



## South African Reserve Bank

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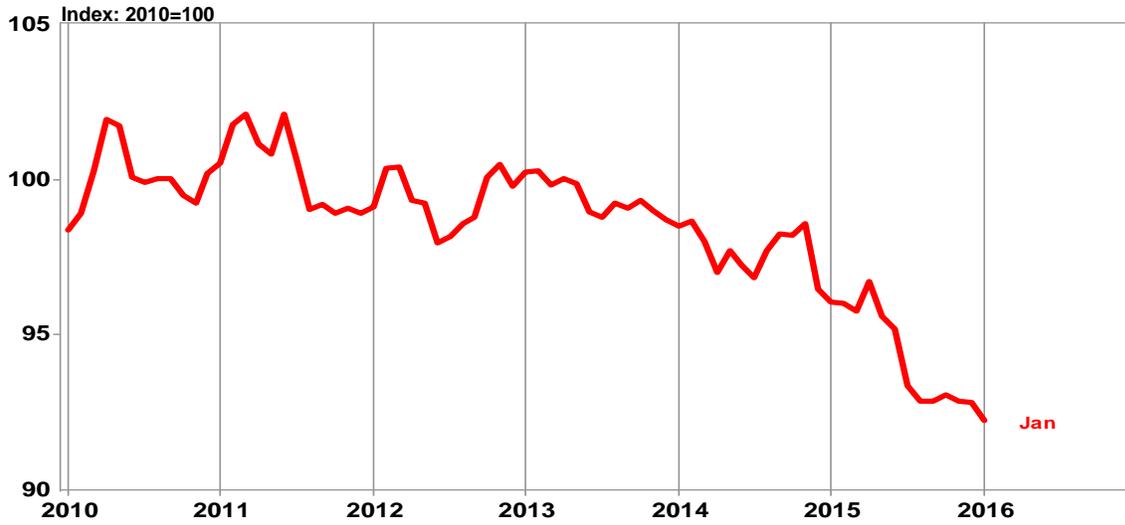
**FOR RELEASE: 09:00 A.M., Tuesday, 22 March 2016**

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

- The composite **leading** business cycle indicator *decreased* by 0,6 per cent on a month-to-month basis in January 2016. Six of the ten component time series that were available for January 2016 decreased, while one remained unchanged and three increased. The largest negative contributions in January came from a decrease in the number of residential building plans passed, as well as a decrease in the US dollar based export commodity price index. The largest positive contribution to the movement in the composite leading indicator in January resulted from an acceleration in the six-month smoothed growth rate in the real M1 money supply, followed by an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator remained *unchanged* on a month-to-month basis in December 2015.
- The composite **lagging** business cycle indicator *decreased* by 1,4 per cent on a month-to-month basis in December 2015.

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

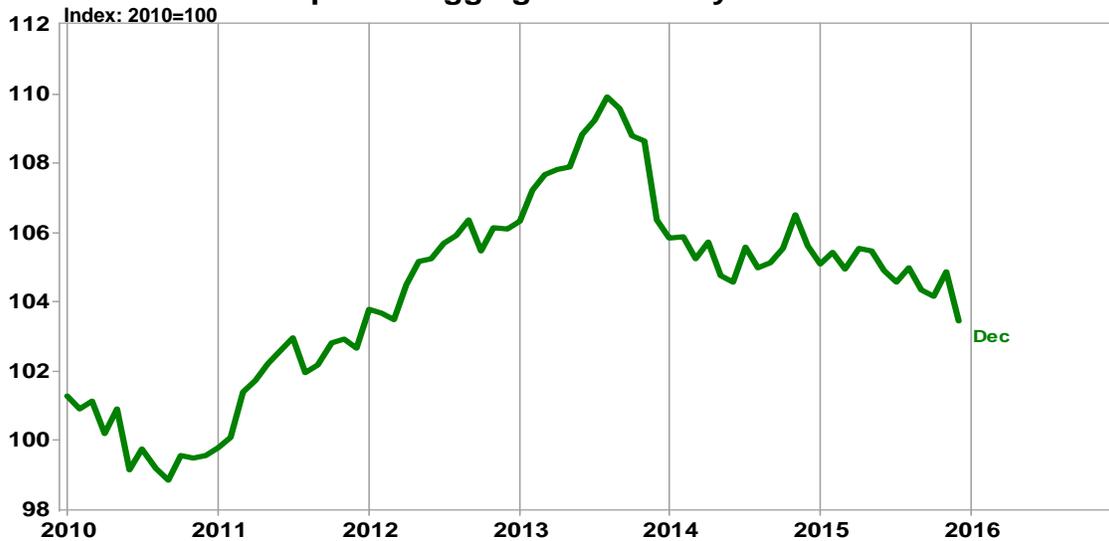
### Composite leading business cycle indicator



### Composite coincident business cycle indicator



### Composite lagging business cycle indicator



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

Indices: 2010 = 100	2015							2016 Jan
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Leading indicator	95,2	93,3	92,8	92,9	93,1	92,8	92,8	92,2
12-month percentage change	-2,2	-3,6	-5,0	-5,5	-5,2	-5,8	-3,8	-4,0
Coincident indicator	114,5	114,3	114,1	114,4	114,6	115,2	115,2	-
12-month percentage change	-0,1	0,4	0,4	0,0	-0,4	-0,2	-0,4	-
Lagging indicator	104,9	104,6	105,0	104,4	104,2	104,9	103,4	-
12-month percentage change	0,3	-0,9	0,0	-0,8	-1,3	-1,5	-2,1	-

\* 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 January 2016 data point:**

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

\* Bureau for Economic Research, Stellenbosch University