



South African Reserve Bank

For further information regarding this release, please contact:

Adél Bosch: +27 (12) 313 4242 Adel.Bosch@resbank.co.za

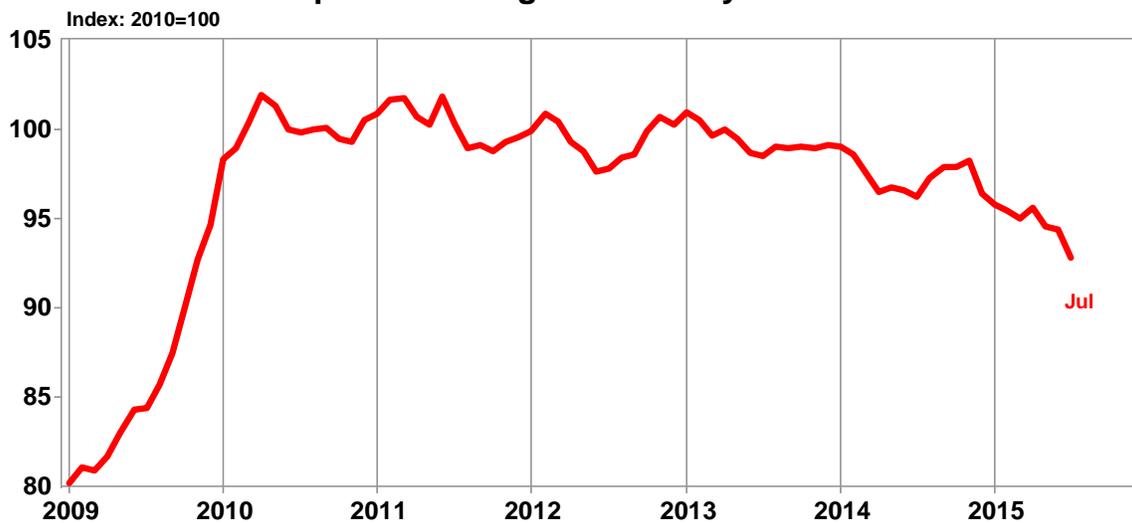
FOR RELEASE: 09:00 A.M., Tuesday, 22 September 2015

Composite business cycle indicators for South Africa

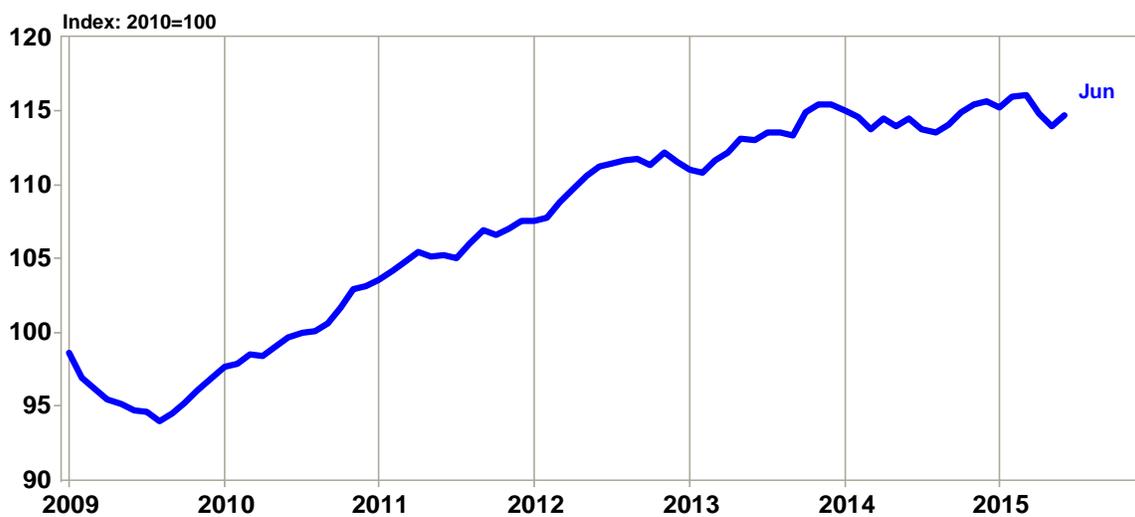
- The composite **leading** business cycle indicator *decreased* by 1,6 per cent on a month-to-month basis in July 2015. Only two of the ten component time series that were available for July 2015 increased, while eight decreased. The largest negative contribution to the movement in the composite leading indicator in July came from a decrease in the US dollar based export commodity price index, followed by a decrease in the number of residential building plans passed. The two positive contributions in July resulted from an acceleration in the twelve-month percentage change in job advertisement space, as well as an increase in the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *increased* by 0,6 per cent on a month-to-month basis in June 2015.
- The composite **lagging** business cycle indicator *decreased* by 0,8 per cent on a month-to-month basis in June 2015.

The next release is scheduled for 20 October 2015, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

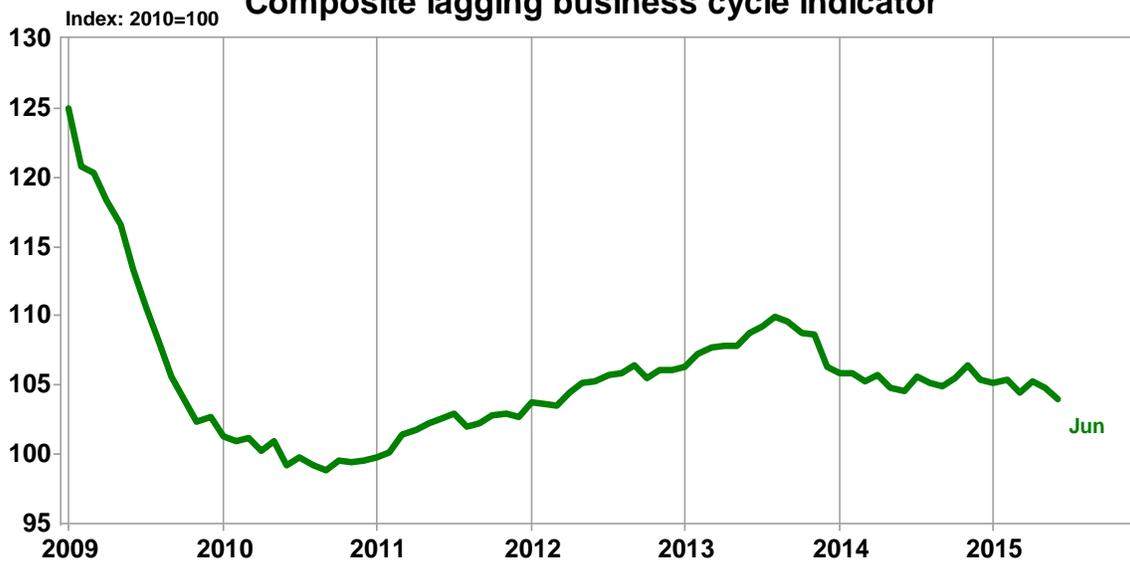


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2014	2015						
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	96,4	95,8	95,4	95,0	95,6	94,6	94,4	92,8
12-month percentage change	-2,7	-3,3	-3,2	-2,5	-0,9	-2,2	-2,3	-3,6
Coincident indicator	115,7	115,3	116,0	116,1	114,9	114,0	114,7	-
12-month percentage change	0,2	0,2	1,2	2,0	0,3	0,0	0,1	-
Lagging indicator	105,4	105,2	105,4	104,5	105,2	104,8	104,0	-
12-month percentage change	-0,9	-0,6	-0,4	-0,7	-0,5	0,0	-0,5	-

* 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 July 2015 data point:

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

* Bureau for Economic Research, Stellenbosch University