



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.5% on a month-to-month basis in August 2018. Seven of the ten available component time series decreased, while the remaining three increased. The largest negative contributions to the movement in the composite leading business cycle indicator in August resulted from a decrease in the South African produced export commodity price index (US dollar based) and a decrease in the average number of hours worked in the manufacturing sector. The largest positive contributions came from an acceleration in the twelve-month percentage change in job advertisement space and an acceleration in the six-month smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *decreased* by 0.1% on a month-to-month basis in July 2018.
- The composite **lagging** business cycle indicator *increased* by 0.5% on a month-to-month basis in July 2018.

The next release is scheduled for 20 November 2018, at 09:00 A.M.

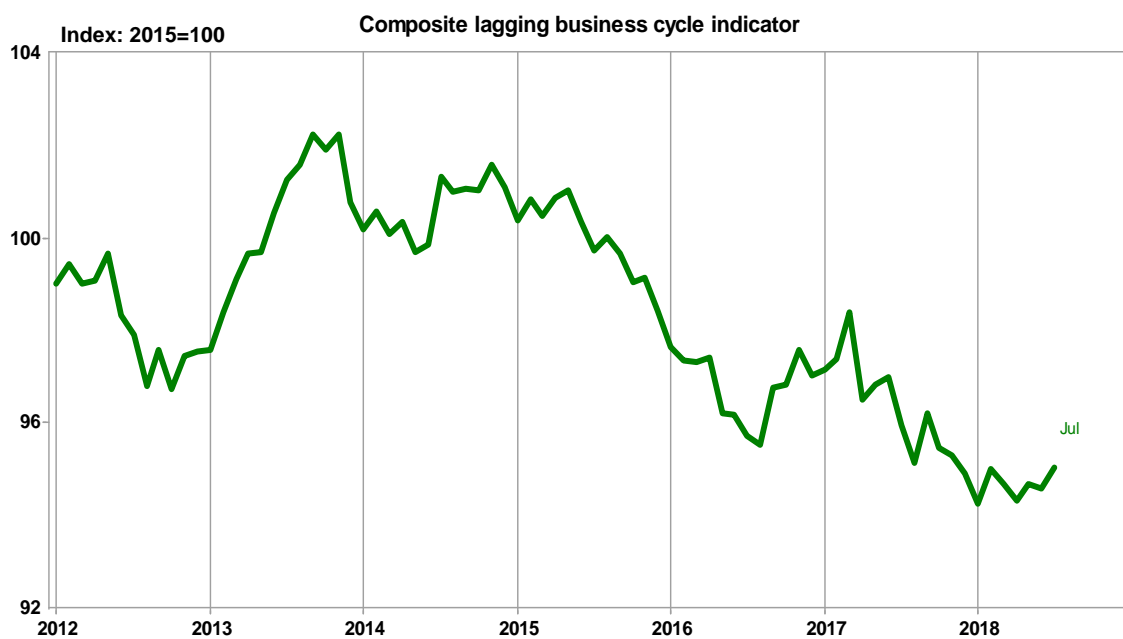
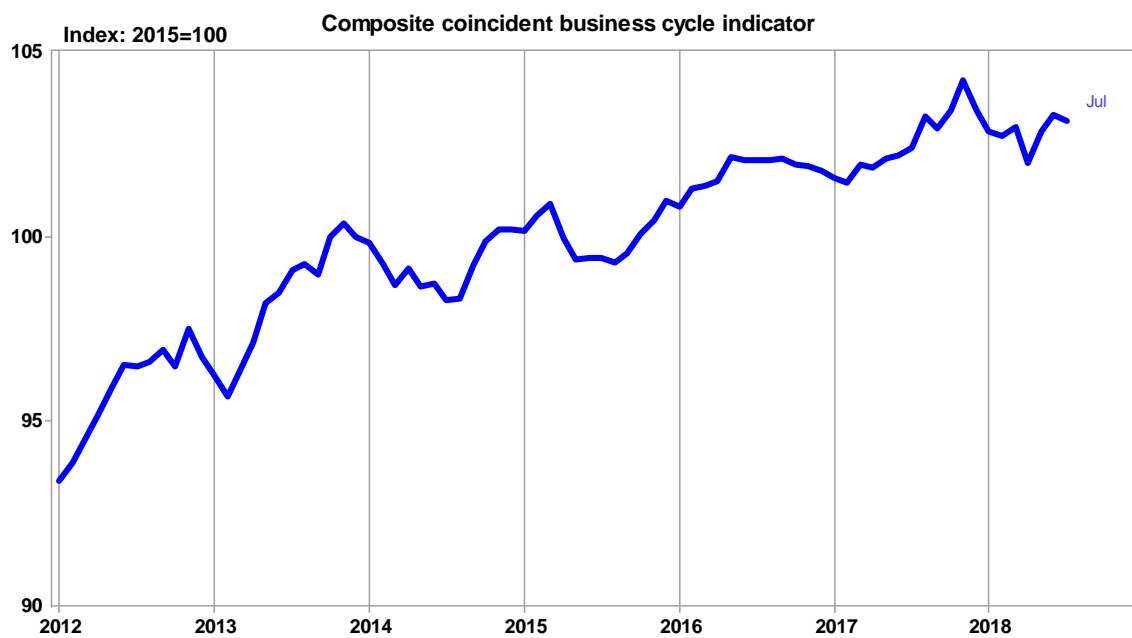
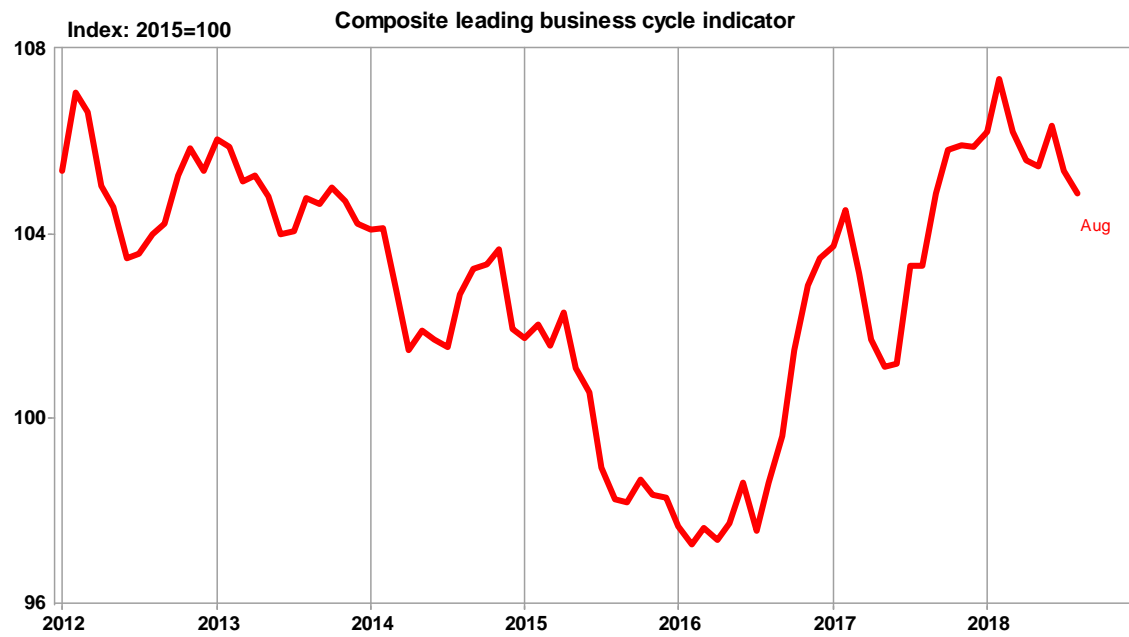


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2018							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	106.2	107.4	106.2	105.6	105.5	106.3	105.4	104.9
12-month percentage change	2.4	2.7	3.0	3.8	4.3	5.1	2.0	1.5
Coincident indicator	102.8	102.7	103.0	102.0	102.9	103.3	103.1	-
12-month percentage change	1.2	1.2	1.0	0.1	0.7	1.1	0.7	-
Lagging indicator	94.3	95.0	94.7	94.3	94.7	94.6	95.0	-
12-month percentage change	-3.0	-2.4	-3.8	-2.3	-2.2	-2.5	-0.9	-

* 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 August 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University