



South African Reserve Bank

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FOR RELEASE: 09:00 A.M., Tuesday, 25 June 2019

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.7% on a month-to-month basis in April 2019. Five of the ten available component time series increased, while four decreased, and one remained unchanged. The largest positive contributions to the movement in the composite leading business cycle indicator in April 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 a decrease in the South African produced export commodity price index (US dollar based) and a narrowing in the interest rate spread.
- The composite **coincident** business cycle indicator *increased* by 0.3% on a month-to-month basis in March 2019.
- The composite **lagging** business cycle indicator *decreased* by 1.1% on a month-to-month basis in March 2019.

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

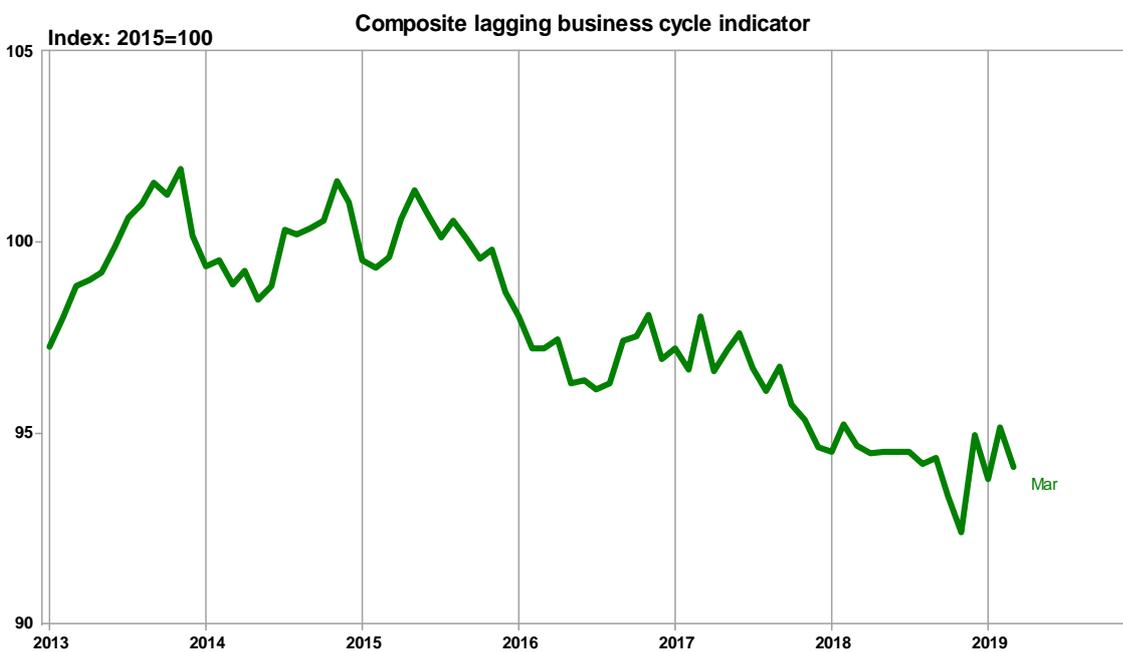
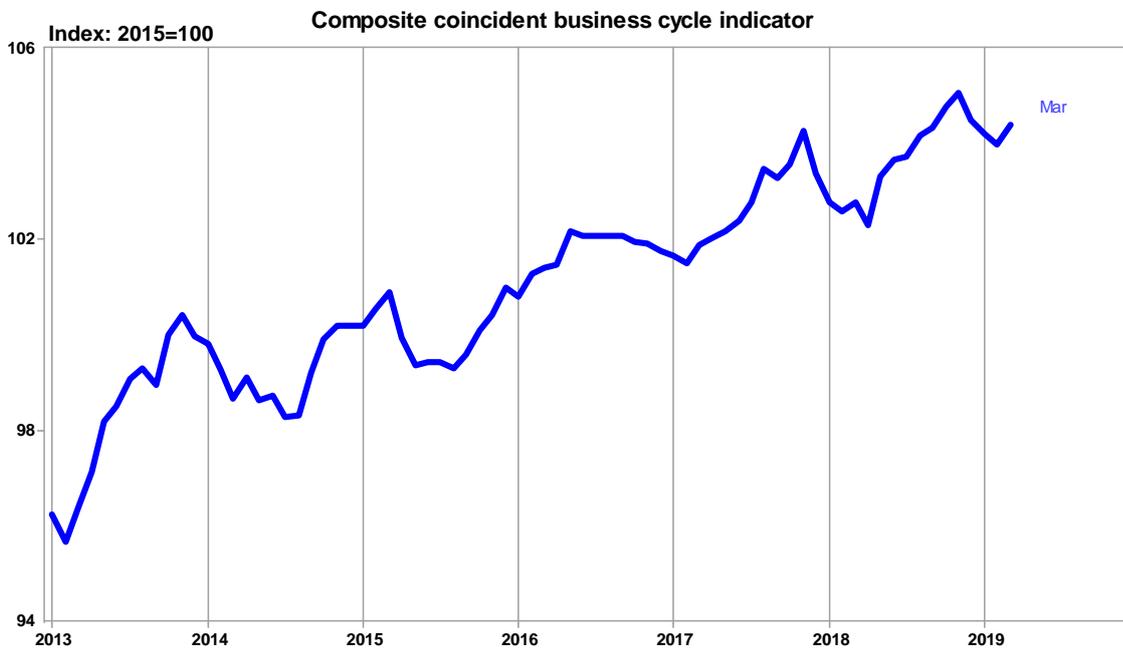
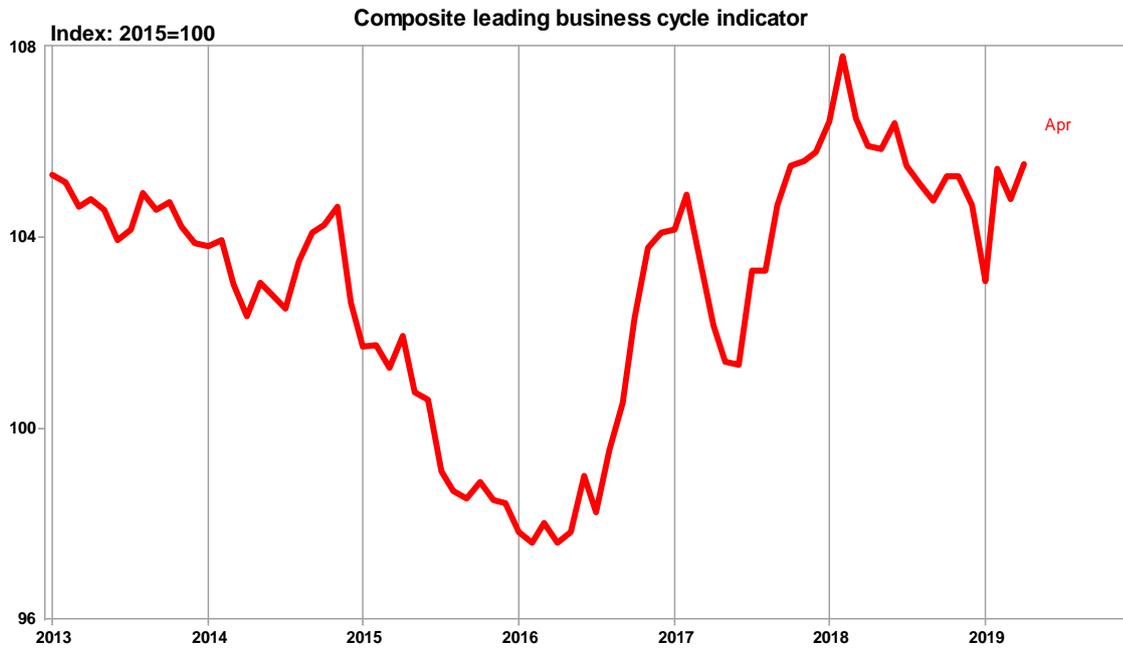


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018					2019			
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Leading indicator <i>12-month percentage change</i>	105.1 1.8	104.8 0.1	105.3 -0.2	105.3 -0.3	104.7 -1.1	103.1 -3.2	105.5 -2.2	104.8 -1.6	105.5 -0.3
Coincident indicator <i>12-month percentage change</i>	104.2 0.7	104.3 1.0	104.8 1.2	105.1 0.8	104.5 1.1	104.2 1.4	104.0 1.4	104.4 1.5	- -
Lagging indicator <i>12-month percentage change</i>	94.2 -2.0	94.4 -2.5	93.4 -2.5	92.3 -3.2	95.0 0.4	93.8 -0.8	95.2 -0.1	94.1 -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 April 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)
Number of new passenger vehicles sold (percentage change over 12 months)
Real M1 (six-month smoothed growth rate)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Negative 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*: Volume of orders in manufacturing (half weight)
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Unchanged component series
BER*: Business Confidence Index
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University