



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.9% on a month-to-month basis in January 2017. Six of the ten component time series that were available for January 2017 increased, while four decreased. The largest positive contributions to the movement in the composite leading indicator in January resulted from an increase in the South African produced export commodity price index (US dollar based), followed by an acceleration in the 12-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries. The largest negative contributions in January came from a decrease in the number of residential building plans passed, as well as a decrease in the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *decreased* by 0.4% on a month-to-month basis in December 2016.
- The composite **lagging** business cycle indicator *decreased* by 1.2% on a month-to-month basis in December 2016.

The next release is scheduled for 25 April 2017, at 09:00 A.M.

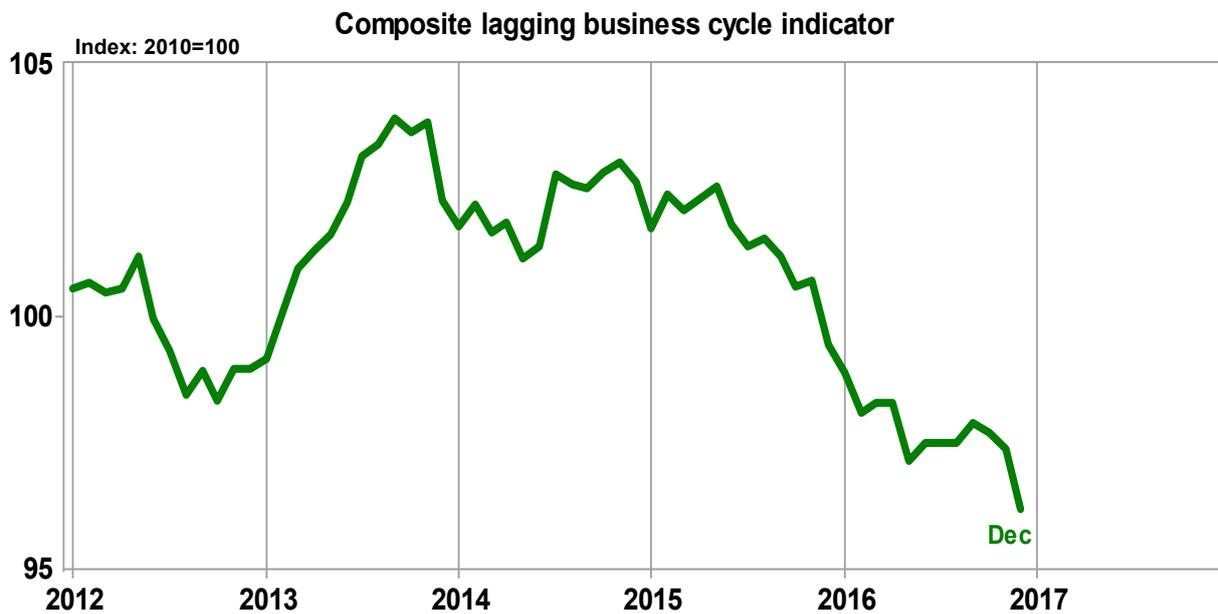
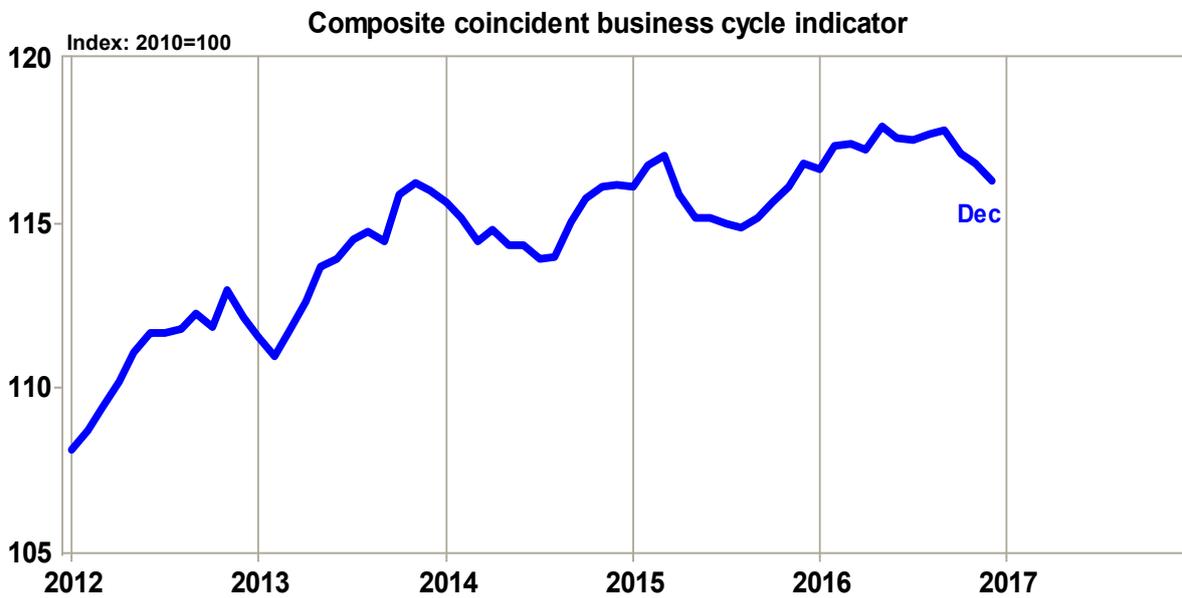
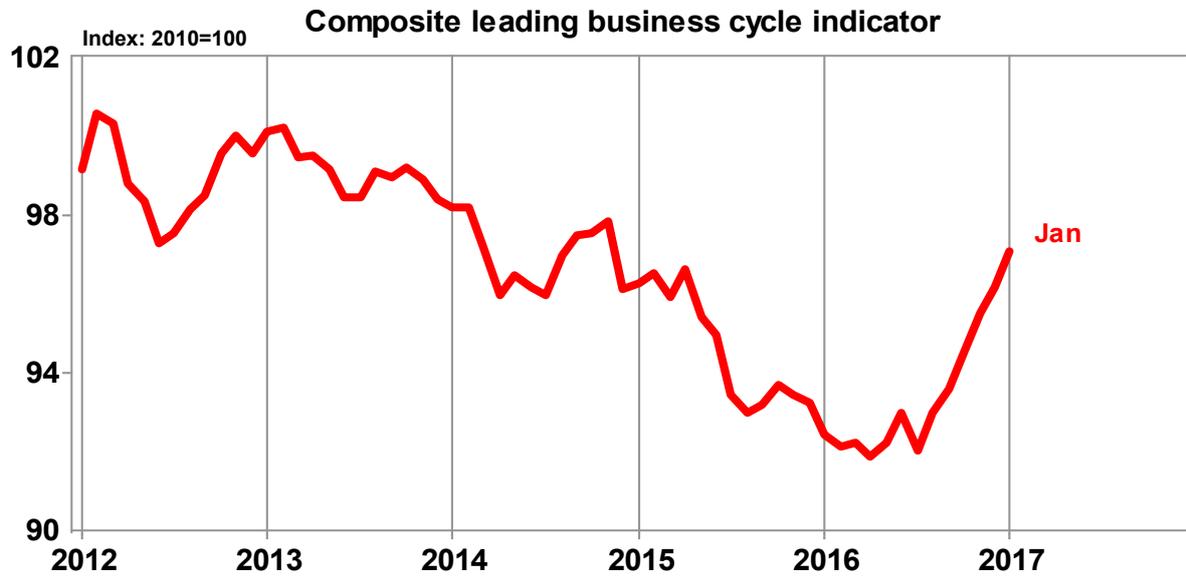


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016							2017
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Leading indicator	93.0	92.0	93.0	93.6	94.5	95.5	96.2	97.1
12-month percentage change	-2.0	-1.5	-0.1	0.4	0.9	2.2	3.2	5.1
Coincident indicator	117.6	117.5	117.7	117.8	117.1	116.8	116.3	-
12-month percentage change	2.1	2.1	2.5	2.3	1.3	0.6	-0.4	-
Lagging indicator	97.5	97.5	97.5	97.9	97.7	97.4	96.2	-
12-month percentage change	-4.3	-3.8	-4.0	-3.2	-2.9	-3.3	-3.2	-

* 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 January 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University