



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, 22 January 2019

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.3% on a month-to-month basis in November 2018. Decreases were recorded in seven of the ten available component time series while three component time series increased. The largest negative contributions to the movement in the composite leading business cycle indicator in November came from decelerations in the twelve-month percentage changes in job advertisement space and in the composite leading business cycle indicator for South Africa's major trading-partner countries. The largest positive contributions came from increases in the number of residential building plans approved and in the volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *increased* by 0.8% on a month-to-month basis in October 2018.
- The composite **lagging** business cycle indicator *increased* by 0.2% on a month-to-month basis in October 2018.

The next release is scheduled for 26 February 2019, at 09:00 A.M.

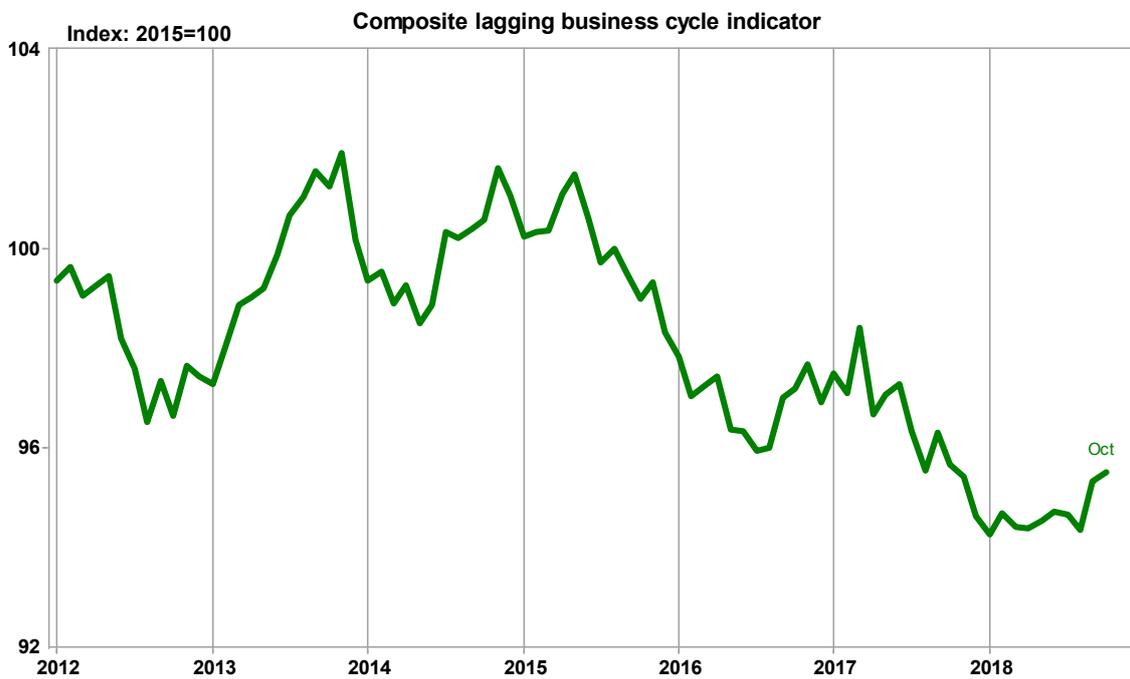
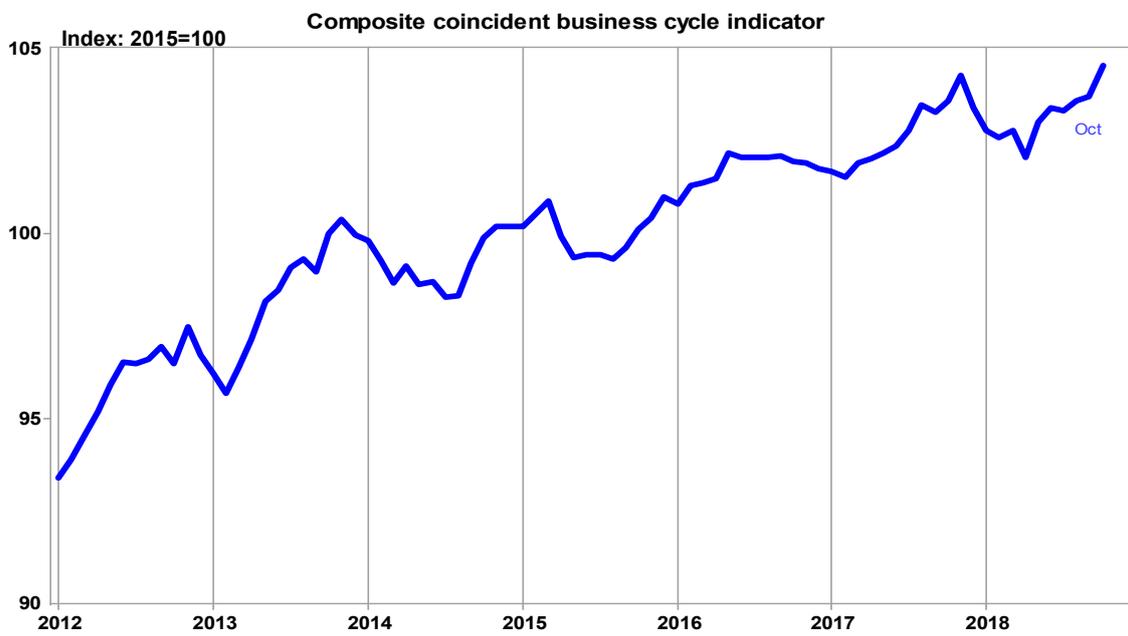
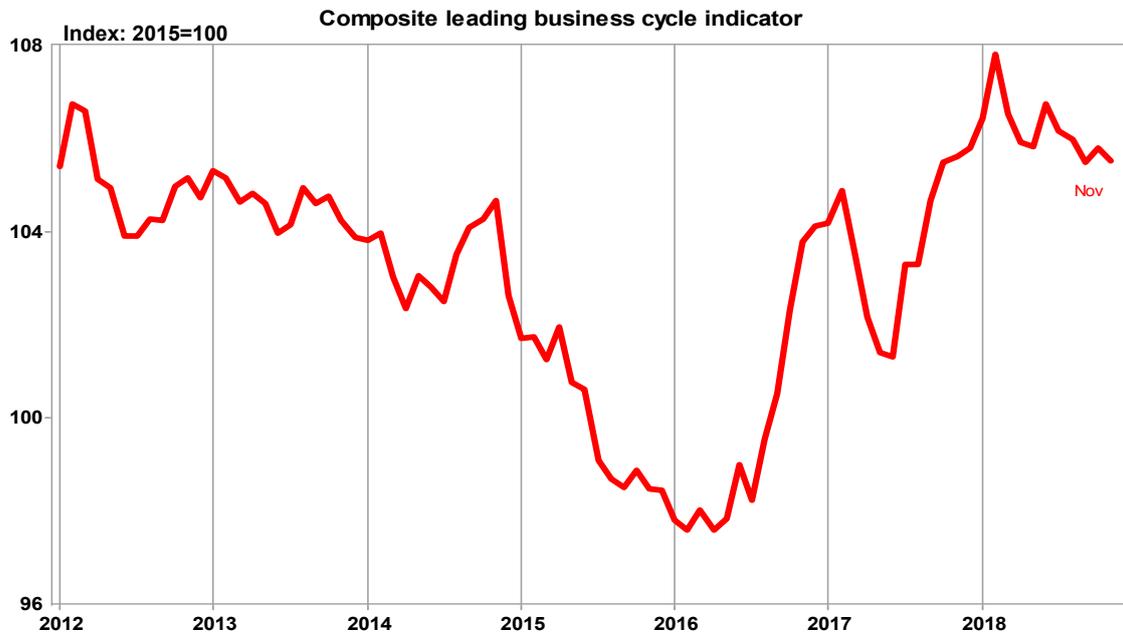


Table 1 Summary of the composite business cycle indicators*

| Indices: 2015 = 100 | 2018 | | | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov |
| Leading indicator <i>12-month percentage change</i> | 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 | 105.8 0.3 | 105.5 -0.1 |
| Coincident indicator <i>12-month percentage change</i> | 102.8 0.9 | 102.1 0.0 | 103.0 0.8 | 103.4 1.0 | 103.3 0.5 | 103.6 0.1 | 103.7 0.4 | 104.5 0.9 | - - |
| Lagging indicator <i>12-month percentage change</i> | 94.4 -4.1 | 94.4 -2.4 | 94.5 -2.6 | 94.7 -2.6 | 94.7 -1.7 | 94.4 -1.2 | 95.3 -1.0 | 95.5 -0.1 | - - |

* 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 November 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University