



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0,1 per cent in May 2014 compared with the preceding month. Four of the eleven component time series that were available for May 2014 increased, while six decreased and one remained unchanged. The largest positive contributions to the movement in the composite leading indicator in May came from an acceleration in the twelve-month percentage change in job advertisement space, followed by an increase in the number of residential building plans passed. The major negative contributions in May came from a decline in the volume of manufacturing orders, as well as a decline in the average hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *increased* by 0,9 per cent on a month-to-month basis in April 2014.
- The composite **lagging** business cycle indicator *increased* by 2,0 per cent on a month-to-month basis in April 2014.

The next release is scheduled for 26 August 2014, at 09:00 A.M.

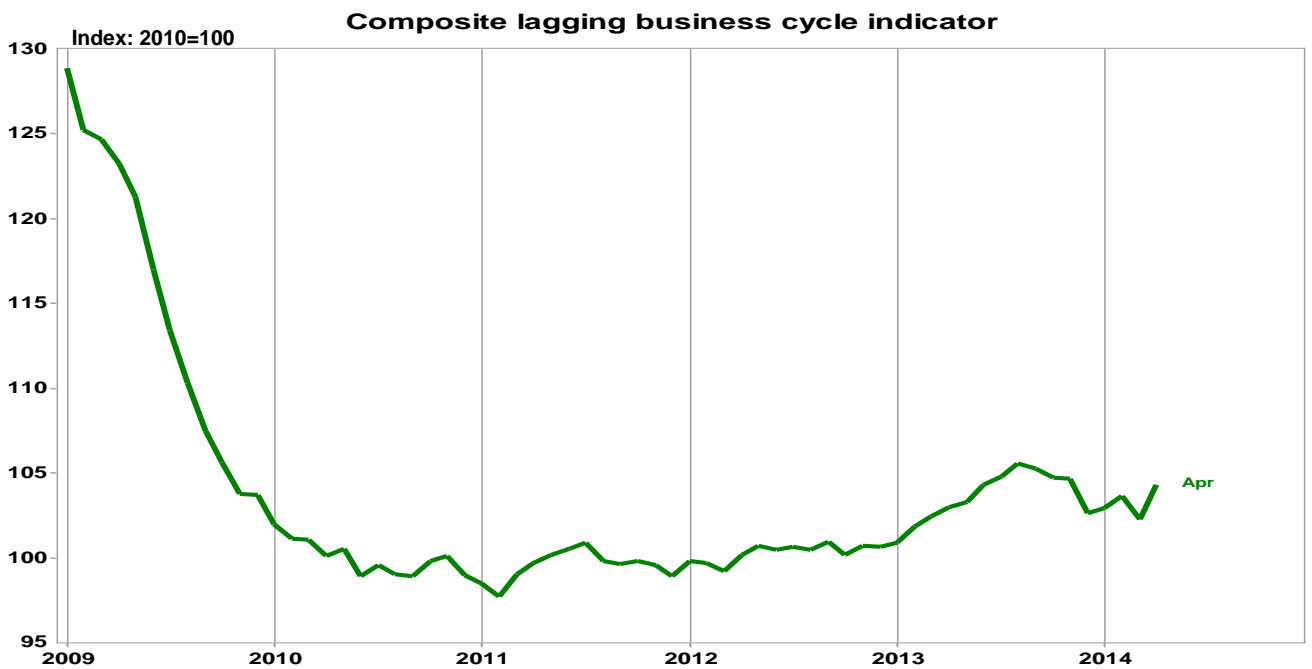
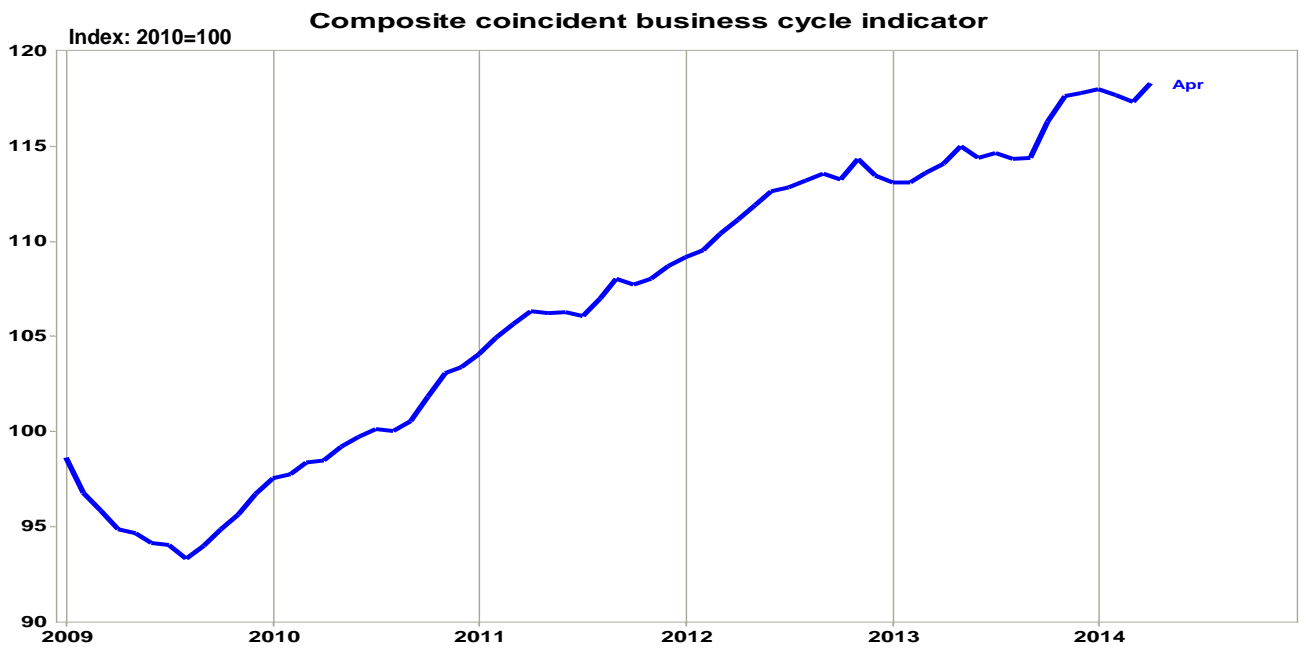
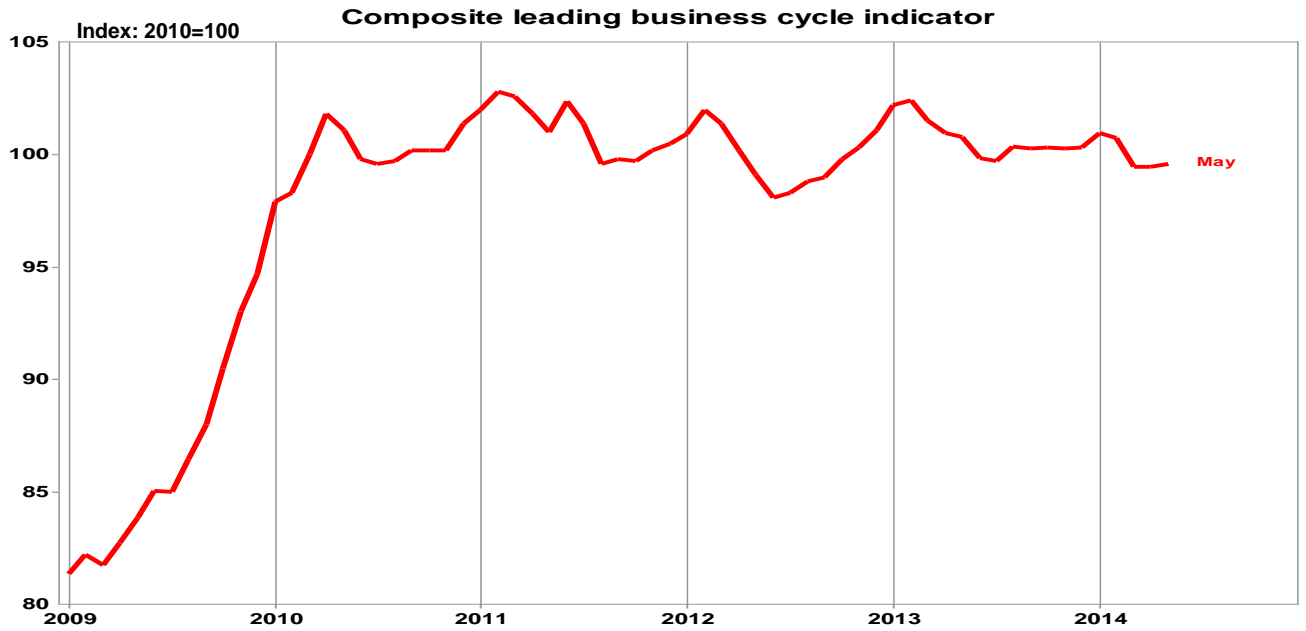


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2013			2014				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	100,3	100,3	100,3	101,0	100,7	99,5	99,5	99,6
<i>12-month percentage change</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>	<i>-1,2</i>
Coincident indicator	116,3	117,6	117,8	118,0	117,7	117,3	118,3	-
<i>12-month percentage change</i>	<i>2,7</i>	<i>2,9</i>	<i>3,8</i>	<i>4,4</i>	<i>4,1</i>	<i>3,3</i>	<i>3,7</i>	<i>-</i>
Lagging indicator	104,7	104,7	102,6	102,9	103,6	102,2	104,3	-
<i>12-month percentage change</i>	<i>4,5</i>	<i>3,9</i>	<i>1,9</i>	<i>2,0</i>	<i>1,8</i>	<i>-0,2</i>	<i>1,3</i>	<i>-</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 May 2014 data point:

Positive 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
Index of prices of all classes of shares traded on the JSE
Real M1 (six-month smoothed growth rate)
Negative contributors (ranked from largest to smallest)
BER*: Volume of orders in manufacturing (half weight)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Number of new passenger vehicles sold (percentage change over 12 months)
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)
Commodity price index for South Africa's main export commodities (US dollar based)
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