



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 2.0% on a month-to-month basis in February 2019. Five of the ten available component time series increased while four decreased, with one remaining unchanged. The largest positive contributions to the movement in the composite leading business cycle indicator in February came from an increase in the number of residential building plans approved and an acceleration in the twelve-month percentage change in job advertisement space. The largest negative contributions resulted from decreases in the BER's Business Confidence Index and the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *decreased* by 0.2% in January 2019.
- The composite **lagging** business cycle indicator *decreased* by 1.3% on a month-to-month basis in January 2019.

The next release is scheduled for 21 May 2019, at 09:00 A.M.

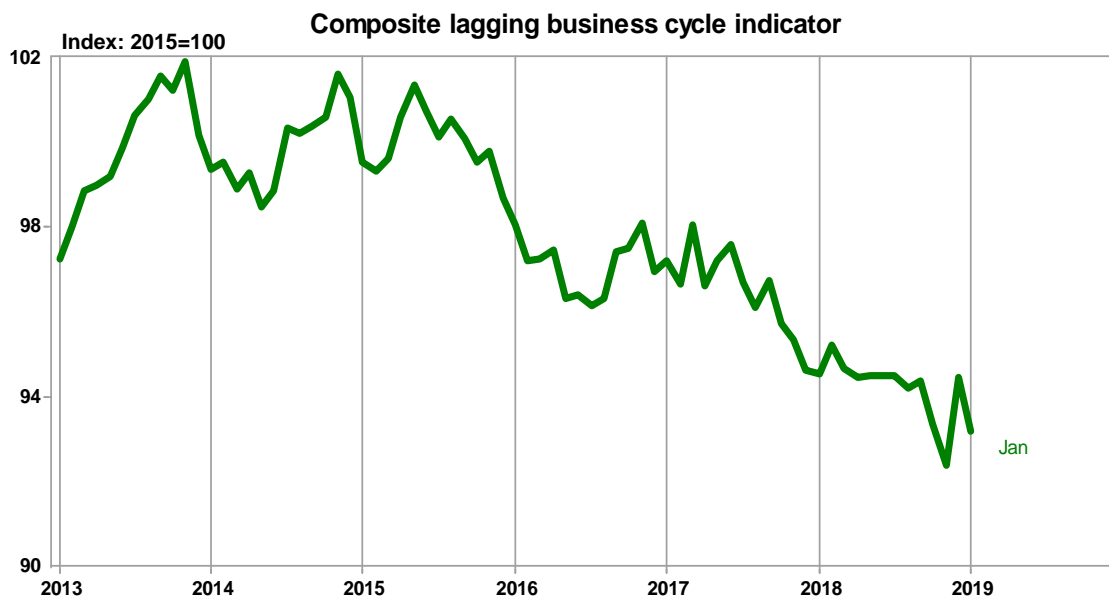
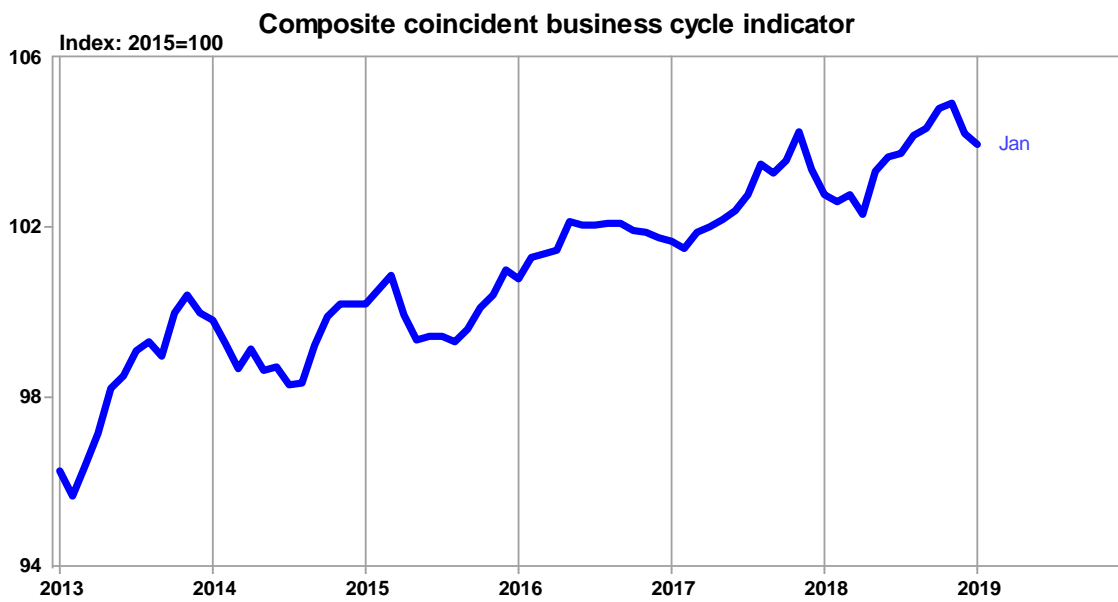
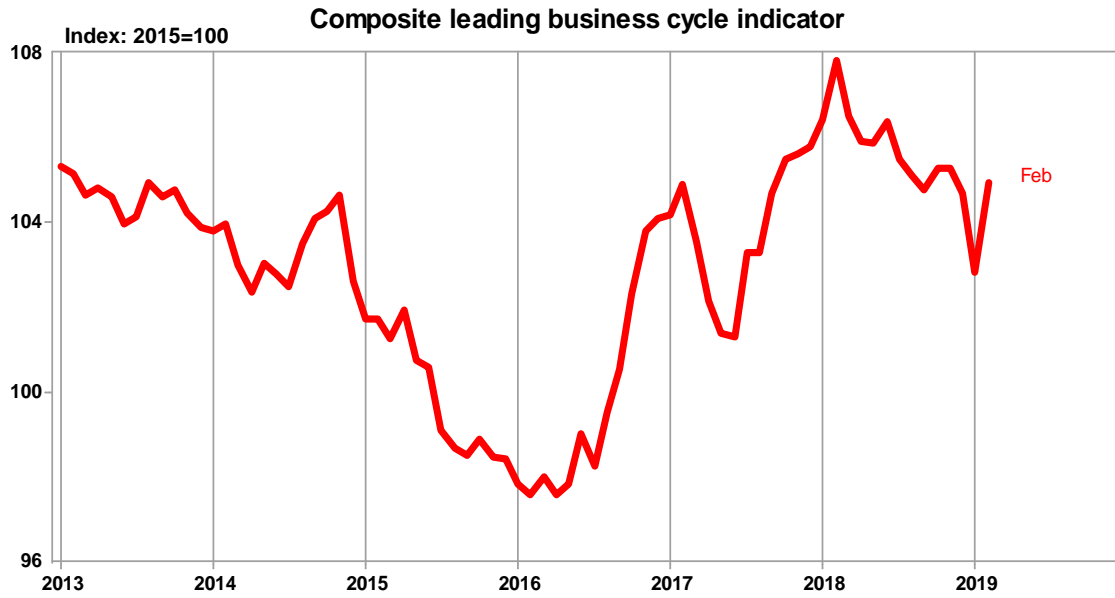


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018							2019	
	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Leading indicator <i>12-month percentage change</i>	106.4 5.0	105.5 2.1	105.1 1.8	104.8 0.1	105.3 -0.2	105.3 -0.3	104.7 -1.1	102.8 -3.4	104.9 -2.7
Coincident indicator <i>12-month percentage change</i>	103.7 1.3	103.7 1.0	104.2 0.7	104.3 1.0	104.8 1.2	105.0 0.7	104.2 0.8	104.0 1.1	- -
Lagging indicator <i>12-month percentage change</i>	94.5 -3.2	94.5 -2.3	94.2 -2.0	94.4 -2.5	93.4 -2.5	92.4 -3.1	94.4 -0.2	93.2 -1.4	- -

* 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 February 2019 data point:

Positive 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)
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
Real M1 (six-month smoothed growth rate)
Negative contributors (ranked from largest to smallest)
BER*:Business Confidence Index
BER*:Average hours worked per factory worker in manufacturing (half weight)
Number of new passenger vehicles sold (percentage change over 12 months)
BER*:Volume of orders in manufacturing (half weight)
Unchanged component series
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