



South African Reserve Bank

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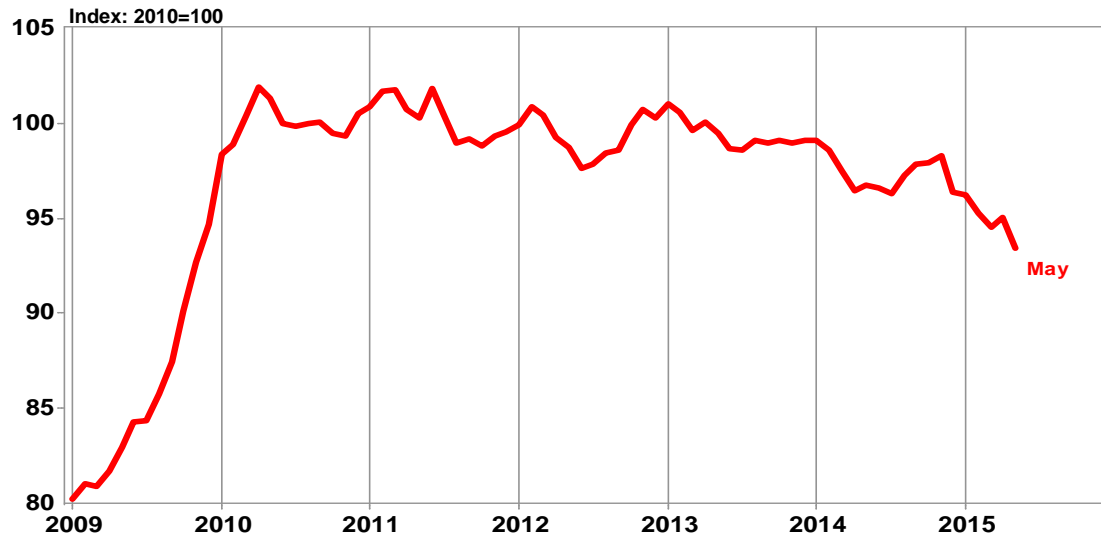
FOR RELEASE: 09:00 A.M., Tuesday, 21 July 2015

Composite business cycle indicators for South Africa

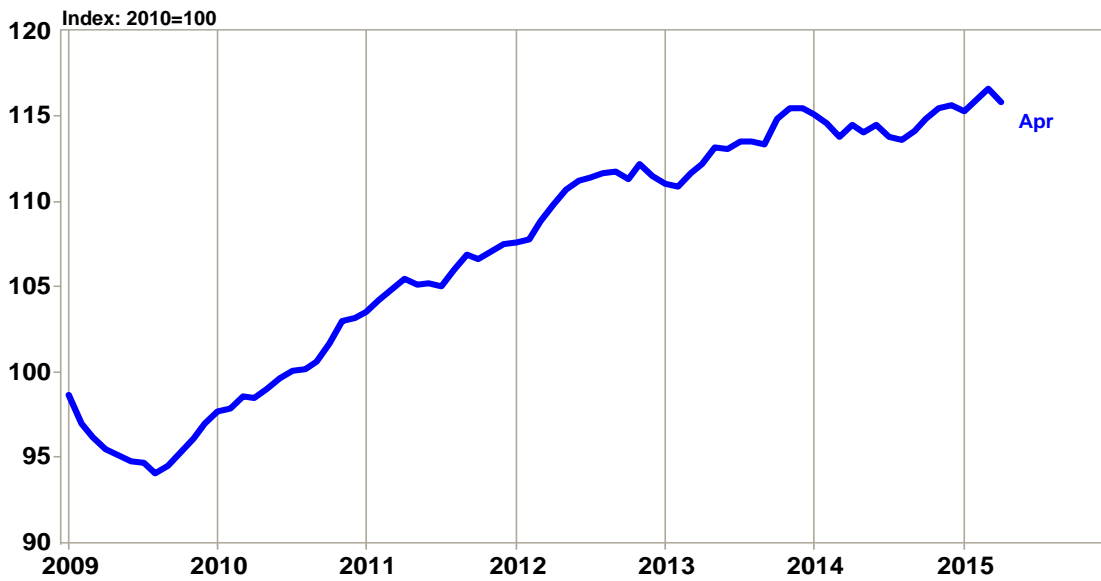
- The composite **leading** business cycle indicator *decreased* by 1,7 per cent on a month-to-month basis in May 2015. Seven of the ten component time series that were available for May 2015 decreased, while three increased. The largest negative contributions to the movement in the composite leading indicator in May came from a decrease in the number of residential building plans passed, as well as a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions in May resulted from an increase in the US dollar based export commodity price index, followed by a widening in the interest rate spread.
- The composite **coincident** business cycle indicator *decreased* by 0,7 per cent on a month-to-month basis in April 2015.
- The composite **lagging** business cycle indicator *decreased* by 0,3 per cent on a month-to-month basis in April 2015.

The next release is scheduled for 25 August 2015, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

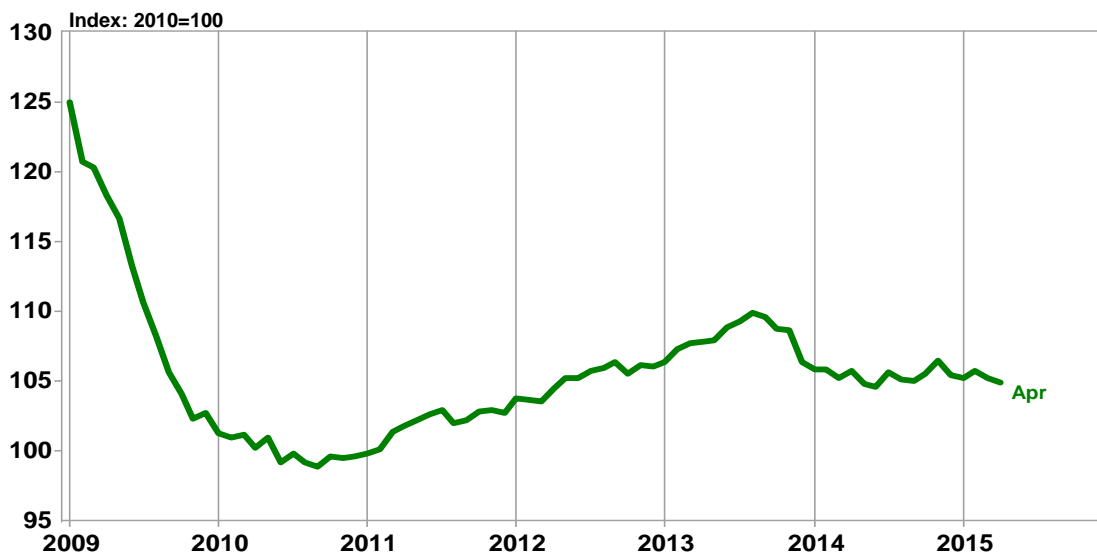


Table 1 Summary of the composite business cycle indicators*

| Indices: 2010 = 100 | 2014 | | | 2015 | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
| Leading indicator | 97,9 | 98,3 | 96,4 | 96,2 | 95,3 | 94,5 | 95,0 | 93,4 |
| <i>12-month percentage change</i> | <i>-1,2</i> | <i>-0,7</i> | <i>-2,7</i> | <i>-2,9</i> | <i>-3,4</i> | <i>-3,1</i> | <i>-1,5</i> | <i>-3,4</i> |
| Coincident indicator | 114,9 | 115,5 | 115,7 | 115,3 | 115,9 | 116,6 | 115,8 | - |
| <i>12-month percentage change</i> | <i>0,0</i> | <i>0,0</i> | <i>0,2</i> | <i>0,2</i> | <i>1,1</i> | <i>2,4</i> | <i>1,1</i> | - |
| Lagging indicator | 105,5 | 106,4 | 105,4 | 105,2 | 105,8 | 105,2 | 104,9 | - |
| <i>12-month percentage change</i> | <i>-3,0</i> | <i>-2,1</i> | <i>-0,9</i> | <i>-0,6</i> | <i>-0,1</i> | <i>0,0</i> | <i>-0,8</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 2015 data point:

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

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