



## South African Reserve Bank

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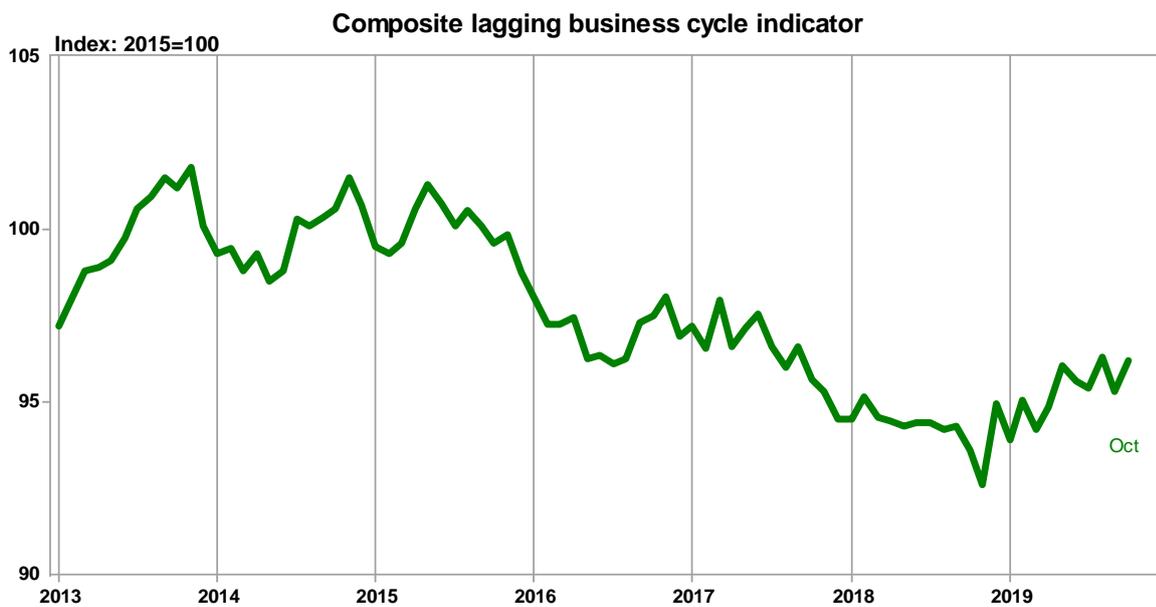
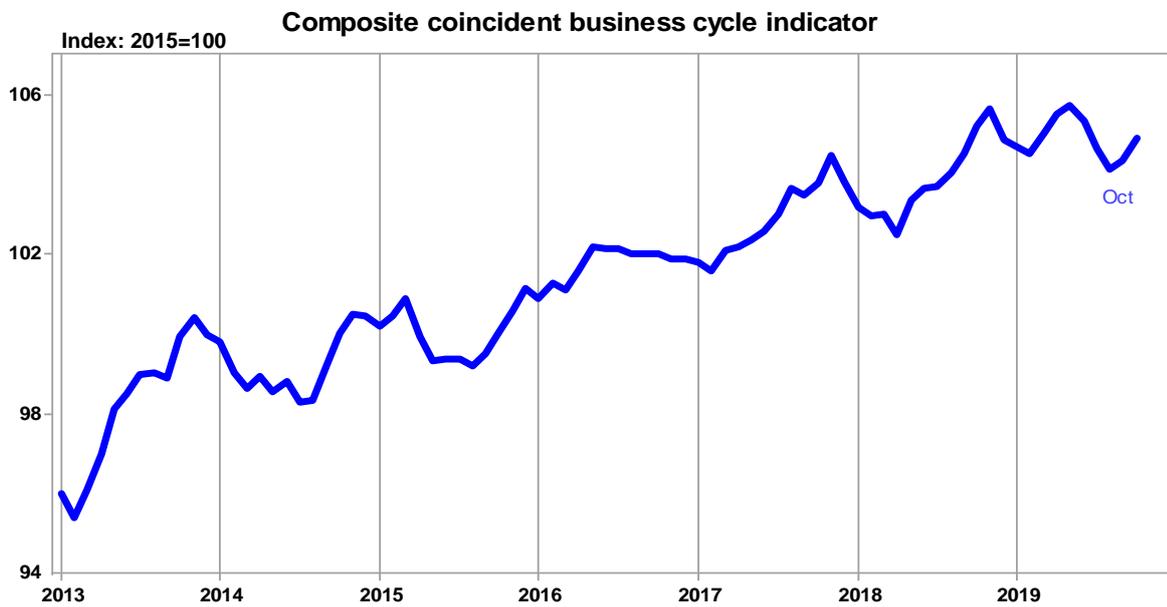
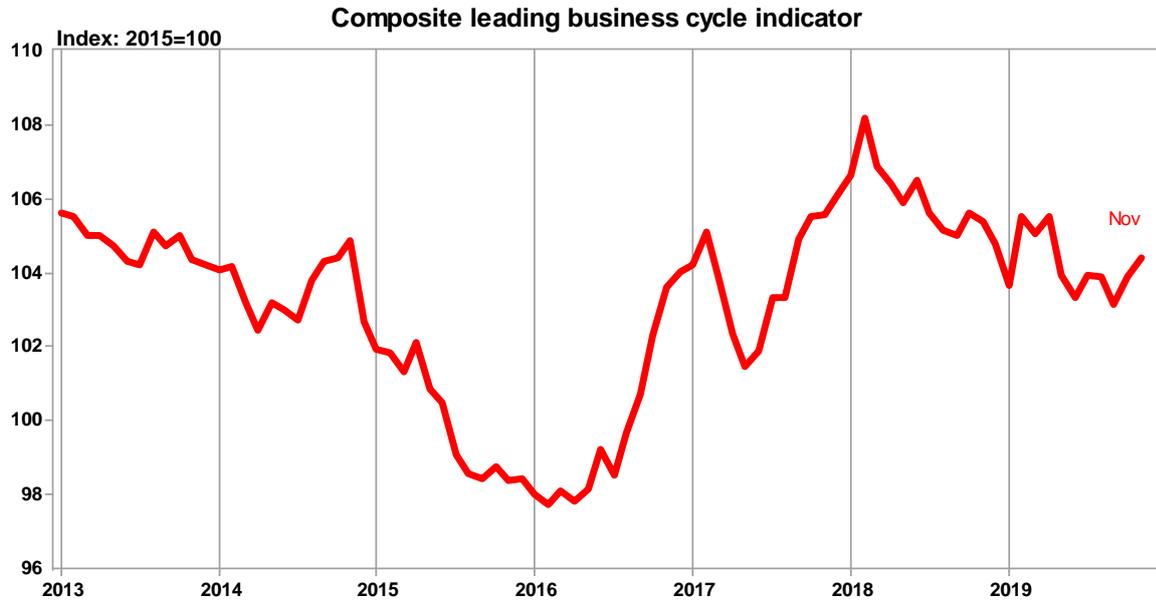
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### **Composite business cycle indicators for South Africa**

- The composite **leading** business cycle indicator *increased* by 0.5% on a month-to-month basis in November 2019. Six of the ten available component time series increased while four decreased. The largest positive contributions to the movement in the composite leading business cycle indicator in November came from an acceleration in the twelve-month percentage change in job advertisement space and an improvement in the BER's Business Confidence Index. The largest negative contributions came from a decrease in the number of residential building plans approved and a deceleration in the six-month smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 0.5% on a month-to-month basis in October 2019.
- The composite **lagging** business cycle indicator *increased* by 0.9% on a month-to-month basis in October 2019.

**The next release is scheduled for 25 February 2020, at 09:00 A.M.**



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

Indices: 2015 = 100	2019									
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	
Leading indicator	105.1	105.5	103.9	103.3	103.9	103.9	103.2	103.9	104.4	
<i>12-month percentage change</i>	-1.7	-0.8	-1.8	-3.0	-1.6	-1.2	-1.8	-1.7	-0.9	
Coincident indicator	105.0	105.5	105.7	105.3	104.7	104.1	104.4	104.9	-	
<i>12-month percentage change</i>	1.9	2.9	2.3	1.6	0.9	0.1	-0.1	-0.3	-	
Lagging indicator	94.2	94.9	96.0	95.6	95.4	96.3	95.3	96.2	-	
<i>12-month percentage change</i>	-0.4	0.4	1.8	1.2	1.0	2.2	1.1	2.8	-	

\* 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 November 2019 data point:**

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

\* Bureau for Economic Research, Stellenbosch University