



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228

Adri.Wolhuter@resbank.co.za

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.8% on a month-to-month basis in March 2018. Five of the nine component time series that were available for March 2018 decreased, while four increased. The largest negative contributions to the movement in the composite leading business cycle indicator in March resulted from a decrease in the number of residential building plans passed and a deceleration in the six-month smoothed growth rate in the real M1 money supply. The largest positive contributions to the movement in the composite leading business cycle indicator in March came from an acceleration in both the twelve-month percentage change in the number of new passenger vehicles sold and job advertisement space.
- The composite **coincident** business cycle indicator *decreased* by 0.3% on a month-to-month basis in February 2018.
- The composite **lagging** business cycle indicator *increased* by 1.2% on a month-to-month basis in February 2018.

The next release is scheduled for 26 June 2018, at 09:00 A.M.

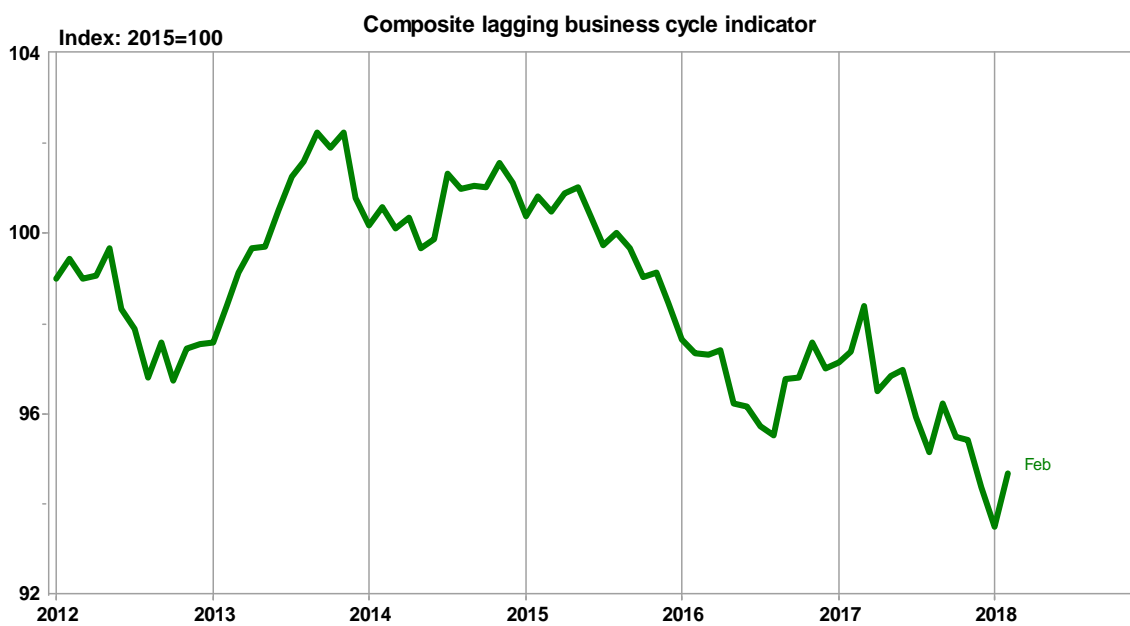
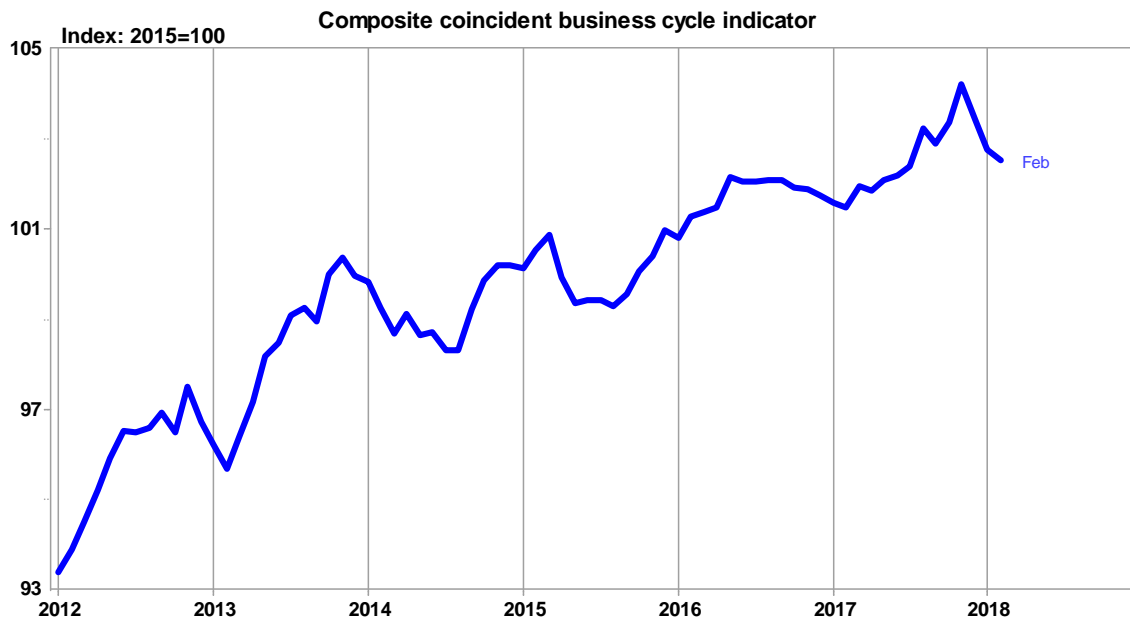
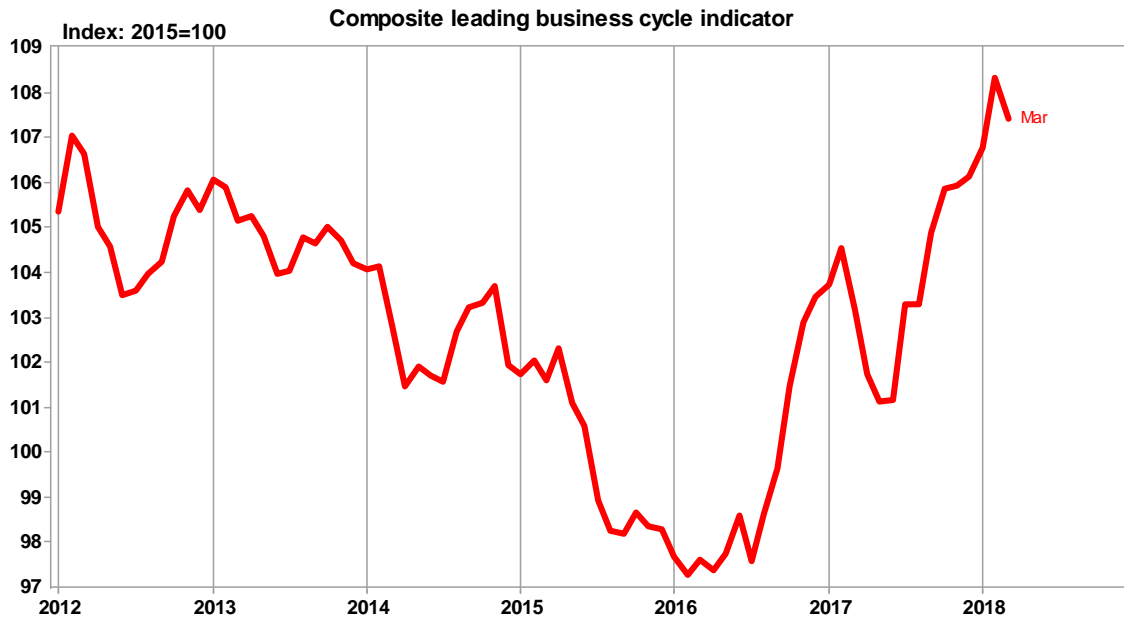


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017					2018		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Leading indicator <i>12-month percentage change</i>	103.3 4.7	104.9 5.3	105.9 4.3	105.9 3.0	106.1 2.6	106.8 2.9	108.3 3.6	107.4 4.1
Coincident indicator <i>12-month percentage change</i>	103.2 1.1	102.9 0.8	103.4 1.4	104.2 2.3	103.4 1.7	102.8 1.2	102.5 1.0	- -
Lagging indicator <i>12-month percentage change</i>	95.1 -0.4	96.2 -0.6	95.5 -1.4	95.4 -2.2	94.4 -2.7	93.5 -3.8	94.7 -2.8	- -

* 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 March 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University