



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228

Adri.Wolhuter@resbank.co.za

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 1.8% on a month-to-month basis in January 2019. All of the available component time series decreased. The largest negative contributions to the movement in the composite leading business cycle indicator in January came from further decelerations in the twelve-month percentage changes in job advertisement space and in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *decreased* by 0.7% in December 2018.
- The composite **lagging** business cycle indicator *increased* by 2.2% on a month-to-month basis in December 2018.

The next release is scheduled for 23 April 2019, at 09:00 A.M.

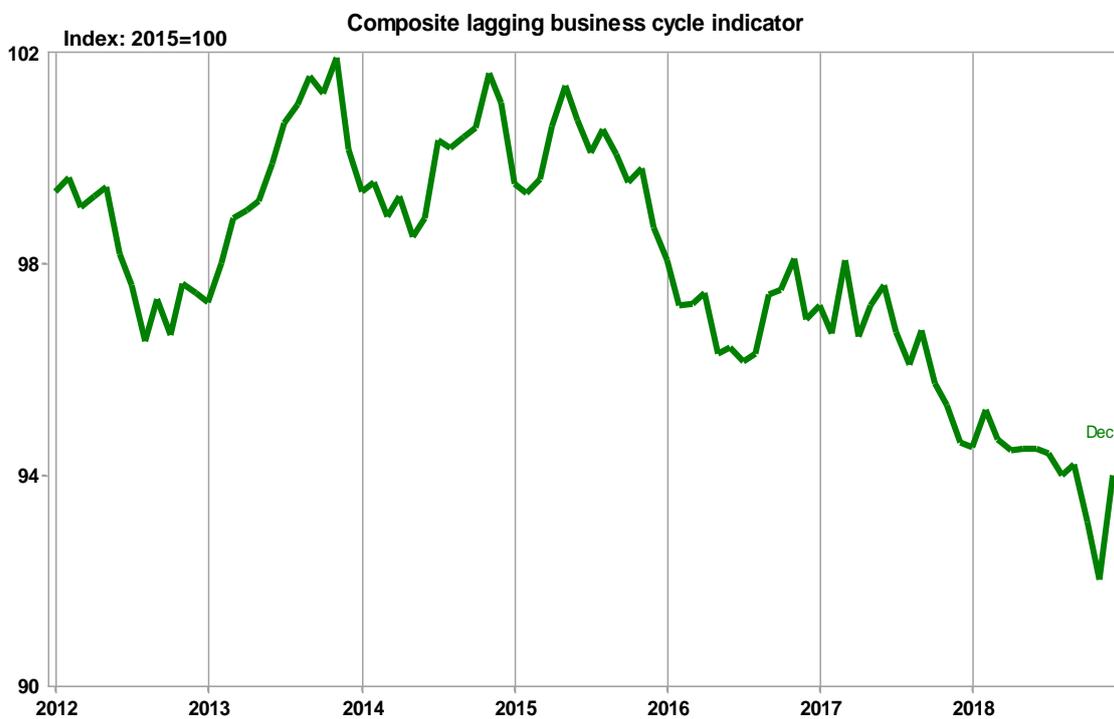
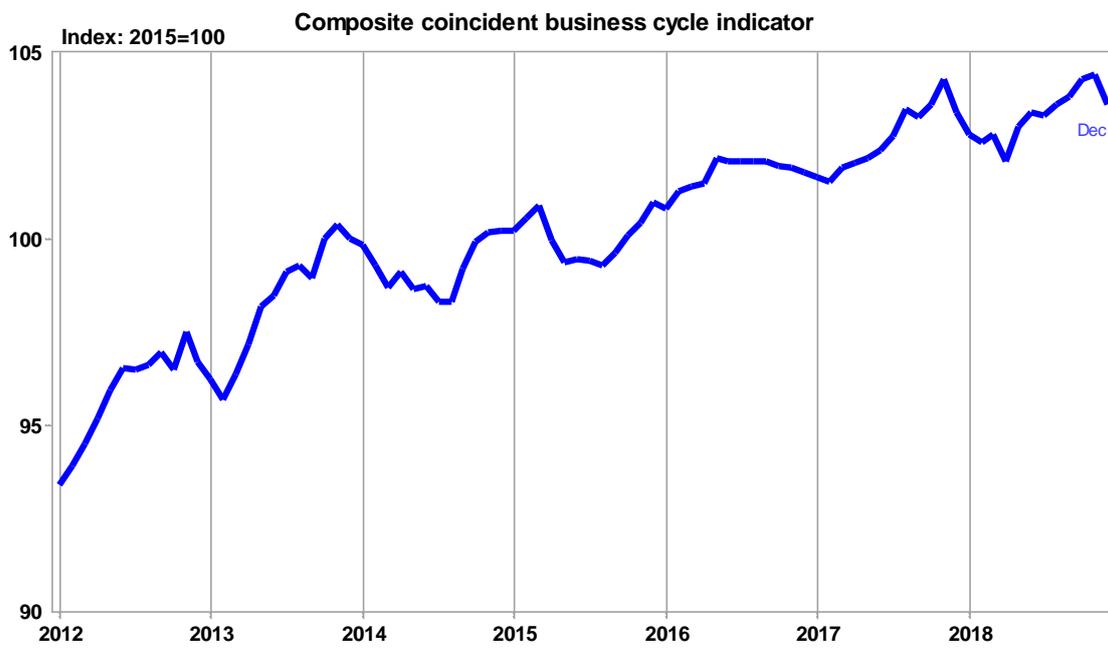
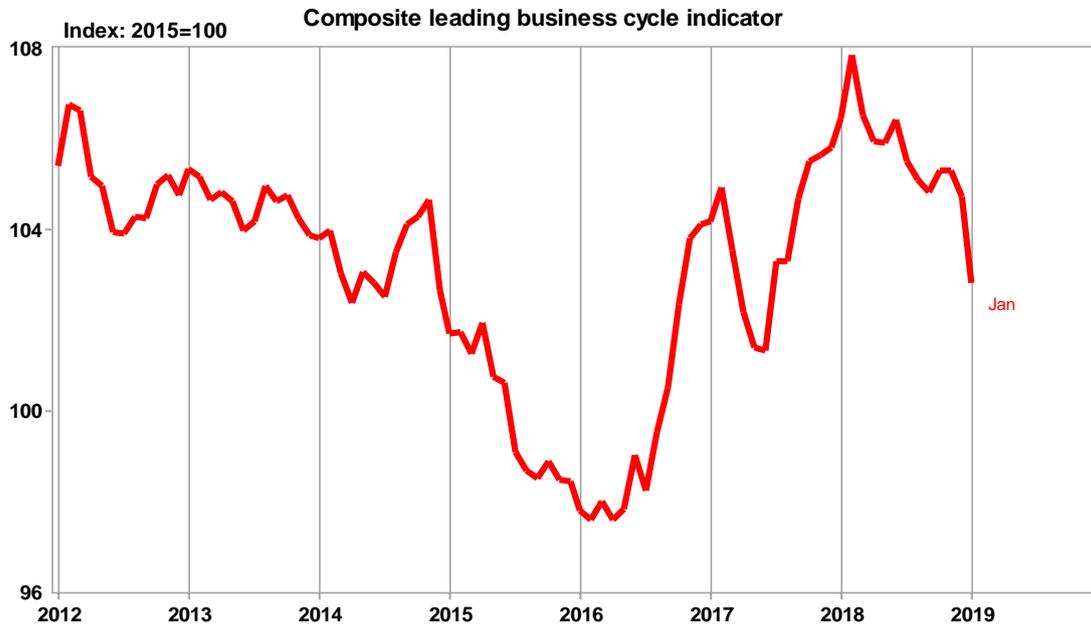


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018								2019
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
Leading indicator	105.9	106.4	105.5	105.1	104.8	105.3	105.3	104.7	102.8
12-month percentage change	4.4	5.0	2.1	1.8	0.1	-0.2	-0.3	-1.1	-3.4
Coincident indicator	103.0	103.4	103.3	103.6	103.8	104.3	104.4	103.6	-
12-month percentage change	0.8	1.0	0.5	0.1	0.5	0.7	0.1	0.2	-
Lagging indicator	94.5	94.5	94.4	94.0	94.2	93.1	92.0	94.0	-
12-month percentage change	-2.8	-3.2	-2.4	-2.2	-2.6	-2.8	-3.5	-0.6	-

* 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 January 2019 data point:

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

* Bureau for Economic Research, Stellenbosch University