South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 1.1% on a month-to-month basis in February 2017. Six of the ten component time series that were available for February 2017 increased, while four decreased. The largest positive contributions to the movement in the composite leading indicator in February resulted from an increase in the South African produced export commodity price index (US dollar based), followed by an acceleration in the the number of residential building plans passed. The largest negative contributions in February came from a deceleration in the six-month smoothed growth rate in the real M1 money supply, 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% on a month-to-month basis in January 2017.

- The composite **lagging** business cycle indicator *increased* by 0.1% on a month-to-month basis in January 2017.

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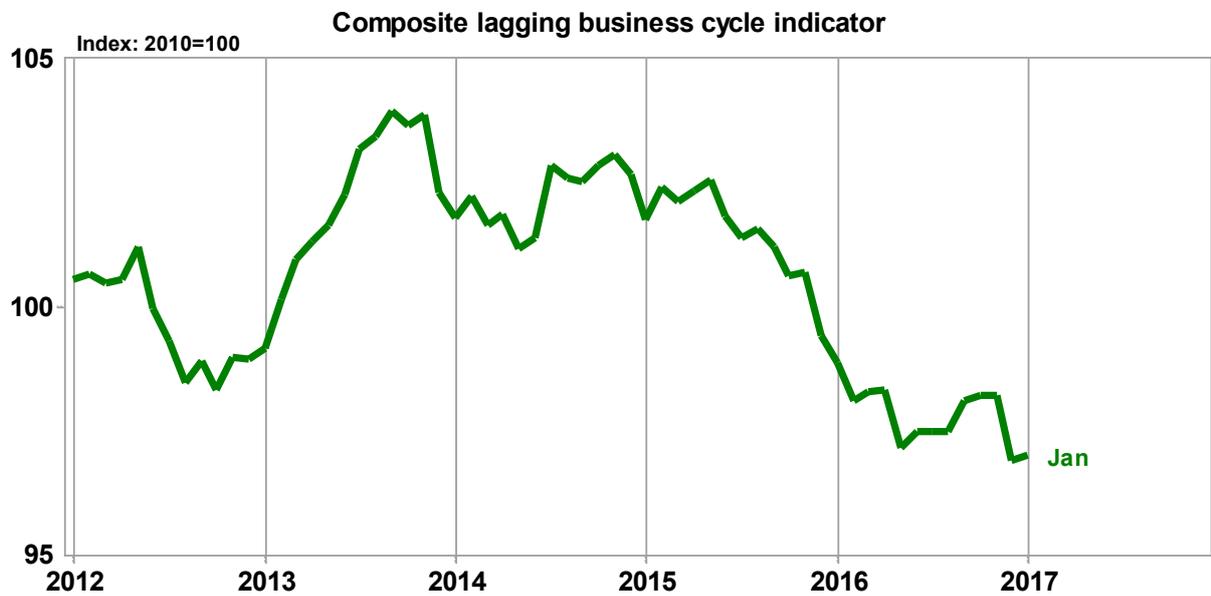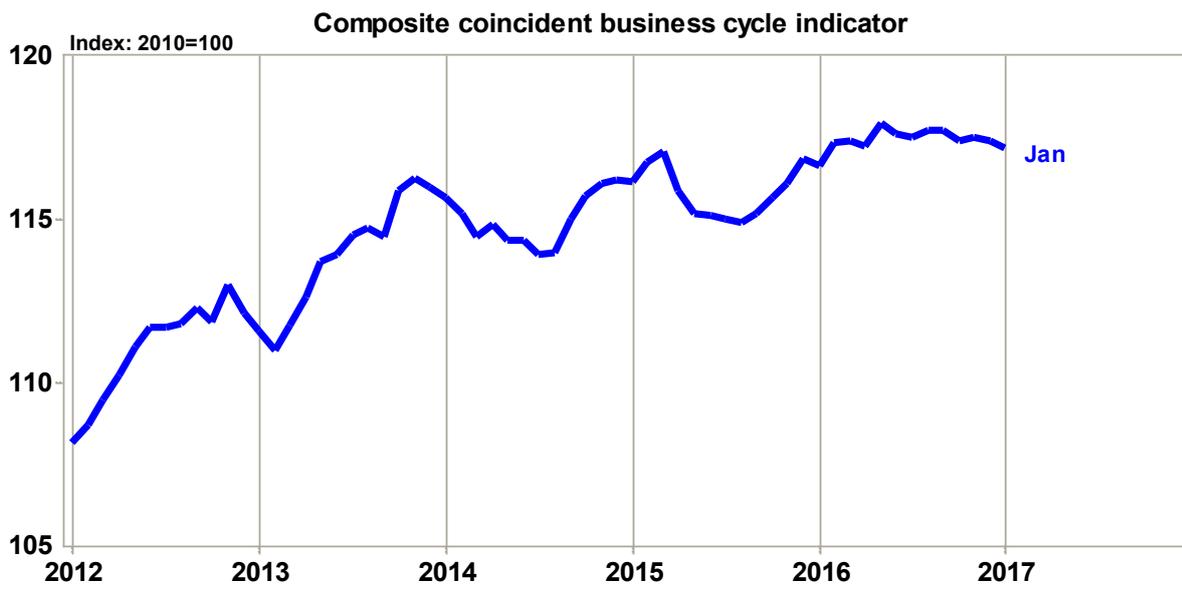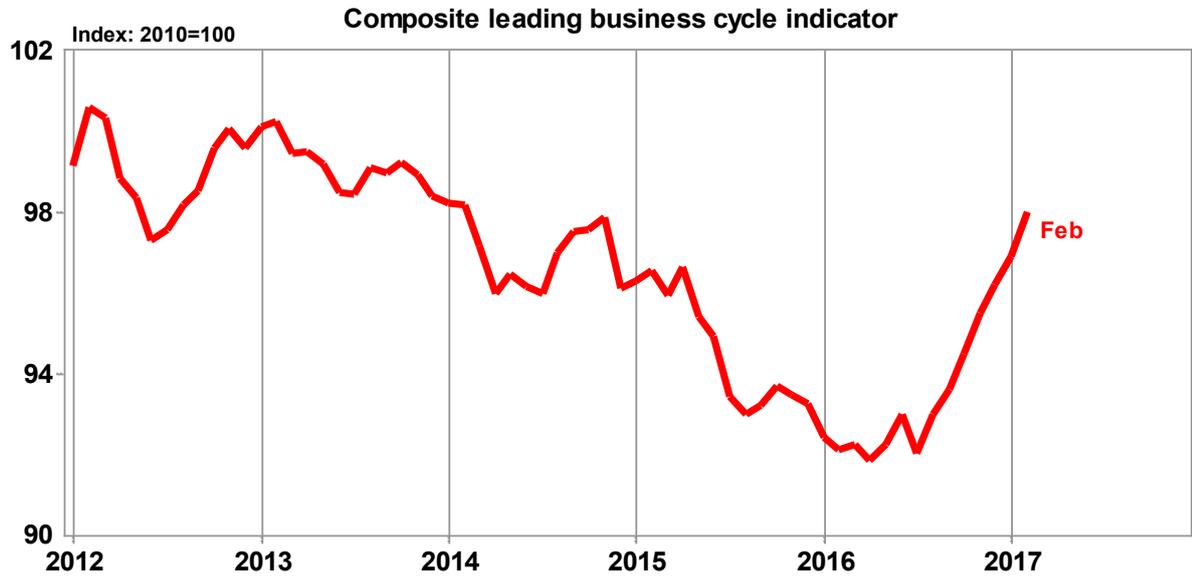**The next release is scheduled for 23 May 2017, at 09:00 A.M.**

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File reference: (17/8/4/2)

Composite leading business cycle indicator

Index: 2010=100

Composite coincident business cycle indicator

Index: 2010=100

Composite lagging business cycle indicator

Index: 2010=100

Table 1   Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016						2017	
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Leading indicator	92.0	93.0	93.6	94.5	95.5	96.2	96.9	98.0
12-month percentage change	*-1.5*	*-0.1*	*0.4*	*0.9*	*2.2*	*3.1*	*4.9*	*6.4*
Coincident indicator	117.5	117.7	117.7	117.4	117.5	117.4	117.2	-
12-month percentage change	*2.1*	*2.5*	*2.3*	*1.5*	*1.2*	*0.5*	*0.5*	*-*
Lagging indicator	97.5	97.5	98.1	98.2	98.2	96.9	97.0	-
12-month percentage change	*-3.8*	*-4.0*	*-3.0*	*-2.4*	*-2.5*	*-2.5*	*-1.9*	*-*

* 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 February 2017 data point:

Positive contributors (ranked from largest to smallest)
Commodity price index for South African produced export commodities (US dollar based)
Number of building plans approved: Flats, townhouses & houses larger than 80m²
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Job advertisements: The Sunday Times (percentage change over 12 months)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
BER*: Business Confidence Index
Negative contributors (ranked from largest to smallest)
Real M1 (six-month smoothed growth rate)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Number of new passenger vehicles sold (percentage change over 12 months)
BER*: Volume of orders in manufacturing (half weight)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University