



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.5% on a month-to-month basis in December 2017. Four of the nine component time series that were available for December 2017 decreased, while five increased. The largest negative contributions came from a decrease in the twelve-month percentage change in the number of new passenger vehicles sold and a decrease in the average number of hours worked in the manufacturing sector. The largest positive contributions to the movement in the composite leading business cycle indicator in December came from an increase in the number of residential building plans passed followed by an increase in the South African produced export commodity price index (US dollar based).
- The composite **coincident** business cycle indicator *increased* by 0.7% on a month-to-month basis in November 2017.
- The composite **lagging** business cycle indicator *increased* by 0.4% on a month-to-month basis in November 2017.

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

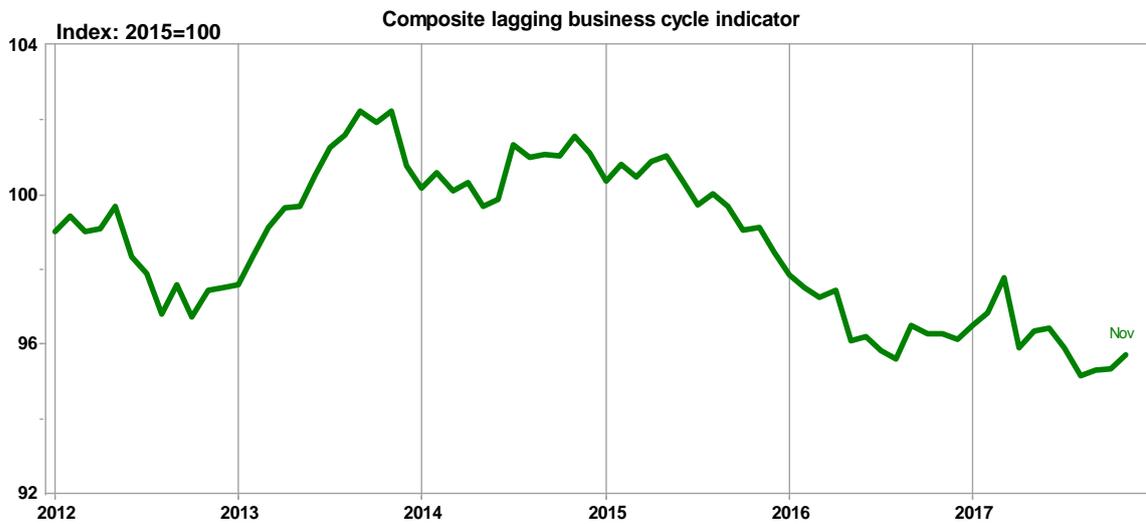
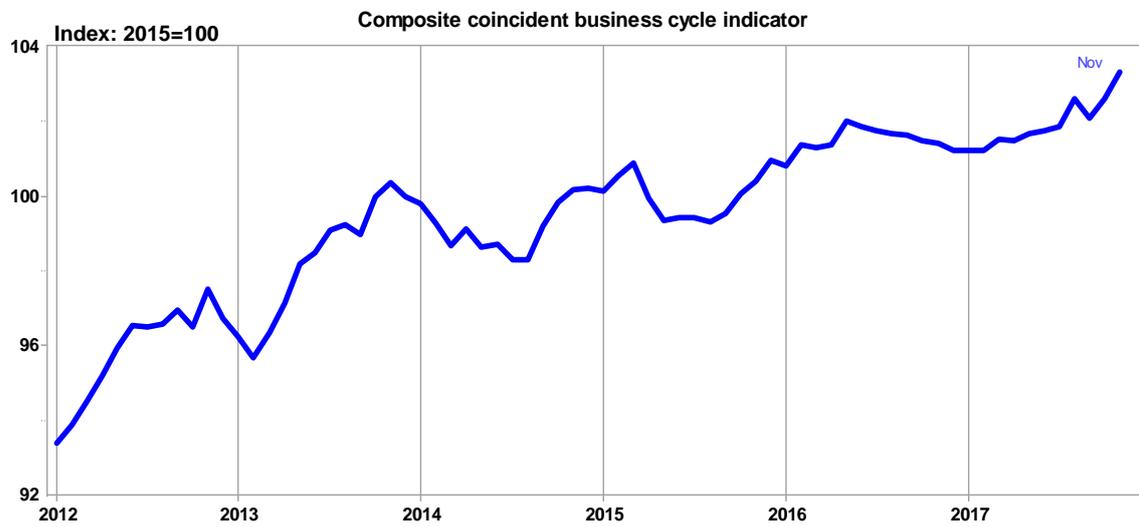
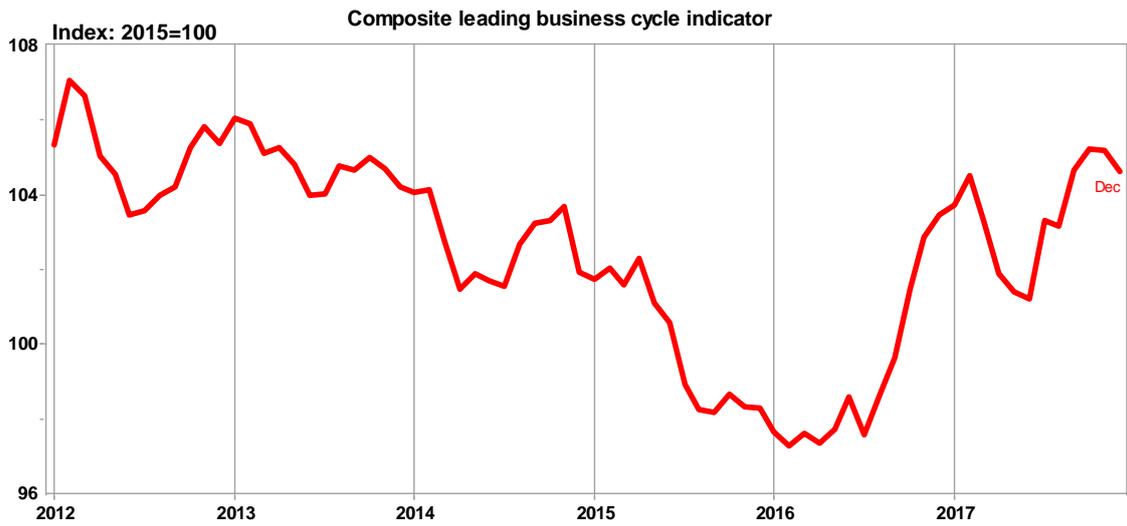


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017							
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Leading indicator	101.4	101.2	103.3	103.2	104.7	105.2	105.2	104.6
12-month percentage change	3.8	2.6	5.9	4.6	5.1	3.7	2.3	1.1
Coincident indicator	101.7	101.7	101.9	102.6	102.1	102.6	103.3	-
12-month percentage change	-0.3	-0.1	0.1	0.9	0.4	1.1	1.9	-
Lagging indicator	96.3	96.4	95.9	95.1	95.3	95.3	95.7	-
12-month percentage change	0.3	0.2	0.1	-0.5	-1.2	-1.0	-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 December 2017 data point:

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