



## South African Reserve Bank

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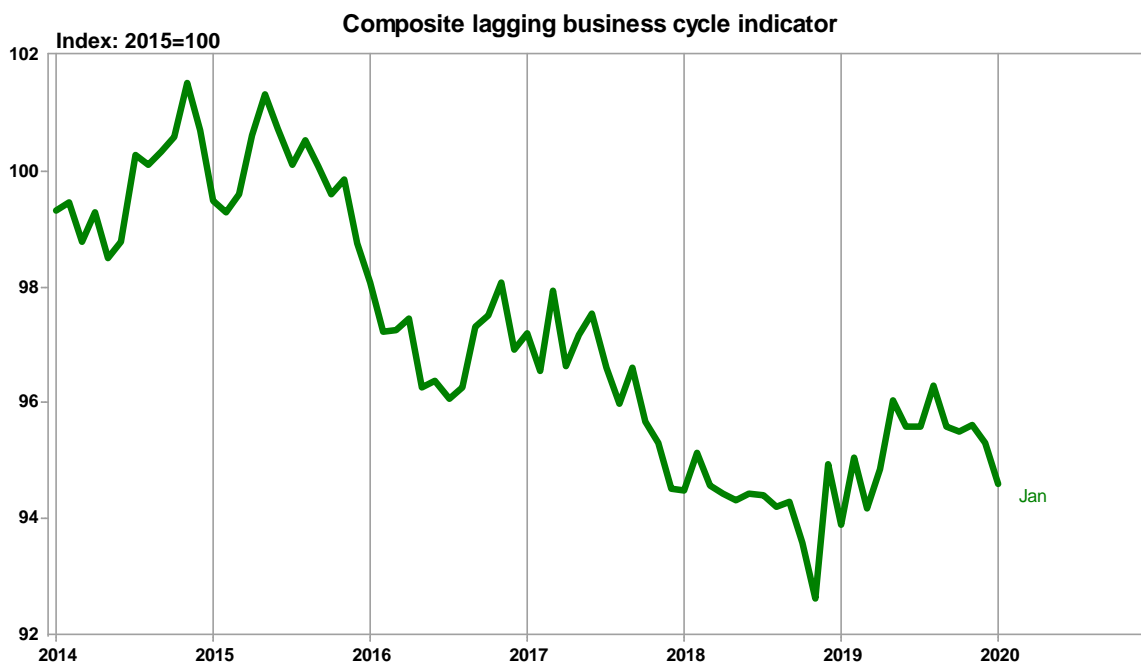
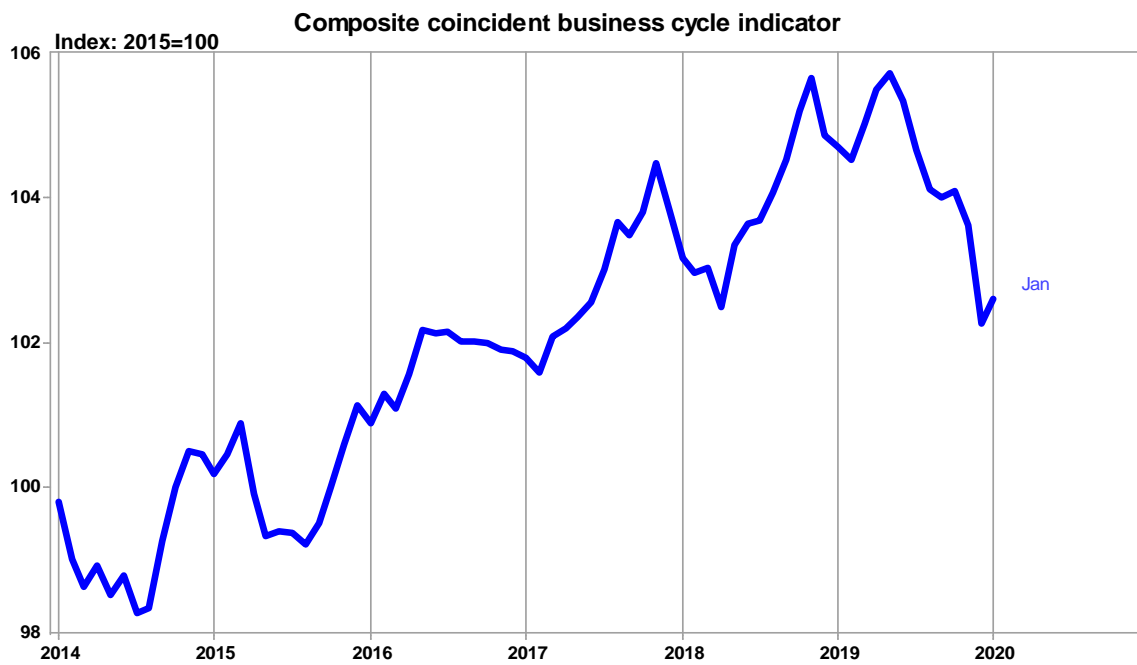
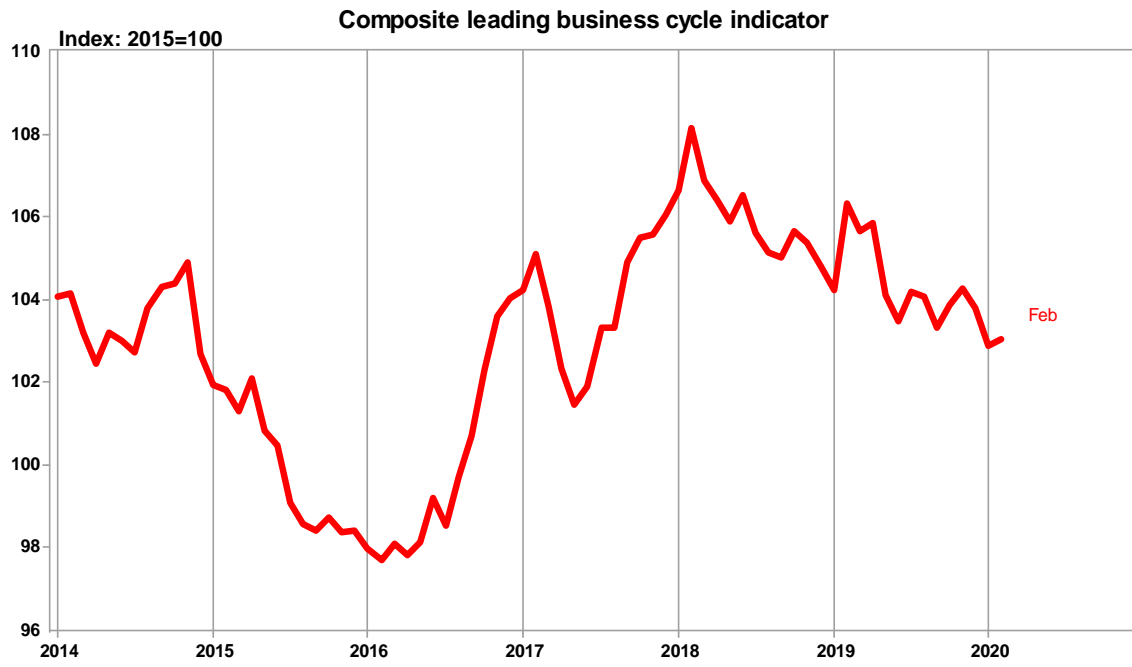
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**FOR RELEASE: 09:00 A.M., Tuesday, 21 April 2020**

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

- The composite **leading** business cycle indicator *increased* marginally by 0.1% on a month-to-month basis in February 2020, as increases in four of the nine available component time series narrowly outweighed decreases in five of the component series. The largest positive contributions to the movement in the composite leading business cycle indicator in February came from an increase in the US dollar-denominated South African export commodity price index and a widening in the interest rate spread. The largest negative contributions resulted from a decline in the BER's Business Confidence Index and a decrease in the average number of hours worked in the manufacturing sector.
- The composite **coincident** business cycle indicator *increased* by 0.3% on a month-to-month basis in January 2020.
- The composite **lagging** business cycle indicator *decreased* by 0.8% on a month-to-month basis in January 2020.

**The next release is scheduled for 26 May 2020, at 09:00 A.M.**



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

Indices: 2015 = 100	2019							2020	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Leading indicator	103.5	104.2	104.1	103.3	103.9	104.3	103.8	102.9	103.0
12-month percentage change	-2.8	-1.3	-1.0	-1.6	-1.7	-1.0	-0.9	-1.3	-3.1
Coincident indicator	105.3	104.7	104.1	104.0	104.1	103.6	102.3	102.6	-
12-month percentage change	1.6	0.9	0.0	-0.5	-1.1	-1.9	-2.5	-2.1	-
Lagging indicator	95.6	95.6	96.3	95.6	95.5	95.6	95.3	94.6	-
12-month percentage change	1.2	1.3	2.2	1.4	2.1	3.2	0.4	0.7	-

\* 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 February 2020 data point:**

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

\* Bureau for Economic Research, Stellenbosch University