



South African Reserve Bank

For further information regarding this release, please contact:

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

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.3% on a month-to-month basis in December 2019. Six of the nine available component time series decreased while three increased. The largest negative contributions to the movement in the composite leading business cycle indicator in December resulted from a decrease in the number of residential building plans approved and a decrease in the average number of hours worked in the manufacturing sector. The largest positive contributions came from an increase in the US dollar-based South African export commodity price index and an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *decreased* by 0.5% on a month-to-month basis in November 2019.
- The composite **lagging** business cycle indicator *increased* by 0.2% on a month-to-month basis in November 2019.

The next release is scheduled for 24 March 2020, at 09:00 A.M.

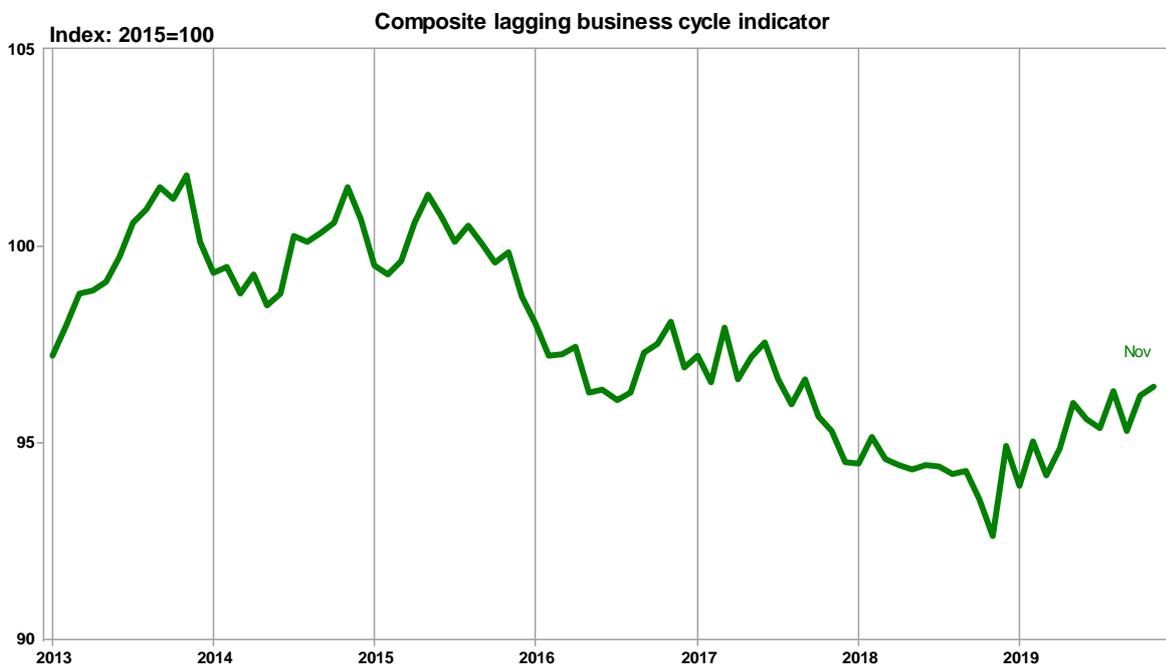
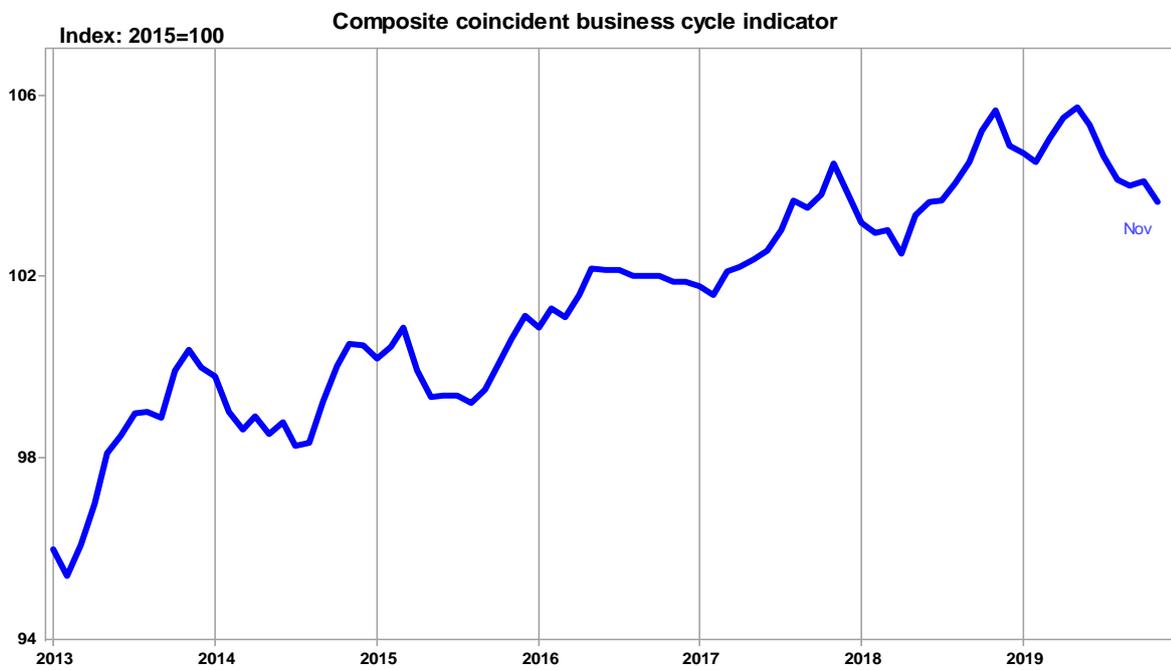
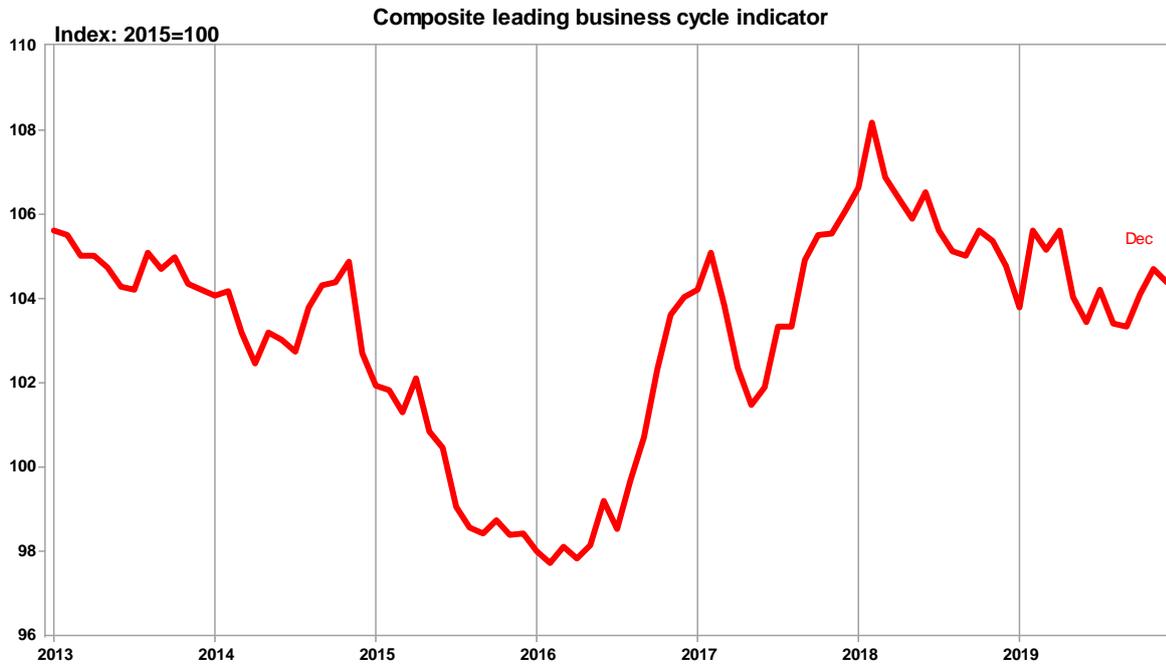


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2019									
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Leading indicator	105.6	104.0	103.4	104.2	103.4	103.3	104.1	104.7	104.4	
12-month percentage change	-0.7	-1.7	-2.9	-1.3	-1.6	-1.6	-1.4	-0.6	-0.4	
Coincident indicator	105.5	105.7	105.3	104.7	104.1	104.0	104.1	103.6	-	
12-month percentage change	2.9	2.3	1.6	0.9	0.0	-0.5	-1.1	-1.9	-	
Lagging indicator	94.9	96.0	95.6	95.4	96.3	95.3	96.2	96.4	-	
12-month percentage change	0.4	1.8	1.2	1.0	2.2	1.1	2.8	4.1	-	

* 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 December 2019 data point:

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

* Bureau for Economic Research, Stellenbosch University