



South African Reserve Bank

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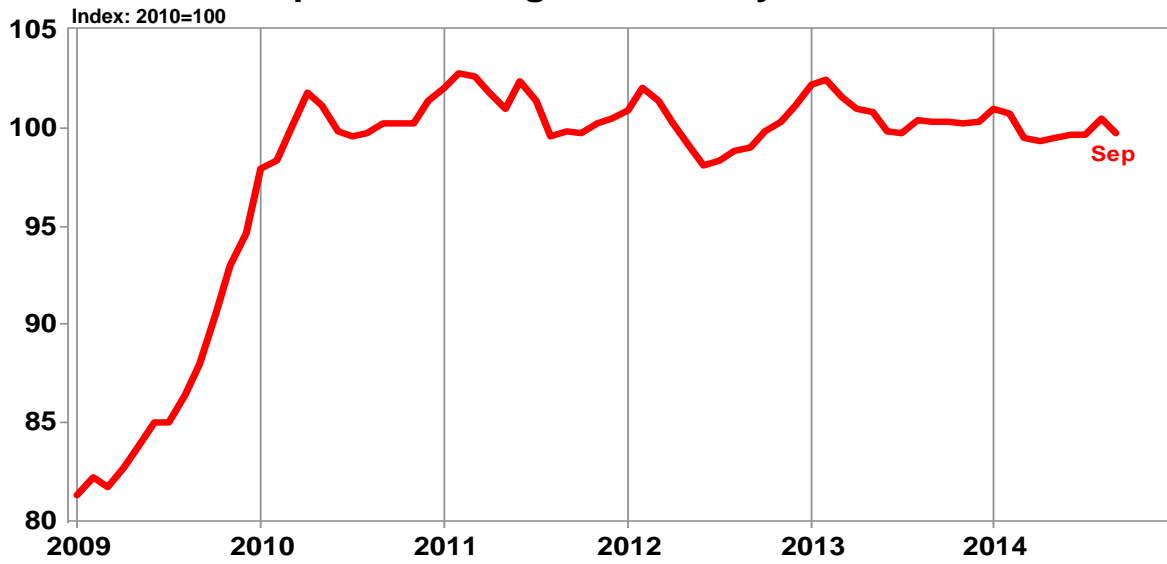
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Composite business cycle indicators for South Africa

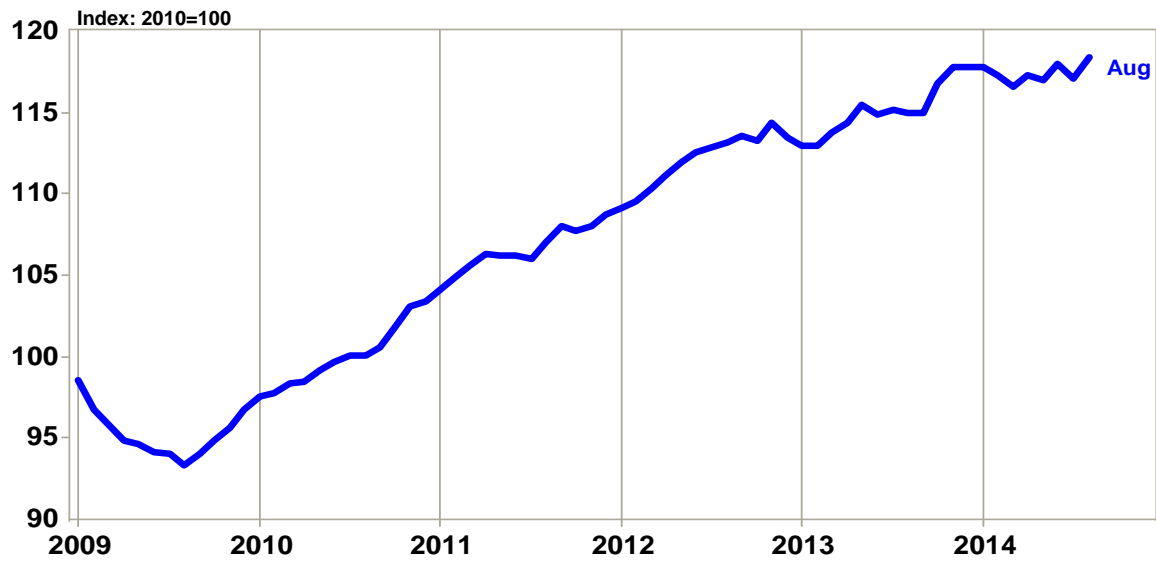
- The composite **leading** business cycle indicator *decreased* by 0,7 per cent on a month-to-month basis in September 2014. Five of the ten component time series that were available for September 2014 decreased, while five increased. The major negative contributions in September came from a further decrease in the export commodity price index, followed by a deceleration in the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries. The largest positive contributions to the movement in the composite leading indicator in September resulted from an increase in the average number of hours worked in the manufacturing sector, as well as an acceleration in the twelve-month percentage change in job advertisement space.
- The composite **coincident** business cycle indicator *increased* by 1,1 per cent on a month-to-month basis in August 2014.
- The composite **lagging** business cycle indicator *decreased* by 1,3 per cent on a month-to-month basis in August 2014.

The next release is scheduled for 17 December 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	2014							
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Leading indicator 12-month percentage change	100,7 -1,6	99,5 -2,0	99,3 -1,6	99,5 -1,3	99,7 -0,2	99,7 0,0	100,5 0,1	99,8 -0,5
Coincident indicator 12-month percentage change	117,3 3,9	116,6 2,5	117,3 2,6	117,0 1,3	118,0 2,7	117,1 1,7	118,4 3,0	- -
Lagging indicator 12-month percentage change	103,6 1,8	102,9 0,5	103,2 0,2	102,1 -1,1	101,3 -2,9	102,2 -2,5	100,9 -4,4	- -

* 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 September 2014 data point:

Positive contributors (ranked from largest to smallest)	
BER*: Average hours worked per factory worker in manufacturing (half weight)	
Job advertisements: The Sunday Times (percentage change over 12 months)	
BER*: Volume of orders in manufacturing (half weight)	
Real M1 (six-month smoothed growth rate)	
Number of new passenger vehicles sold (percentage change over 12 months)	
Negative contributors (ranked from largest to smallest)	
Commodity price index for South Africa's main export commodities (US dollar based)	
Composite leading business cycle indicator of South Africa's major trading-partner countries (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	
Interest rate spread: 10-year government bonds minus 91-day Treasury bills	
Unavailable component series	
BER*: Business Confidence Index	
Gross operating surplus as a percentage of gross domestic product	

* Bureau for Economic Research, Stellenbosch University