



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 1.1% on a month-to-month basis in June 2018. Six of the nine available component time series increased, while the remaining three decreased. The largest positive contributions to the composite leading business cycle indicator resulted from an increase in the number of residential building plans passed and an acceleration in the twelve-month percentage change in job advertisements. The largest negative contributions to the movement in the composite leading business cycle indicator came from a deceleration in the composite leading business cycle indicator for South Africa's major trading-partner countries and a deceleration in the six-month smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 1.2% on a month-to-month basis in May 2018.
- The composite **lagging** business cycle indicator *increased* by 0.7% on a month-to-month basis in May 2018.

The next release is scheduled for 25 September 2018, at 09:00 A.M.

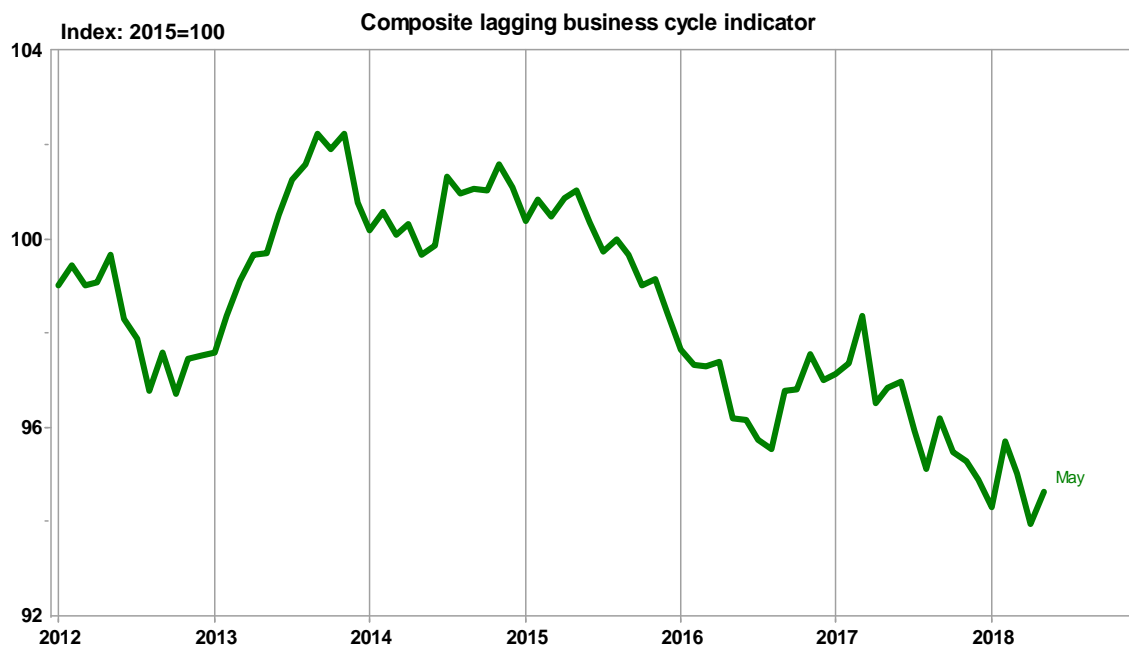
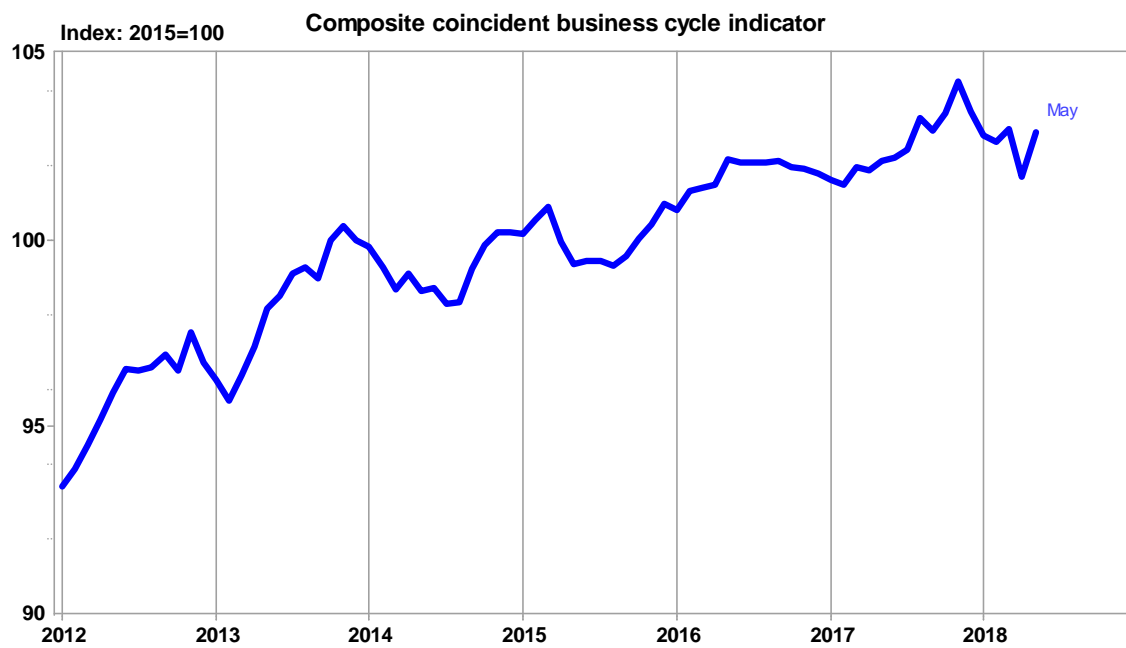
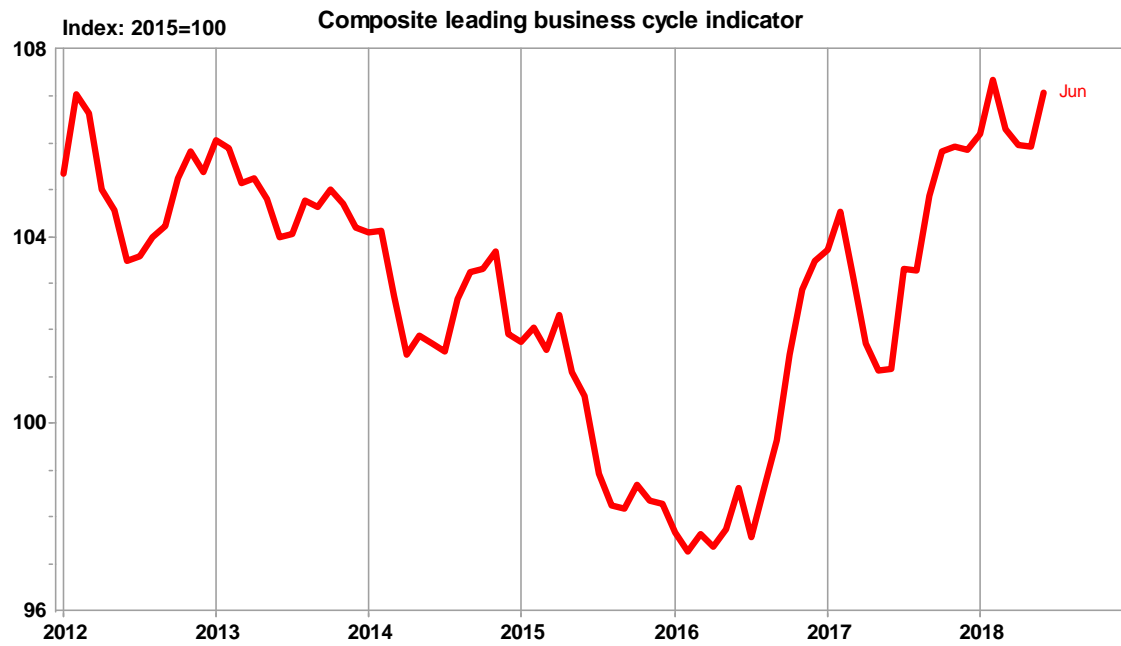


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017		2018					
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	105.9	105.9	106.2	107.4	106.3	105.9	105.9	107.1
12-month percentage change	3.0	2.3	2.4	2.7	3.1	4.2	4.7	5.8
Coincident indicator	104.2	103.4	102.8	102.6	102.9	101.7	102.9	-
12-month percentage change	2.3	1.6	1.2	1.1	1.0	-0.2	0.7	-
Lagging indicator	95.3	94.9	94.3	95.7	95.0	94.0	94.6	-
12-month percentage change	-2.3	-2.2	-3.0	-1.8	-3.4	-2.6	-2.3	-

* 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 June 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University