



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 April 2018. Of the ten component time series that were available for April 2018 six decreased, while four increased. The largest negative contributions to the movement in the composite leading business cycle indicator in April resulted from a deceleration in the twelve-month percentage change in job advertisement space and a decrease in the BER's Business Confidence Index. The largest positive contributions to the movement in the composite leading business cycle indicator in April came from an increase in both the number of residential building plans passed and the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *increased* by 0.2% on a month-to-month basis in March 2018.
- The composite **lagging** business cycle indicator *decreased* by 0.6% on a month-to-month basis in March 2018.

The next release is scheduled for 24 July 2018, at 09:00 A.M.

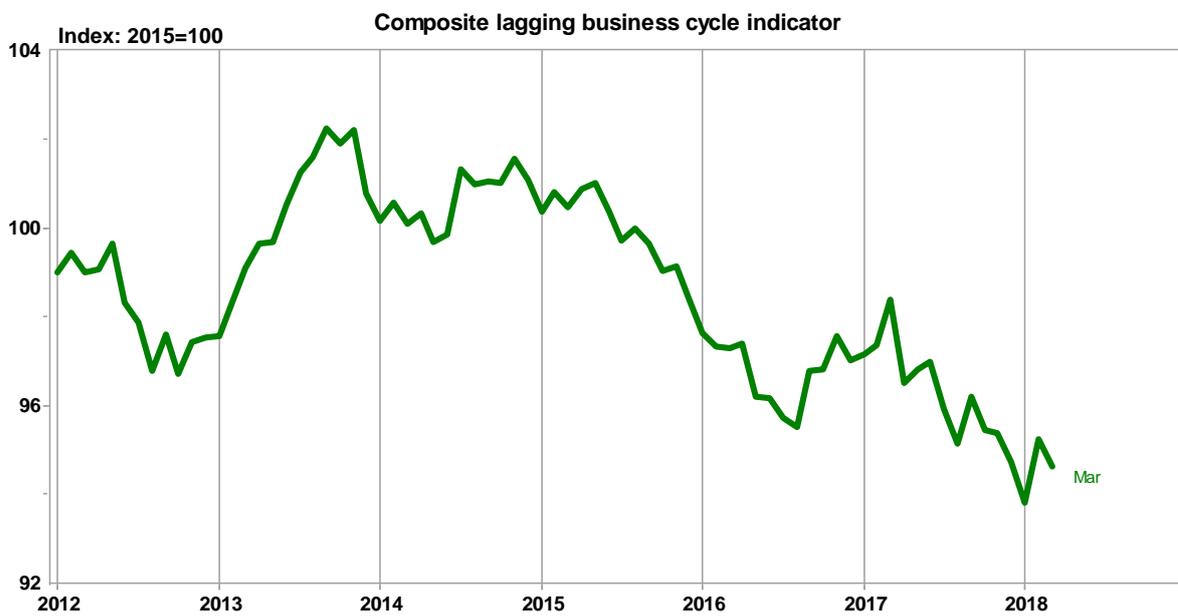
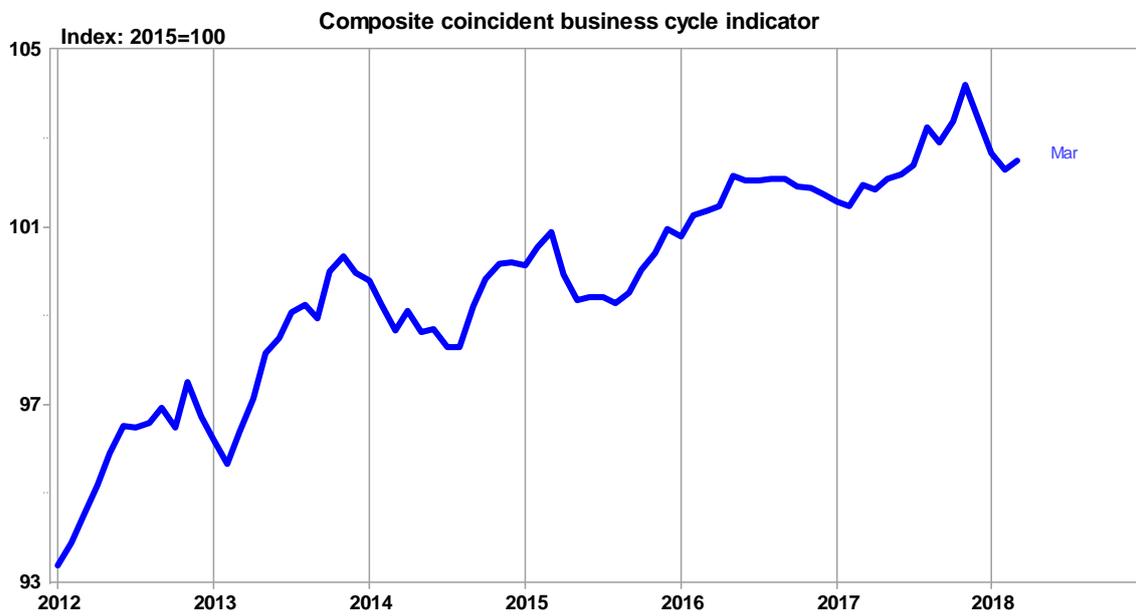
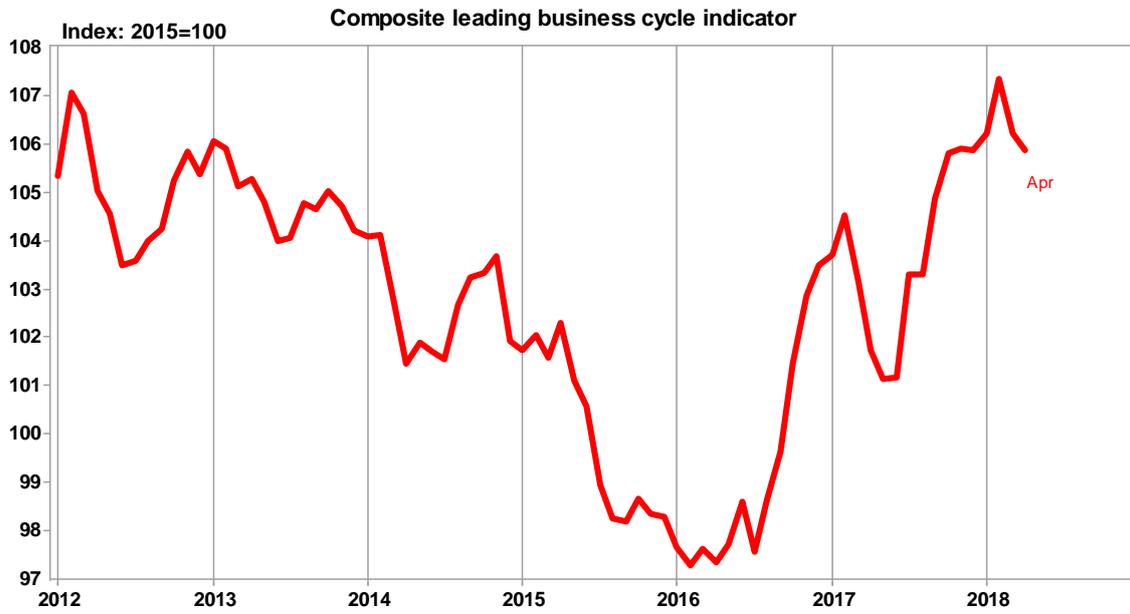


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017				2018			
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Leading indicator	104.9	105.8	105.9	105.9	106.2	107.4	106.2	105.9
<i>12-month percentage change</i>	5.3	4.3	3.0	2.3	2.4	2.7	3.0	4.1
Coincident indicator	102.9	103.4	104.2	103.4	102.7	102.3	102.5	-
<i>12-month percentage change</i>	0.8	1.4	2.3	1.6	1.1	0.8	0.5	-
Lagging indicator	96.2	95.5	95.4	94.7	93.8	95.2	94.6	-
<i>12-month percentage change</i>	-0.6	-1.4	-2.3	-2.3	-3.4	-2.2	-3.8	-

* 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 April 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University