



## South African Reserve Bank

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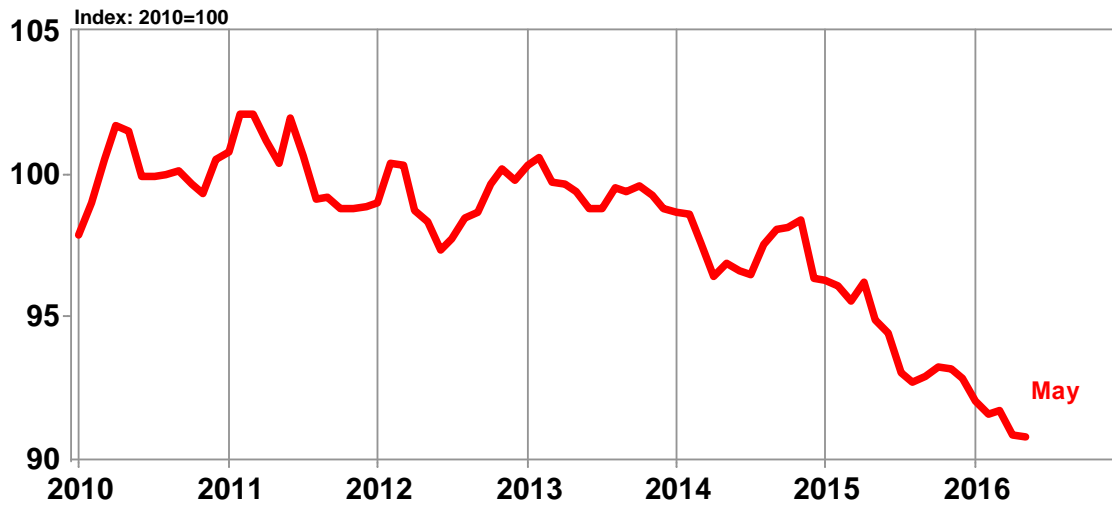
***FOR RELEASE: 09:00 A.M., Tuesday, 26 July 2016***

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

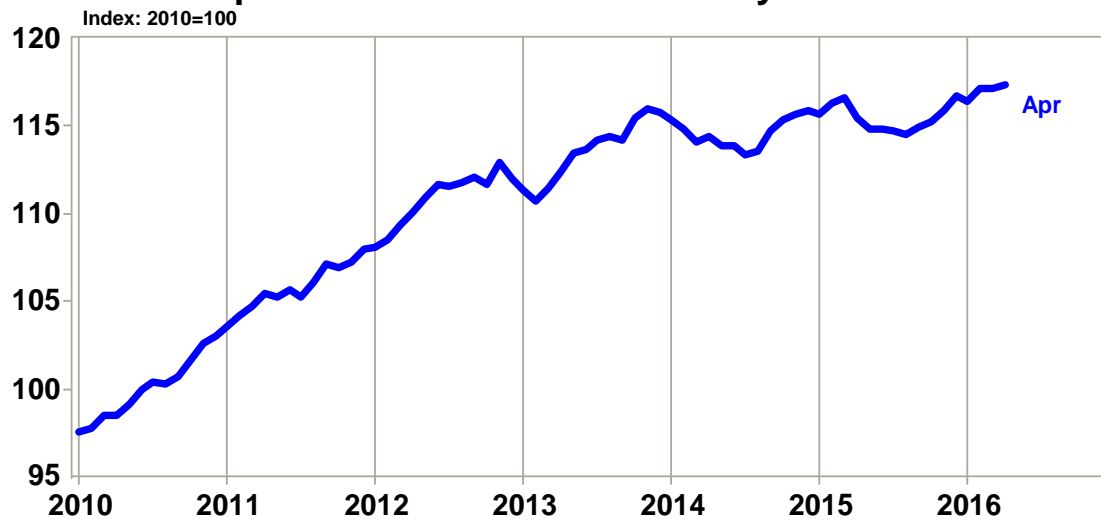
- The composite **leading** business cycle indicator *decreased* by 0,1 per cent on a month-to-month basis in May 2016. Six of the ten component time series that were available for May 2016 decreased, while four increased. The largest negative contributions to the movement in the composite leading indicator in May came from a decrease in the BER's average number of hours worked in the manufacturing sector as well as a deterioration in the BER's Business Confidence Index. The largest positive contributions in May resulted from an acceleration in the twelve-month percentage change in job advertisement space, followed by a widening in the interest rate spread.
- The composite **coincident** business cycle indicator *increased* by 0,1 per cent on a month-to-month basis in April 2016.
- The composite **lagging** business cycle indicator *increased* by 0,5 per cent on a month-to-month basis in April 2016.

**The next release is scheduled for 23 August 2016, at 09:00 A.M.**

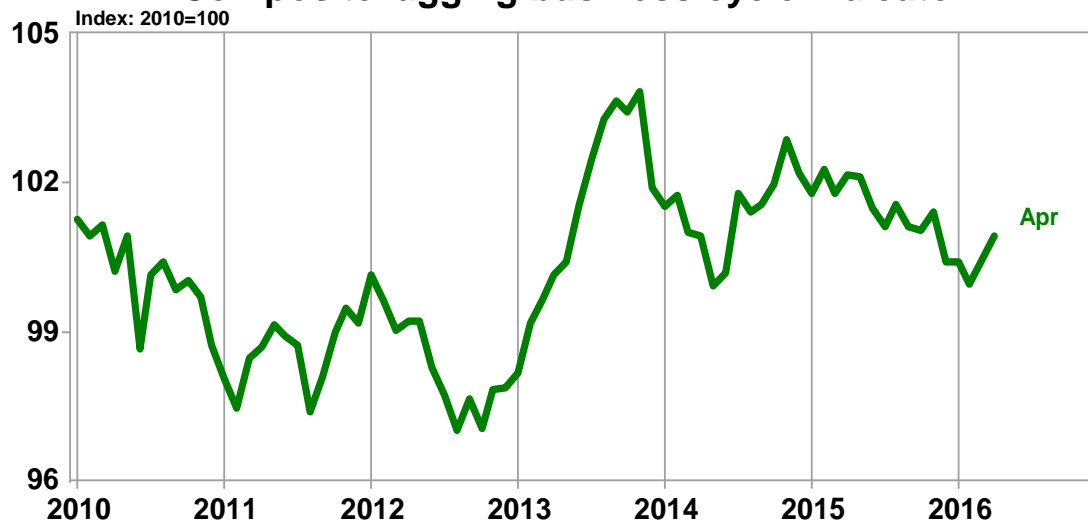
## Composite leading business cycle indicator



## Composite coincident business cycle indicator



## Composite lagging business cycle indicator



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

Indices: 2010 = 100	2015			2016				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	93,2	93,2	92,9	92,0	91,6	91,7	90,9	90,8
12-month percentage change	-5,0	-5,3	-3,6	-4,4	-4,7	-4,0	-5,5	-4,4
Coincident indicator	115,3	115,9	116,7	116,5	117,2	117,2	117,3	-
12-month percentage change	-0,1	0,2	0,7	0,6	0,7	0,5	1,6	-
Lagging indicator	101,0	101,4	100,4	100,4	100,0	100,4	100,9	-
12-month percentage change	-0,9	-1,4	-1,8	-1,4	-2,3	-1,3	-1,2	-

\* 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 May 2016 data point:**

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

\* Bureau for Economic Research, Stellenbosch University