



## 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, 24 January 2017**

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

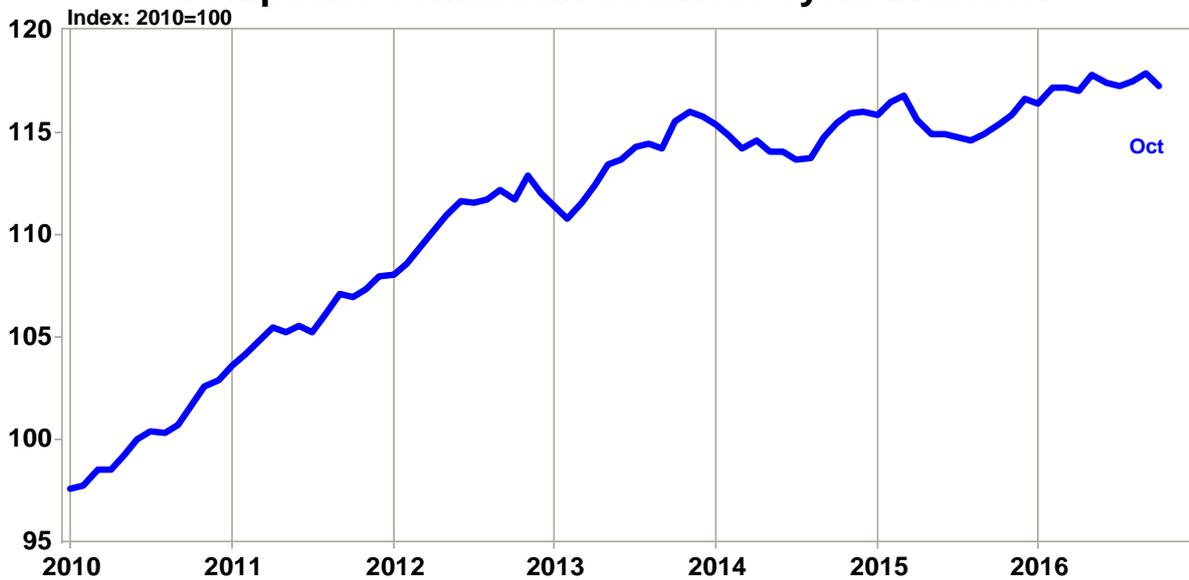
- The composite **leading** business cycle indicator *increased* by 1,1 per cent on a month-to-month basis in November 2016. Seven of the ten component time series that were available for November 2016 increased, while three decreased. The largest positive contributions to the movement in the composite leading indicator in November resulted from an increase in the South African produced export commodity price index (US dollar based), followed by an acceleration in the six-month smoothed growth rate in the real M1 money supply. The largest negative contributions in November came from a deceleration in the twelve-month percentage change in the number of new passenger vehicles sold, as well as a deterioration in the BER's Business Confidence Index.
- The composite **coincident** business cycle indicator *decreased* by 0,5 per cent on a month-to-month basis in October 2016.
- The composite **lagging** business cycle indicator *decreased* by 1,2 per cent on a month-to-month basis in October 2016.

**The next release is scheduled for 21 February 2017, at 09:00 A.M.**

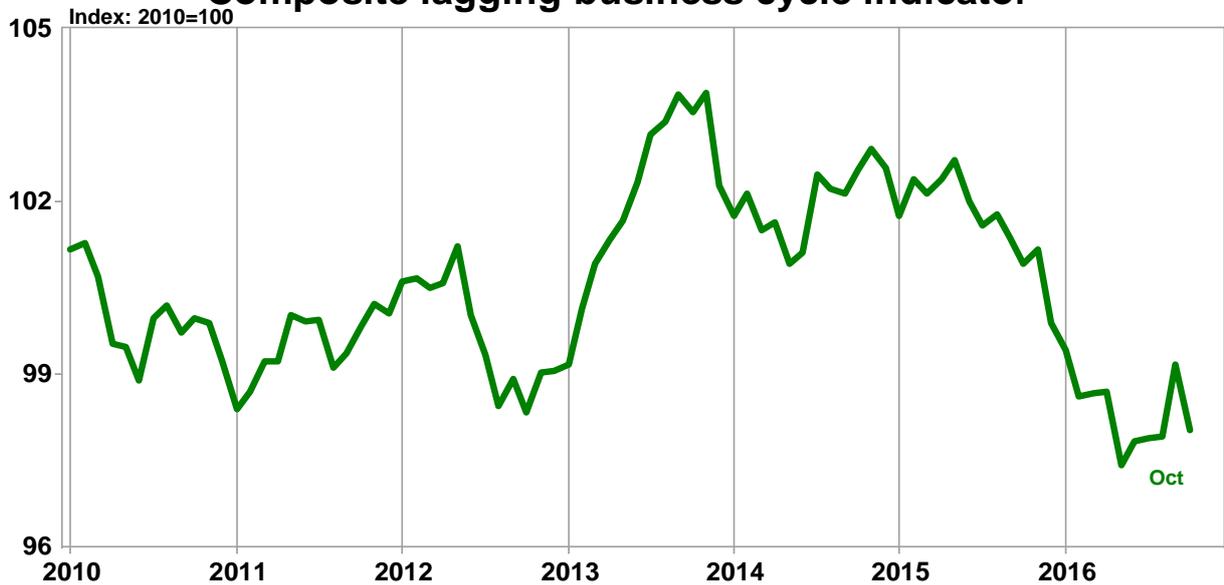
### Composite leading business cycle indicator



### Composite coincident business cycle indicator



### Composite lagging business cycle indicator



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

Indices: 2010 = 100	2016							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Leading indicator	91,4	91,8	92,8	91,8	92,9	93,7	94,6	95,6
<i>12-month percentage change</i>	-4,9	-3,3	-1,8	-1,3	0,2	0,9	1,4	2,6
Coincident indicator	117,1	117,8	117,4	117,3	117,5	117,9	117,3	-
<i>12-month percentage change</i>	1,2	2,5	2,2	2,2	2,5	2,6	1,7	-
Lagging indicator	98,7	97,4	97,8	97,9	97,9	99,2	98,0	-
<i>12-month percentage change</i>	-3,6	-5,2	-4,1	-3,6	-3,8	-2,2	-2,9	-

\* 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 November 2016 data point:**

<b>Positive contributors (ranked from largest to smallest)</b>
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)
Number of building plans approved: Flats, townhouses & houses larger than 80m <sup>2</sup>
BER*: Volume of orders in manufacturing (half weight)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
<b>Negative contributors (ranked from largest to smallest)</b>
Number of new passenger vehicles sold (percentage change over 12 months)
BER*: Business Confidence Index
Job advertisements: The Sunday Times (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