



South African Reserve Bank

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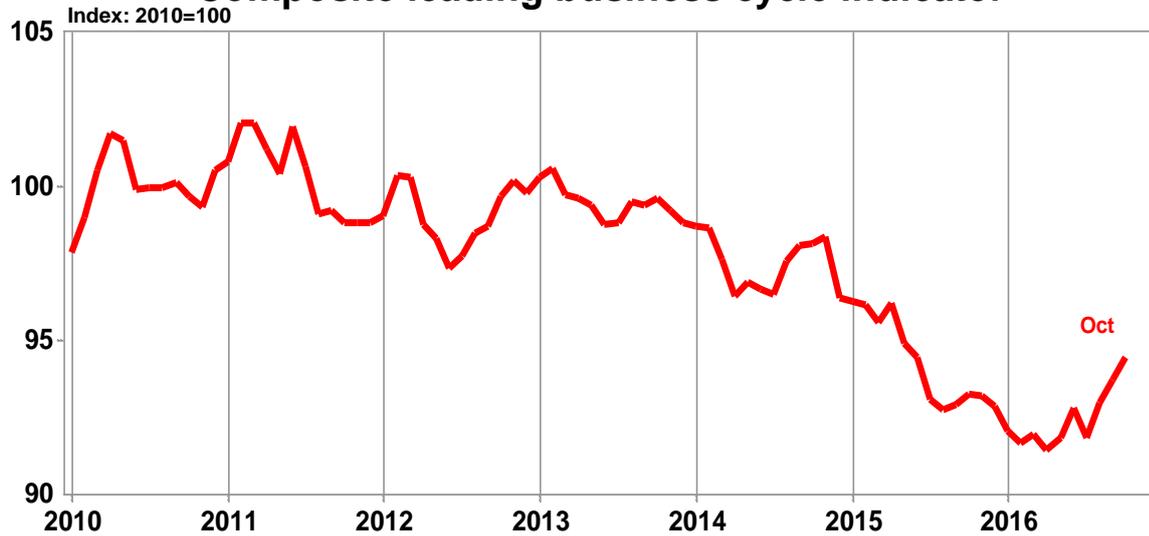
FOR RELEASE: 09:00 A.M., Tuesday, 20 December 2016

Composite business cycle indicators for South Africa

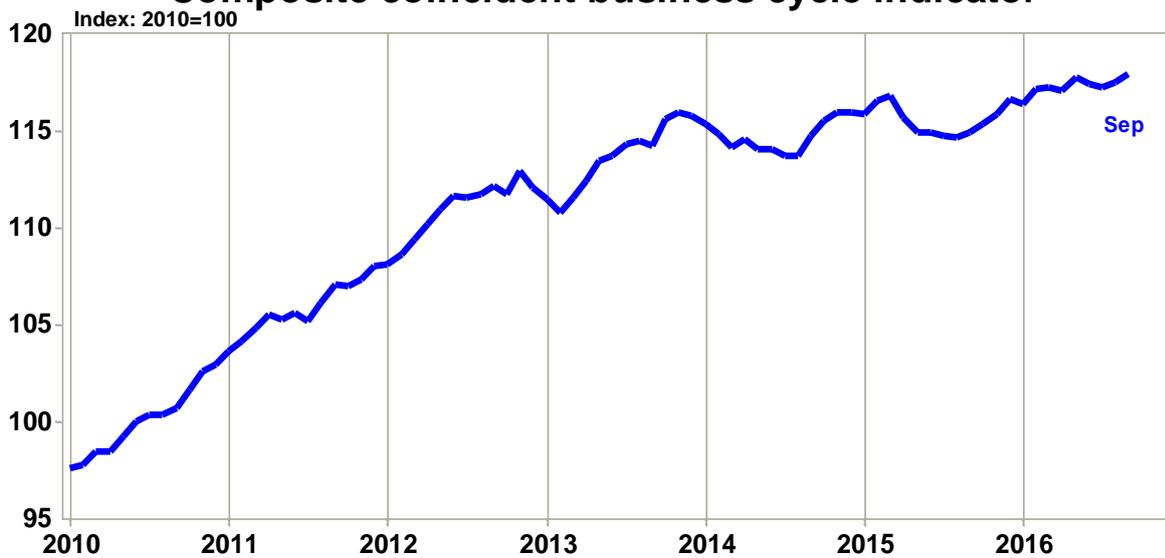
- The composite **leading** business cycle indicator *increased* by 0,8 per cent on a month-to-month basis in October 2016. Six of the ten component time series that were available for October 2016 increased, while four decreased. The largest positive contributions to the movement in the composite leading indicator in October came 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 largest negative contributions in October came from a deterioration in the BER's Business Confidence Index, as well as a deceleration in the twelve-month percentage change in job advertisement space.
- The composite **coincident** business cycle indicator *increased* by 0,4 per cent on a month-to-month basis in September 2016.
- The composite **lagging** business cycle indicator *increased* by 1,3 per cent on a month-to-month basis in September 2016.

The next release is scheduled for 20 January 2017, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

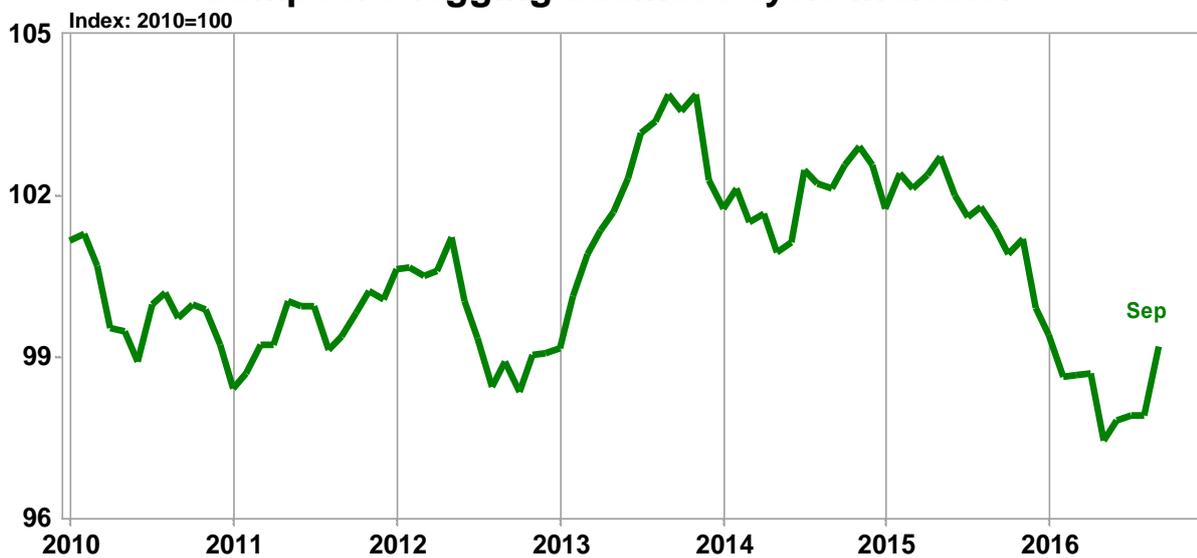


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016							
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading indicator <i>12-month percentage change</i>	91,9 -3,8	91,4 -4,9	91,8 -3,3	92,8 -1,8	91,8 -1,3	92,9 0,2	93,7 0,9	94,4 1,3
Coincident indicator <i>12-month percentage change</i>	117,2 0,3	117,1 1,2	117,8 2,5	117,4 2,2	117,3 2,2	117,5 2,5	118,0 2,7	- -
Lagging indicator <i>12-month percentage change</i>	98,7 -3,4	98,7 -3,6	97,4 -5,2	97,8 -4,1	97,9 -3,6	97,9 -3,8	99,2 -2,2	- -

* 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 October 2016 data point:

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

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