



## South African Reserve Bank

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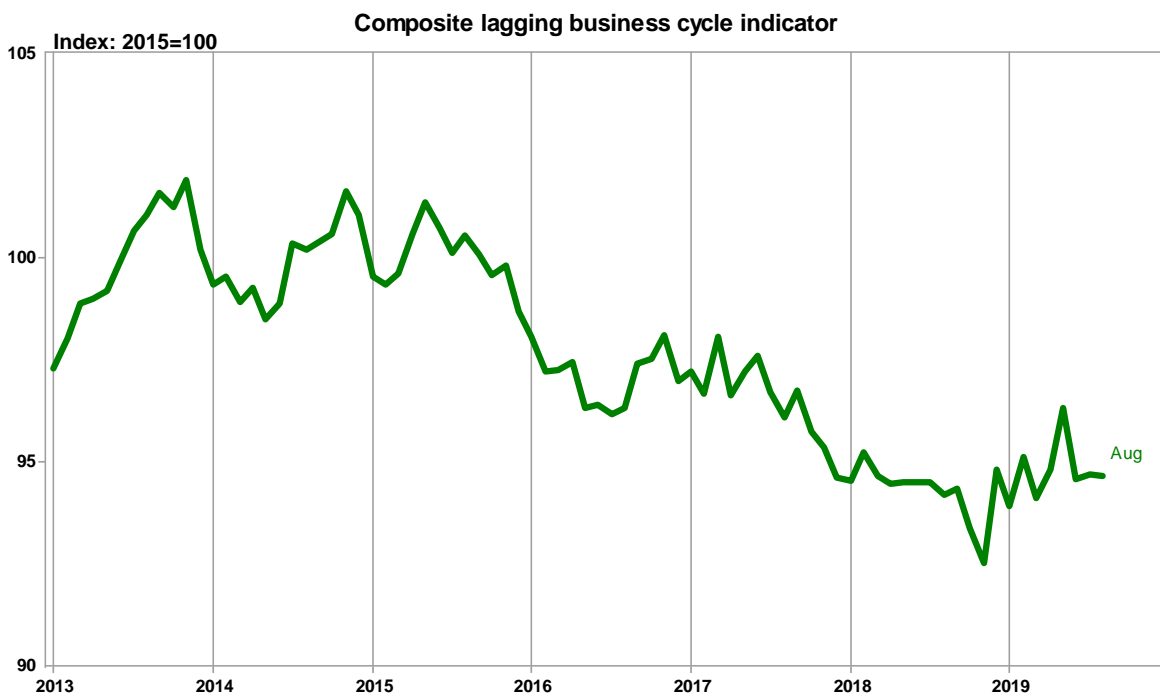
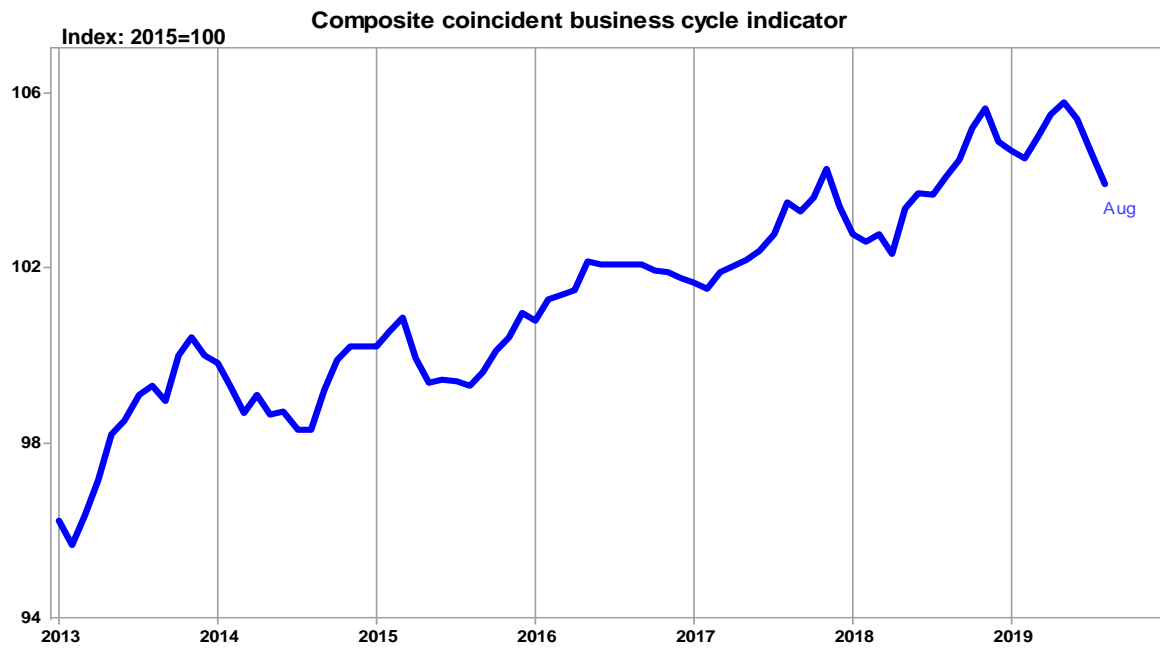
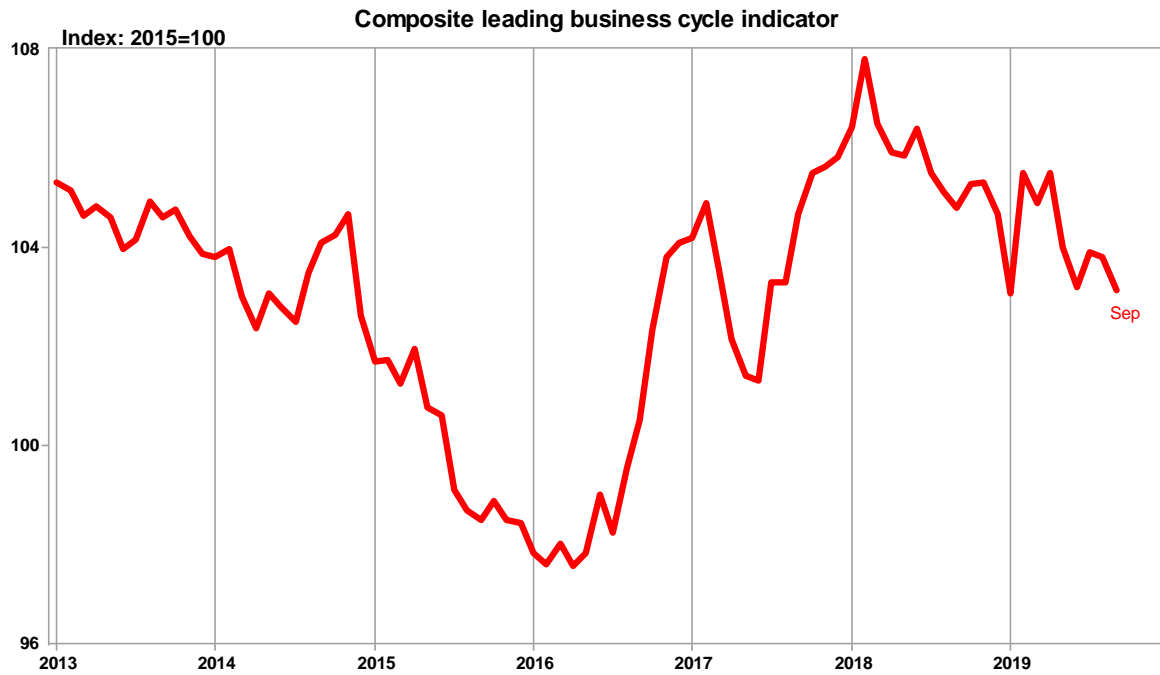
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***FOR RELEASE: 09:00 A.M., Tuesday, 26 November 2019***

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

- The composite **leading** business cycle indicator *decreased* by 0.6% on a month-to-month basis in September 2019. Decreases in four of the nine available component time series outweighed increases in the remaining five. The largest negative contributions to the movement in the composite leading business cycle indicator in September came from a decrease in the number of residential building plans approved and a deceleration in the twelve-month percentage change in job advertisement space. The largest positive contributions came from an increase in the volume of orders in manufacturing and the US dollar-based South African export commodity price index.
- The composite **coincident** business cycle indicator *decreased* by 0.7% on a month-to-month basis in August 2019.
- The composite **lagging** business cycle indicator remained *unchanged* in August 2019.

**The next release is scheduled for 17 December 2019, at 09:00 A.M.**



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

Indices: 2015 = 100	2019								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Leading indicator	103.1	105.5	104.9	105.5	104.0	103.2	103.9	103.8	103.2
12-month percentage change	-3.2	-2.2	-1.5	-0.4	-1.8	-3.0	-1.5	-1.3	-1.6
Coincident indicator	104.7	104.5	105.0	105.5	105.8	105.4	104.6	103.9	-
12-month percentage change	1.8	1.9	2.2	3.1	2.4	1.6	0.9	-0.2	-
Lagging indicator	93.9	95.1	94.1	94.8	96.3	94.6	94.7	94.7	-
12-month percentage change	-0.7	-0.1	-0.6	0.4	1.9	0.1	0.2	0.5	-

\* 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 September 2019 data point:**

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

\* Bureau for Economic Research, Stellenbosch University