



South African Reserve Bank

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FOR RELEASE: 09:00 A.M., Tuesday, 22 August 2017

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* marginally on a month-to-month basis in June 2017. Decreases in two of the nine component time series that were available for June 2017 narrowly outweighed increases in the other seven components. The negative contributions were a decrease in the number of building plans passed as well as a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions to the movement in the composite leading indicator in June 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 volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *increased* by 0.3% on a month-to-month basis in May 2017.
- The composite **lagging** business cycle indicator *increased* by 1.4% on a month-to-month basis in May 2017.

The next release is scheduled for 26 September 2017, at 09:00 A.M.

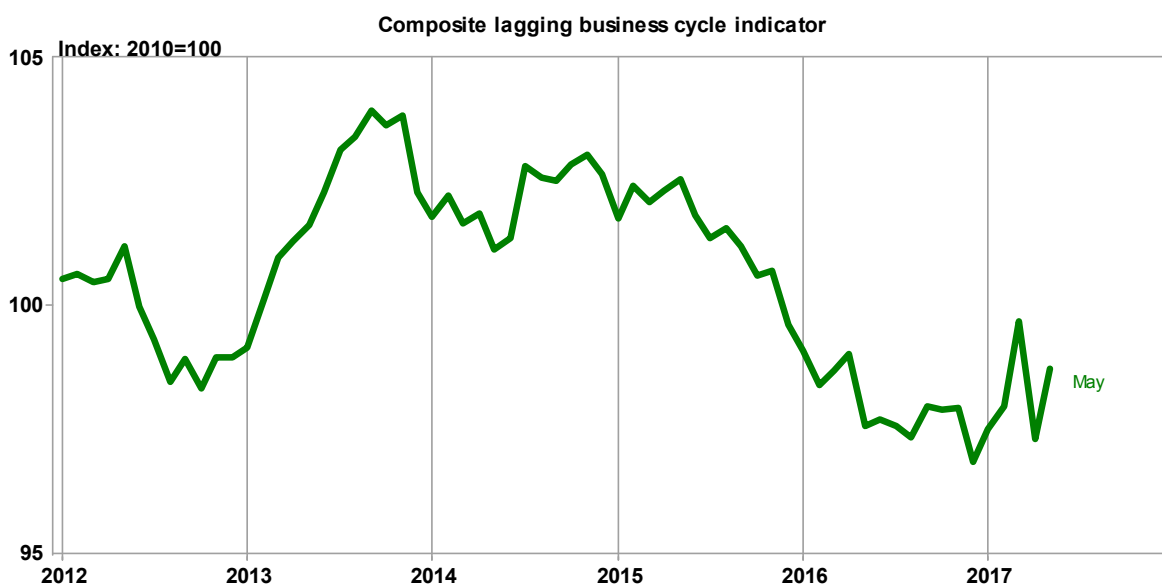
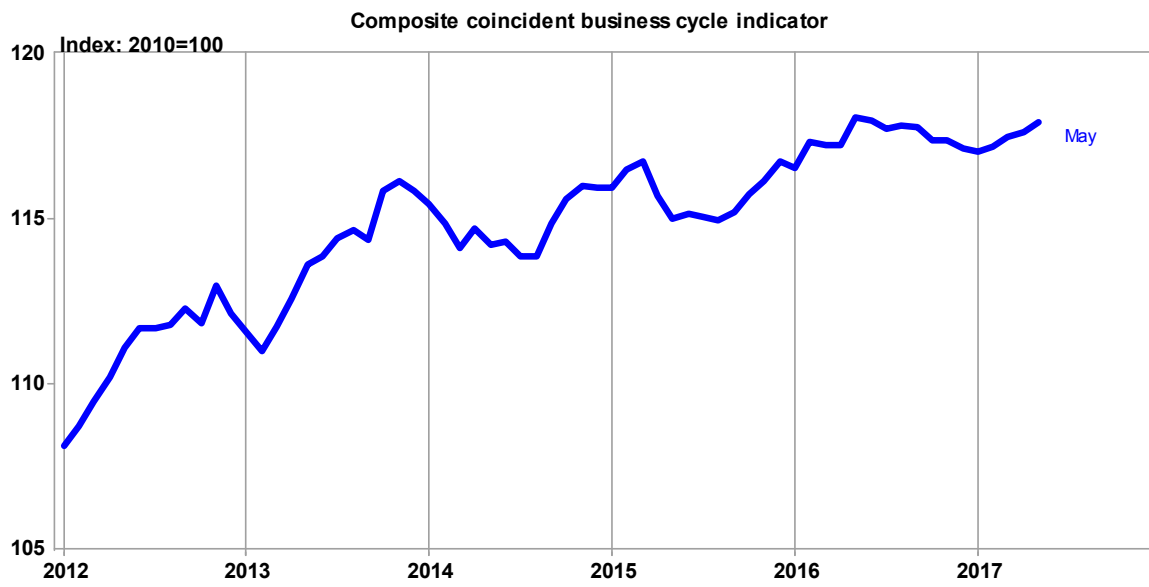
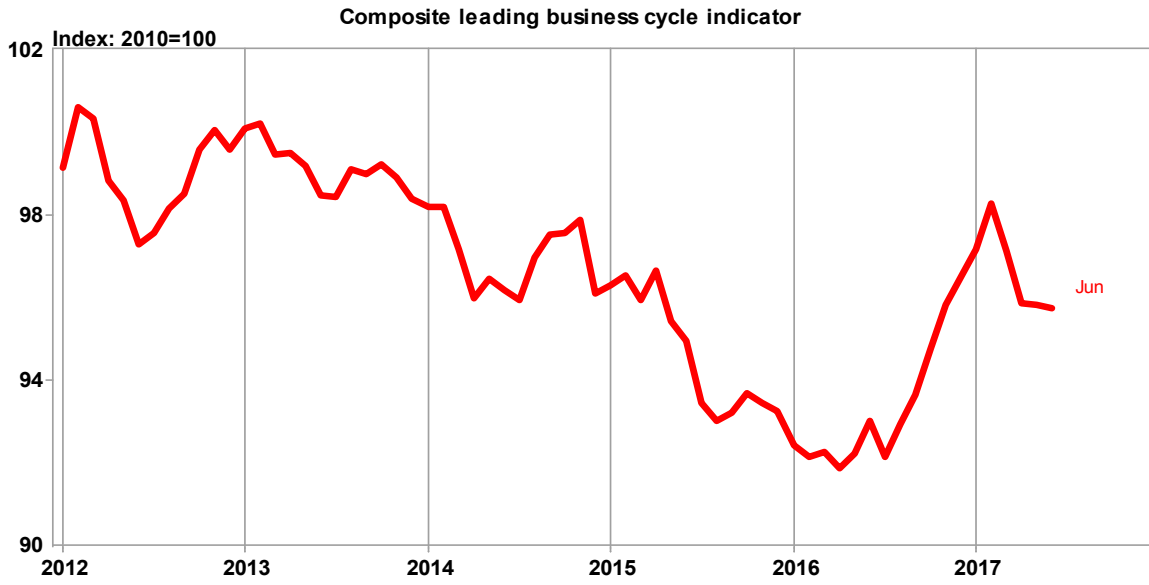


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016		2017					
	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Leading indicator	95.8	96.5	97.2	98.3	97.1	95.8	95.8	95.7
<i>12-month percentage change</i>	2.5	3.5	5.1	6.7	5.3	4.3	3.9	2.9
Coincident indicator	117.4	117.2	117.0	117.2	117.5	117.6	117.9	-
<i>12-month percentage change</i>	1.1	0.4	0.4	-0.1	0.2	0.3	-0.1	-
Lagging indicator	97.9	96.9	97.5	98.0	99.7	97.3	98.7	-
<i>12-month percentage change</i>	-2.8	-2.8	-1.6	-0.4	1.0	-1.7	1.2	-

* 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 June 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University