



## South African Reserve Bank

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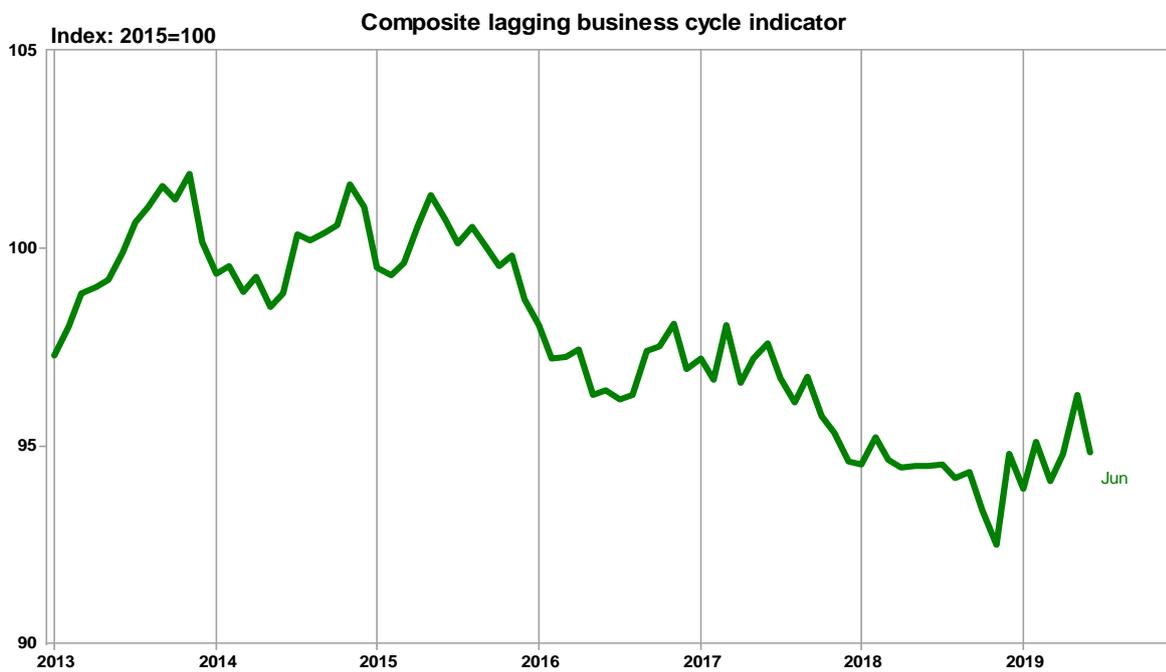
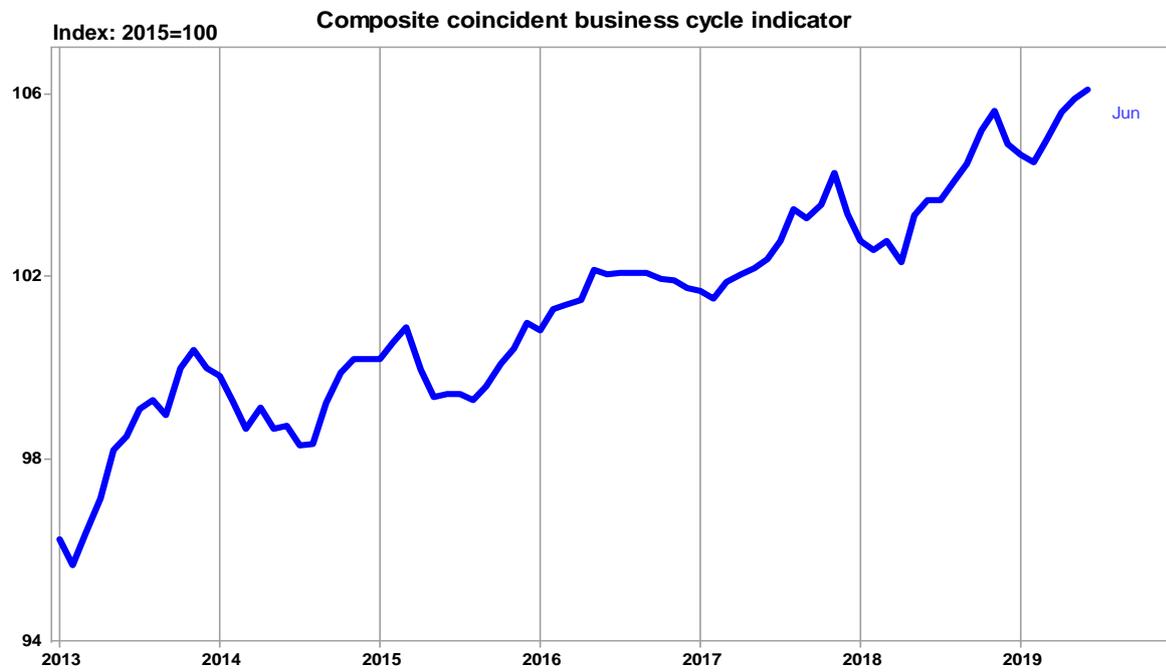
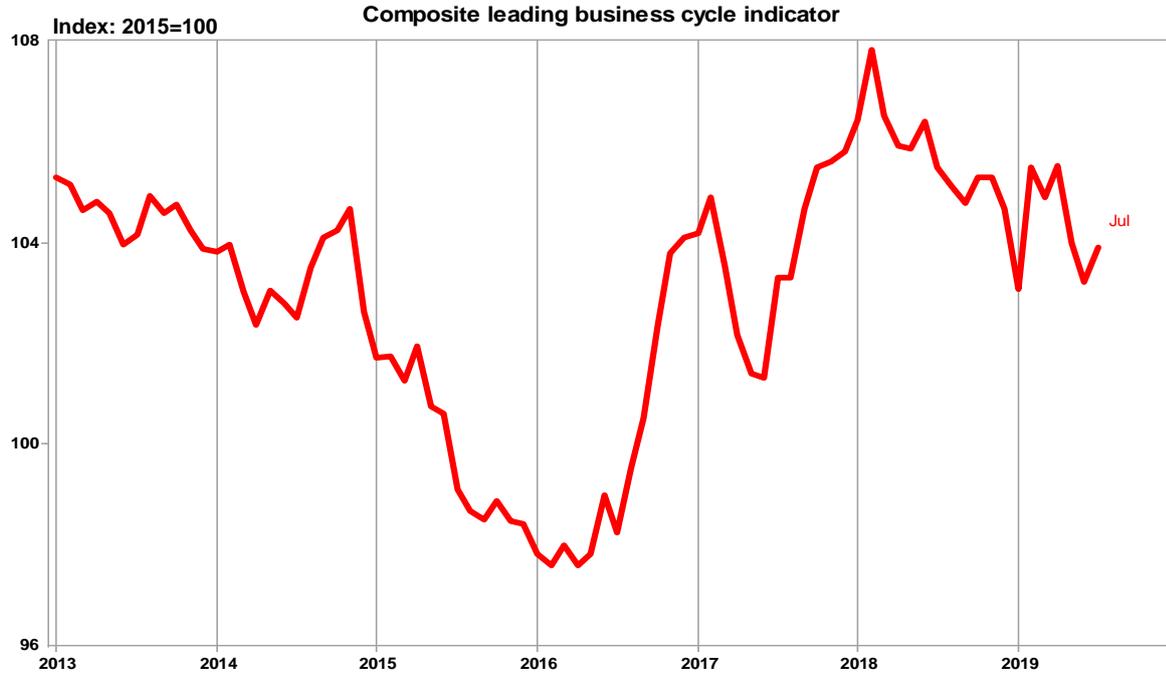
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***FOR RELEASE: 09:00 A.M., Wednesday, 25 September 2019***

### **Composite business cycle indicators for South Africa**

- The composite **leading** business cycle indicator *increased* by 0.7% on a month-to-month basis in July 2019. Increases in five of the ten available component time series outweighed decreases in the remaining five. The largest positive contributions to the movement in the composite leading business cycle indicator in July came from an acceleration in the twelve-month percentage change in job advertisement space and an increase in the South African export commodity price index (US dollar based). The largest negative contributions came from a deceleration in the twelve-month percentage change in the number of new passenger vehicles sold and a deterioration in the BER's Business Confidence Index.
- The composite **coincident** business cycle indicator *increased* by 0.2% on a month-to-month basis in June 2019.
- The composite **lagging** business cycle indicator *decreased* by 1.5% on a month-to-month basis in June 2019.

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



**Table 1 Summary of the composite business cycle indicators\***

Indices: 2015 = 100	2018		2019						
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	105.3	104.7	103.1	105.5	104.9	105.5	104.0	103.2	103.9
<i>12-month percentage change</i>	-0.3	-1.1	-3.2	-2.2	-1.5	-0.4	-1.8	-3.0	-1.5
Coincident indicator	105.6	104.9	104.7	104.5	105.0	105.6	105.9	106.1	-
<i>12-month percentage change</i>	1.3	1.5	1.8	1.9	2.2	3.2	2.5	2.3	-
Lagging indicator	92.5	94.8	93.9	95.1	94.1	94.8	96.3	94.8	-
<i>12-month percentage change</i>	-3.0	0.2	-0.7	-0.1	-0.6	0.4	1.9	0.3	-

\* 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 July 2019 data point:**

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

\* Bureau for Economic Research, Stellenbosch University