



South African Reserve Bank

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FOR RELEASE: 09:00 A.M., Tuesday, 25 February 2014

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator remained *unchanged* in December 2013 compared with the preceding month. Decreases in six of the ten component time series that were available for December 2013 were countered by increases in the remaining four component series. The major negative contributions in December came from a deceleration in the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries, as well as a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions to the movement in the composite leading indicator in December came from an increase in the number of residential building plans passed, followed by an increase in the Bureau for Economic Research's volume of domestic orders in the manufacturing sector.
- The composite **coincident** business cycle indicator *increased* by 0,8 per cent on a month-to-month basis in November 2013.
- The composite **lagging** business cycle indicator *increased* by 0,3 per cent on a month-to-month basis in November 2013.

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

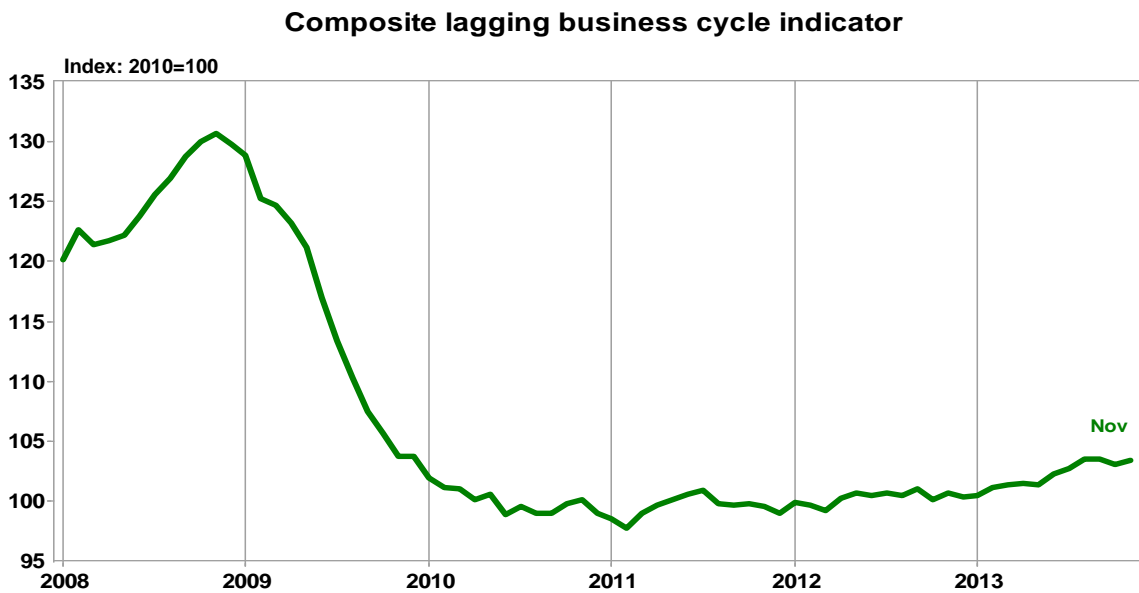
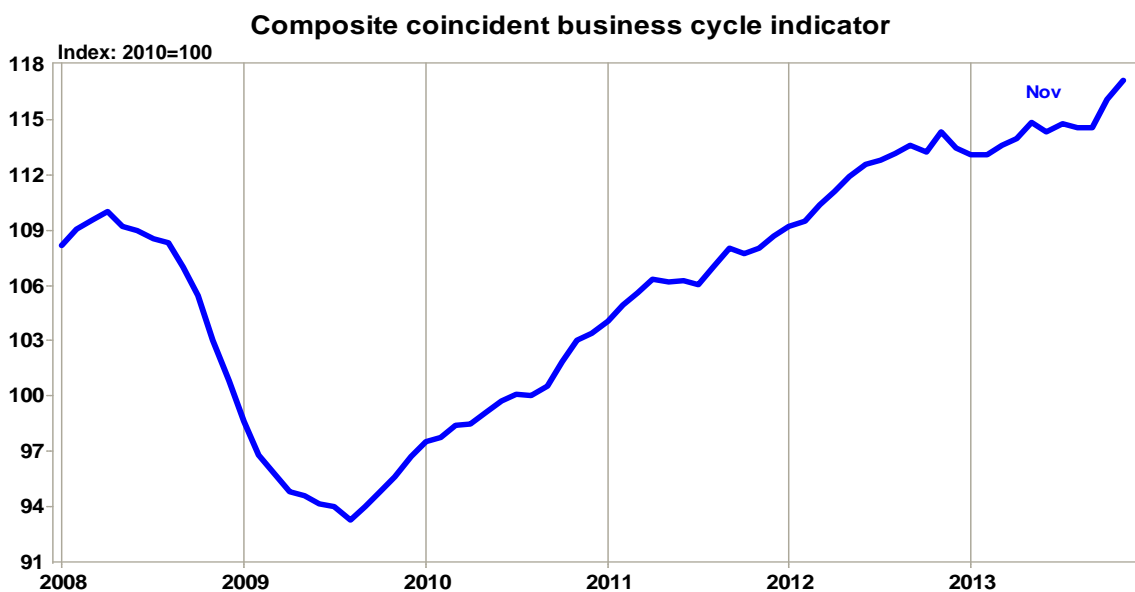
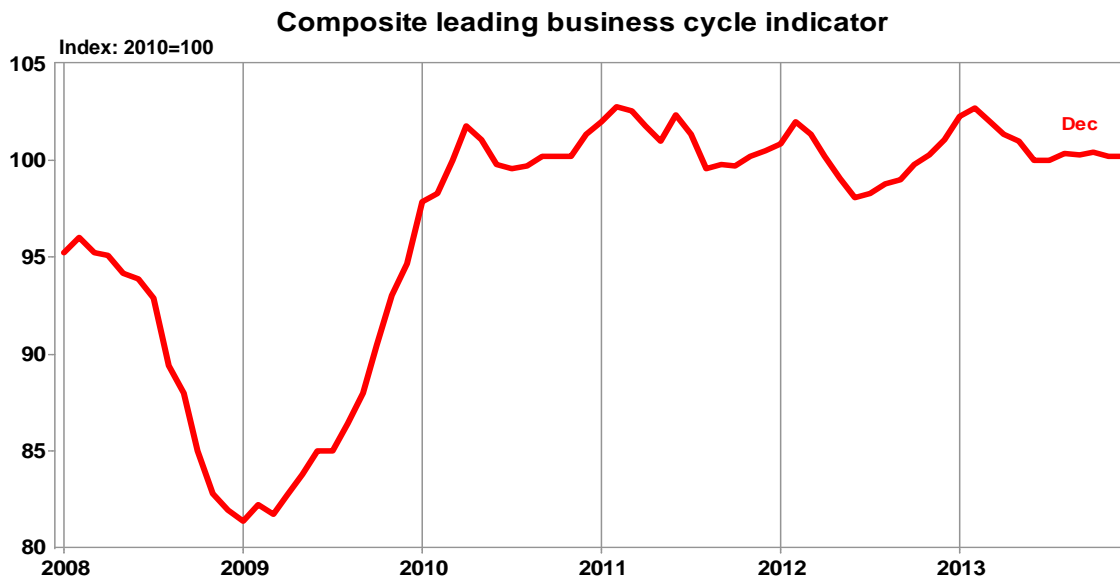


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2013							
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Leading indicator	101,0	100,0	100,0	100,4	100,3	100,5	100,2	100,2
12-month percentage change	1,9	1,9	1,7	1,6	1,3	0,6	-0,1	-0,8
Coincident indicator	114,9	114,4	114,8	114,6	114,6	116,1	117,1	-
12-month percentage change	2,7	1,6	1,8	1,2	0,9	2,5	2,4	-
Lagging indicator	101,3	102,2	102,7	103,5	103,5	103,1	103,4	-
12-month percentage change	0,6	1,8	2,1	3,0	2,5	2,9	2,6	-

* 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 December 2013 data point:

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

* Bureau for Economic Research, Stellenbosch University