



South African Reserve Bank

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**The composite business cycle indicators were rebased to 2015 = 100.
Annual revisions to underlying component time series were also incorporated.**

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.7% on a month-to-month basis in October 2017. Six of the ten component time series that were available for October 2017 increased, while four decreased. The largest positive contributions in October resulted from an acceleration in the twelve-month percentage change in job advertisement space, followed by an increase in the average number of hours worked in the manufacturing sector. The largest negative contributions to the movement in the composite leading business cycle indicator came from a decrease in the South African produced export commodity price index (US dollar based) as well as a deceleration in the composite leading business cycle indicator for South Africa's major trading-partner countries.
- The composite **coincident** business cycle indicator *decreased* by 0.5 % on a month-to-month basis in September 2017.
- The composite **lagging** business cycle indicator *decreased* by 0.1% on a month-to-month basis in September 2017.

The next release is scheduled for 23 January 2018, at 09:00 A.M.

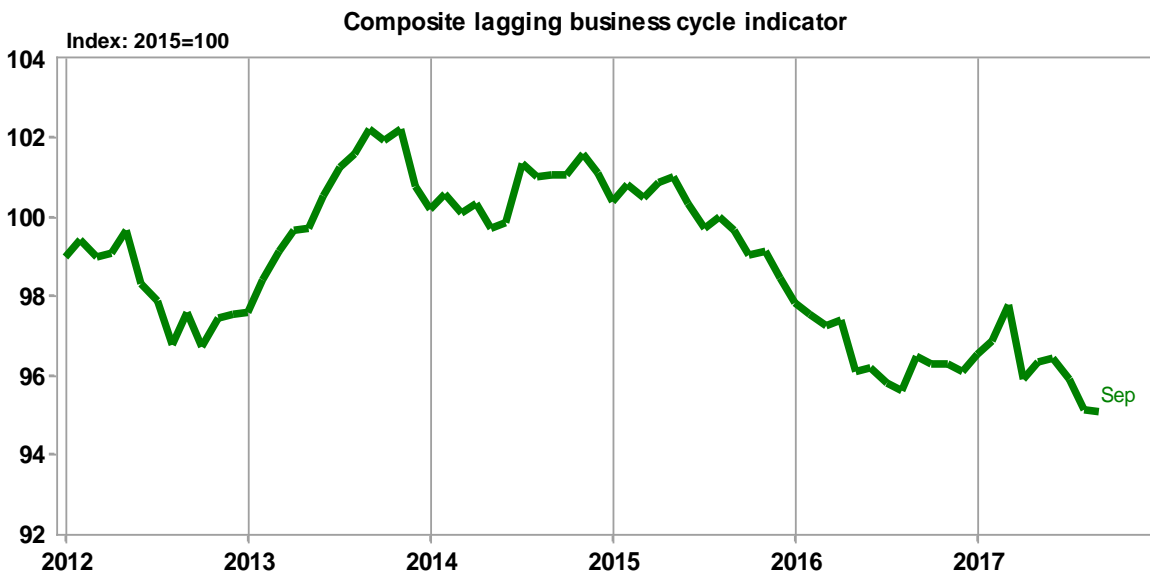
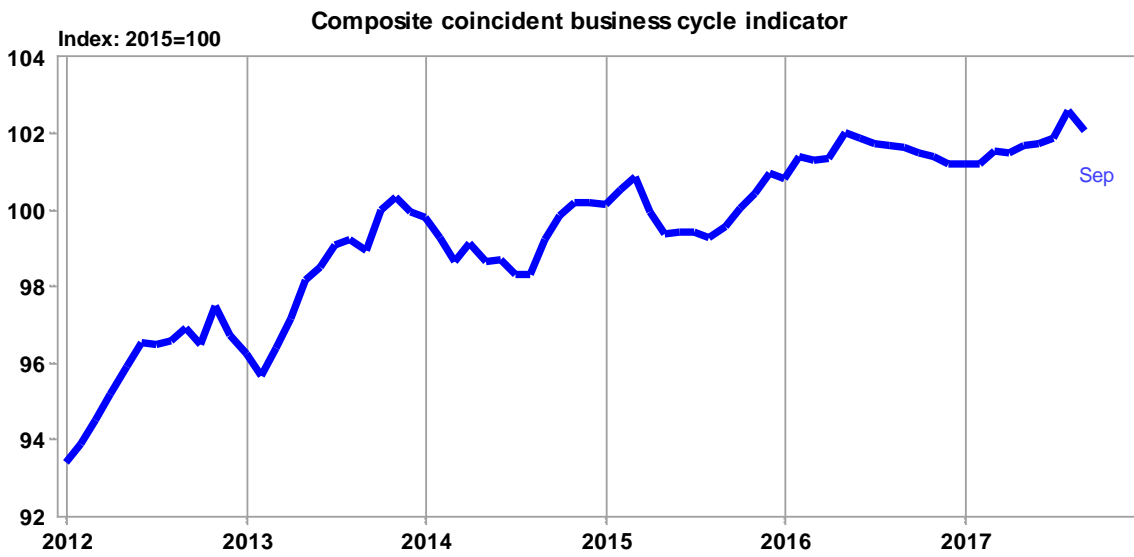
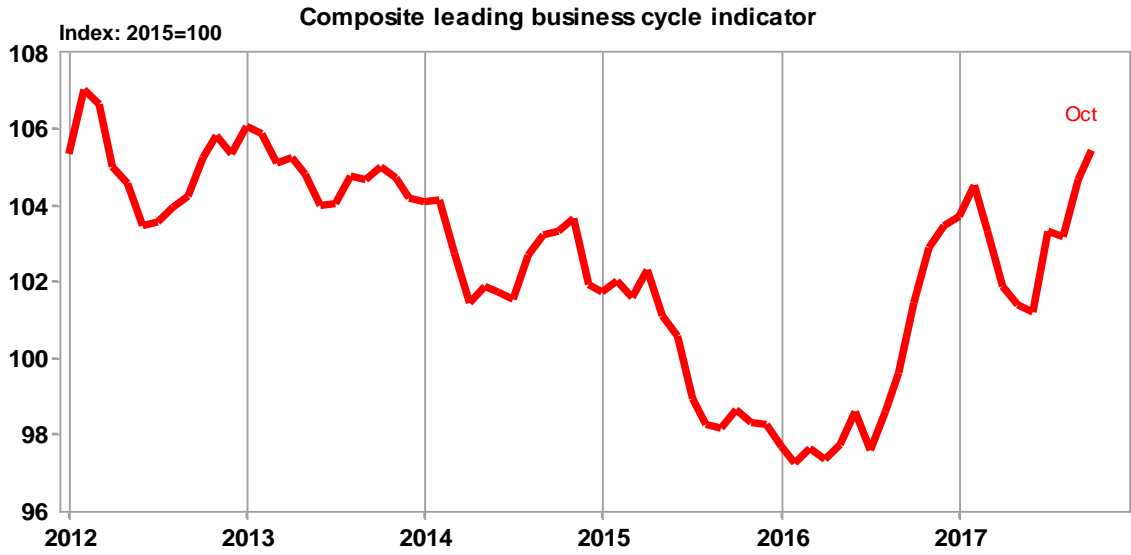


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017							
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading indicator <i>12-month percentage change</i>	103.3 5.8	101.9 4.6	101.4 3.8	101.2 2.6	103.3 5.9	103.2 4.6	104.7 5.1	105.4 3.9
Coincident indicator <i>12-month percentage change</i>	101.5 0.2	101.5 0.1	101.7 -0.3	101.7 -0.1	101.9 0.1	102.6 0.9	102.1 0.4	- -
Lagging indicator <i>12-month percentage change</i>	97.8 0.5	95.9 -1.5	96.3 0.3	96.4 0.2	95.9 0.1	95.1 -0.5	95.0 -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 October 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University