-month basis in February 2019.
- The composite **lagging** business cycle indicator *increased* by 1.5% on a month-to-month basis in February 2019.

The next release is scheduled for 25 June 2019, at 09:00 A.M.

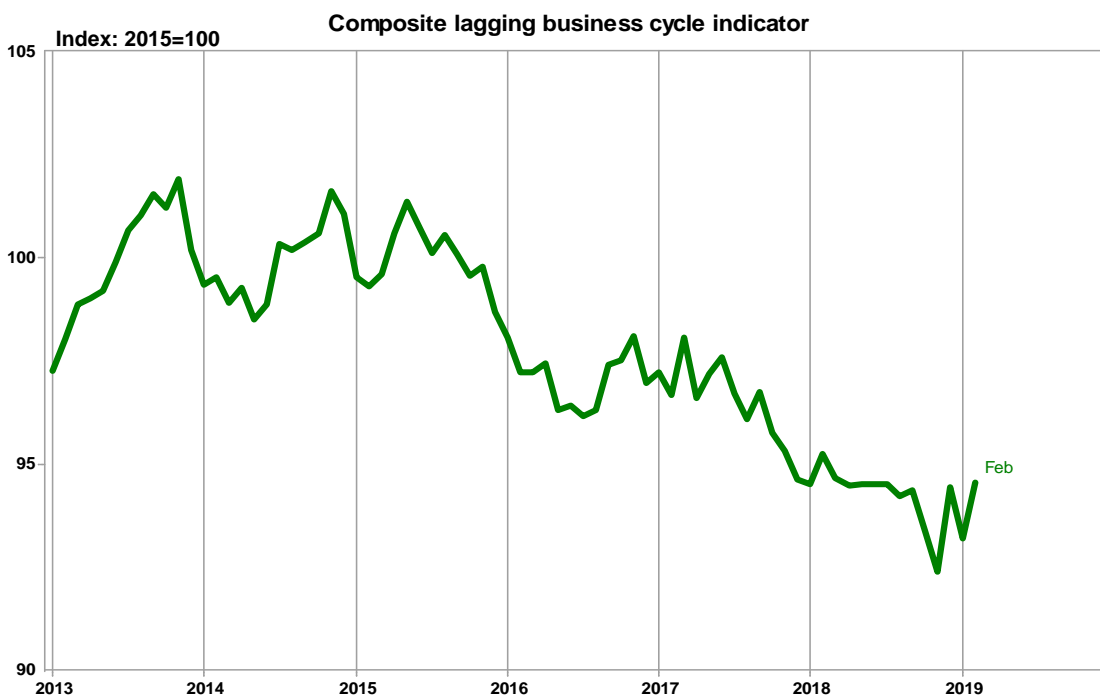
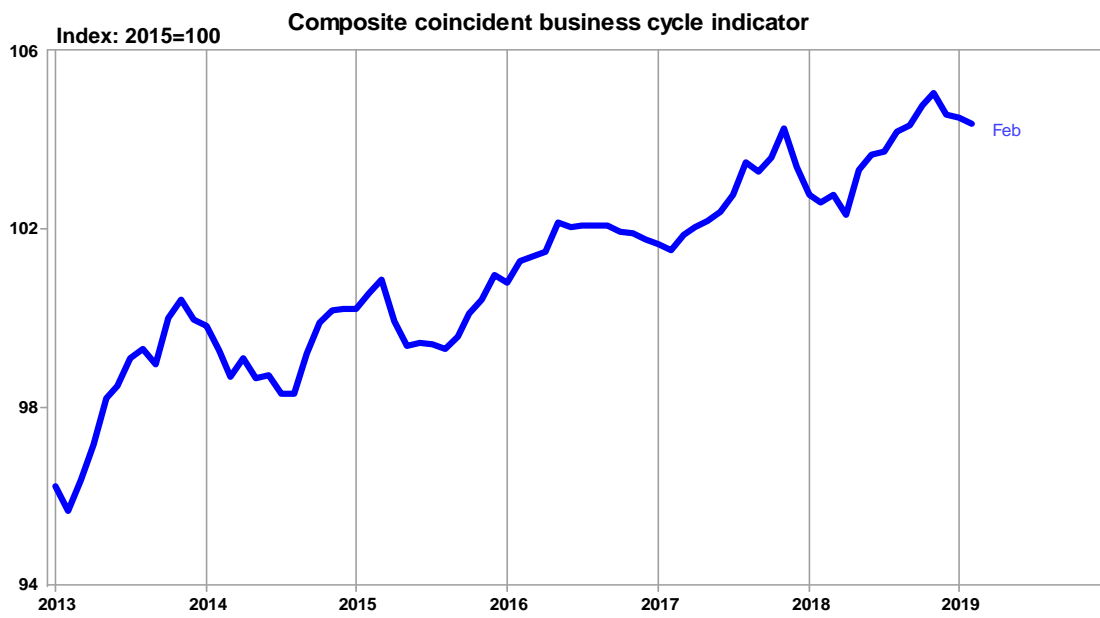
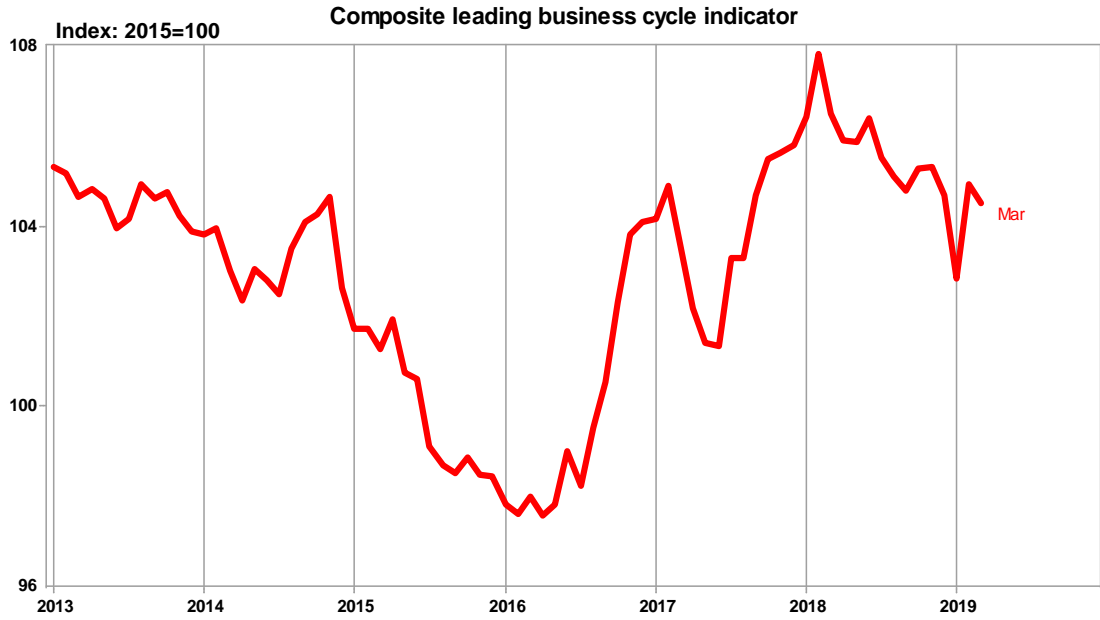


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018						2019		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Leading indicator <i>12-month percentage change</i>	105.5 2.1	105.1 1.8	104.8 0.1	105.3 -0.2	105.3 -0.3	104.7 -1.1	102.8 -3.4	104.9 -2.7	104.5 -1.9
Coincident indicator <i>12-month percentage change</i>	103.7 1.0	104.2 0.7	104.3 1.0	104.8 1.2	105.1 0.8	104.6 1.2	104.5 1.7	104.4 1.7	- -
Lagging indicator <i>12-month percentage change</i>	94.5 -2.3	94.2 -2.0	94.4 -2.5	93.4 -2.5	92.4 -3.1	94.4 -0.2	93.2 -1.4	94.6 -0.7	- -

* The composite business cycle indicators are revised continuously following revisions to underlying component time series data.

Table 2 Component time series of the composite leading business cycle indicator and their contribution to the March 2019 data point:

Negative contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
Job advertisements: The Sunday Times (percentage change over 12 months)
Positive contributors (ranked from largest to smallest)
Number of new passenger vehicles sold (percentage change over 12 months)
Commodity price index for South Africa's main export commodities (US dollar based)
BER*: Average hours worked per factory worker in manufacturing (half weight)
BER*: Volume of orders in manufacturing (half weight)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Real M1 (six-month smoothed growth rate)
Unavailable component series
BER*: Business Confidence Index
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University