



South African Reserve Bank

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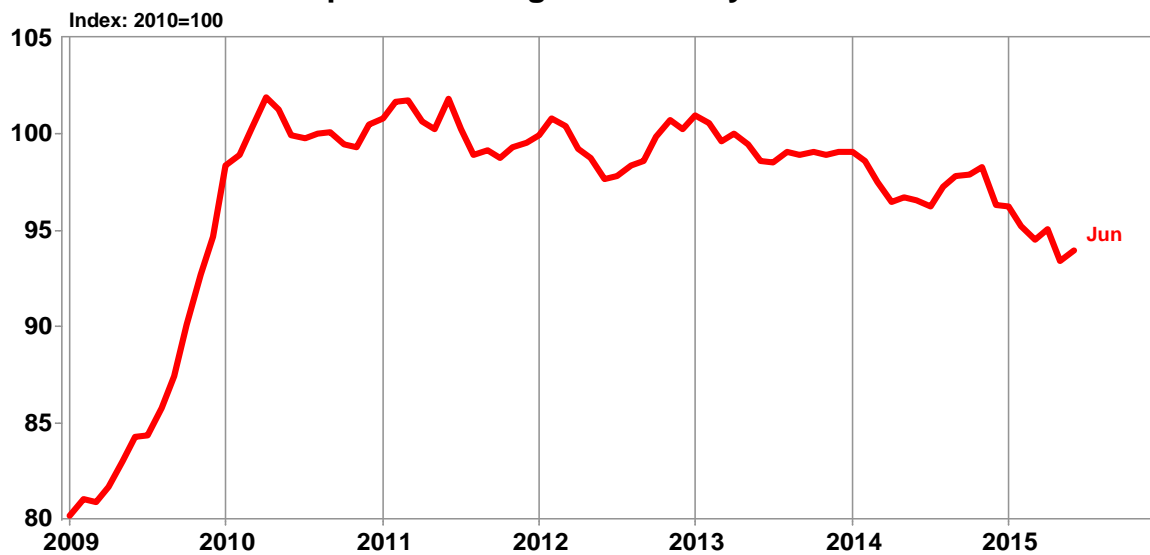
FOR RELEASE: 09:00 A.M., Tuesday, 25 August 2015

Composite business cycle indicators for South Africa

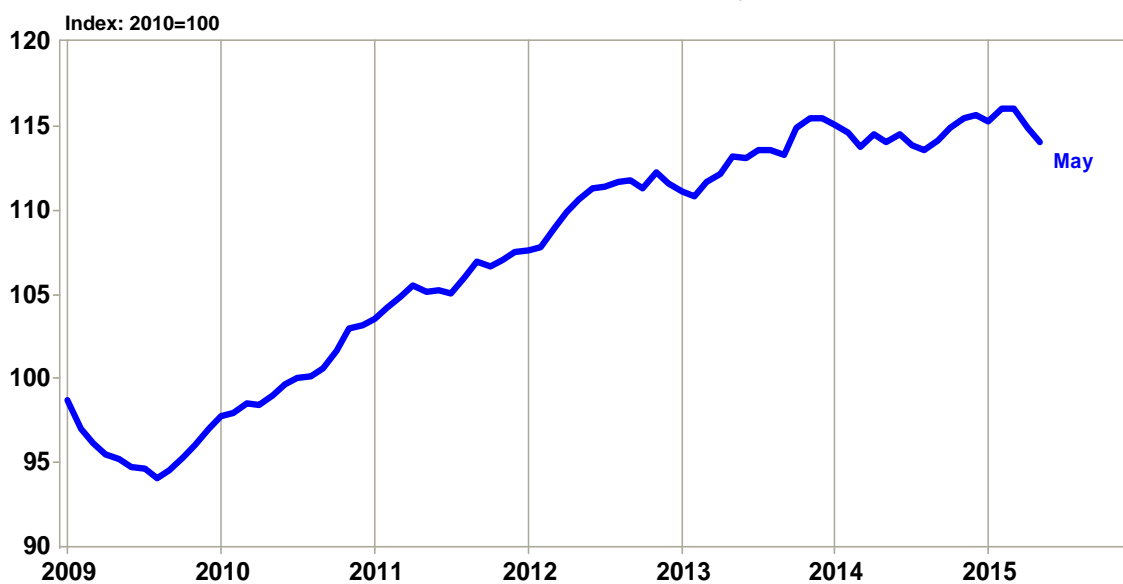
- The composite **leading** business cycle indicator *increased* by 0,6 per cent on a month-to-month basis in June 2015. Four of the nine component time series that were available for June 2015 increased, while five decreased. The largest positive contributions in June resulted from an increase in the number of residential building plans passed, followed by a further widening in the interest rate spread. The largest negative contributions to the movement in the composite leading indicator in June came from a deceleration in the twelve-month percentage change in the composite leading business cycle indicator for South Africa's major trading-partner countries, followed by a decrease in the US dollar based export commodity price index.
- The composite **coincident** business cycle indicator *decreased* by 0,7 per cent on a month-to-month basis in May 2015.
- The composite **lagging** business cycle indicator *decreased* by 1,1 per cent on a month-to-month basis in May 2015.

The next release is scheduled for 22 September 2015, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

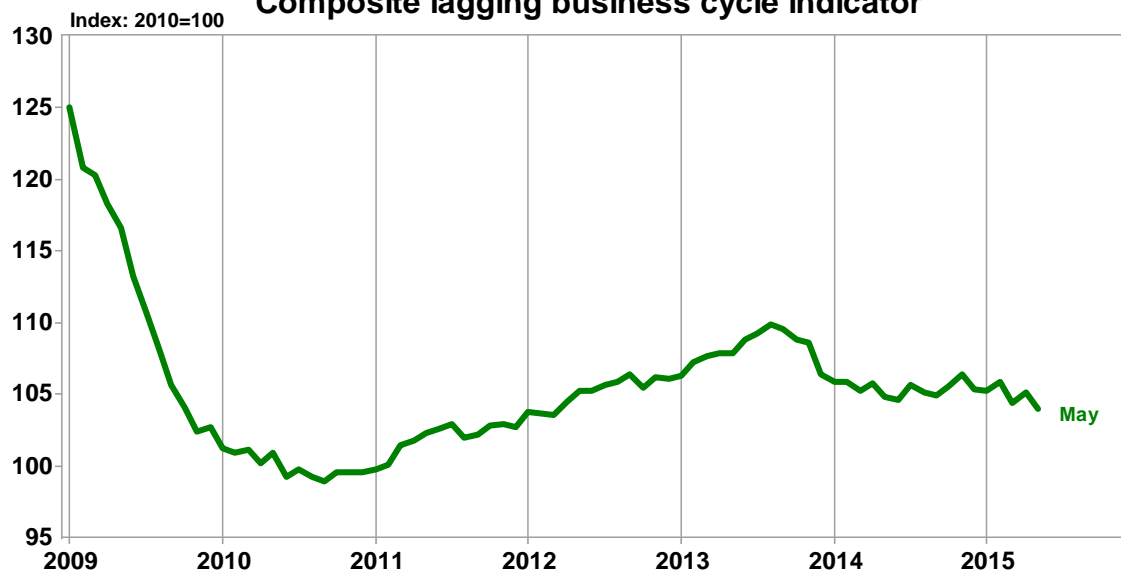


Table 1 Summary of the composite business cycle indicators*

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

* 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 June 2015 data point:

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

* Bureau for Economic Research, Stellenbosch University