



South African Reserve Bank

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Composite business cycle indicators for South Africa

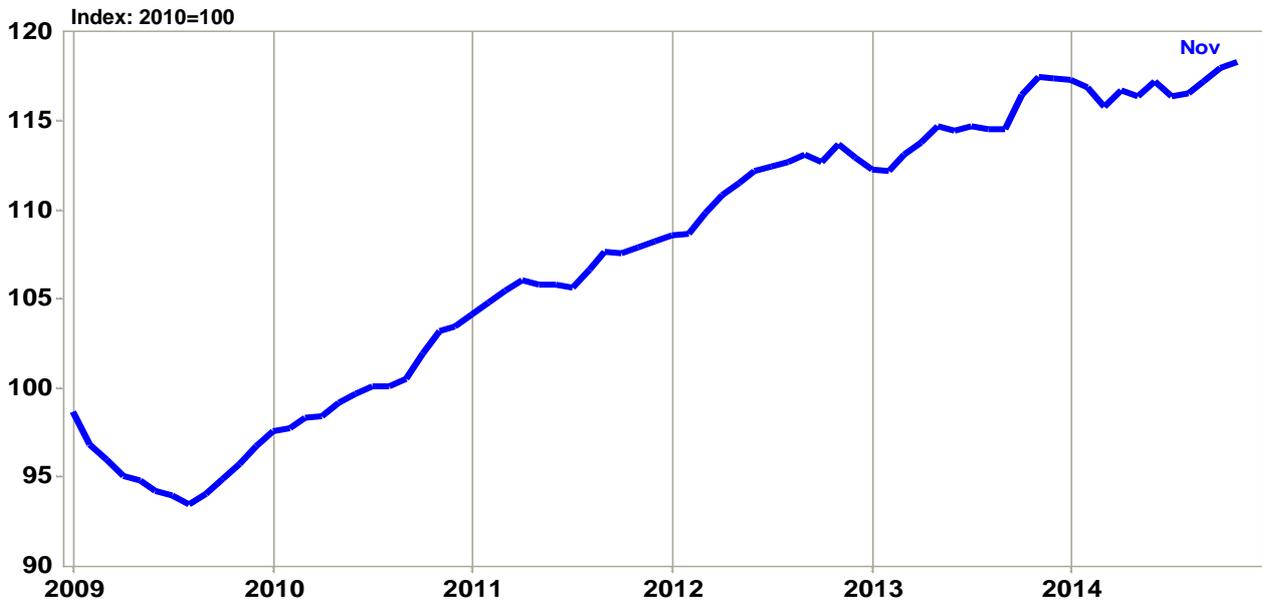
- The composite **leading** business cycle indicator *decreased* by 0,9 per cent on a month-to-month basis in December 2014. Seven of the ten component time series that were available for December 2014 decreased, while three increased. The largest negative contribution to the movement in the composite leading indicator in December resulted from a decrease in the number of residential building plans passed, followed by a deceleration in the six-month smoothed growth rate in the real M1 money supply. The largest positive contributions in December came from an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold, as well as an acceleration in the twelve-month percentage change in job advertisement space.
- The composite **coincident** business cycle indicator *increased* by 0,2 per cent on a month-to-month basis in November 2014.
- The composite **lagging** business cycle indicator *increased* by 1,2 per cent on a month-to-month basis in November 2014.

The next release is scheduled for 24 March 2015, 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 | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------|
| | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Leading indicator <i>12-month percentage change</i> | 100,0 -1,5 | 99,8 -0,7 | 99,6 -0,7 | 100,1 -1,0 | 100,4 -0,6 | 99,9 -1,2 | 100,8 -0,1 | 99,9 -1,0 |
| Coincident indicator <i>12-month percentage change</i> | 116,4 1,5 | 117,3 2,5 | 116,4 1,4 | 116,6 1,8 | 117,3 2,4 | 118,0 1,3 | 118,3 0,6 | - - |
| Lagging indicator <i>12-month percentage change</i> | 104,8 -2,9 | 104,6 -3,9 | 105,7 -3,3 | 105,1 -4,3 | 104,8 -4,4 | 105,4 -3,1 | 106,7 -1,8 | - - |

* 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 December 2014 data point:

| Positive contributors (ranked from largest to smallest) |
|---|
| Number of new passenger vehicles sold (percentage change over 12 months) |
| Job advertisements: The Sunday Times (percentage change over 12 months) |
| 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) |
| Number of building plans approved: Flats, townhouses & houses larger than 80m ² |
| Real M1 (six-month smoothed growth rate) |
| Index of prices of all classes of shares traded on the JSE |
| Interest rate spread: 10-year government bonds minus 91-day Treasury bills |
| BER*: Average hours worked per factory worker in manufacturing (half weight) |
| Commodity price index for South Africa's main export commodities (US dollar based) |
| BER*: Volume of orders in manufacturing (half weight) |
| Unavailable component series |
| BER*: Business Confidence Index |
| Gross operating surplus as a percentage of gross domestic product |

* Bureau for Economic Research, Stellenbosch University