



For further information regarding this release, please contact:

laan Venter: +27 (12) 313 3687 laan.Venter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 26 July 2011

Composite business cycle indicators for South Africa

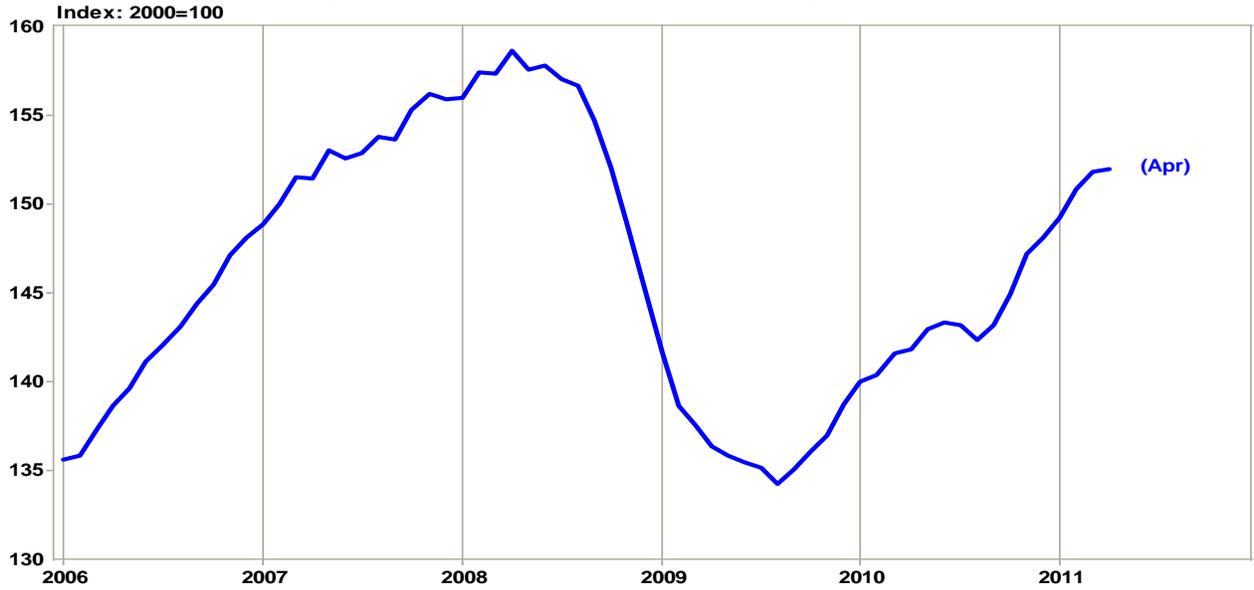
- The composite **leading** business cycle indicator *decreased* by 1,6 per cent in May 2011 compared with the preceding month. Ten of the eleven component time series that were available for May 2011 decreased, while one increased. The major negative contributors to the movement in the leading indicator in May were the number of residential building plans passed and the six-month smoothed growth rate in the real M1 money supply. The only positive contribution came from the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries.
- The composite **coincident** business cycle indicator *increased* by 0,1 per cent in April 2011 compared with the preceding month – its eighth consecutive monthly increase.
- The composite **lagging** business cycle indicator *decreased* by 0,2 per cent in April 2011 compared with the preceding month.

The next release is scheduled for 23 August 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				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	129,9	130,0	132,6	134,0	135,3	134,3	133,7	131,5
<i>12-month percentage change</i>	11,6	8,3	8,9	5,3	6,0	3,1	1,2	-0,1
Coincident indicator	144,9	147,2	148,1	149,2	150,8	151,8	152,0	-
<i>12-month percentage change</i>	6,5	7,5	6,8	6,6	7,4	7,2	7,2	-
Lagging indicator	100,7	100,4	99,0	98,1	98,7	99,1	98,9	-
<i>12-month percentage change</i>	-8,3	-6,5	-6,7	-5,4	-3,5	-3,1	-1,7	-

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

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