



## South African Reserve Bank

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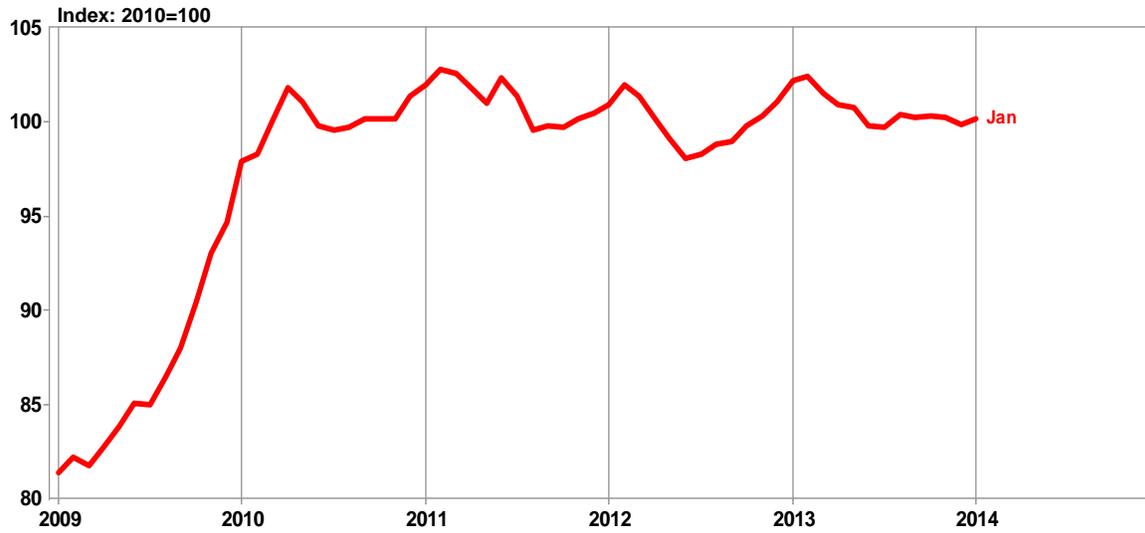
**FOR RELEASE: 09:00 A.M., Tuesday, 25 March 2014**

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

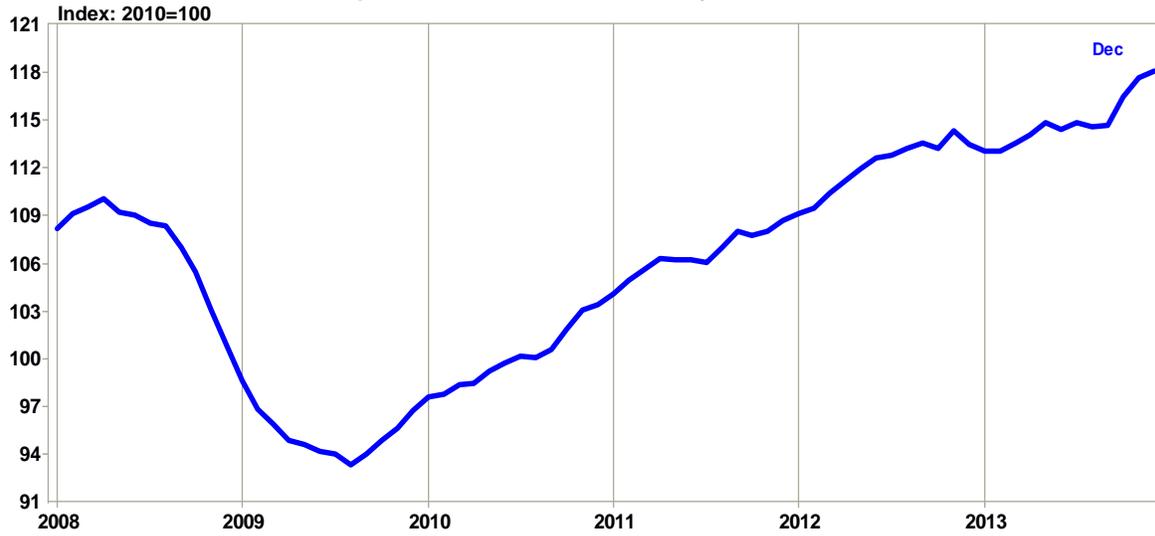
- The composite **leading** business cycle indicator increased marginally by 0,3 per cent in January 2014 compared with the preceding month. Decreases in six of the eleven component time series that were available for January 2014 were outweighed by increases in the remaining five component series. The largest positive contributions to the movement in the composite leading indicator in January came from an increase in the number of residential building plans passed, followed by an increase in the prices of all classes of shares traded on the JSE. The major negative contributions in January 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 six-month smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 0,4 per cent on a month-to-month basis in December 2013.
- The composite **lagging** business cycle indicator *decreased* by 1,1 per cent on a month-to-month basis in December 2013.

**The next release is scheduled for 23 April 2014, at 09:00 A.M.**

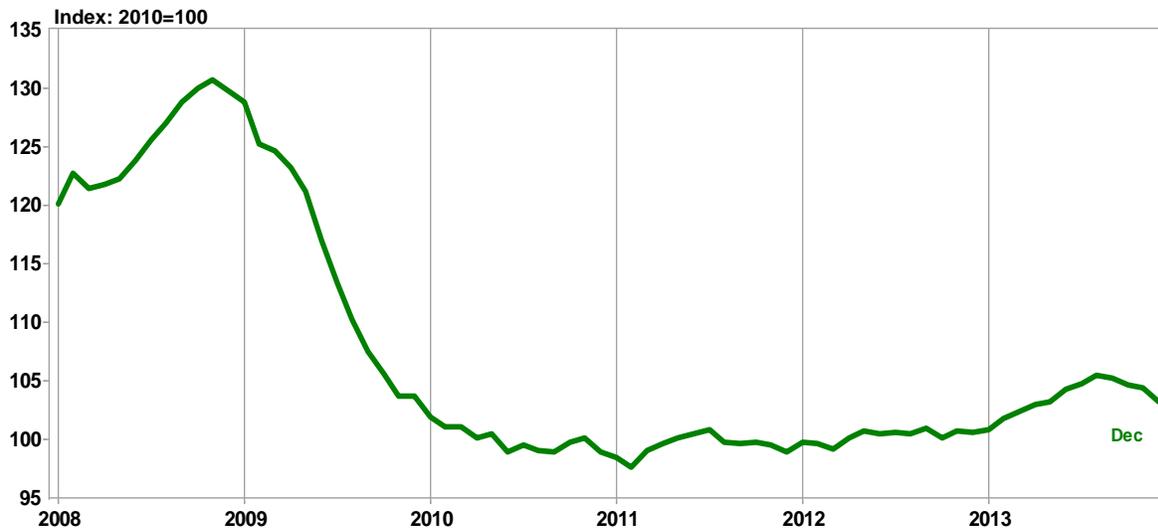
### Composite leading business cycle indicator



### Composite coincident business cycle indicator



### Composite lagging business cycle indicator



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

| Indices: 2010 = 100               | 2013  |       |       |       |       |       |       | 2014  |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                   | Jun   | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   |
| Leading indicator                 | 99,8  | 99,7  | 100,4 | 100,3 | 100,3 | 100,3 | 99,9  | 100,2 |
| <i>12-month percentage change</i> | 1,8   | 1,4   | 1,6   | 1,3   | 0,5   | -0,1  | -1,2  | -2,0  |
| Coincident indicator              | 114,4 | 114,8 | 114,6 | 114,7 | 116,5 | 117,7 | 118,1 | -     |
| <i>12-month percentage change</i> | 1,6   | 1,8   | 1,2   | 1,0   | 2,9   | 2,9   | 4,1   | -     |
| Lagging indicator                 | 104,3 | 104,8 | 105,5 | 105,2 | 104,6 | 104,4 | 103,2 | -     |
| <i>12-month percentage change</i> | 3,8   | 4,1   | 5,0   | 4,2   | 4,4   | 3,7   | 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 January 2014 data point:**

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

\* Bureau for Economic Research, Stellenbosch University