



South African Reserve Bank

For further information regarding this release, please contact:

Adél Bosch: +27 (12) 313 4242 Adel.Bosch@resbank.co.za

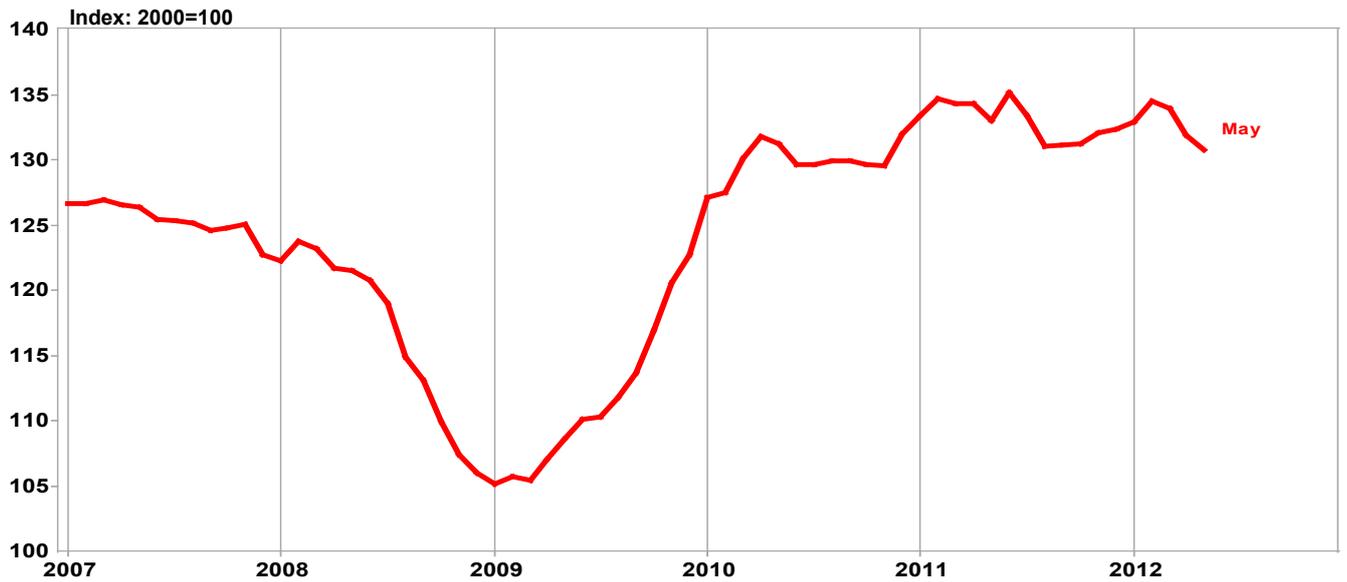
FOR RELEASE: 09:00 A.M., Tuesday, 24 July 2012

Composite business cycle indicators for South Africa

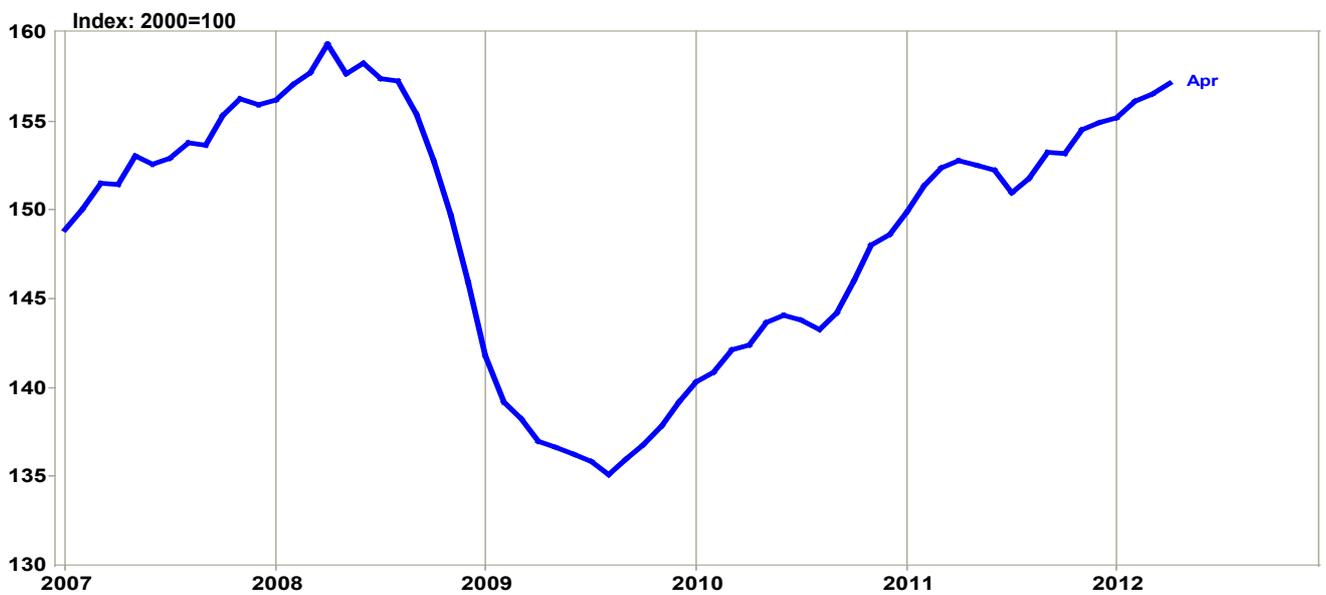
- The composite **leading** business cycle indicator *decreased* by 0,9 per cent in May 2012 compared with the preceding month. Seven of the eleven component time series that were available for May 2012 decreased, while three increased, and one remained unchanged. The largest negative contributions in May came from a deterioration in the BER's Business Confidence Index, as well as a decline in the export commodity price index. The major positive contributions to the movement in the leading indicator in May came from an improvement in the number of residential building plans passed, followed by an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *increased* by 0,4 per cent on a month-to-month basis in April 2012.
- The composite **lagging** business cycle indicator *increased* by 1,8 per cent in April 2012.

The next release is scheduled for 21 August 2012, 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	2011			2012				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	131,2	132,0	132,3	132,9	134,5	133,9	131,9	130,8
12-month percentage change	1,2	1,9	0,3	-0,3	-0,1	-0,3	-1,8	-1,7
Coincident indicator	153,1	154,5	154,9	155,2	156,1	156,6	157,1	-
12-month percentage change	4,9	4,4	4,2	3,5	3,2	2,8	2,8	-
Lagging indicator	103,8	104,0	103,5	104,7	104,6	103,3	105,1	-
12-month percentage change	-1,1	-0,8	0,1	1,9	1,6	-0,4	1,0	-

Table 2 Component time series of the composite leading business cycle indicator and their contribution to the May 2012 data point:

Positive contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
Number of new passenger vehicles sold: (percentage change over 12 months)
Real M1 (six-month smoothed growth rate)
Negative contributors (ranked from largest to smallest)
BER*: Business Confidence Index
Commodity price index for South Africa's main export commodities (US dollar based)
Composite leading business cycle indicator of South Africa's major trading-partner countries (percentage change over 12 months)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Job advertisements: The Sunday Times (percentage change over 12 months)
BER*: Volume of orders in manufacturing (half weight)
Index of prices of all classes of shares traded on the JSE
No change
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University