



## South African Reserve Bank

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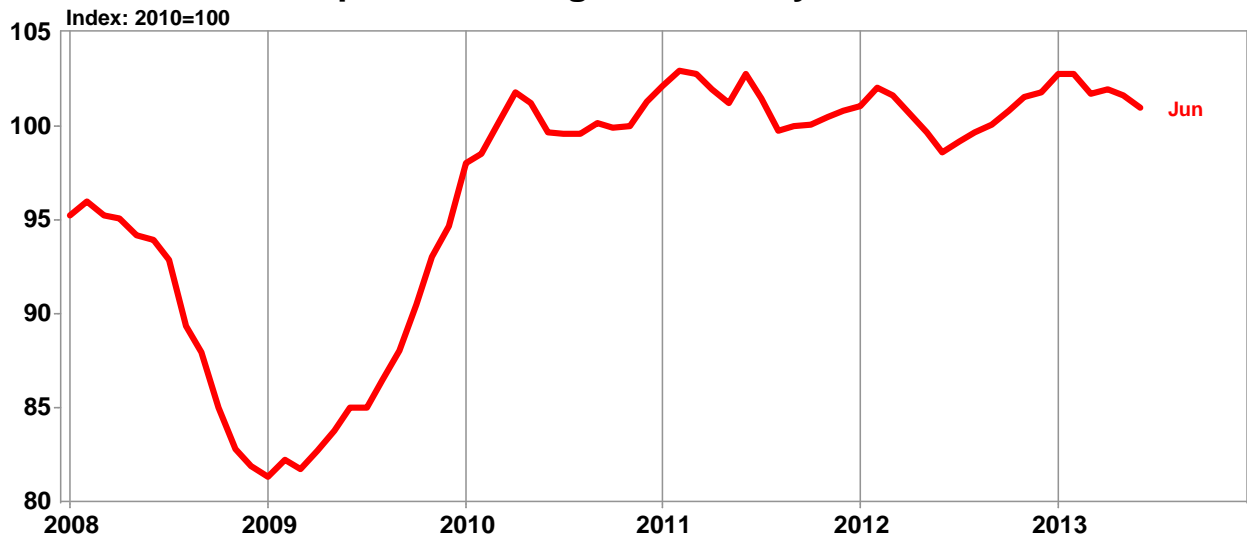
***FOR RELEASE: 09:00 A.M., Tuesday, 20 August 2013***

### **Composite business cycle indicators for South Africa**

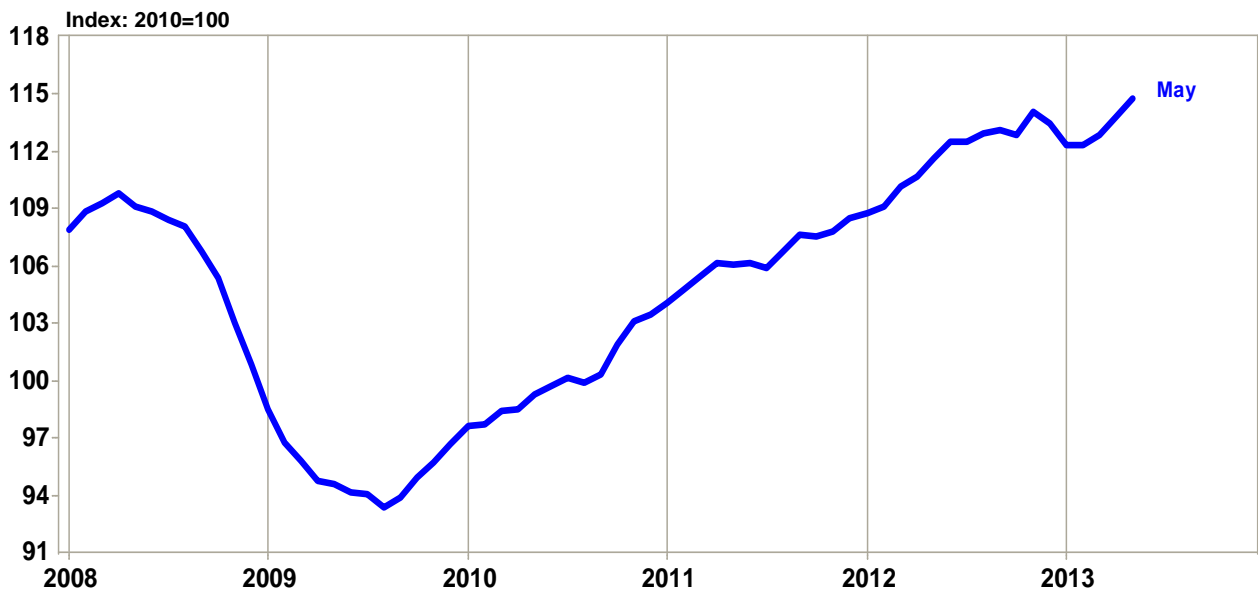
- The composite **leading** business cycle indicator *decreased* by 0,6 per cent in June 2013 compared with the preceding month. Six of the ten component time series that were available for June 2013 decreased, while four increased. The largest negative contributions to the movement in the composite leading indicator in June came from a decrease in the number of residential building plans passed, followed by a decline in the export commodity price index. The major positive contributions in June came from a widening of the interest rate spread, as well as an acceleration in the six-month smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 0,9 per cent on a month-to-month basis in May 2013.
- The composite **lagging** business cycle indicator *decreased* by 0,6 per cent on a month-to-month basis in May 2013.

**The next release is scheduled for 25 September 2013, at 09:00 A.M.**

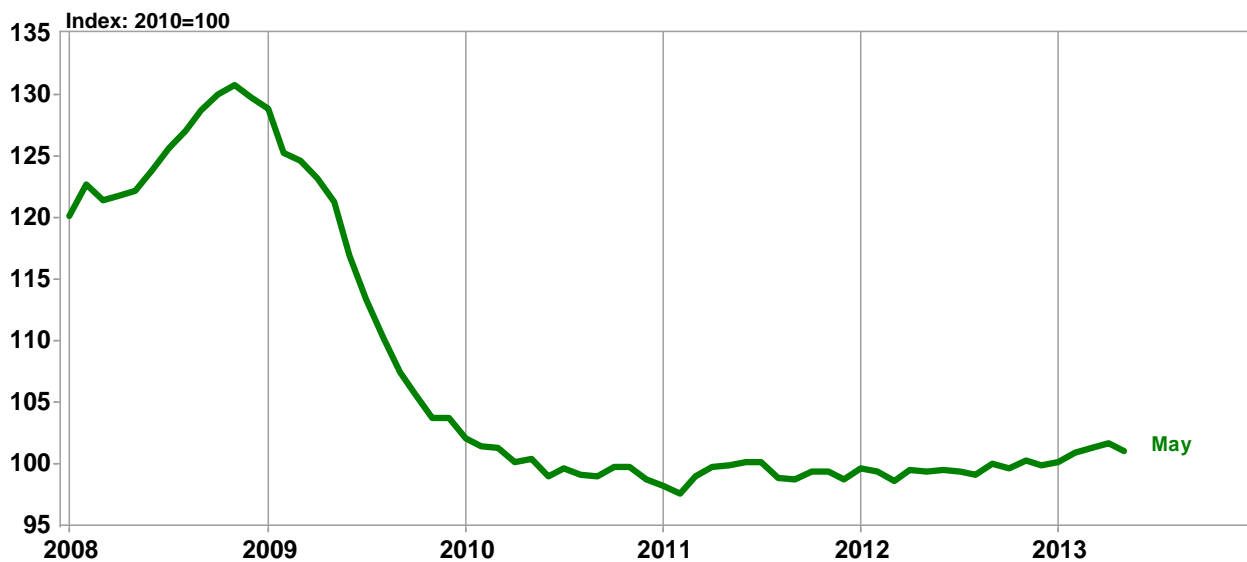
### Composite leading business cycle indicator



### Composite coincident business cycle indicator



### Composite lagging business cycle indicator



**Table 1 Summary of the composite business cycle indicators**

Indices: 2010 = 100	2012		2013					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	101,5	101,8	102,8	102,8	101,8	102,0	101,6	101,0
<i>12-month percentage change</i>	<i>1,0</i>	<i>1,0</i>	<i>1,7</i>	<i>0,7</i>	<i>0,1</i>	<i>1,3</i>	<i>2,0</i>	<i>2,4</i>
Coincident indicator	114,1	113,4	112,3	112,6	112,8	113,8	114,8	-
<i>12-month percentage change</i>	<i>5,8</i>	<i>4,6</i>	<i>3,3</i>	<i>2,9</i>	<i>2,4</i>	<i>2,8</i>	<i>2,8</i>	-
Lagging indicator	100,3	99,9	100,2	100,9	101,3	101,6	101,0	-
<i>12-month percentage change</i>	<i>0,9</i>	<i>1,2</i>	<i>0,5</i>	<i>1,6</i>	<i>2,7</i>	<i>2,2</i>	<i>1,6</i>	-

**Table 2 Component time series of the composite leading business cycle indicator and their contribution to the June 2013 data point:**

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

\* Bureau for Economic Research, Stellenbosch University