



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228

Adri.Wolhuter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 20 November 2018

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* further by 0.2% on a month-to-month basis in September 2018. Decreases in three of the nine available component time series outweighed increases in the remaining six component time series. The largest negative contributions to the movement in the composite leading business cycle indicator in September resulted from a decrease in the number of residential building plans approved and a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions came from an increase in the South African produced export commodity price index (US dollar based) followed by a widening in the interest rate spread.
- The composite **coincident** business cycle indicator *increased* by 0.4% on a month-to-month basis in August 2018.
- The composite **lagging** business cycle indicator *decreased* by 0.3% on a month-to-month basis in August 2018.

The next release is scheduled for 18 December 2018, at 09:00 A.M.

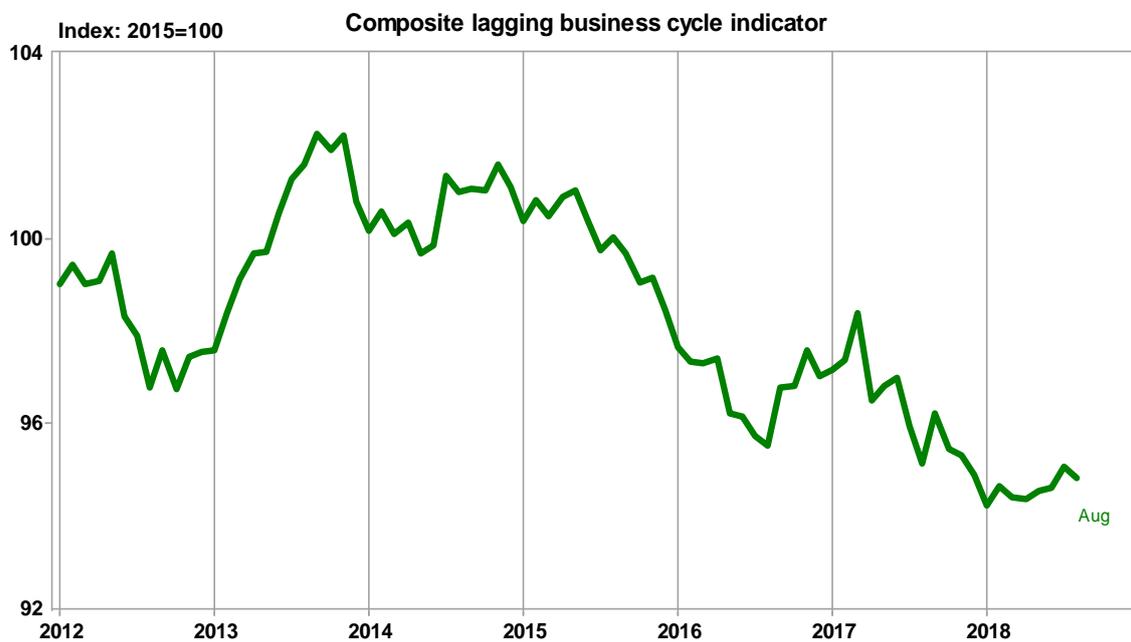
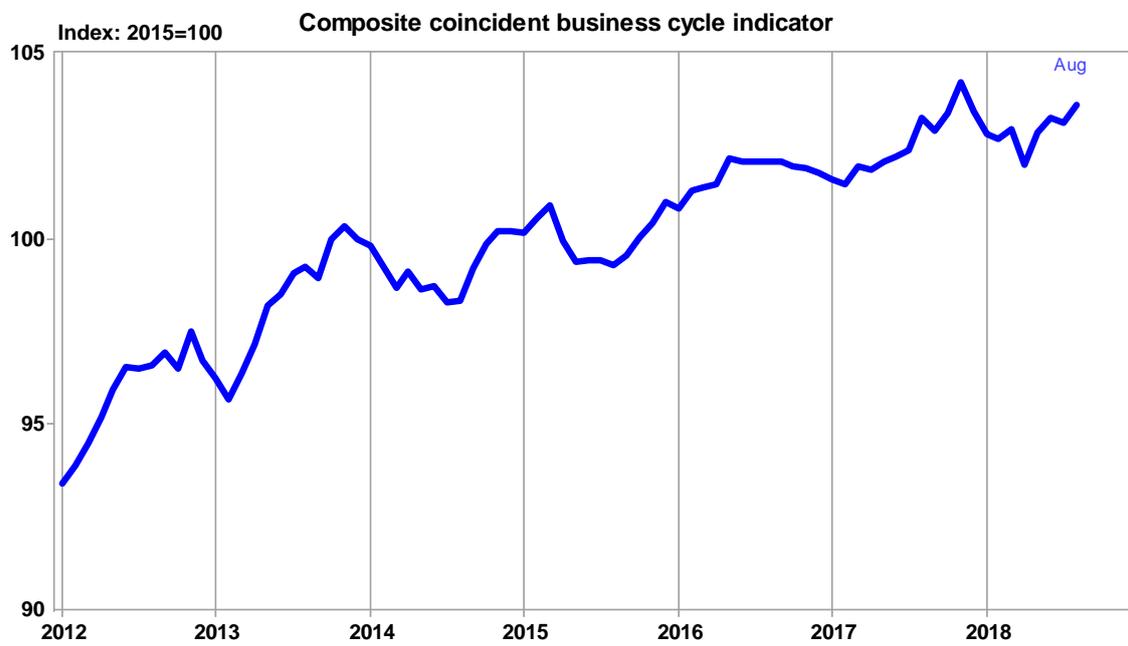
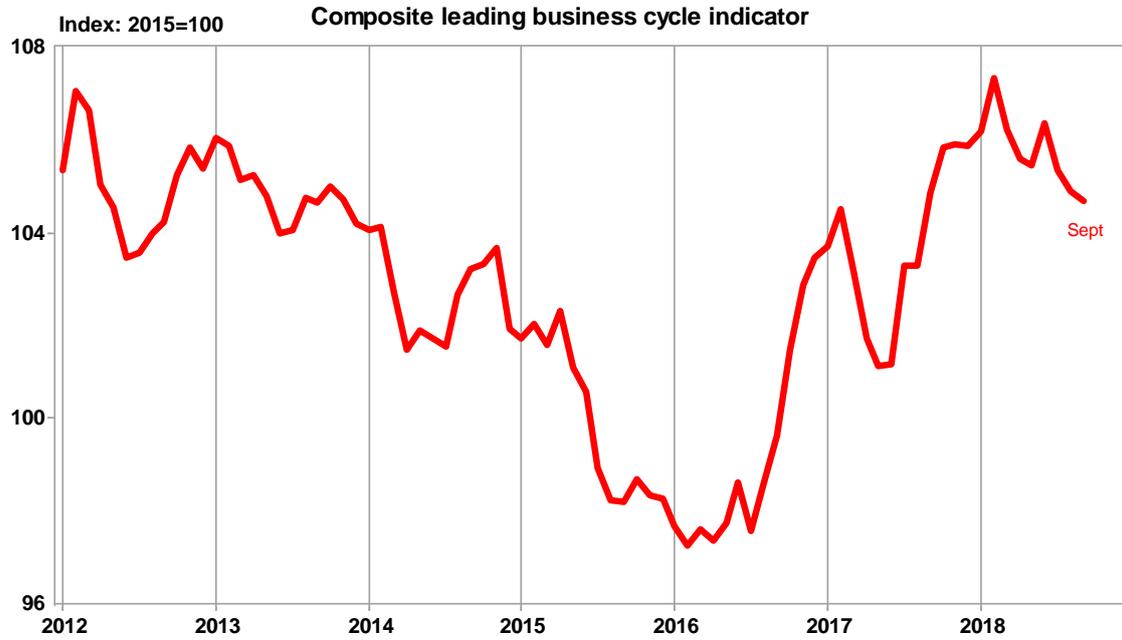


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept
Leading indicator <i>12-month percentage change</i>	106.2 2.4	107.4 2.7	106.2 3.0	105.6 3.8	105.5 4.3	106.3 5.1	105.4 2.0	104.9 1.5	104.7 -0.2
Coincident indicator <i>12-month percentage change</i>	102.8 1.2	102.7 1.2	103.0 1.0	102.0 0.1	102.9 0.7	103.3 1.1	103.1 0.7	103.6 0.3	- -
Lagging indicator <i>12-month percentage change</i>	94.2 -3.0	94.7 -2.8	94.4 -4.1	94.4 -2.2	94.5 -2.4	94.6 -2.4	95.1 -0.9	94.8 -0.3	- -

* 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 September 2018 data point:

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