



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 November 2017. Six of the ten component time series that were available for November 2017 increased, while four decreased. The largest positive contributions in November resulted from an increase in the average number of hours worked in the manufacturing sector followed by an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold. The largest negative contributions to the movement in the composite leading business cycle indicator came from a decrease in the number of residential building plans passed as well as a deceleration in the twelve-month percentage change in job advertisement space.
- The composite **coincident** business cycle indicator *increased* by 0.9 % on a month-to-month basis in October 2017.
- The composite **lagging** business cycle indicator increased marginally on a month-to-month basis in October 2017.

The next release is scheduled for 20 February 2018, at 09:00 A.M.

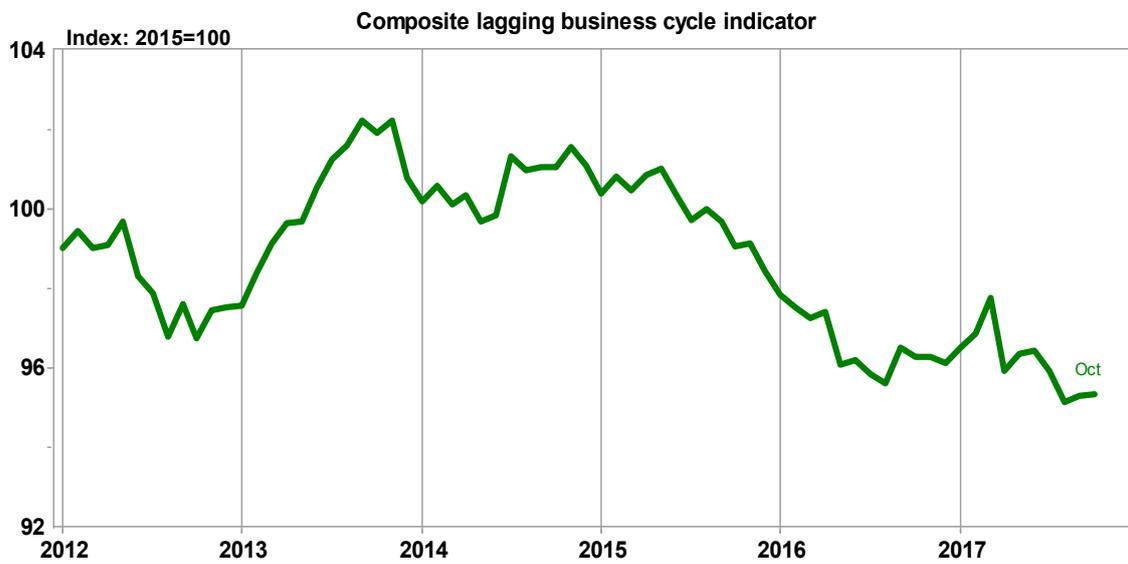
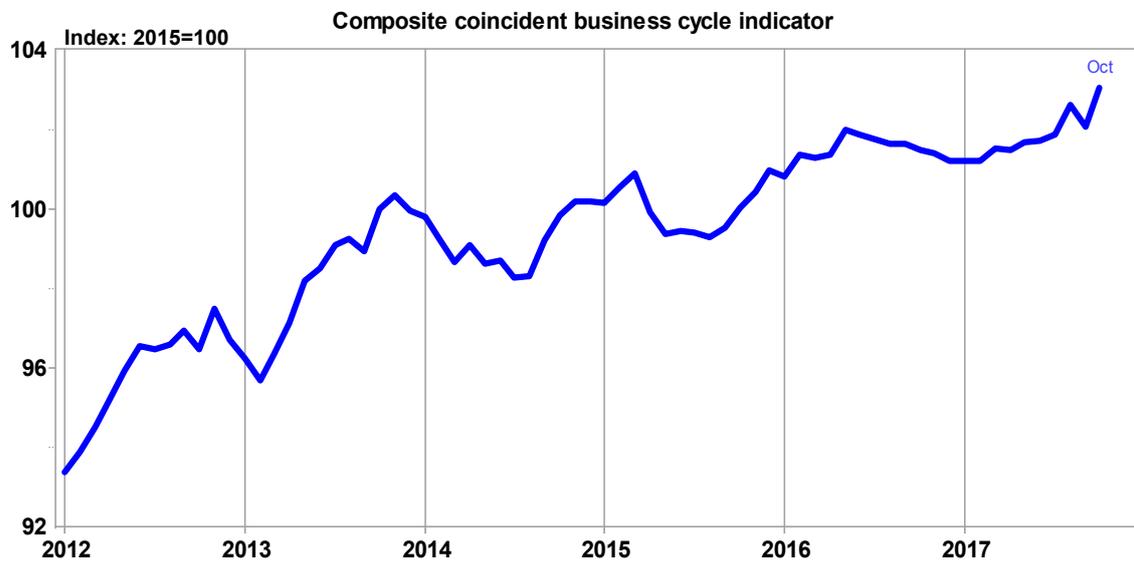
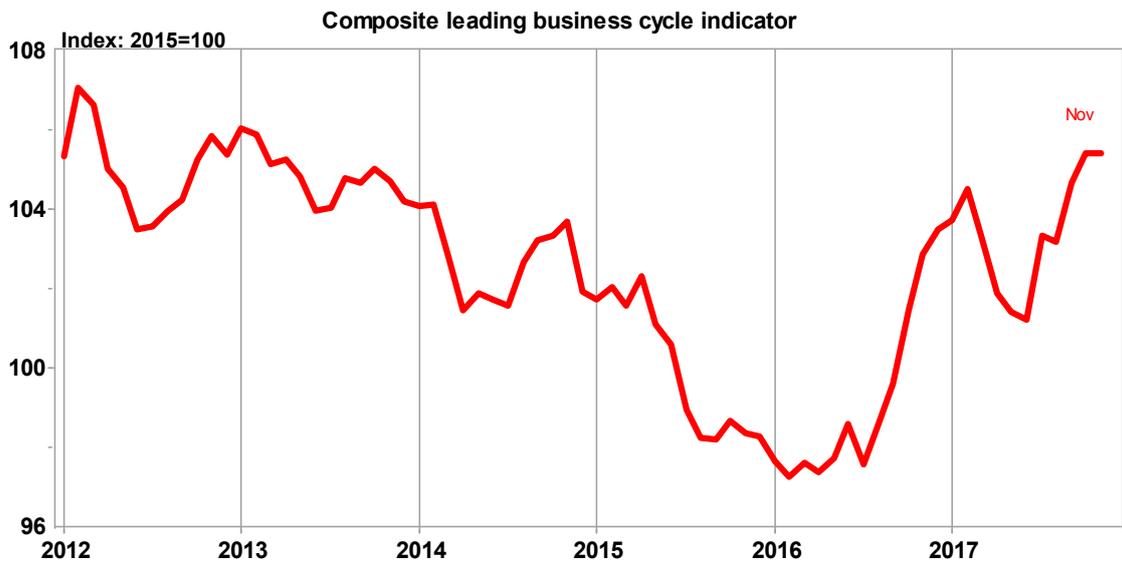


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017							
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Leading indicator <i>12-month percentage change</i>	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	105.4 2.5
Coincident indicator <i>12-month percentage change</i>	101.5 0.1	101.7 -0.3	101.7 -0.1	101.9 0.1	102.6 0.9	102.1 0.4	103.0 1.5	- -
Lagging indicator <i>12-month percentage change</i>	95.9 -1.5	96.3 0.3	96.4 0.2	95.9 0.1	95.1 -0.5	95.3 -1.2	95.3 -1.0	- -

* 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 November 2017 data point:

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

* Bureau for Economic Research, Stellenbosch University