



South African Reserve Bank

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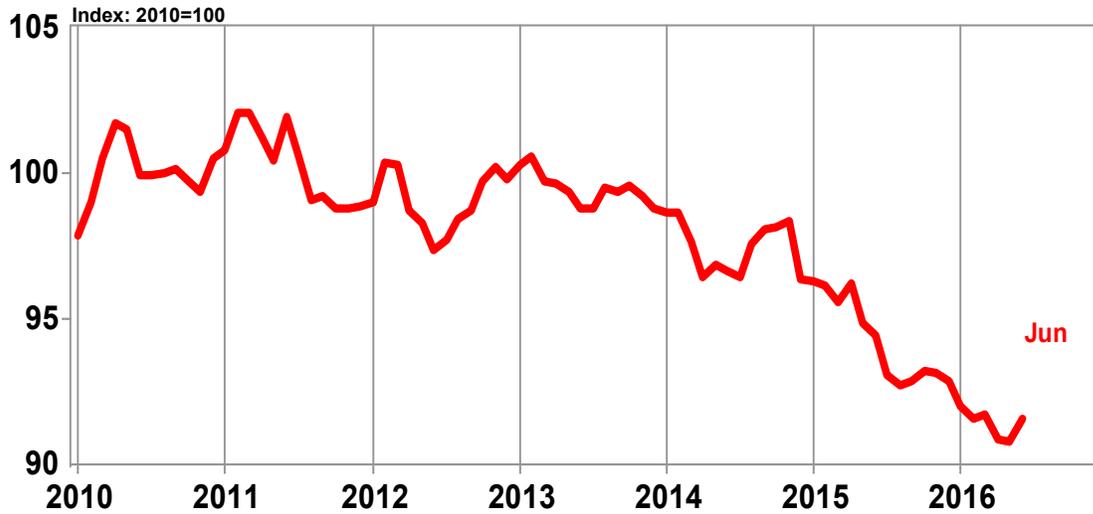
FOR RELEASE: 09:00 A.M., Tuesday, 23 August 2016

Composite business cycle indicators for South Africa

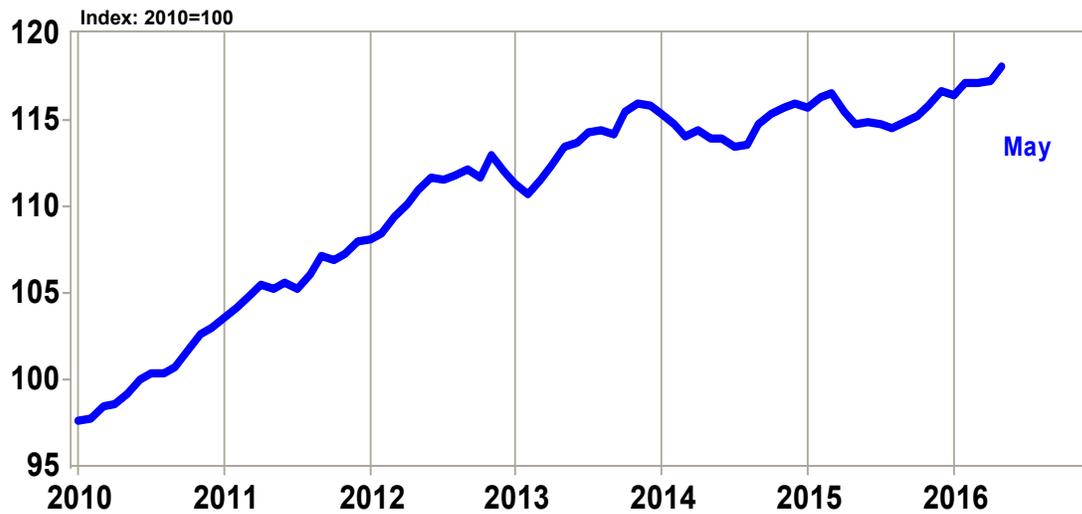
- The composite **leading** business cycle indicator *increased* by 0,9 per cent on a month-to-month basis in June 2016. Four of the nine component time series that were available for June 2016 increased, while five decreased. The largest positive contributions in June resulted from an increase in the number of residential building plans passed, followed by an acceleration in the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries. The largest negative contributions to the movement in the composite leading indicator in June came from a narrowing in the interest rate spread, as well as a decrease in the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *increased* by 0,7 per cent on a month-to-month basis in May 2016.
- The composite **lagging** business cycle indicator *decreased* by 1,1 per cent on a month-to-month basis in May 2016.

The next release is scheduled for 20 September 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					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	93,2	92,9	92,0	91,6	91,7	90,9	90,8	91,6
12-month percentage change	-5,3	-3,6	-4,4	-4,7	-4,0	-5,5	-4,4	-3,0
Coincident indicator	115,9	116,7	116,5	117,2	117,2	117,3	118,1	-
12-month percentage change	0,2	0,7	0,6	0,7	0,5	1,6	2,9	-
Lagging indicator	101,4	100,2	100,2	99,6	99,8	100,7	99,7	-
12-month percentage change	-1,4	-1,9	-1,6	-2,6	-2,0	-1,4	-2,4	-

* 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 June 2016 data point:

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

* Bureau for Economic Research, Stellenbosch University