



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.2% on a month-to-month basis in October 2018. Five of the ten available component time series increased while the remaining five decreased. The largest positive contributions to the movement in the composite leading business cycle indicator in October came from an acceleration in the twelve-month percentage change in job advertisement space, followed by an increase in the South African produced export commodity price index (US dollar based). The largest negative contributions resulted from a decrease in the number of residential building plans approved and a deceleration in the composite leading business cycle indicator for South Africa's major trading-partner countries.
- The composite **coincident** business cycle indicator *decreased* by 0.1% on a month-to-month basis in September 2018.
- The composite **lagging** business cycle indicator *increased* by 1.1% on a month-to-month basis in September 2018.

The next release is scheduled for 22 January 2019, at 09:00 A.M.

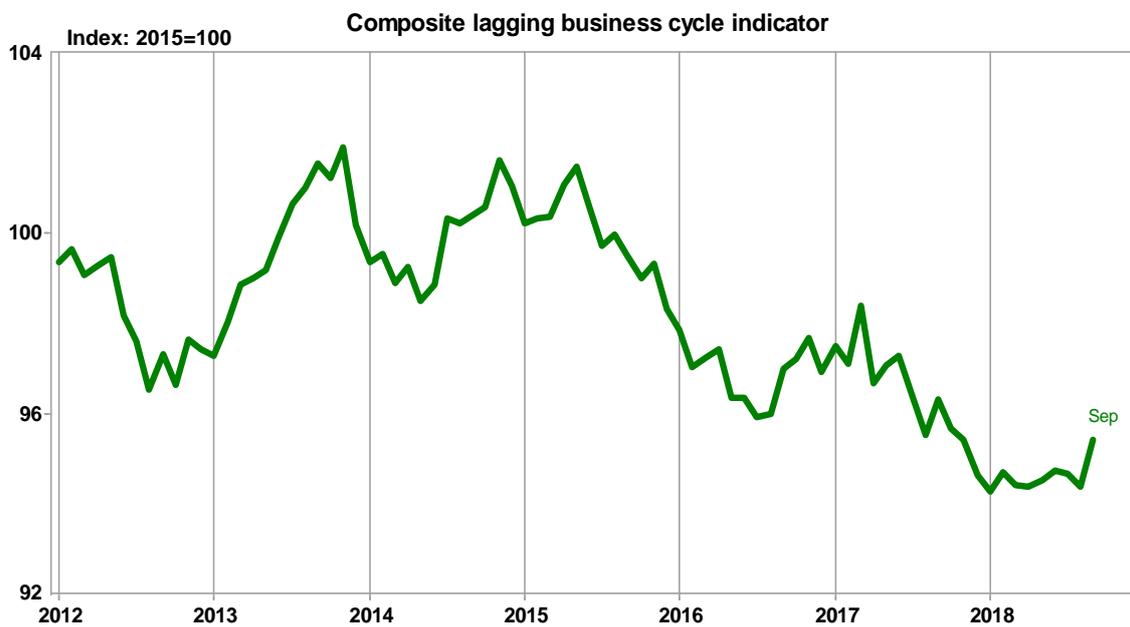
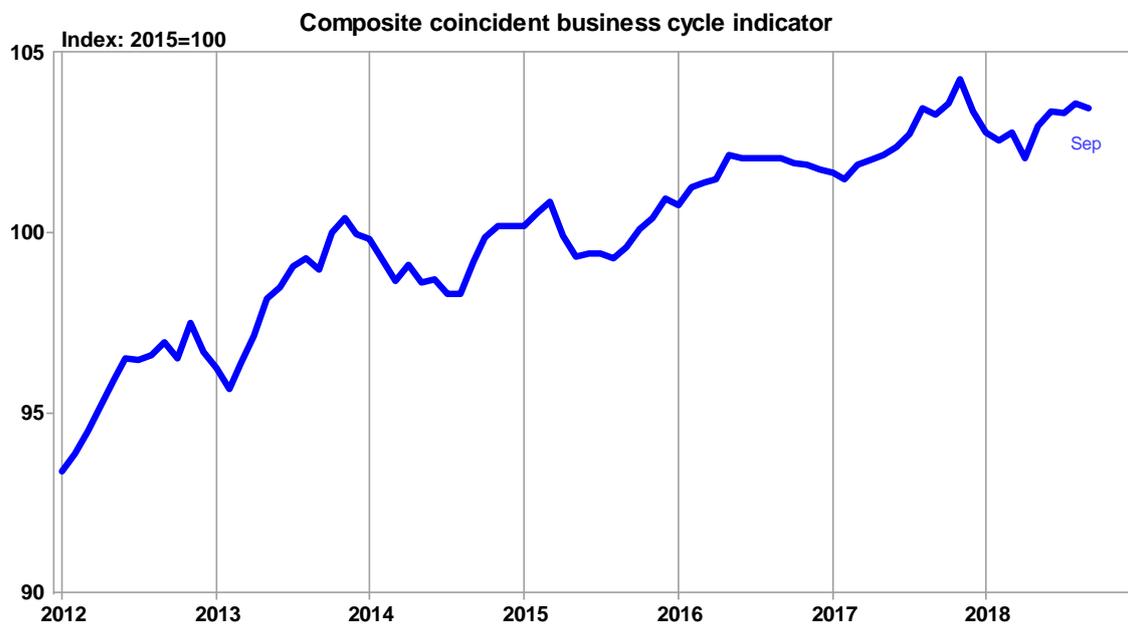
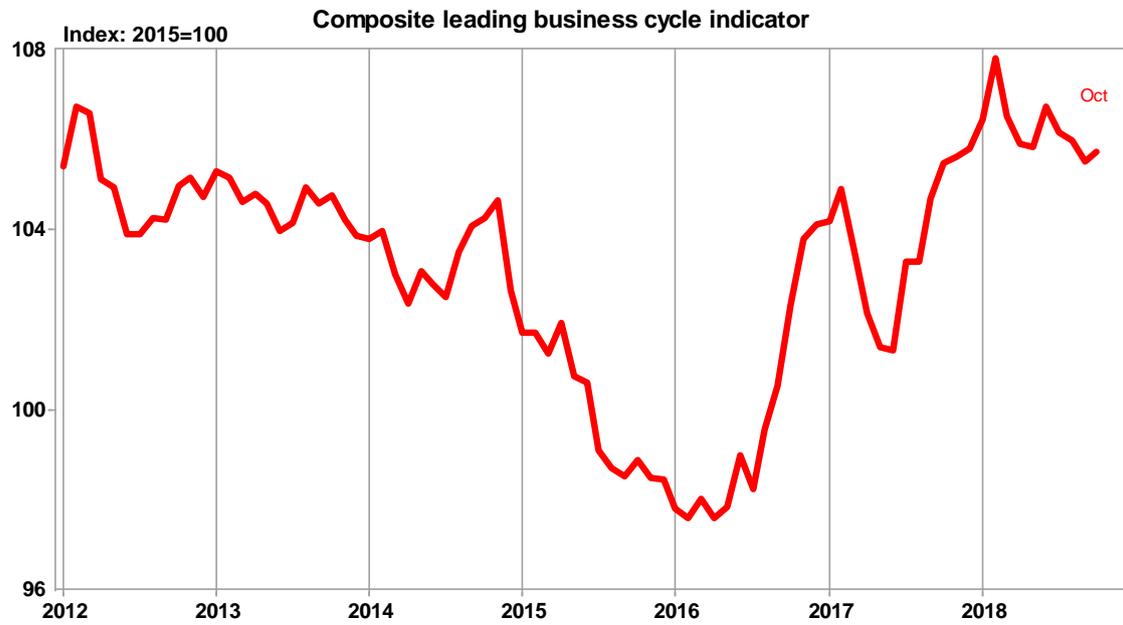


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
Leading indicator <i>12-month percentage change</i>	107.8 2.8	106.5 2.9	105.9 3.7	105.8 4.4	106.7 5.3	106.2 2.8	106.0 2.6	105.5 0.8	105.7 0.2
Coincident indicator <i>12-month percentage change</i>	102.6 1.1	102.8 0.9	102.1 0.0	103.0 0.8	103.4 1.0	103.3 0.5	103.6 0.1	103.5 0.2	- -
Lagging indicator <i>12-month percentage change</i>	94.7 -2.5	94.4 -4.1	94.4 -2.4	94.5 -2.6	94.7 -2.6	94.7 -1.7	94.4 -1.2	95.4 -0.9	- -

* 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 October 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University