



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator remained *unchanged* on a month-to-month basis in May 2017. Six of the ten component time series that were available for May 2017 decreased while the remainder increased. The largest negative contributions in May came from a deterioration in the BER's Business Confidence Index and a decrease in the South African produced export commodity price index (US dollar based). The largest positive contributions to the movement in the composite leading indicator in May resulted from an increase in the number of residential building plans passed, followed by a widening in the interest rate spread.
- The composite **coincident** business cycle indicator *increased* by 0.1% on a month-to-month basis in April 2017.
- The composite **lagging** business cycle indicator *decreased* by 1.6 % on a month-to-month basis in April 2017.

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

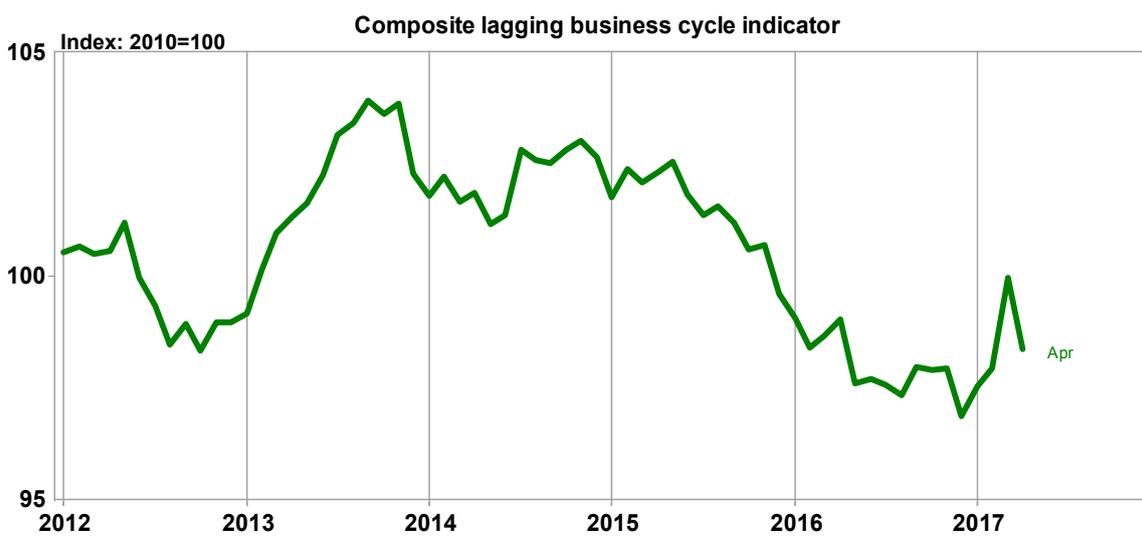
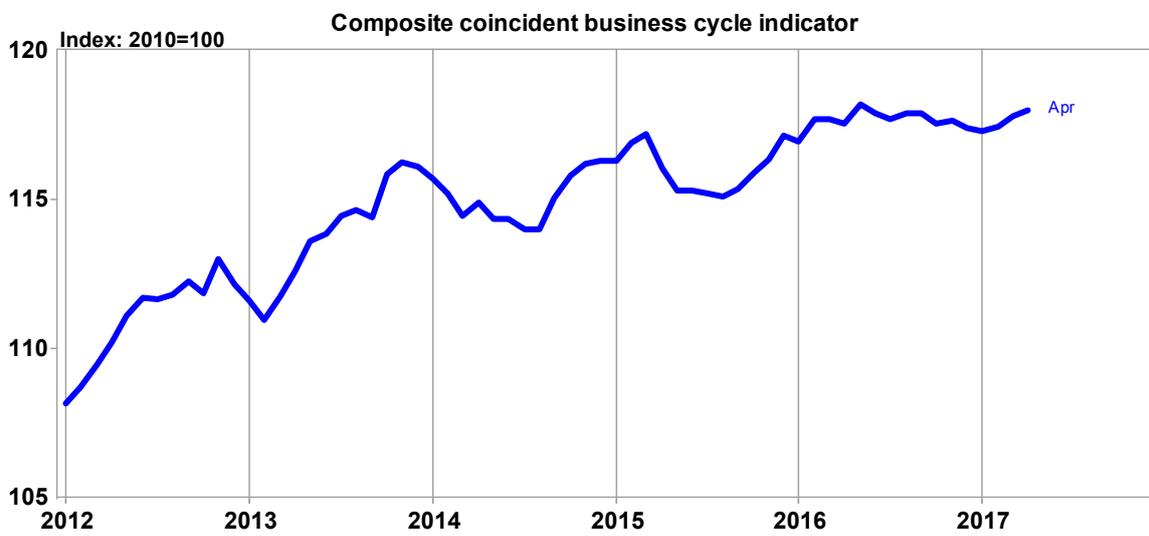
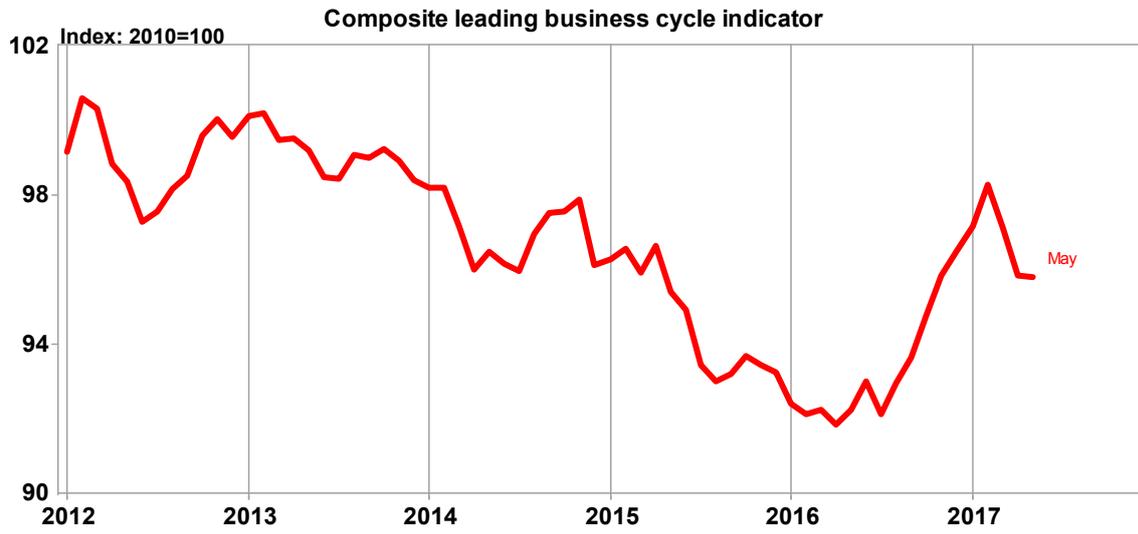


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016			2017				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator <i>12-month percentage change</i>	94.8 1.1	95.8 2.5	96.5 3.5	97.2 5.1	98.3 6.7	97.1 5.3	95.8 4.3	95.8 3.9
Coincident indicator <i>12-month percentage change</i>	117.5 1.4	117.6 1.1	117.4 0.2	117.3 0.3	117.5 -0.2	117.8 0.1	118.0 0.4	- -
Lagging indicator <i>12-month percentage change</i>	97.9 -2.7	97.9 -2.8	96.9 -2.8	97.5 -1.6	97.9 -0.5	100.0 1.3	98.4 -0.6	- -

* 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 May 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University