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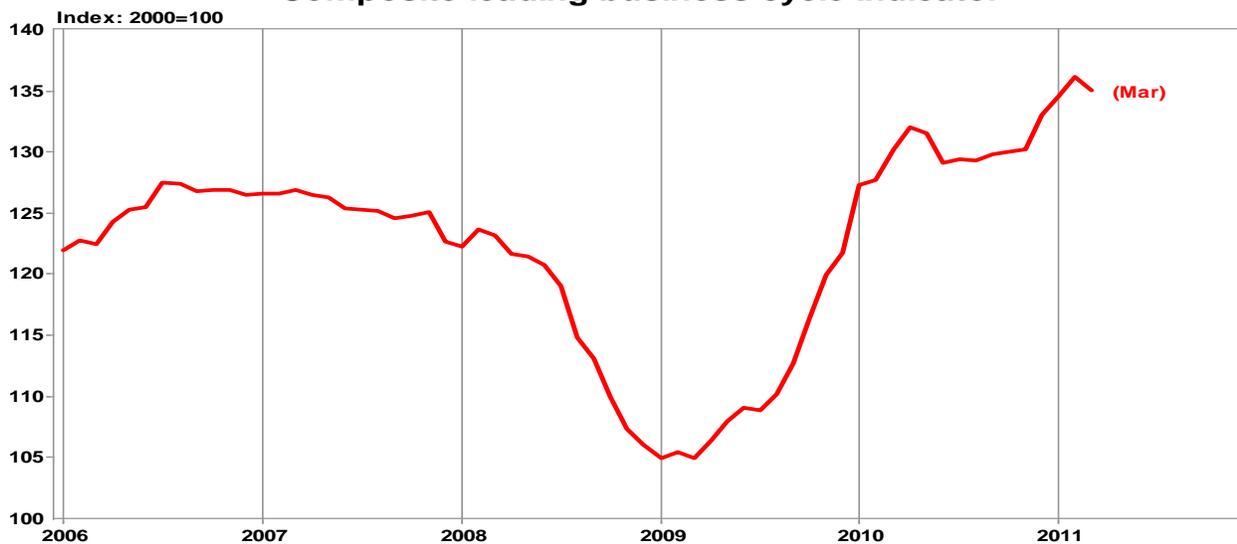
FOR RELEASE: 09:00 A.M., Tuesday, 24 May 2011

Composite business cycle indicators for South Africa

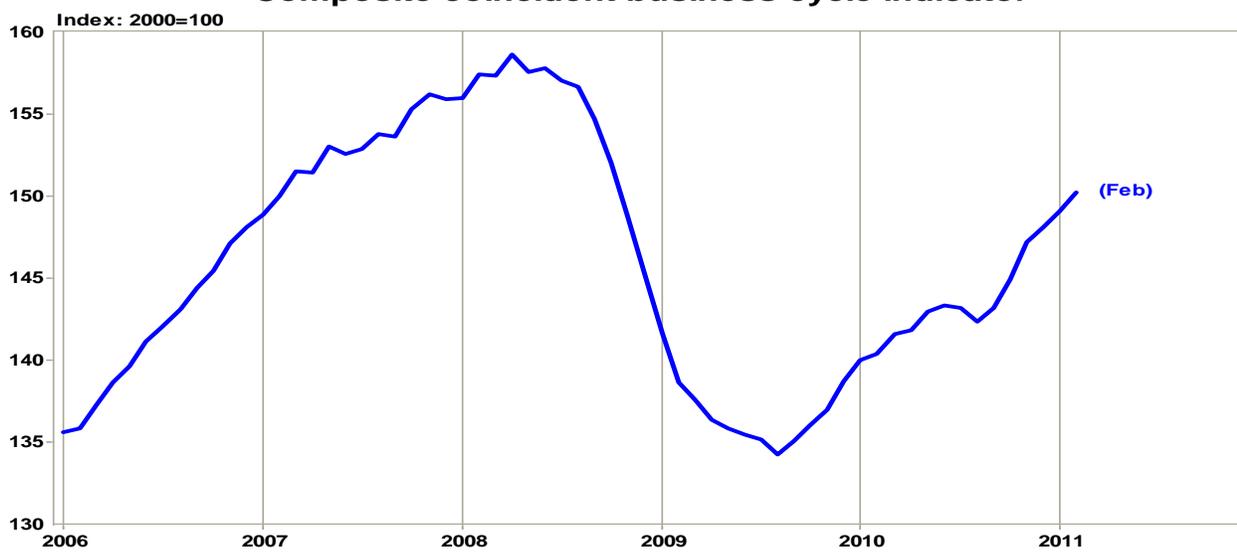
- The composite **leading** business cycle indicator *decreased* by 0,9 per cent in March 2011 compared with the preceding month. Seven of the ten component time series that were available for March 2011 decreased, while three increased. The largest positive contribution to the movement in the leading indicator in March came from the number of residential building plans passed, followed by the interest rate spread. The major negative contributors were the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries, as well as the twelve-month percentage change in job advertisement space.
- The composite **coincident** business cycle indicator *increased* by 0,8 per cent in February 2011 compared with the preceding month. The coincident indicator has now increased for six consecutive months up to February 2011.
- The composite **lagging** business cycle indicator *increased* by 1,1 per cent in February 2011 compared with the preceding month. Despite the pick-up in February, the lagging indicator has been following a downward trend since reaching its most recent peak in November 2008.

The next release is scheduled for Tuesday, 21 June 2011, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

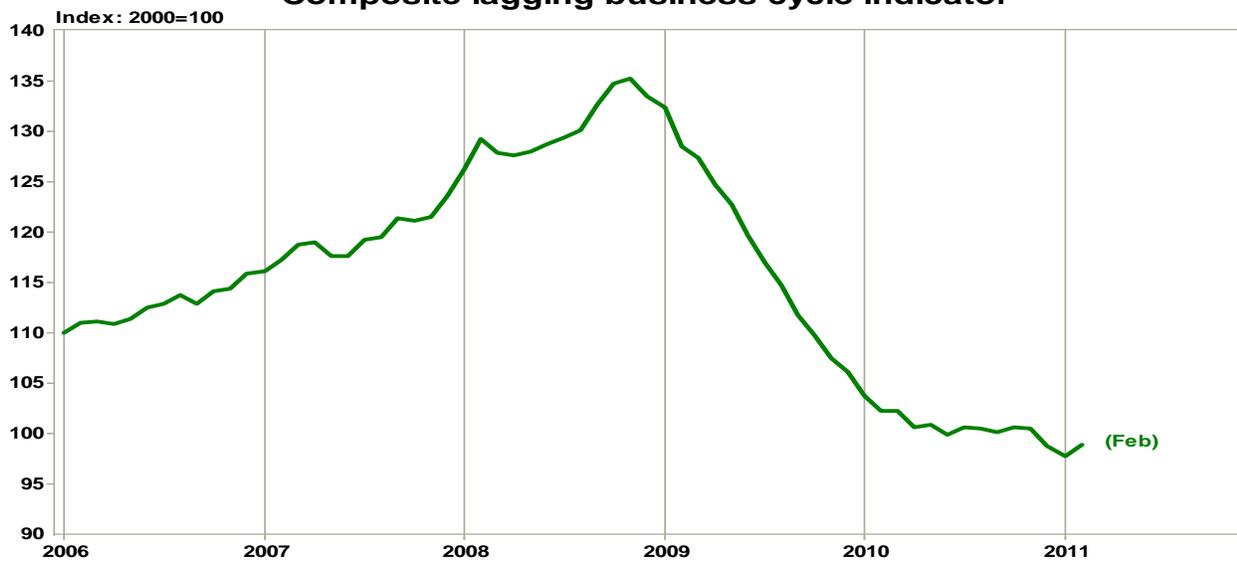


Table 1 Summary of the composite business cycle indicators

| Indices: 2000 = 100 | 2010 | | | | | 2011 | | |
|-----------------------------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|------------|
| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar |
| Leading indicator | 129,3 | 129,8 | 130,0 | 130,2 | 133,0 | 134,6 | 136,2 | 135,0 |
| <i>12-month percentage change</i> | <i>17,3</i> | <i>15,2</i> | <i>11,7</i> | <i>8,5</i> | <i>9,2</i> | <i>5,7</i> | <i>6,7</i> | <i>3,7</i> |
| Coincident indicator | 142,3 | 143,2 | 144,9 | 147,2 | 148,1 | 149,1 | 150,3 | - |
| <i>12-month percentage change</i> | <i>6,0</i> | <i>6,0</i> | <i>6,5</i> | <i>7,5</i> | <i>6,8</i> | <i>6,5</i> | <i>7,0</i> | - |
| Lagging indicator | 100,5 | 100,1 | 100,7 | 100,4 | 98,7 | 97,8 | 98,9 | - |
| <i>12-month percentage change</i> | <i>-12,4</i> | <i>-10,4</i> | <i>-8,3</i> | <i>-6,5</i> | <i>-7,0</i> | <i>-5,7</i> | <i>-3,3</i> | - |

Table 2 Component time series of the composite leading business cycle indicator and their contribution to the March 2011 data point:

| Component series | Contribution |
|---|--------------|
| BER: Average hours worked per factory worker in manufacturing (half weight) | Negative |
| Job advertisement space (percentage change over 12 months) | Negative |
| BER: Volume of orders in manufacturing (half weight) | Negative |
| BER: Business confidence index | N/A |
| Number of building plans approved: Flats, townhouses & houses larger than 80m ² | Positive |
| Number of new passenger vehicles sold: (percentage change over 12 months) | Negative |
| Gross operating surplus as a percentage of GDP | N/A |
| Interest rate spread: 10 year government bonds minus 91 day Treasury bills | Positive |
| Index of prices of all classes of shares traded on the JSE | Negative |
| Real M1 (six-month smoothed growth rate) | Positive |
| Commodity price index for South Africa's main export commodities (US dollar based) | Negative |
| Composite leading business cycle indicator of South Africa's major trading-partner countries (percentage change over 12 months) | Negative |