



South African Reserve Bank

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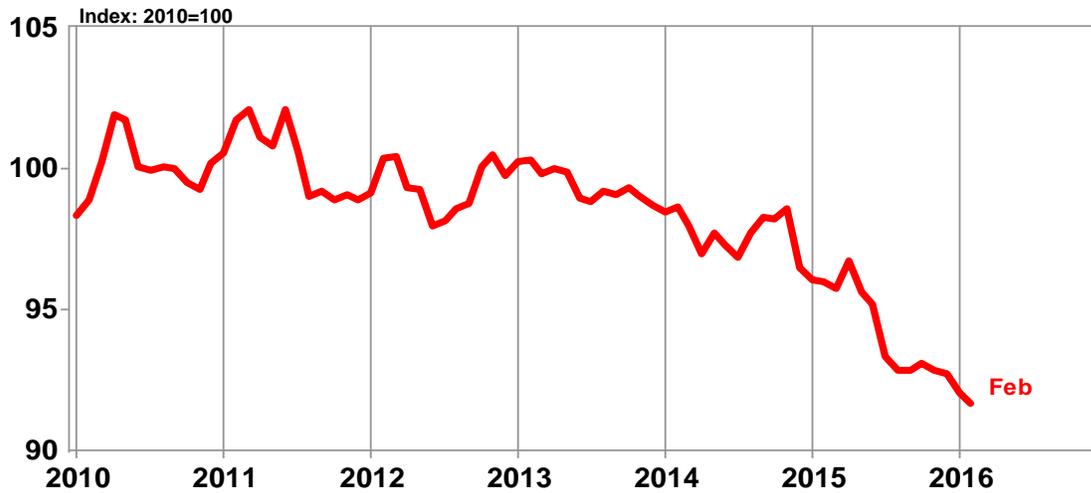
FOR RELEASE: 09:00 A.M., Tuesday, 26 April 2016

Composite business cycle indicators for South Africa

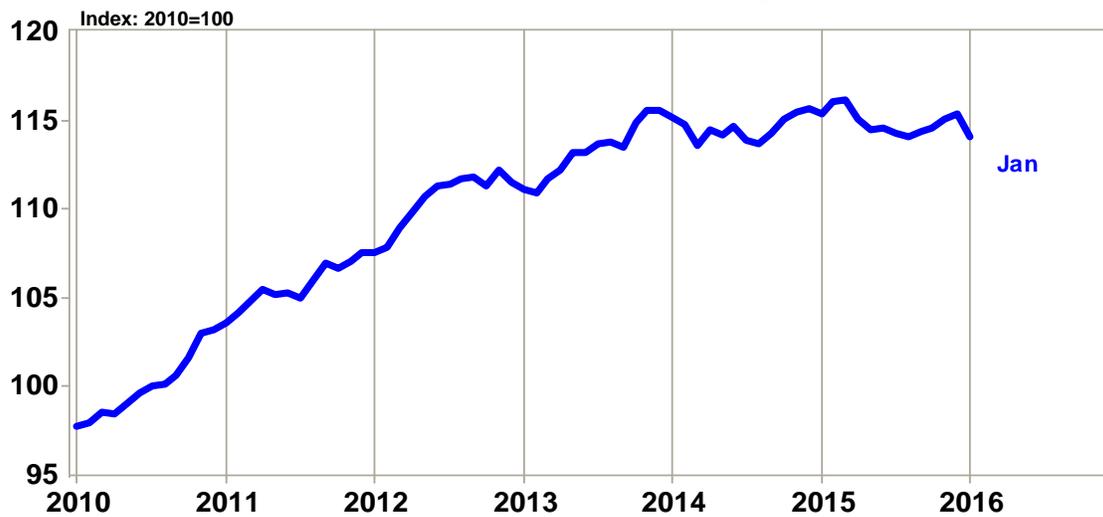
- The composite **leading** business cycle indicator *decreased* further by 0,4 per cent on a month-to-month basis in February 2016. Only two of the ten component time series that were available for February 2016 increased, while seven decreased and one remained unchanged. The largest negative contributions in February came from a deceleration in the six-month smoothed growth rate in the real M1 money supply, followed by a narrowing in the interest rate spread. The two positive contribution to the movement in the composite leading indicator in February resulted from an increase in the number of residential building plans passed, as well as an increase in the US dollar based export commodity price index.
- The composite **coincident** business cycle indicator *decreased* by 1,1 per cent on a month-to-month basis in January 2016.
- The composite **lagging** business cycle indicator remained *unchanged* on a month-to-month basis in January 2016.

The next release is scheduled for 24 May 2016, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

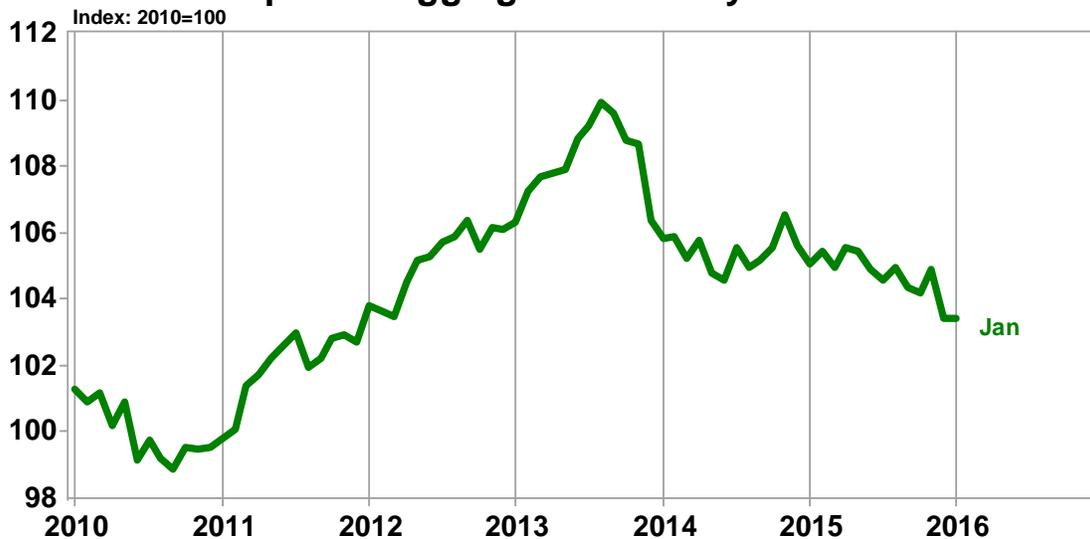


Table 1 Summary of the composite business cycle indicators*

| Indices: 2010 = 100 | 2015 | | | | | | 2016 | |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|------|
| | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
| Leading indicator | 93,3 | 92,8 | 92,9 | 93,1 | 92,8 | 92,7 | 92,0 | 91,6 |
| <i>12-month percentage change</i> | -3,6 | -5,0 | -5,5 | -5,3 | -5,8 | -3,9 | -4,2 | -4,5 |
| Coincident indicator | 114,3 | 114,1 | 114,4 | 114,6 | 115,1 | 115,3 | 114,1 | - |
| <i>12-month percentage change</i> | 0,4 | 0,4 | 0,0 | -0,4 | -0,3 | -0,3 | -1,1 | - |
| Lagging indicator | 104,6 | 105,0 | 104,4 | 104,2 | 104,9 | 103,4 | 103,4 | - |
| <i>12-month percentage change</i> | -0,9 | 0,0 | -0,8 | -1,3 | -1,5 | -2,1 | -1,6 | - |

* 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 February 2016 data point:

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

* Bureau for Economic Research, Stellenbosch University