



South African Reserve Bank

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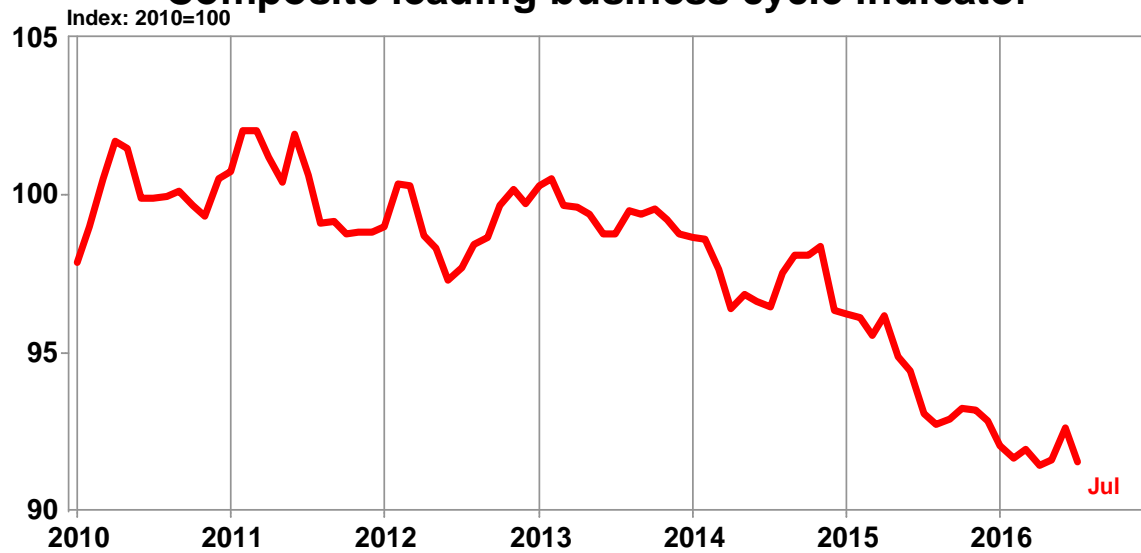
FOR RELEASE: 09:00 A.M., Tuesday, 20 September 2016

Composite business cycle indicators for South Africa

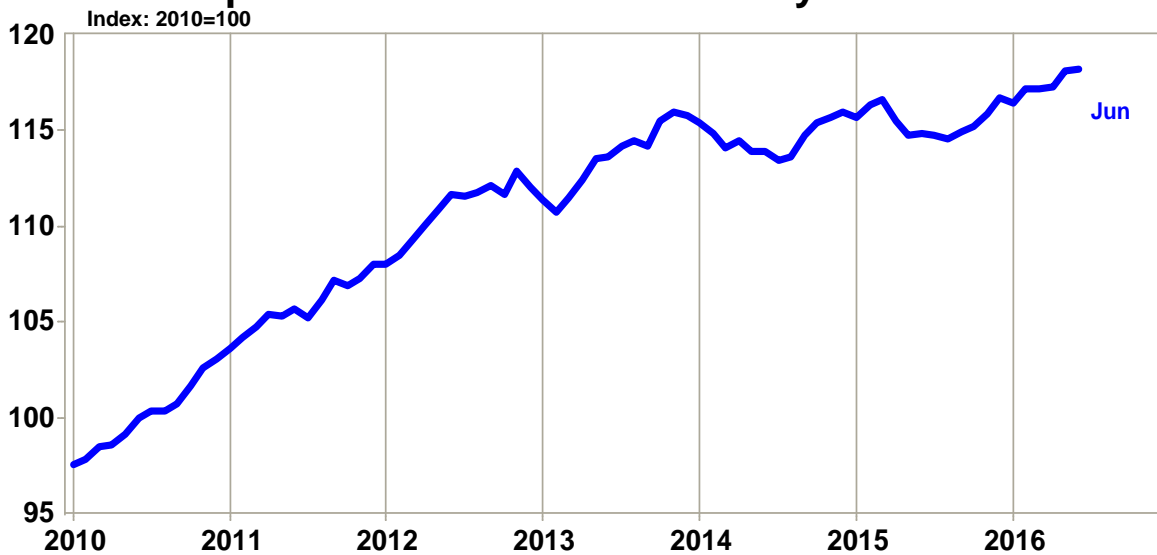
- The composite **leading** business cycle indicator *decreased* by 1,1 per cent on a month-to-month basis in July 2016. Seven of the ten component time series that were available for July 2016 decreased, while three increased. The largest negative contributions to the movement in the composite leading indicator in July came from a decrease in the number of residential building plans passed, as well as a narrowing in the interest rate spread. The largest positive contributions in July resulted from an increase in the South African produced export commodity price index (US dollar based), followed by an improvement in the BER's Business Confidence Index.
- The composite **coincident** business cycle indicator *increased* by 0,1 per cent on a month-to-month basis in June 2016.
- The composite **lagging** business cycle indicator *decreased* by 1,2 per cent on a month-to-month basis in June 2016.

The next release is scheduled for 25 October 2016, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

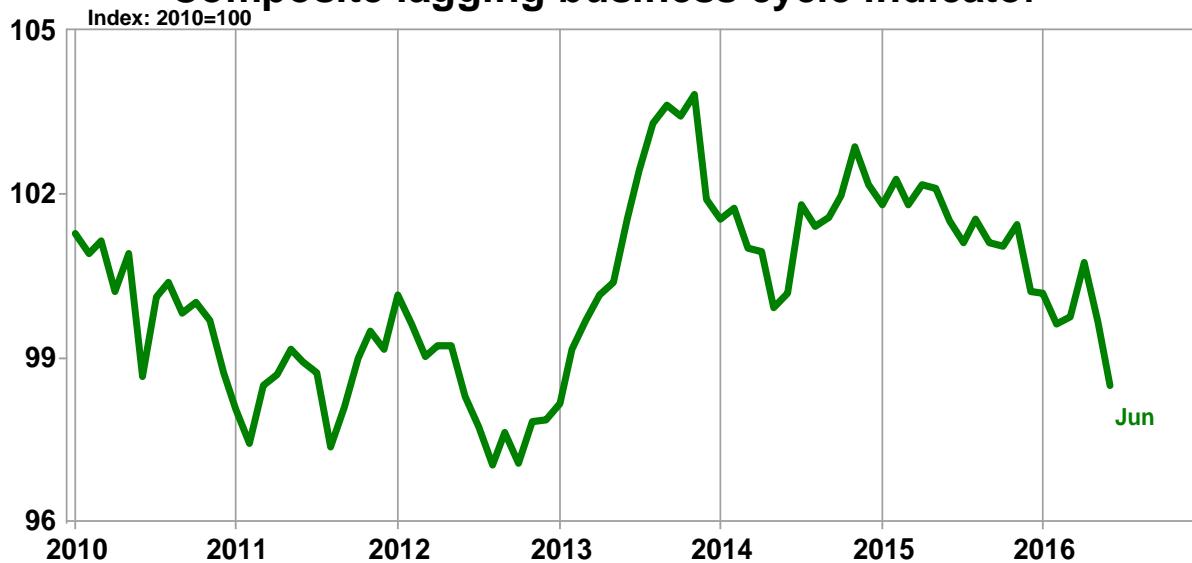


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2015	2016						
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	92,9	92,0	91,6	91,9	91,4	91,6	92,6	91,6
12-month percentage change	-3,6	-4,4	-4,7	-3,8	-5,0	-3,5	-1,9	-1,6
Coincident indicator	116,7	116,5	117,2	117,2	117,3	118,1	118,2	-
12-month percentage change	0,7	0,6	0,7	0,5	1,6	2,9	2,9	-
Lagging indicator	100,2	100,2	99,6	99,8	100,7	99,7	98,5	-
12-month percentage change	-1,9	-1,6	-2,6	-2,0	-1,4	-2,4	-3,0	-

* 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 July 2016 data point:

Positive contributors (ranked from largest to smallest)
Commodity price index for South African produced export commodities (US dollar based)
BER*: Business Confidence Index
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Negative contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
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)
BER*: Average hours worked per factory worker in manufacturing (half weight)
BER*: Volume of orders in manufacturing (half weight)
Job advertisements: The Sunday Times (percentage change over 12 months)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University