



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.4% on a month-to-month basis in March 2017. Decreases in four of the nine component time series that were available for March 2017 outweighed increases in the other five components. The largest negative contributions in March came from a decrease in the South African produced export commodity price index (US dollar based), and a deceleration in the six-month smoothed growth rate in the real M1 money supply. The largest positive contributions to the movement in the composite leading indicator in March resulted from an acceleration in the twelve-month percentage change in job advertisement space, followed by an increase in the volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *increased* by 0.4% on a month-to-month basis in February 2017.
- The composite **lagging** business cycle indicator *decreased* by 0.5% on a month-to-month basis in February 2017.

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

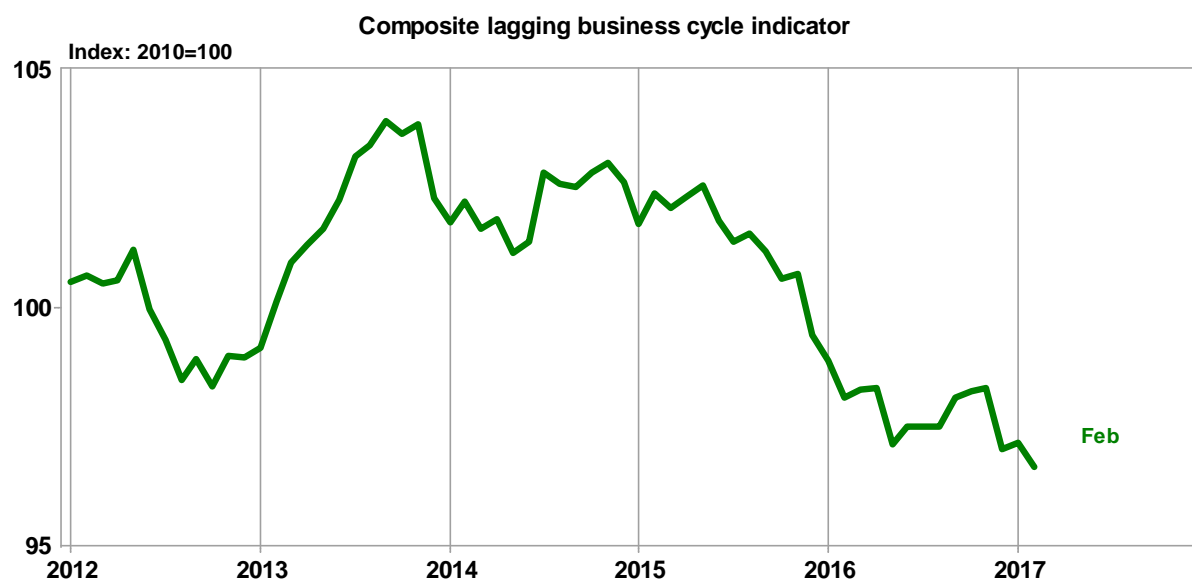
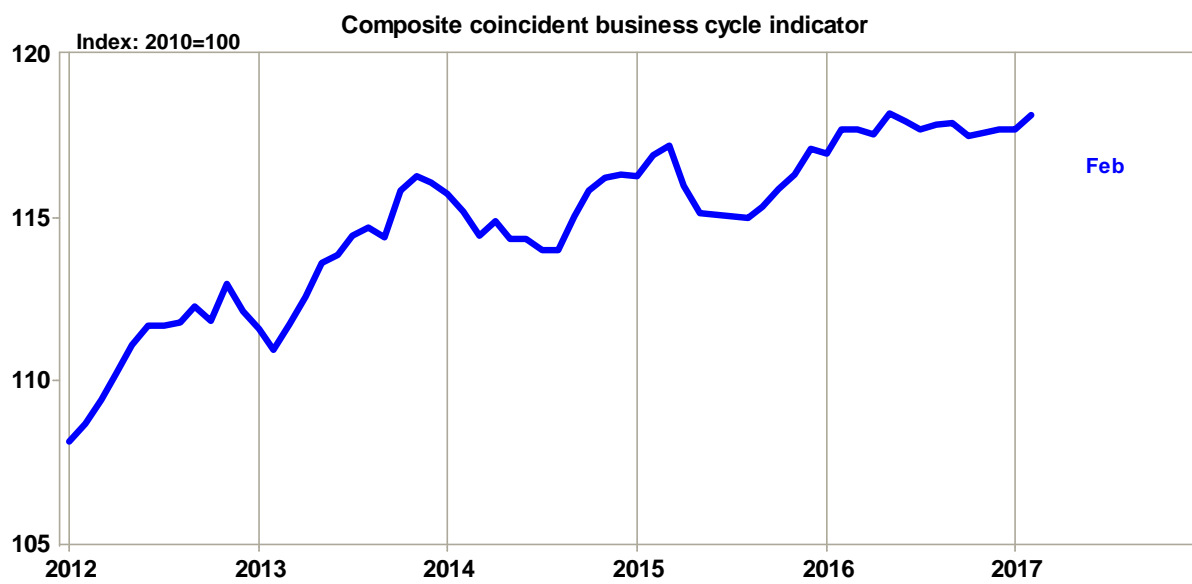
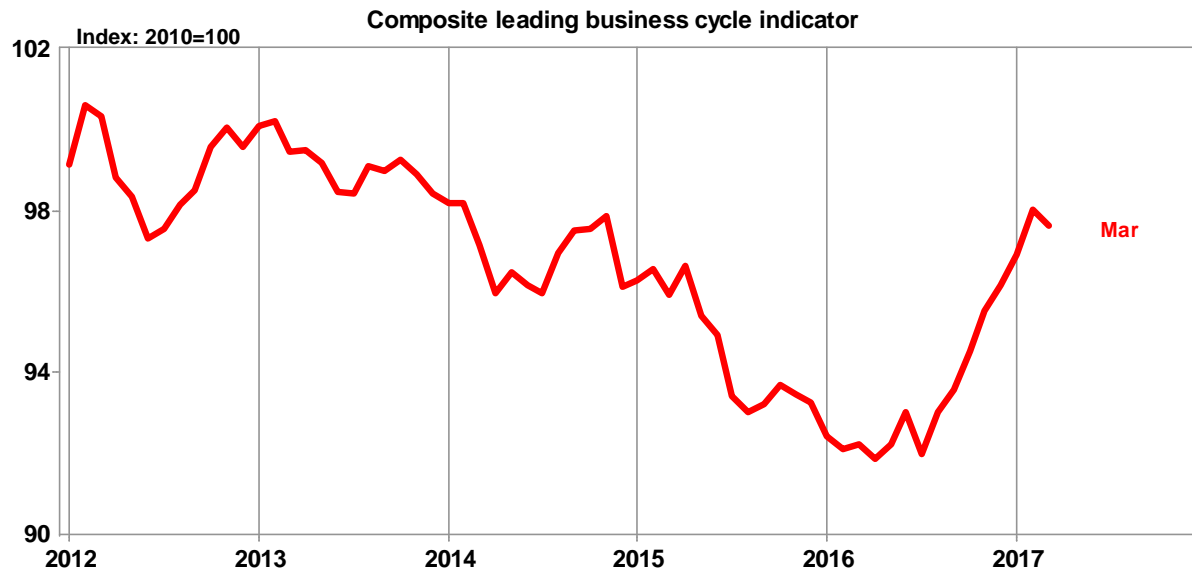


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016					2017		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Leading indicator 12-month percentage change	93.0 -0.1	93.6 0.4	94.5 0.9	95.5 2.2	96.2 3.1	96.9 4.9	98.0 6.4	97.6 5.9
Coincident indicator 12-month percentage change	117.9 2.5	117.9 2.2	117.5 1.4	117.6 1.1	117.7 0.5	117.7 0.6	118.1 0.4	- -
Lagging indicator 12-month percentage change	97.5 -4.0	98.1 -3.0	98.3 -2.3	98.3 -2.4	97.0 -2.4	97.2 -1.7	96.7 -1.5	- -

* 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 March 2017 data point:

Positive contributors (ranked from largest to smallest)	
Job advertisements: The Sunday Times (percentage change over 12 months)	
BER*: Volume of orders in manufacturing (half weight)	
Number of building plans approved: Flats, townhouses & houses larger than 80m ²	
BER*: Average hours worked per factory worker in manufacturing (half weight)	
Number of new passenger vehicles sold (percentage change over 12 months)	
Negative contributors (ranked from largest to smallest)	
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)	
Interest rate spread: 10-year government bonds minus 91-day Treasury bills	
Unavailable component series	
Gross operating surplus as a percentage of gross domestic product	
BER*: Business Confidence Index	

* Bureau for Economic Research, Stellenbosch University