



## South African Reserve Bank

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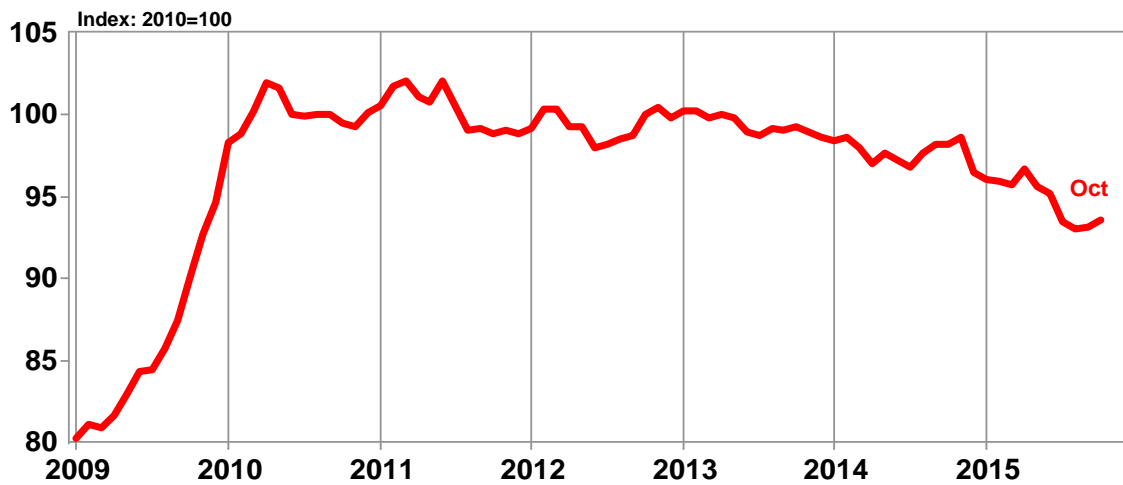
***FOR RELEASE: 09:00 A.M., Tuesday, 15 December 2015***

### **Composite business cycle indicators for South Africa**

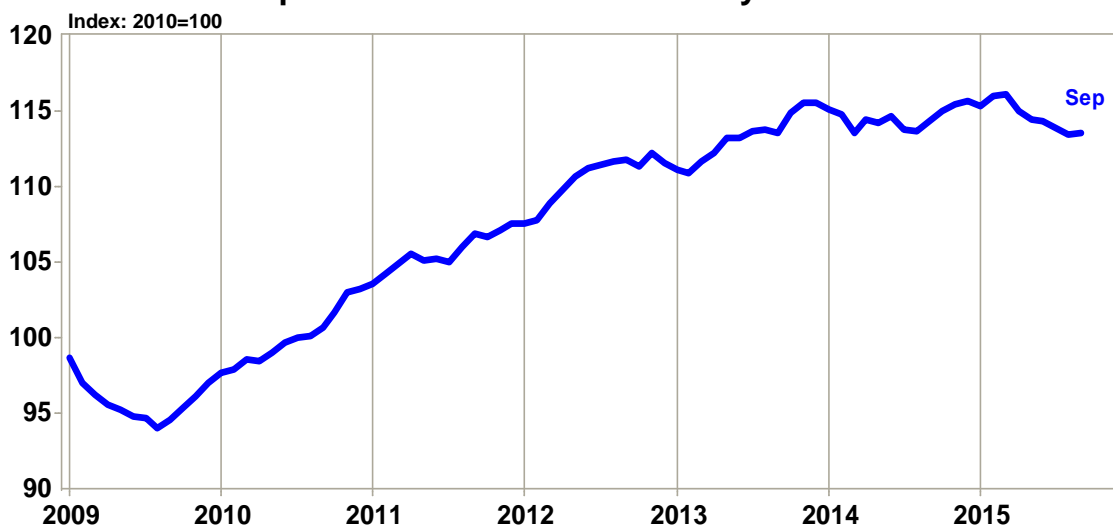
- The composite **leading** business cycle indicator *increased* by 0,4 per cent on a month-to-month basis in October 2015. Five of the ten component time series that were available for October 2015 increased, while the remainder decreased. The largest positive contribution to the movement in the composite leading indicator in October came from an increase in the opinion survey measuring the average number of hours worked in the manufacturing sector, followed by an acceleration in the six-month smoothed growth rate in the real M1 money supply. The largest negative contributions in October came from a decrease in the number of residential building plans passed, as well as a deterioration in the BER's Business Confidence Index.
- The composite **coincident** business cycle indicator *increased* by 0,1 per cent on a month-to-month basis in September 2015.
- The composite **lagging** business cycle indicator *decreased* by 0,1 per cent on a month-to-month basis in September 2015.

**The next release is scheduled for 26 January 2016, at 09:00 A.M.**

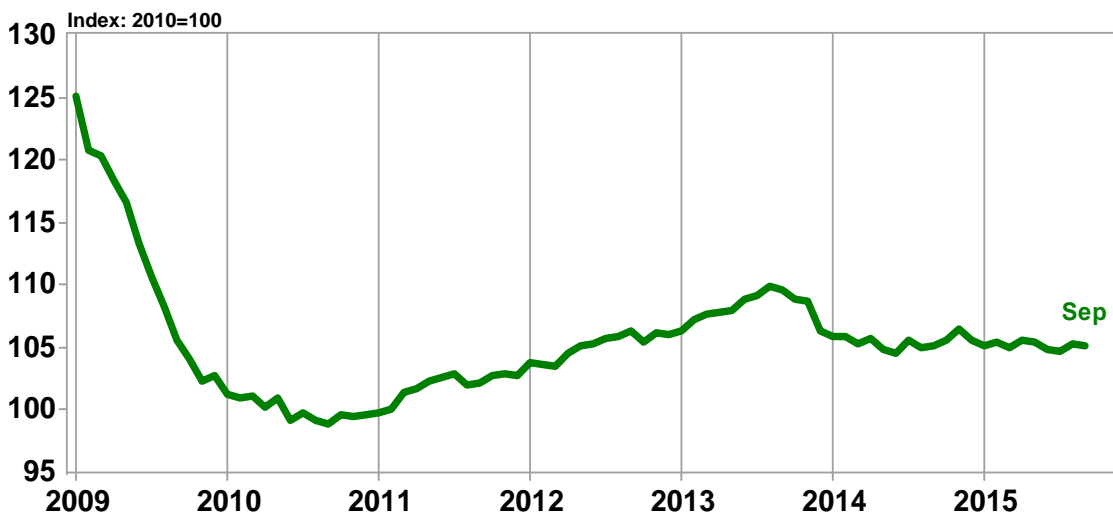
### Composite leading business cycle indicator



### Composite coincident business cycle indicator



### Composite lagging business cycle indicator



**Table 1 Summary of the composite business cycle indicators\***

Indices: 2010 = 100	2015							
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading indicator 12-month percentage change	95,7 -2,3	96,7 -0,3	95,6 -2,1	95,2 -2,2	93,5 -3,5	93,1 -4,7	93,2 -5,1	93,6 -4,7
Coincident indicator 12-month percentage change	116,1 2,2	115,0 0,5	114,4 0,2	114,3 -0,3	113,9 0,1	113,5 -0,2	113,6 -0,6	- -
Lagging indicator 12-month percentage change	104,9 -0,3	105,5 -0,2	105,5 0,7	104,9 0,3	104,7 -0,8	105,3 0,3	105,2 0,0	- -

\* 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 October 2015 data point:**

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

\* Bureau for Economic Research, Stellenbosch University