



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.3% on a month-to-month basis in August 2017. Decreases in three of the ten component time series that were available for August 2017 narrowly outweighed increases in the other seven components. The largest negative contributions to the composite leading indicator in August resulted from a decrease in the number of residential building plans passed, followed by a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions in August came from an increase in the South African produced export commodity price index (US dollar based), as well as an improvement in the BER's Business Confidence Index.
- The composite **coincident** business cycle indicator *increased* marginally by 0.1% on a month-to-month basis in July 2017.
- The composite **lagging** business cycle indicator *decreased* by 0.7% on a month-to-month basis in July 2017.

The next release is scheduled for 21 November 2017, at 09:00 A.M.

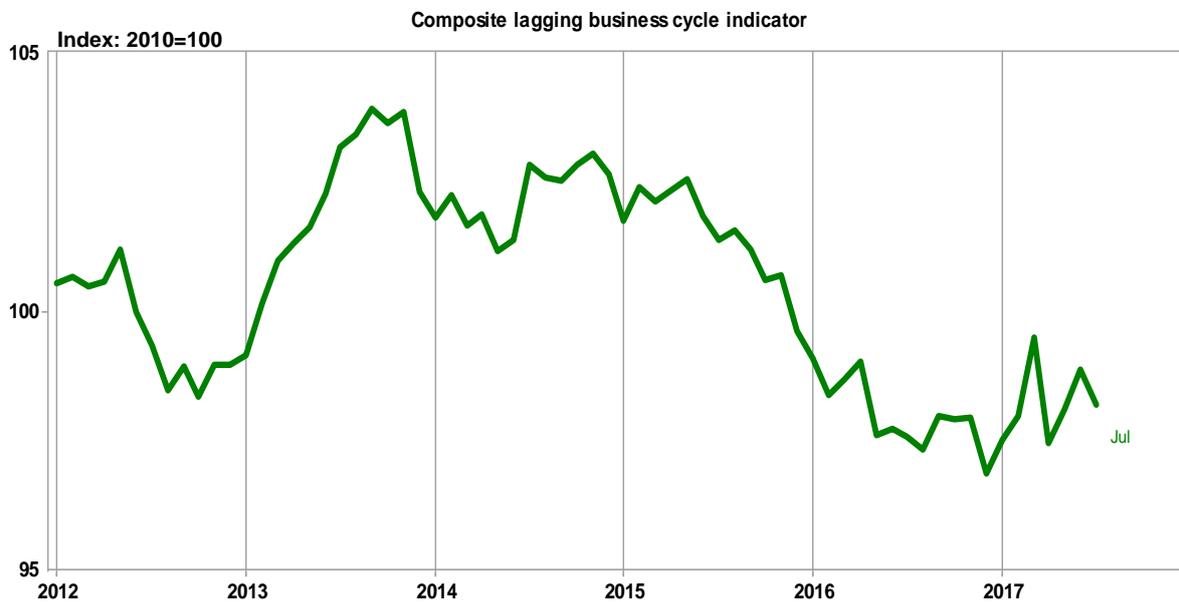
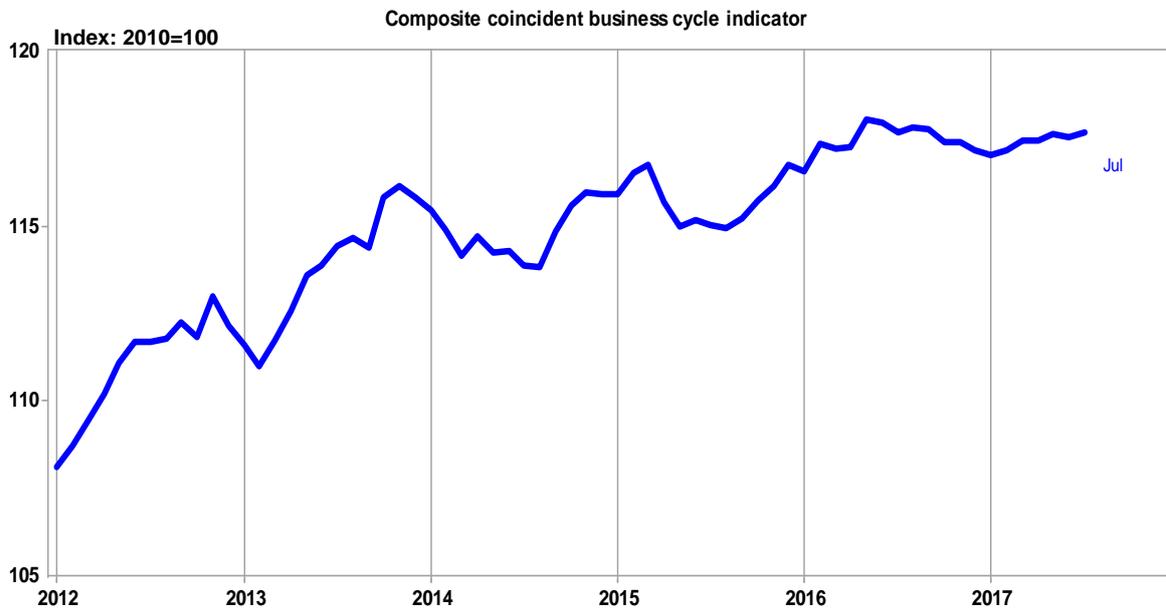
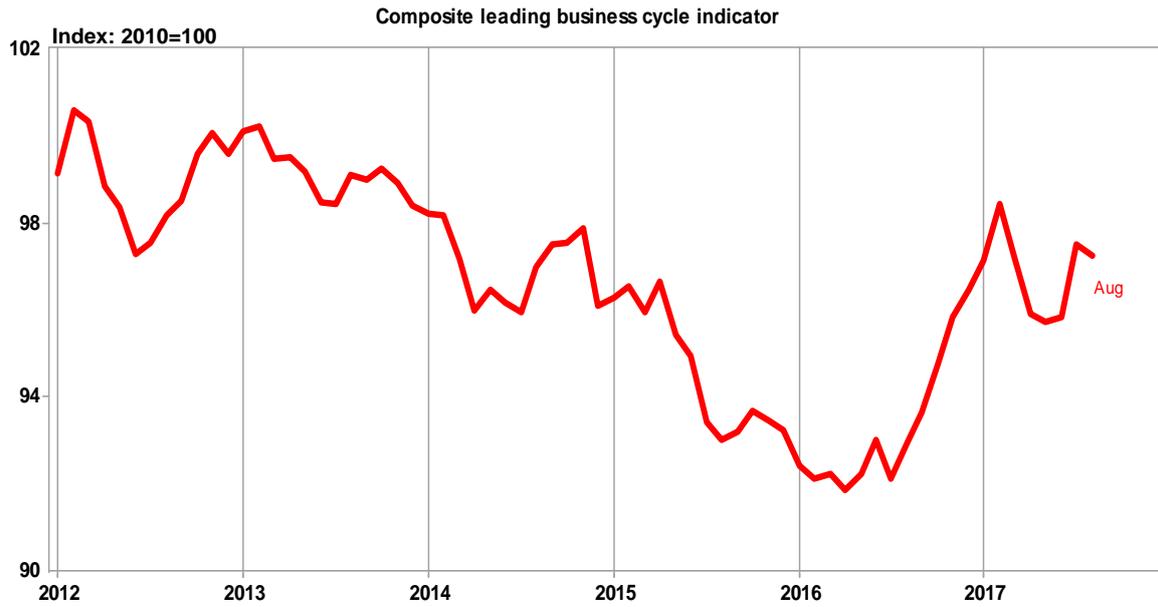


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2017							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	97.2	98.4	97.2	95.9	95.7	95.8	97.5	97.2
12-month percentage change	5.1	6.8	5.4	4.4	3.8	3.0	5.8	4.6
Coincident indicator	117.0	117.2	117.5	117.5	117.6	117.6	117.7	-
12-month percentage change	0.4	-0.1	0.2	0.2	-0.4	-0.3	0.0	-
Lagging indicator	97.5	98.0	99.5	97.5	98.1	98.9	98.2	-
12-month percentage change	-1.6	-0.4	0.8	-1.6	0.5	1.2	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 August 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University