



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* further by 0,5 per cent in March 2014 compared with the preceding month. Five of the ten component time series that were available for March 2014 decreased, while five increased. The major negative contributions in March came from a deceleration in the twelve-month rate of change in job advertisement space, as well as a decline in the number of residential building plans passed. The largest positive contributions to the movement in the composite leading indicator in March came from an acceleration in the six-month smoothed growth rate in the real M1 money supply, followed by an increase in the average hours worked per factory worker in the manufacturing sector.
- The composite **coincident** business cycle indicator *decreased* by 0,5 per cent on a month-to-month basis in February 2014.
- The composite **lagging** business cycle indicator *increased* by 1,6 per cent on a month-to-month basis in February 2014.

The next release is scheduled for 24 June 2014, at 09:00 A.M.

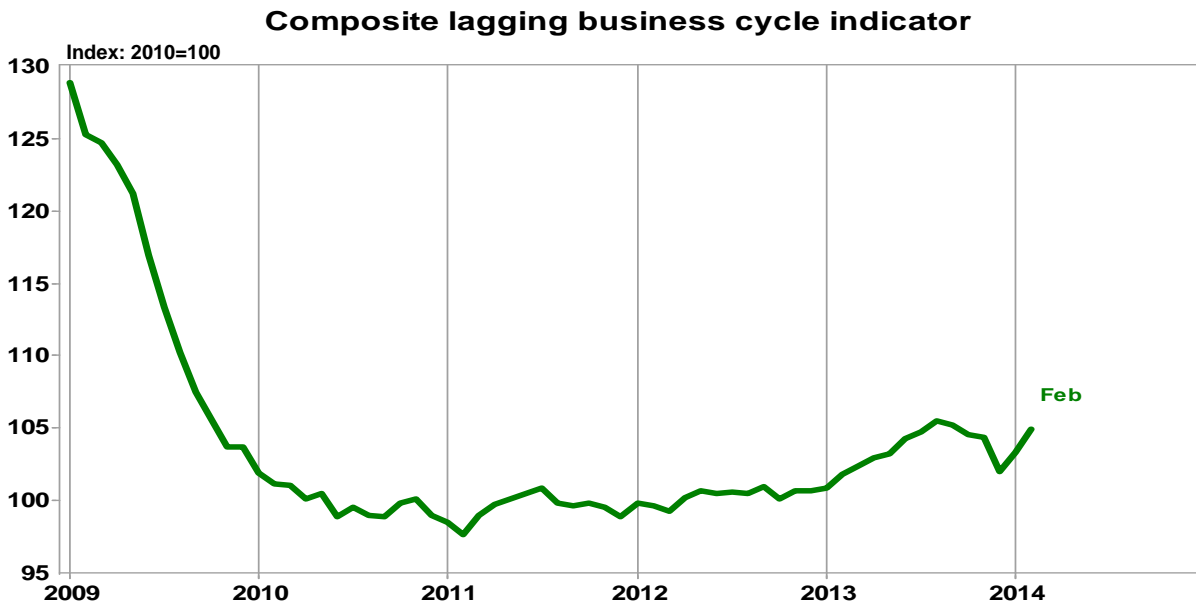
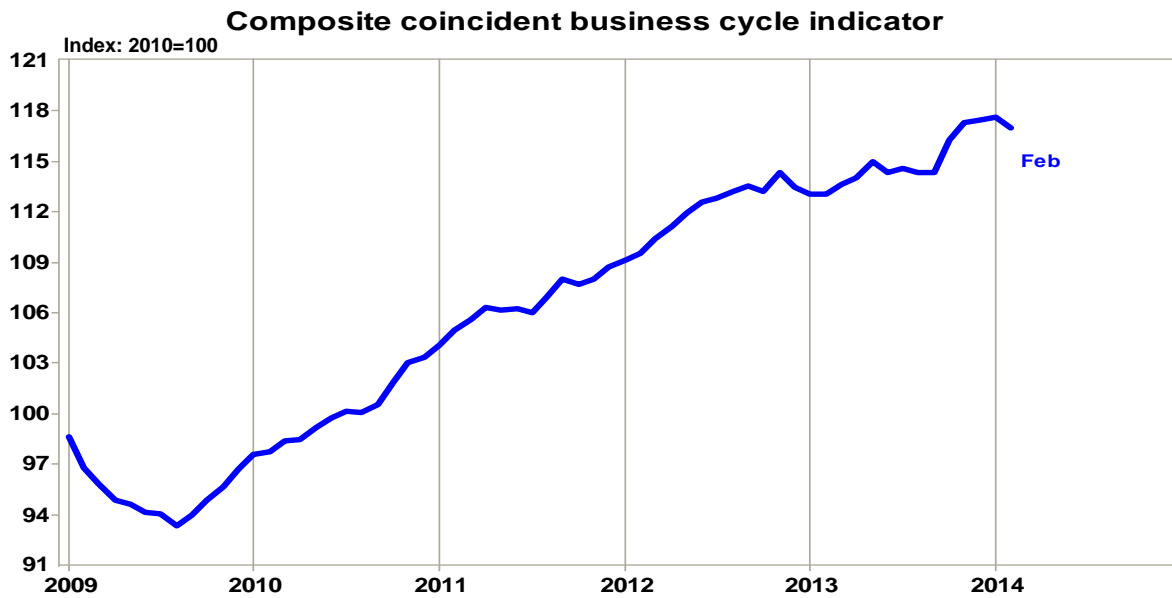
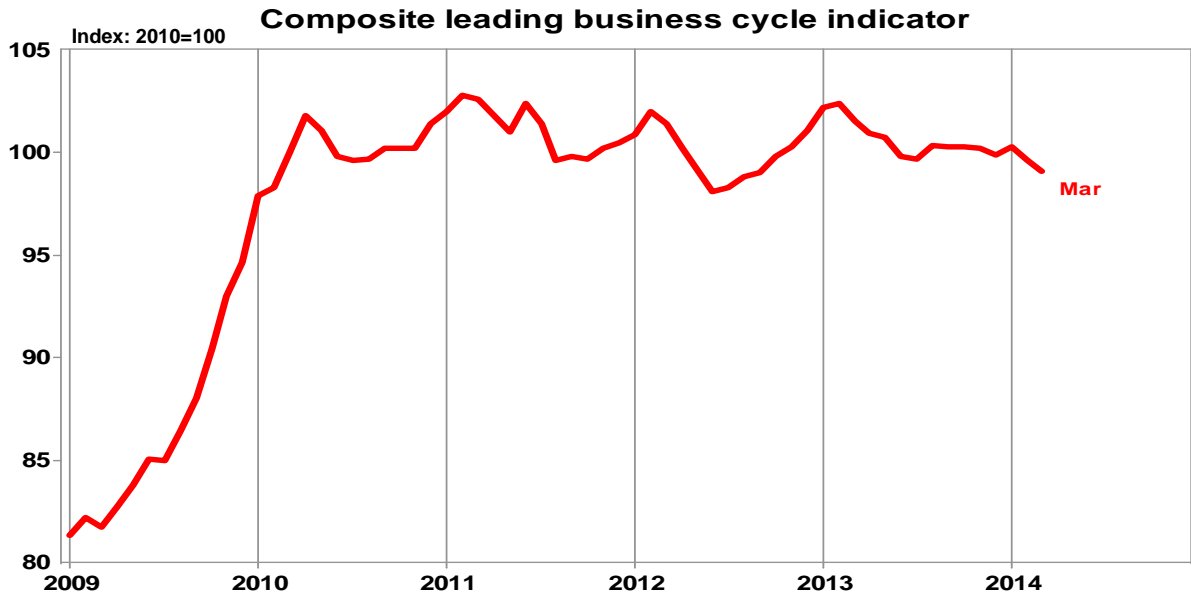


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2013					2014		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Leading indicator	100,4	100,3	100,3	100,3	99,9	100,3	99,6	99,1
12-month percentage change	1,6	1,3	0,5	-0,1	-1,2	-1,9	-2,7	-2,4
Coincident indicator	114,3	114,4	116,3	117,3	117,4	117,6	117,0	-
12-month percentage change	1,0	0,7	2,7	2,6	3,5	4,0	3,4	-
Lagging indicator	105,5	105,2	104,6	104,4	102,0	103,3	105,0	-
12-month percentage change	5,0	4,2	4,4	3,6	1,3	2,4	3,1	-

* 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 March 2014 data point:

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

* Bureau for Economic Research, Stellenbosch University