



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228 Adri.Wolhuter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 17 December 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 October 2019. Eight of the ten available component time series increased while two decreased. The largest positive contributions to the movement in the composite leading business cycle indicator in October came from an increase in the number of residential building plans approved and an improvement in the BER's Business Confidence Index. The largest negative contributions came from a deceleration in the twelve-month percentage change in job advertisement space and a decrease in the US dollar-based South African export commodity price index.
- The composite **coincident** business cycle indicator *increased* by 0.2% on a month-to-month basis in September 2019.
- The composite **lagging** business cycle indicator *decreased* by 1.1% in September 2019.

The next release is scheduled for 21 January 2020, at 09:00 A.M.

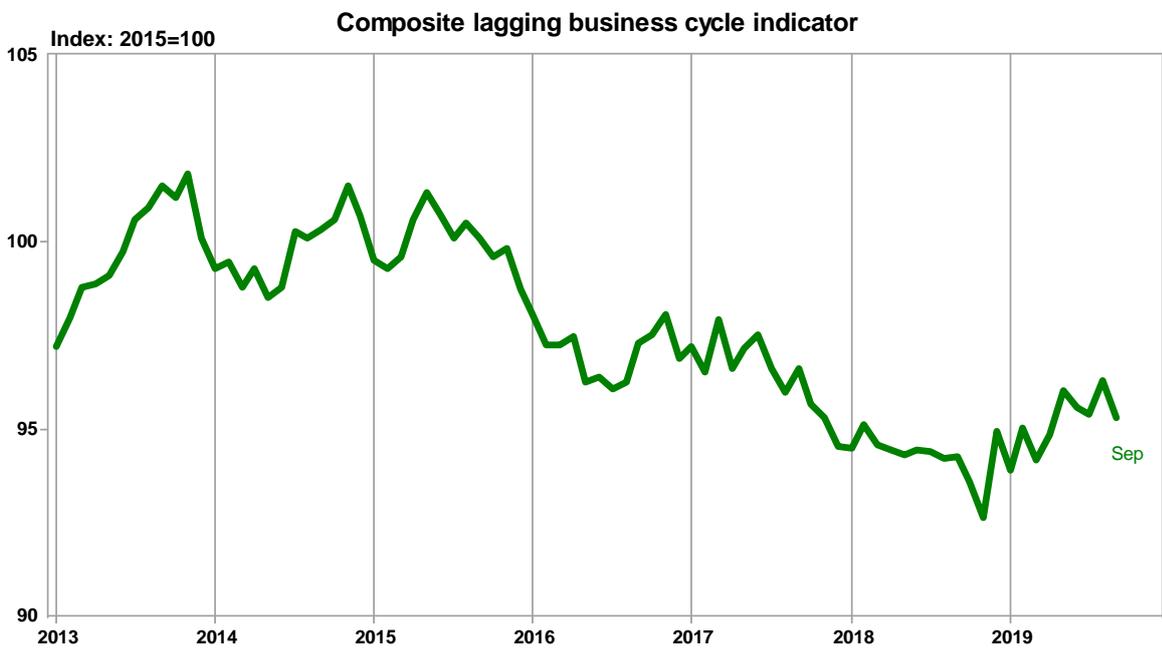
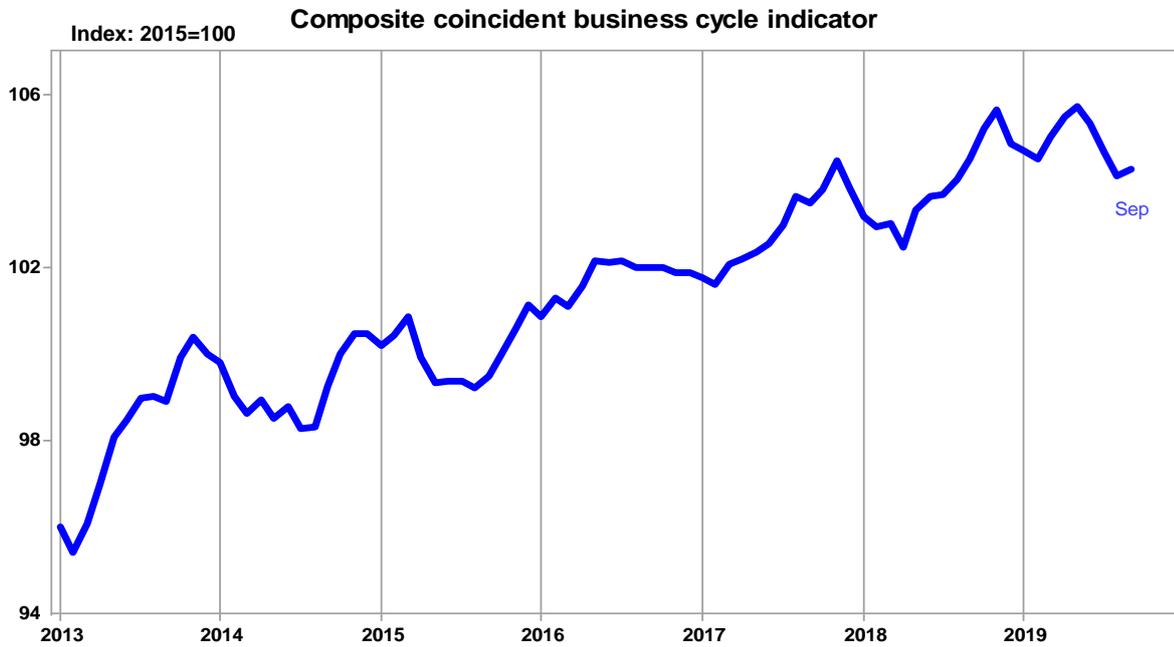
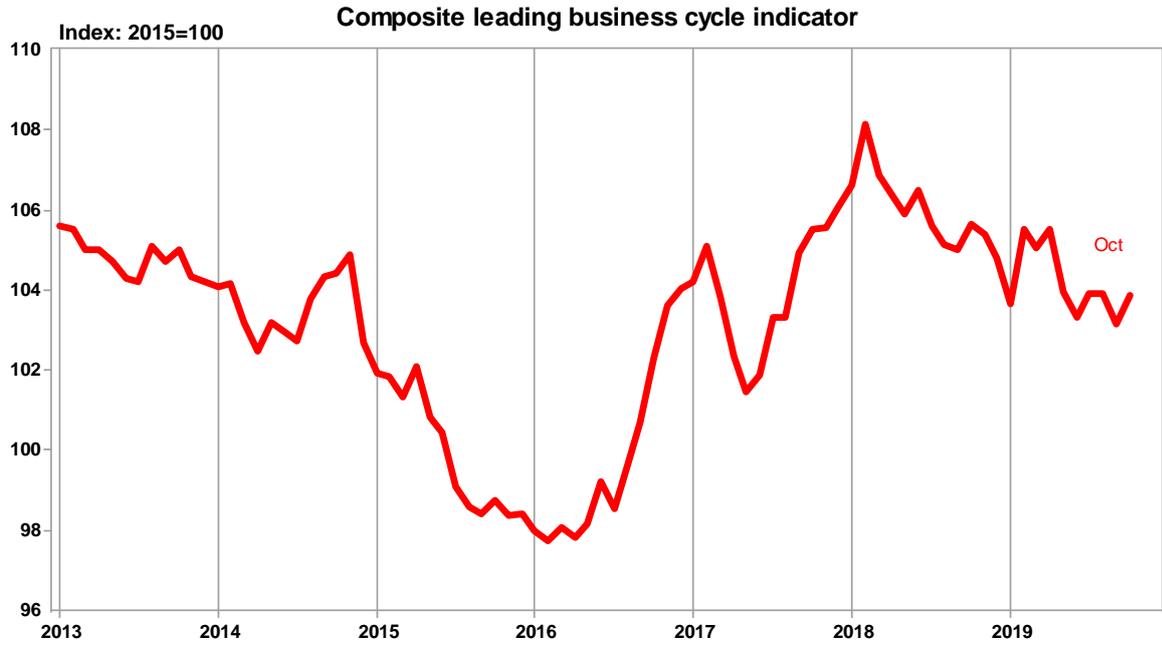


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2019								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading indicator	105.5	105.1	105.5	103.9	103.3	103.9	103.9	103.2	103.9
12-month percentage change	-2.4	-1.7	-0.8	-1.8	-3.0	-1.6	-1.2	-1.8	-1.7
Coincident indicator	104.5	105.0	105.5	105.7	105.3	104.7	104.1	104.3	-
12-month percentage change	1.5	1.9	2.9	2.3	1.6	0.9	0.0	-0.2	-
Lagging indicator	95.0	94.2	94.9	96.0	95.6	95.4	96.3	95.3	-
12-month percentage change	-0.1	-0.4	0.4	1.8	1.2	1.0	2.2	1.1	-

* 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 October 2019 data point:

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

* Bureau for Economic Research, Stellenbosch University