



## South African Reserve Bank

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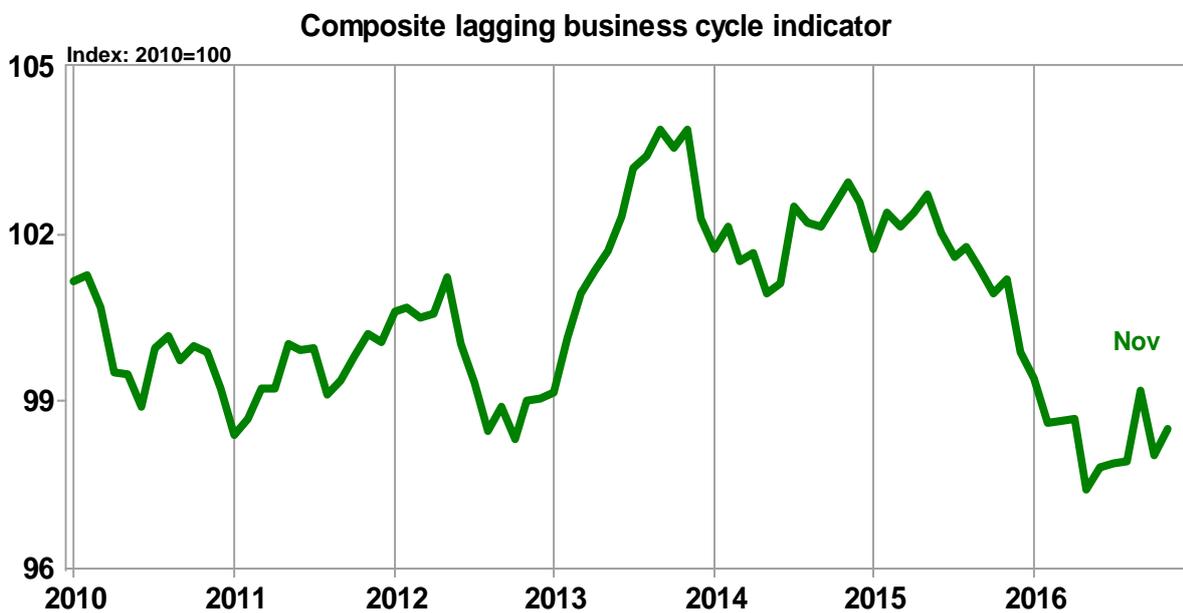
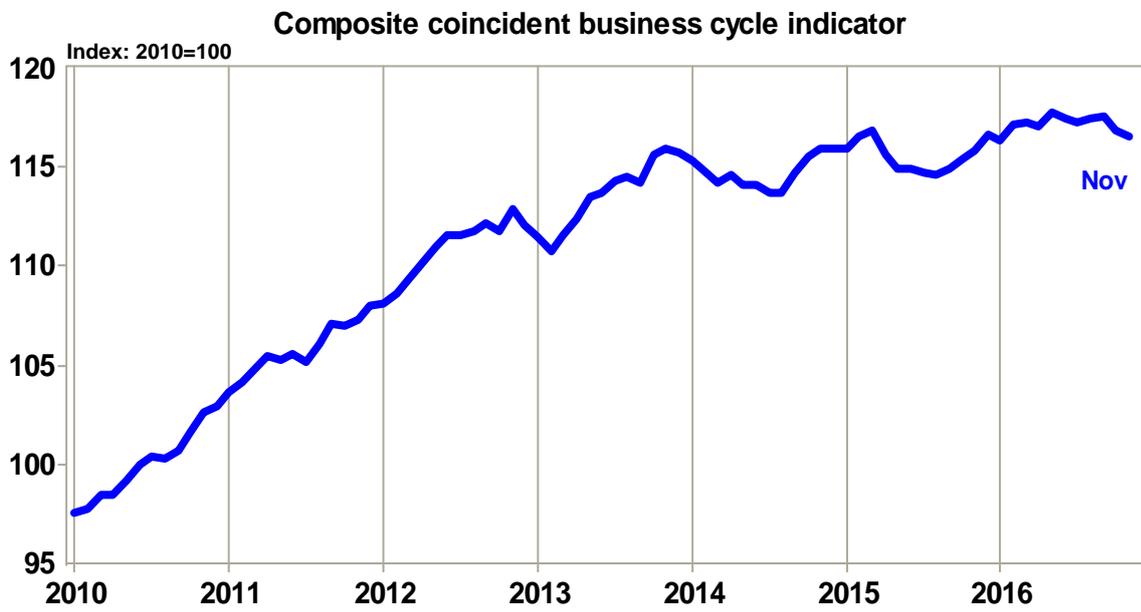
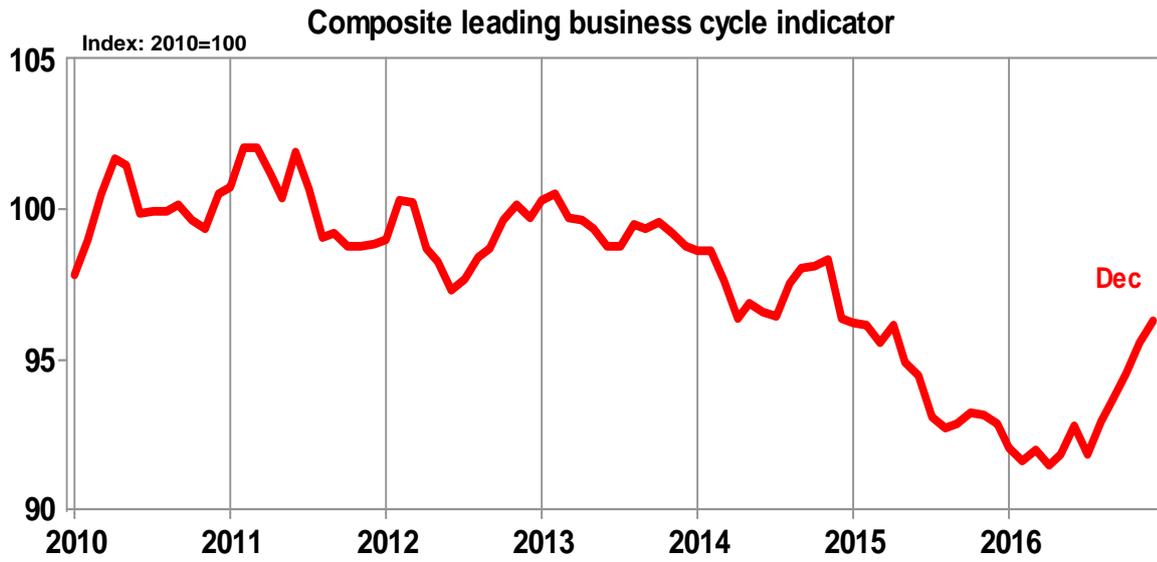
Adél Bosch: +27 (12) 313 4242 [Adel.Bosch@resbank.co.za](mailto:Adel.Bosch@resbank.co.za)

***FOR RELEASE: 09:00 A.M., Tuesday, 21 February 2017***

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

- The composite **leading** business cycle indicator *increased* by 0,7 per cent on a month-to-month basis in December 2016. Six of the nine component time series that were available for December 2016 increased, while three decreased. The largest positive contributions to the movement in the composite leading indicator in December resulted from an acceleration in the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries, followed by an increase in the South African produced export commodity price index (US dollar based). The largest negative contributions in December came from a deceleration in the twelve-month percentage change in job advertisement space, as well as a decrease in the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *decreased* by 0,2 per cent on a month-to-month basis in November 2016.
- The composite **lagging** business cycle indicator *increased* by 0,5 per cent on a month-to-month basis in November 2016.

**The next release is scheduled for 22 March 2017, at 09:00 A.M.**



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

Indices: 2010 = 100	2016							
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Leading indicator <i>12-month percentage change</i>	91,8 -3,3	92,8 -1,8	91,8 -1,3	92,9 0,2	93,7 0,9	94,6 1,4	95,6 2,6	96,3 3,7
Coincident indicator <i>12-month percentage change</i>	117,8 2,5	117,4 2,2	117,3 2,2	117,5 2,5	117,6 2,4	116,8 1,2	116,5 0,6	- -
Lagging indicator <i>12-month percentage change</i>	97,4 -5,2	97,8 -4,1	97,9 -3,6	97,9 -3,8	99,2 -2,2	98,0 -2,9	98,5 -2,7	- -

\* 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 December 2016 data point:**

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

\* Bureau for Economic Research, Stellenbosch University