



South African Reserve Bank

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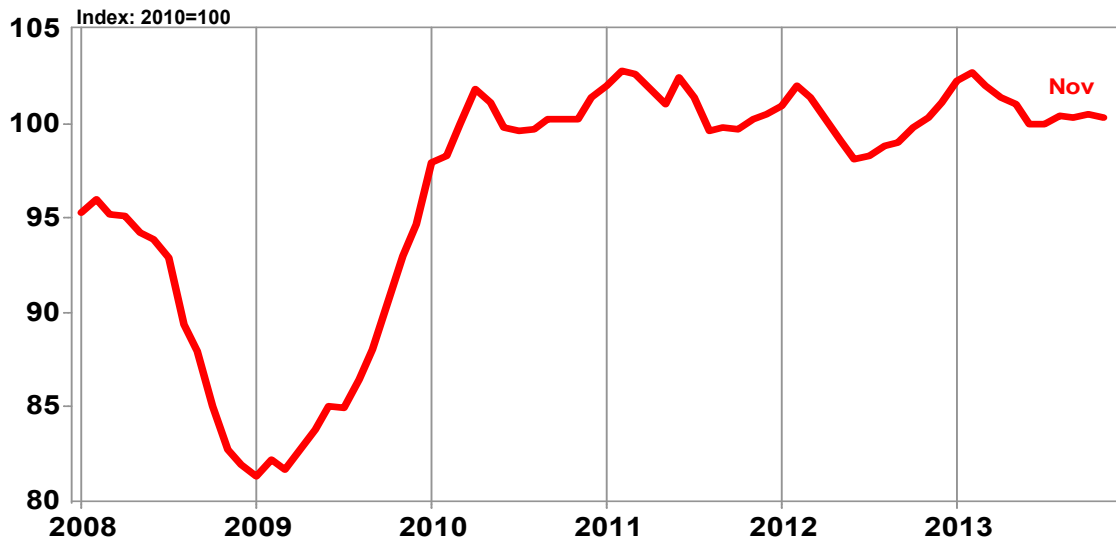
FOR RELEASE: 09:00 A.M., Tuesday, 21 January 2014

Composite business cycle indicators for South Africa

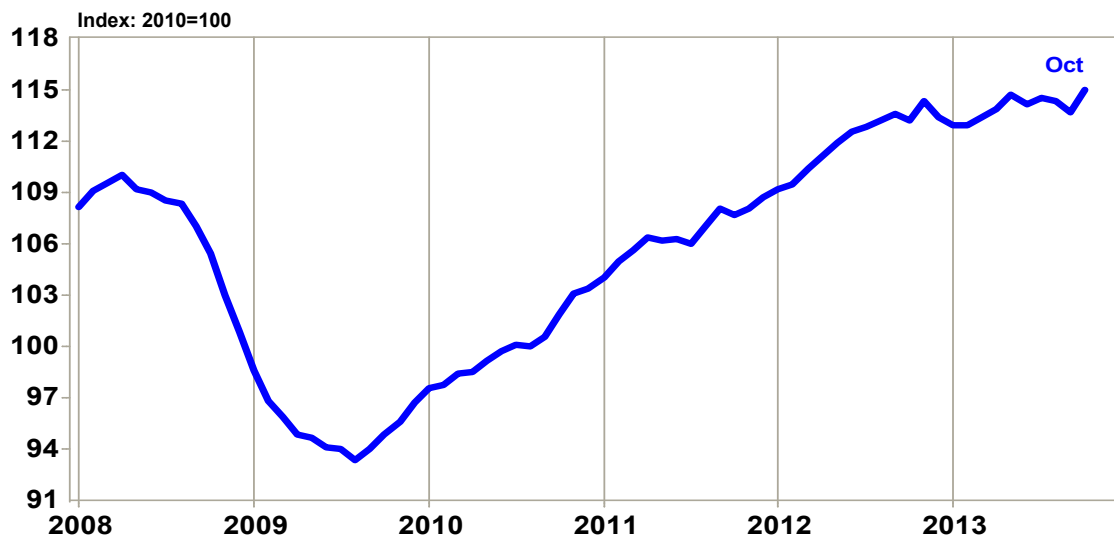
- The composite **leading** business cycle indicator *decreased* by 0,2 per cent in November 2013 compared with the preceding month. Decreases in four of the eleven component time series that were available for November 2013 outweighed increases in the remaining seven component series. The major negative contributions in November came from a decline in the number of residential building plans passed, as well as a deceleration in the six-month smoothed growth rate in the real M1 money supply. The largest positive contributions to the movement in the composite leading indicator in November came from an increase in the export commodity price index, followed by an acceleration in 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 1,2 per cent on a month-to-month basis in October 2013.
- The composite **lagging** business cycle indicator *increased* by 0,3 per cent on a month-to-month basis in October 2013.

The next release is scheduled for 25 February 2014, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

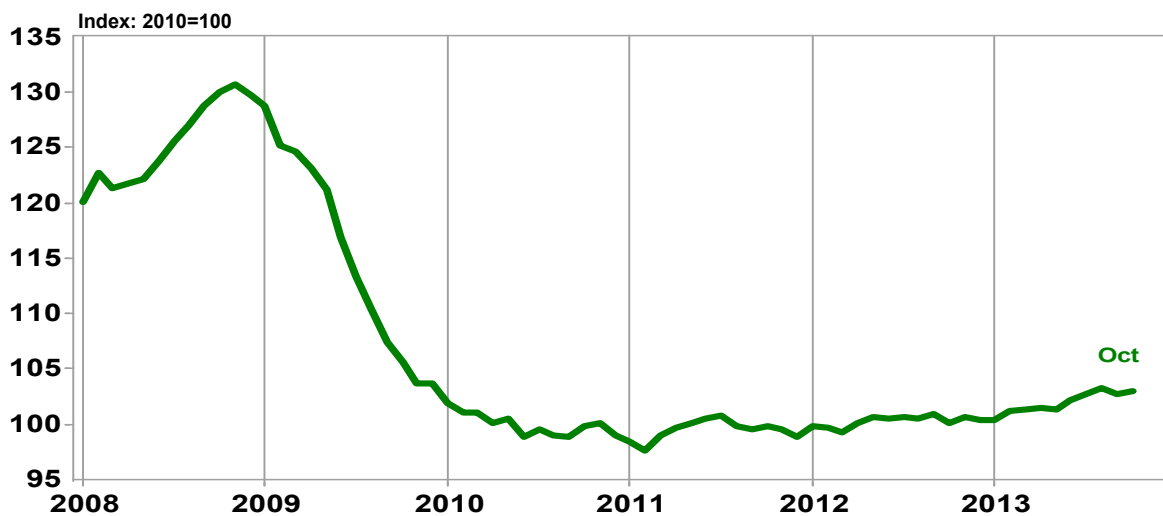


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2013							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Leading indicator	101,4	101,0	100,0	100,0	100,4	100,3	100,5	100,3
12-month percentage change	1,3	1,9	1,9	1,7	1,6	1,3	0,6	-0,1
Coincident indicator	113,8	114,7	114,2	114,6	114,4	113,7	115,0	-
12-month percentage change	2,4	2,5	1,4	1,6	1,0	0,1	1,5	-
Lagging indicator	101,4	101,3	102,2	102,7	103,3	102,7	103,0	-
12-month percentage change	1,3	0,6	1,8	2,1	2,8	1,7	2,9	-

* 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 November 2013 data point:

Positive contributors (ranked from largest to smallest)
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)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
BER*: Average hours worked per factory worker in manufacturing (half weight)
Index of prices of all classes of shares traded on the JSE
BER*: Business Confidence Index
Job advertisements: The Sunday Times (percentage change over 12 months)
Negative contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
Real M1 (six-month smoothed growth rate)
BER*: Volume of orders in manufacturing (half weight)
Number of new passenger vehicles sold: (percentage change over 12 months)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University