South African Reserve Bank

For further information regarding this release, please contact:
Adri Wolhuter: +27 (12) 313 3228   Adri.Wolhuter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 26 September 2017

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 1.5% on a month-to-month basis in July 2017. Eight of the ten component time series that were available for July 2017 increased, while two decreased. The largest positive contributions to the composite leading indicator in July came from an increase in the number of residential building plans passed, as well as an acceleration in the twelve-month percentage change in job advertisement space. The two negative contributions in July resulted from a deceleration in the twelve-month percentage change in the composite leading business cycle indicator of South Africa's major trading-partner countries, followed by a deceleration in the six-month smoothed growth rate in the real M1 money supply.

- The composite **coincident** business cycle indicator *decreased* marginally by 0.1% on a month-to-month basis in June 2017.

- The composite **lagging** business cycle indicator *increased* by 0.7% on a month-to-month basis in June 2017.

<div style="border:1px solid black">

The next release is scheduled for 24 October 2017, at 09:00 A.M.

</div>

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
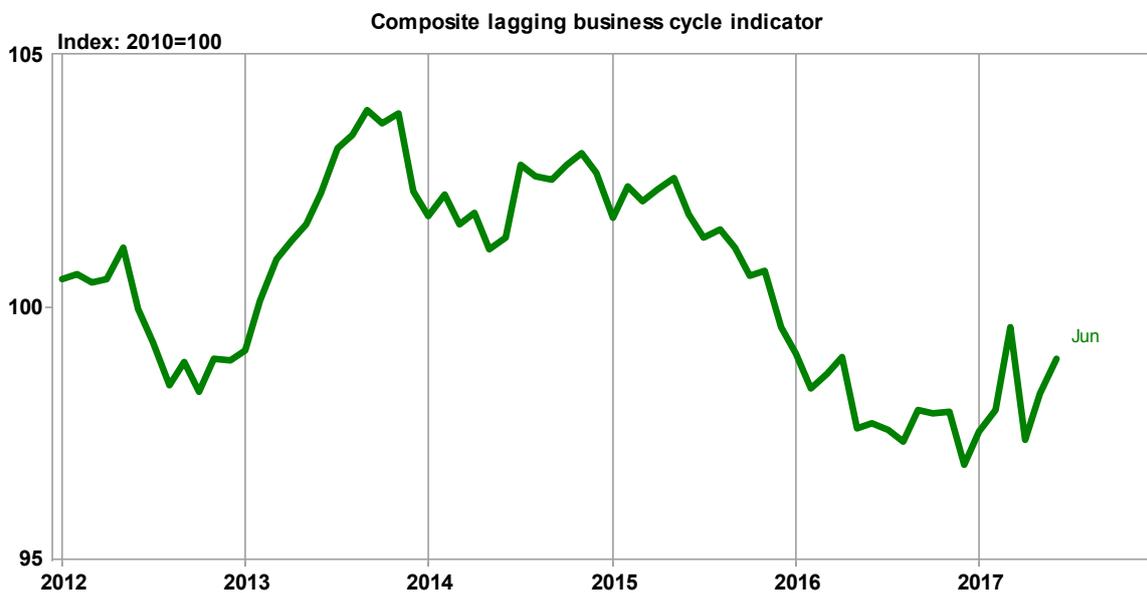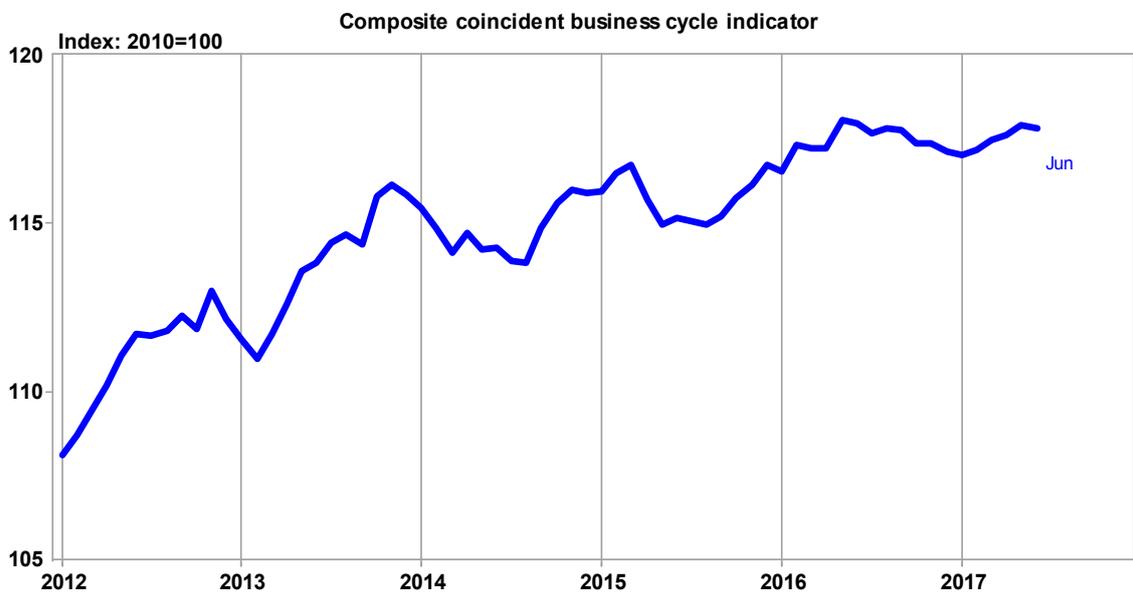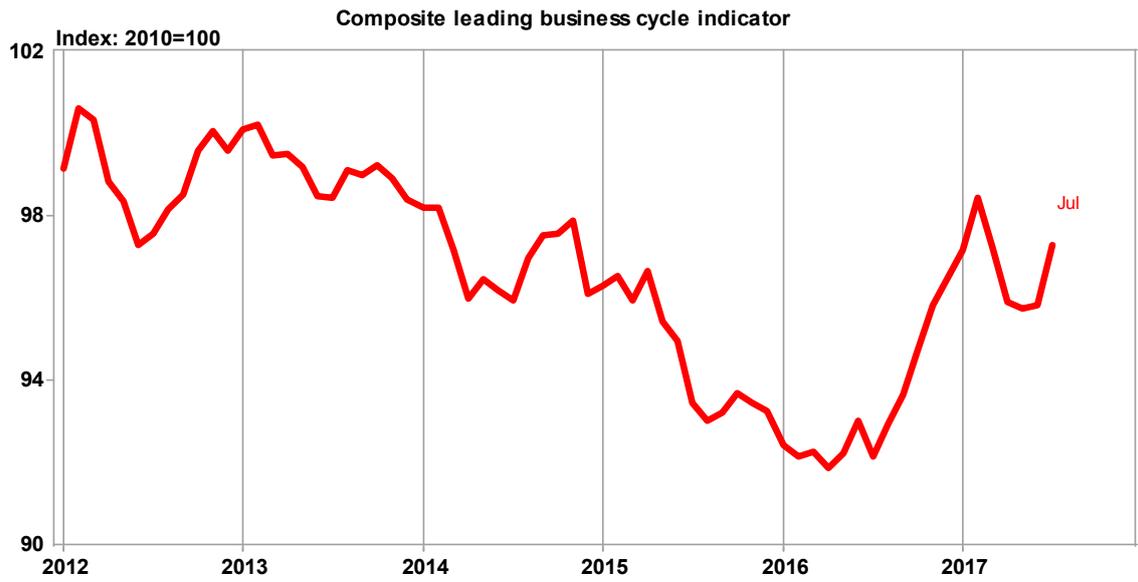
Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2016 Dec	2017						
		Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	96.5	97.2	98.4	97.2	95.9	95.7	95.8	97.3
12-month percentage change	*3.5*	*5.1*	*6.8*	*5.4*	*4.4*	*3.8*	*3.0*	*5.6*
Coincident indicator	117.2	117.0	117.2	117.5	117.6	117.9	117.8	-
12-month percentage change	*0.4*	*0.4*	*-0.1*	*0.2*	*0.3*	*-0.1*	*-0.1*	*-*
Lagging indicator	96.9	97.5	98.0	99.6	97.4	98.3	*99.0*	-
12-month percentage change	*-2.8*	*-1.6*	*-0.4*	*1.0*	*-1.7*	*0.7*	*1.3*	*-*

* 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 July 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University