



## South African Reserve Bank

**For further information regarding this release, please contact:**

Adél Bosch: +27 (12) 313 4242 [Adel.Bosch@resbank.co.za](mailto:Adel.Bosch@resbank.co.za)

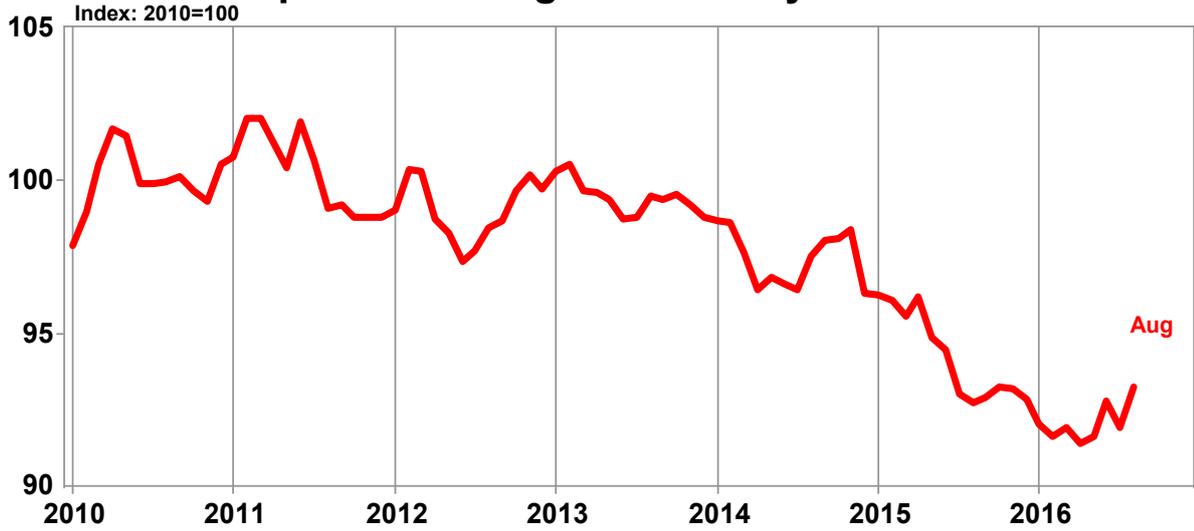
***FOR RELEASE: 09:00 A.M., Tuesday, 25 October 2016***

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

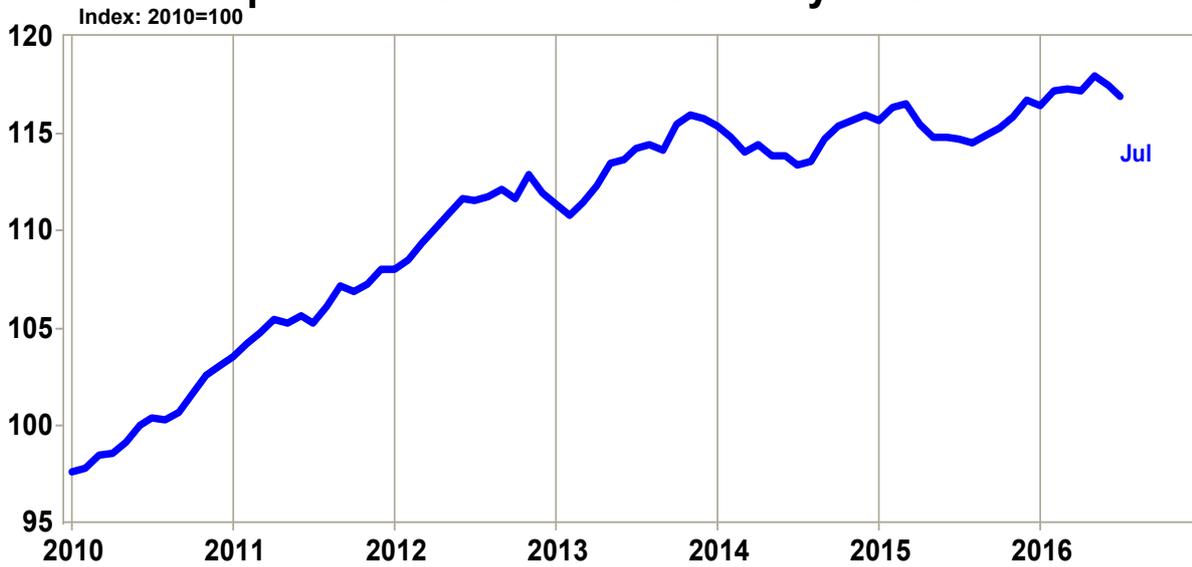
- The composite **leading** business cycle indicator *increased* by 1,4 per cent on a month-to-month basis in August 2016. Eight of the ten component time series that were available for August 2016 increased, while two decreased. The largest positive contributions to the movement in the composite leading indicator in August resulted from an increase in the number of residential building plans passed followed by an improvement in the BER's Business Confidence Index. The two negative contributions in August came from a deceleration in the twelve-month percentage change in job advertisement space, as well as a decrease in the volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *decreased* by 0,5 per cent on a month-to-month basis in July 2016.
- The composite **lagging** business cycle indicator *decreased* by 0,6 per cent on a month-to-month basis in July 2016.

**The next release is scheduled for 22 November 2016, at 09:00 A.M.**

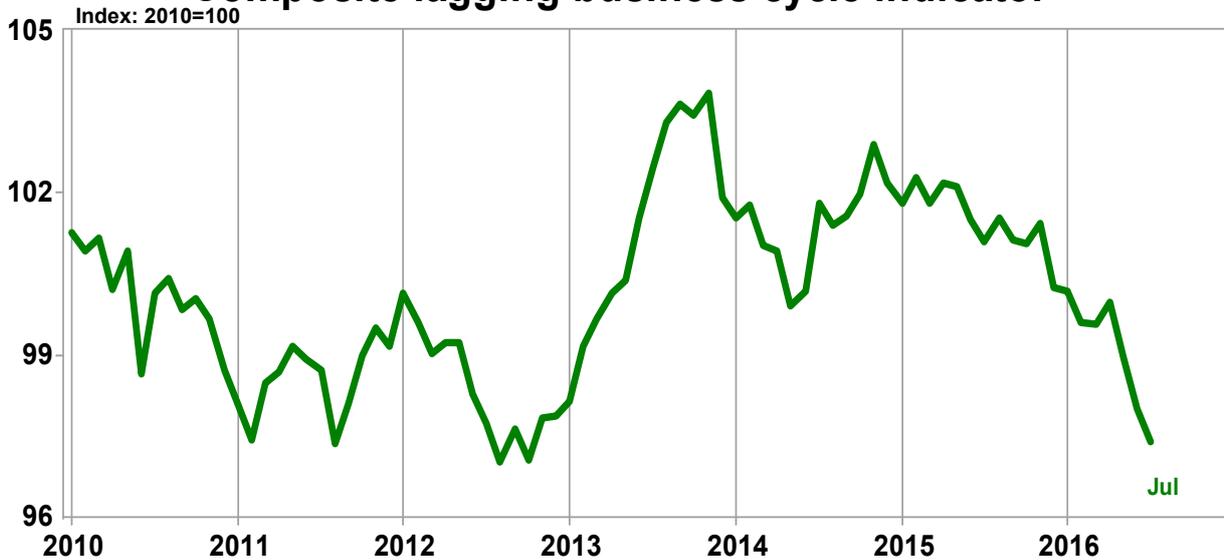
## Composite leading business cycle indicator



## Composite coincident business cycle indicator



## Composite lagging business cycle indicator



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

Indices: 2010 = 100	2016							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	92,0	91,6	91,9	91,4	91,6	92,8	91,9	93,3
12-month percentage change	-4,4	-4,7	-3,8	-5,0	-3,5	-1,7	-1,2	0,6
Coincident indicator	116,5	117,2	117,3	117,3	118,0	117,5	117,0	-
12-month percentage change	0,6	0,7	0,6	1,5	2,8	2,3	1,9	-
Lagging indicator	100,2	99,6	99,6	100,0	99,0	98,0	97,4	-
12-month percentage change	-1,6	-2,6	-2,2	-2,1	-3,1	-3,4	-3,7	-

\* 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 August 2016 data point:**

<b>Positive 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
Commodity price index for South African produced export commodities (US dollar based)
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*: Average hours worked per factory worker in manufacturing (half weight)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Number of new passenger vehicles sold (percentage change over 12 months)
<b>Negative contributors (ranked from largest to smallest)</b>
Job advertisements: The Sunday Times (percentage change over 12 months)
BER*: Volume of orders in manufacturing (half weight)
<b>Unavailable component series</b>
Gross operating surplus as a percentage of gross domestic product

\* Bureau for Economic Research, Stellenbosch University