



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.9% on a month-to-month basis in July 2018. Seven of the ten available component time series decreased, while the remaining three increased. The largest negative contributions to the movement in the composite leading business cycle indicator in July resulted from a decrease in the twelve-month percentage change in job advertisement space and a decrease in the average number of hours worked in the manufacturing sector. The largest positive contributions came from an acceleration in the six-month smoothed growth rate in the real M1 money supply and an increase in the number of residential building plans passed.
- The composite **coincident** business cycle indicator *increased* by 0.5% on a month-to-month basis in June 2018.
- The composite **lagging** business cycle indicator *decreased* by 0.2% on a month-to-month basis in June 2018.

The next release is scheduled for 23 October 2018, at 09:00 A.M.

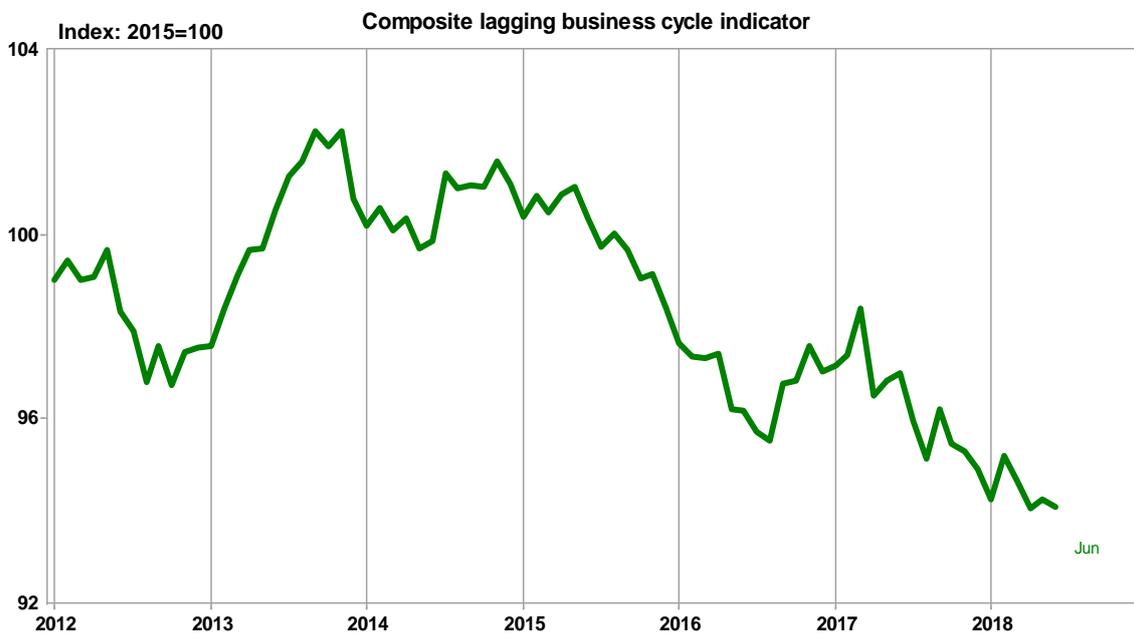
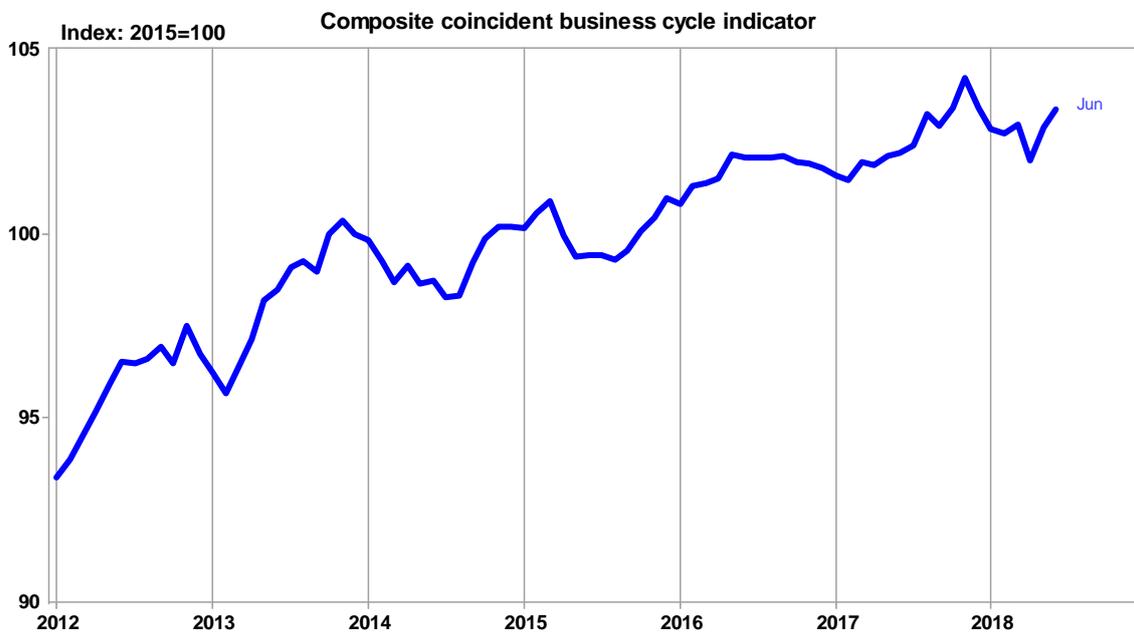
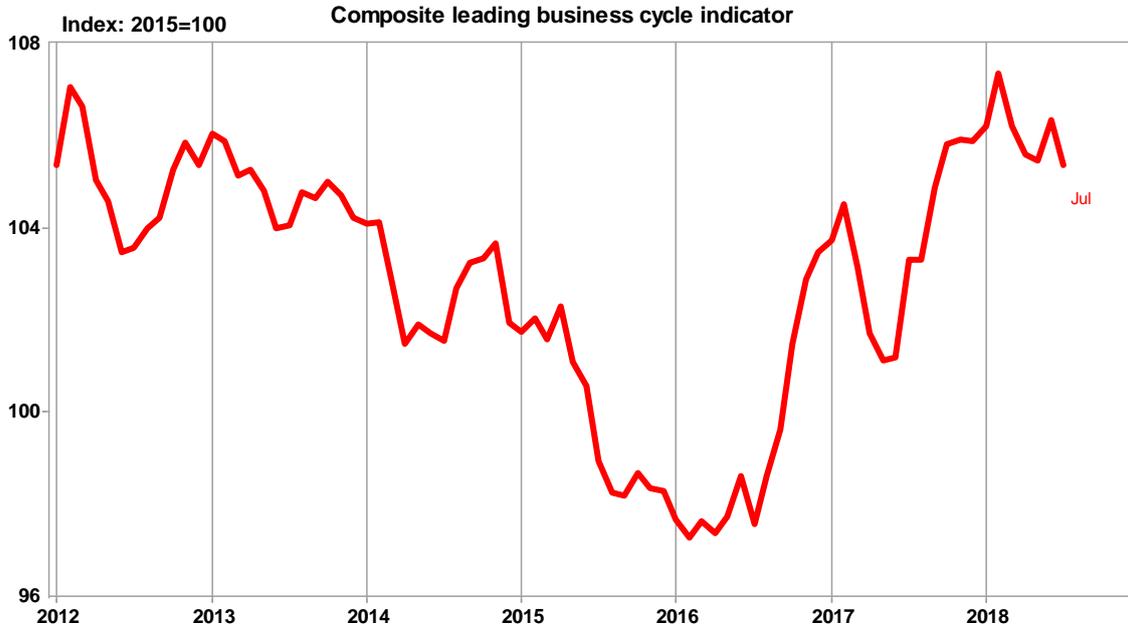


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017	2018						
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	105.9	106.2	107.4	106.2	105.6	105.5	106.3	105.4
12-month percentage change	2.3	2.4	2.7	3.0	3.8	4.3	5.1	2.0
Coincident indicator	103.4	102.8	102.7	103.0	102.0	102.9	103.4	-
12-month percentage change	1.6	1.2	1.2	1.0	0.1	0.8	1.2	-
Lagging indicator	94.9	94.3	95.2	94.6	94.0	94.3	94.1	-
12-month percentage change	-2.2	-3.0	-2.3	-3.8	-2.6	-2.7	-3.0	-

* 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 July 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University