



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.1% on a month-to-month basis in August 2019. Decreases in five of the ten available component time series marginally outweighed increases in the remaining five. The largest negative contributions to the movement in the composite leading business cycle indicator in August came from a decrease in the South African export commodity price index (US dollar based) and a deterioration in the BER's Business Confidence Index. The largest positive contributions came from an increase in the number of residential building plans approved and a widening in the interest rate spread.
- The composite **coincident** business cycle indicator *decreased* by 0.4% on a month-to-month basis in July 2019.
- The composite **lagging** business cycle indicator *decreased* by 0.1% on a month-to-month basis in July 2019.

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

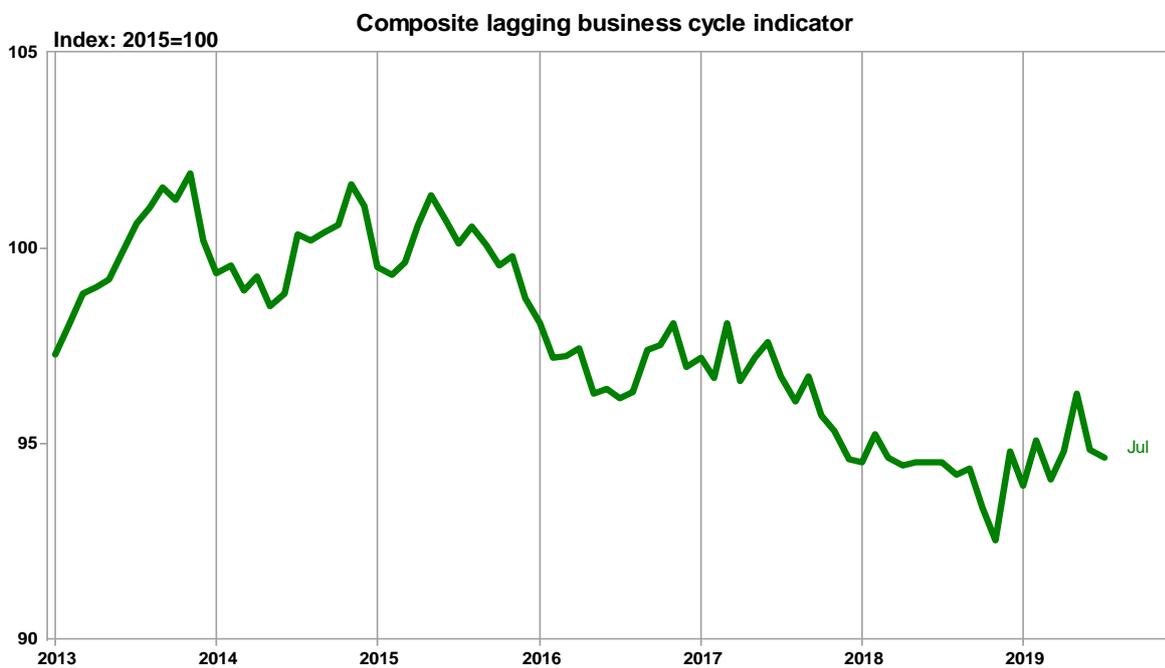
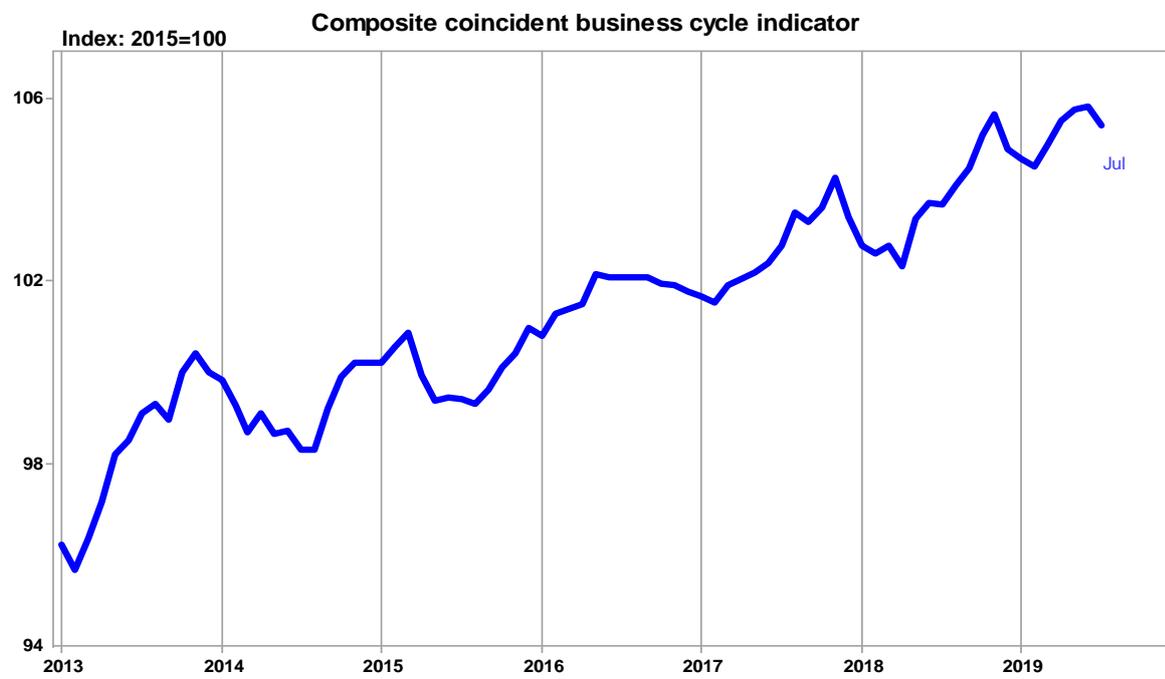
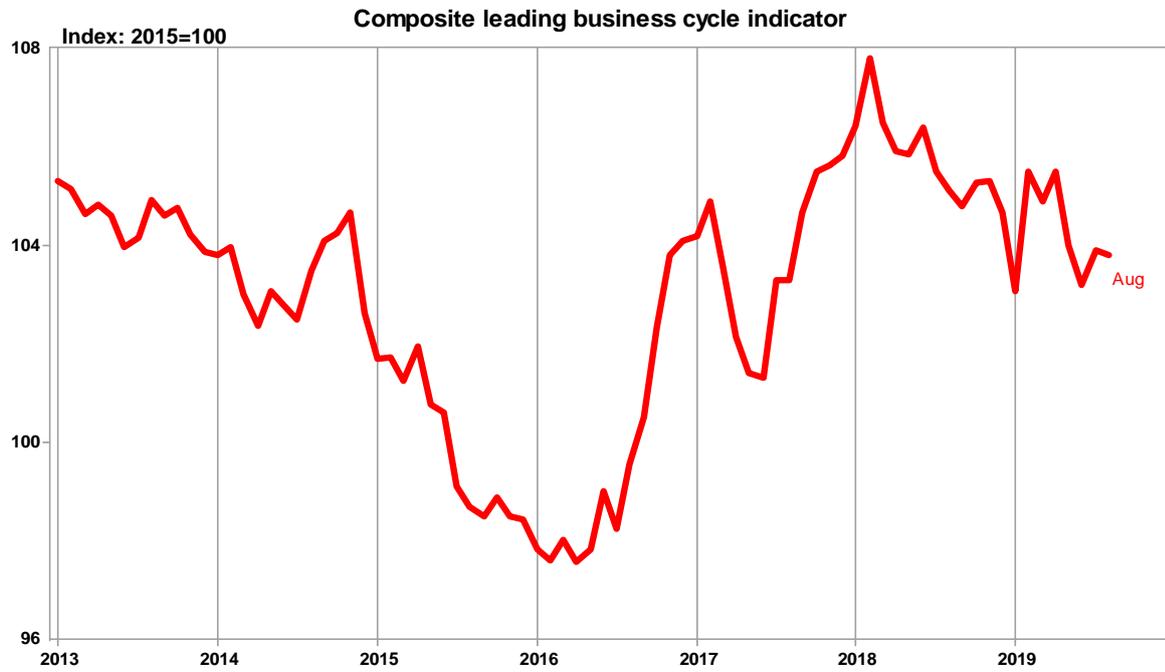


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018	2019							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	104.7	103.1	105.5	104.9	105.5	104.0	103.2	103.9	103.8
12-month percentage change	-1.1	-3.2	-2.2	-1.5	-0.4	-1.8	-3.0	-1.5	-1.3
Coincident indicator	104.9	104.7	104.5	105.0	105.5	105.8	105.8	105.4	-
12-month percentage change	1.5	1.8	1.9	2.2	3.1	2.4	2.0	1.7	-
Lagging indicator	94.8	93.9	95.1	94.1	94.8	96.3	94.8	94.7	-
12-month percentage change	0.2	-0.7	-0.1	-0.6	0.4	1.9	0.3	0.2	-

* 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 August 2019 data point:

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

* Bureau for Economic Research, Stellenbosch University