



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator remained *unchanged* in April 2014 compared with the preceding month. Five of the eleven component time series that were available for April 2014 increased, while five decreased and one remained unchanged. The largest positive contributions to the movement in the composite leading indicator in April came from an increase in the number of residential building plans passed, followed by an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold. The major negative contributions in April came from a decline in the volume of orders in manufacturing, as well as a deceleration in the six-month smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *decreased* by 0,8 per cent on a month-to-month basis in March 2014.
- The composite **lagging** business cycle indicator *decreased* by 1,5 per cent on a month-to-month basis in March 2014.

The next release is scheduled for 22 July 2014, at 09:00 A.M.

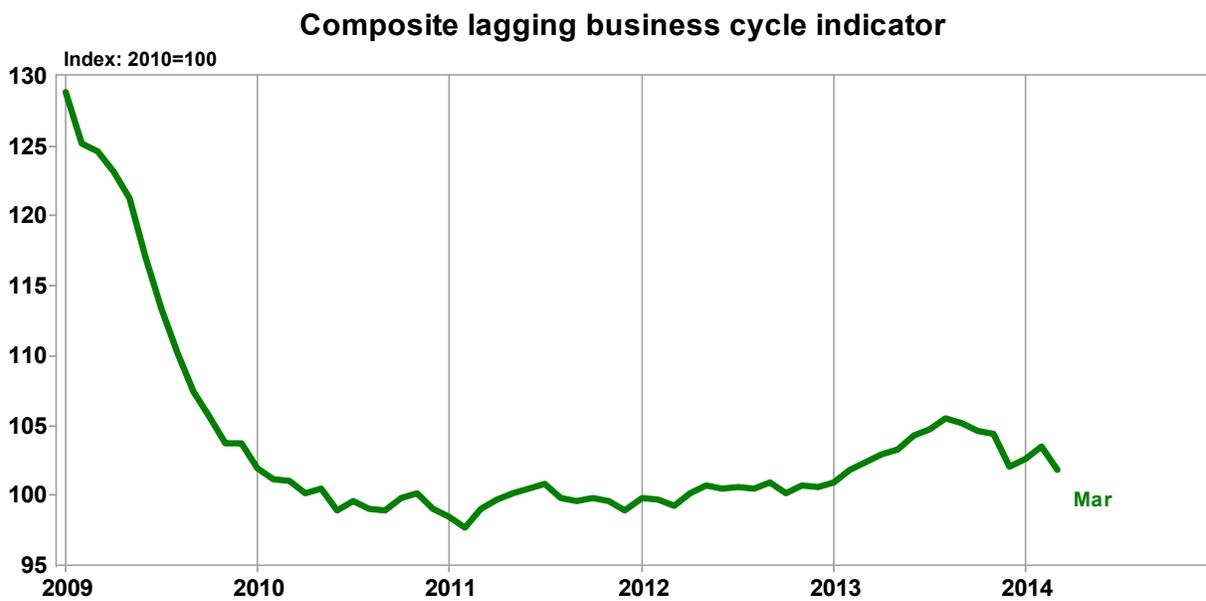
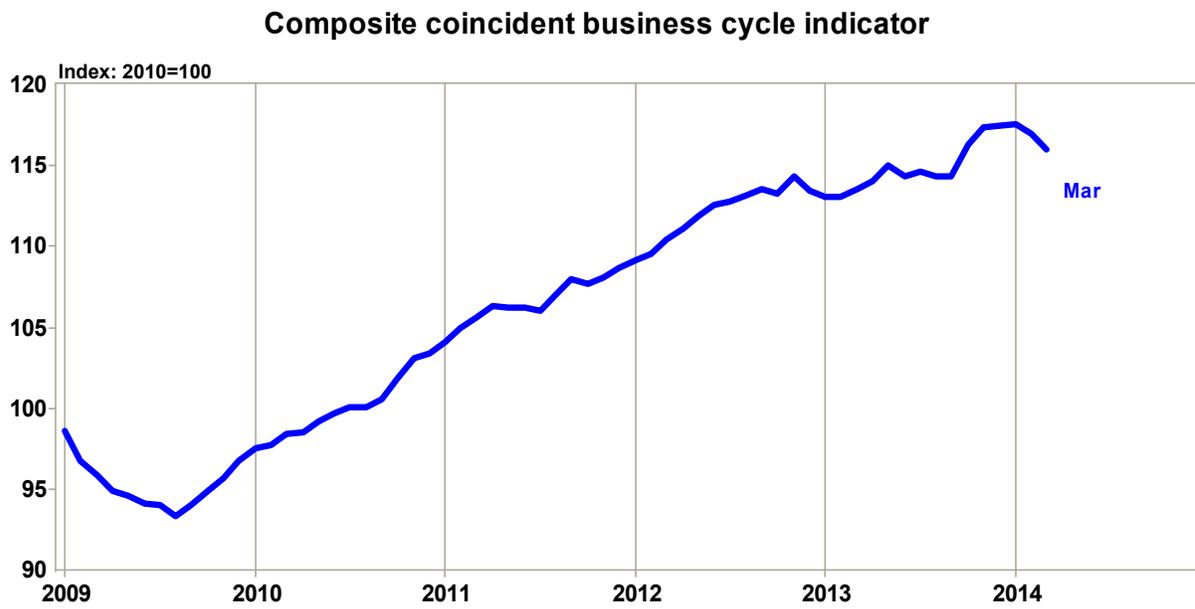
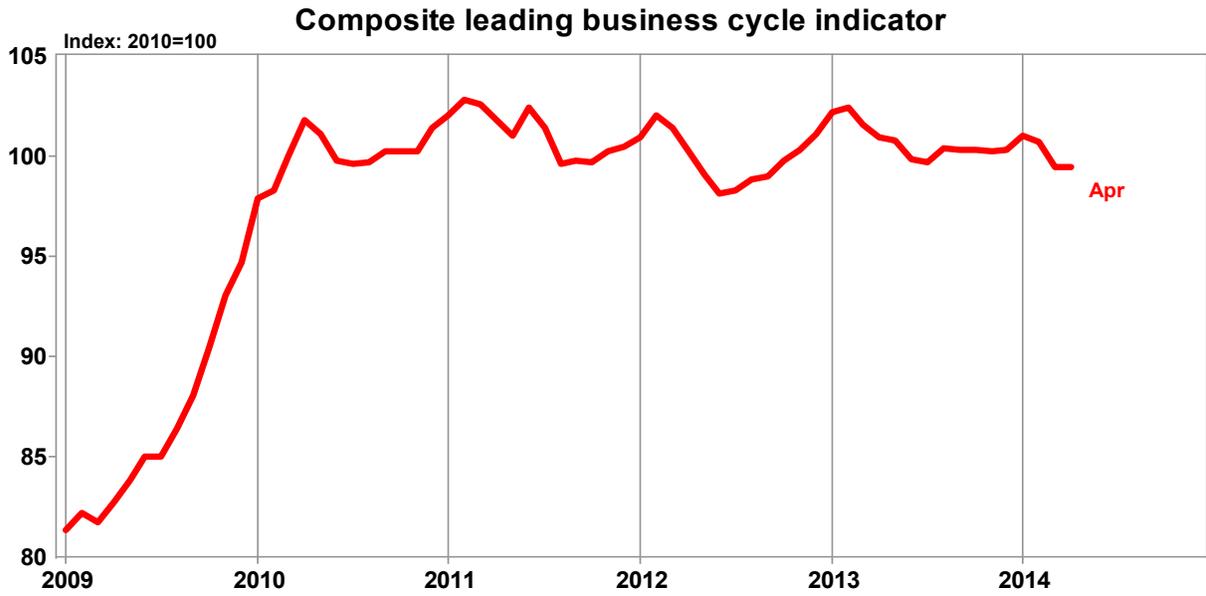


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2013				2014			
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Leading indicator	100,3	100,3	100,3	100,3	101,0	100,7	99,5	99,5
<i>12-month percentage change</i>	<i>1,3</i>	<i>0,5</i>	<i>-0,1</i>	<i>-0,7</i>	<i>-1,2</i>	<i>-1,6</i>	<i>-2,0</i>	<i>-1,5</i>
Coincident indicator	114,4	116,3	117,3	117,4	117,6	117,0	116,0	-
<i>12-month percentage change</i>	<i>0,7</i>	<i>2,7</i>	<i>2,6</i>	<i>3,5</i>	<i>4,0</i>	<i>3,4</i>	<i>2,1</i>	-
Lagging indicator	105,2	104,6	104,4	102,1	102,6	103,5	101,9	-
<i>12-month percentage change</i>	<i>4,2</i>	<i>4,4</i>	<i>3,6</i>	<i>1,4</i>	<i>1,7</i>	<i>1,6</i>	<i>-0,5</i>	-

* 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 April 2014 data point:

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

* Bureau for Economic Research, Stellenbosch University