



South African Reserve Bank

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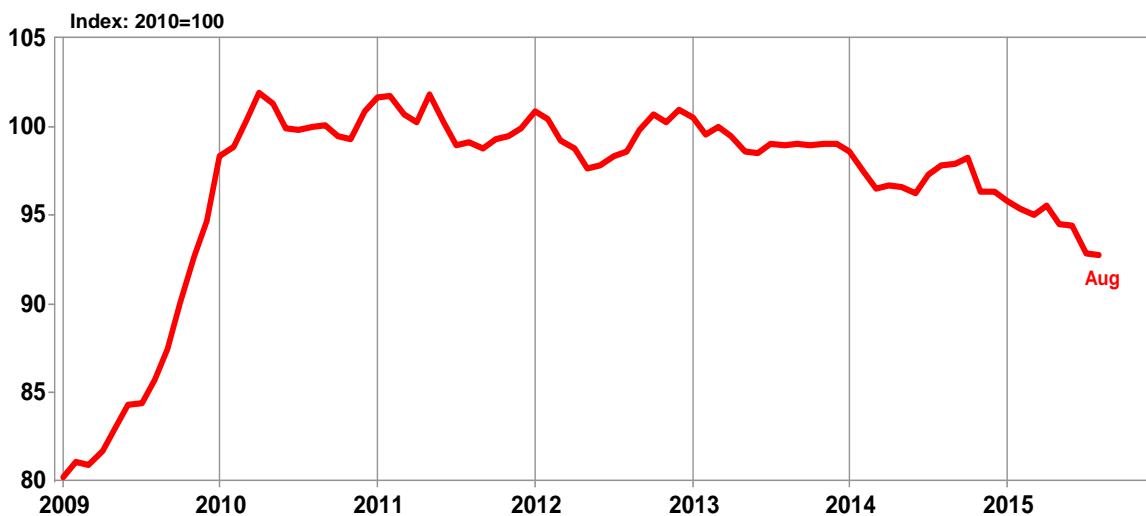
FOR RELEASE: 09:00 A.M., Tuesday, 20 October 2015

Composite business cycle indicators for South Africa

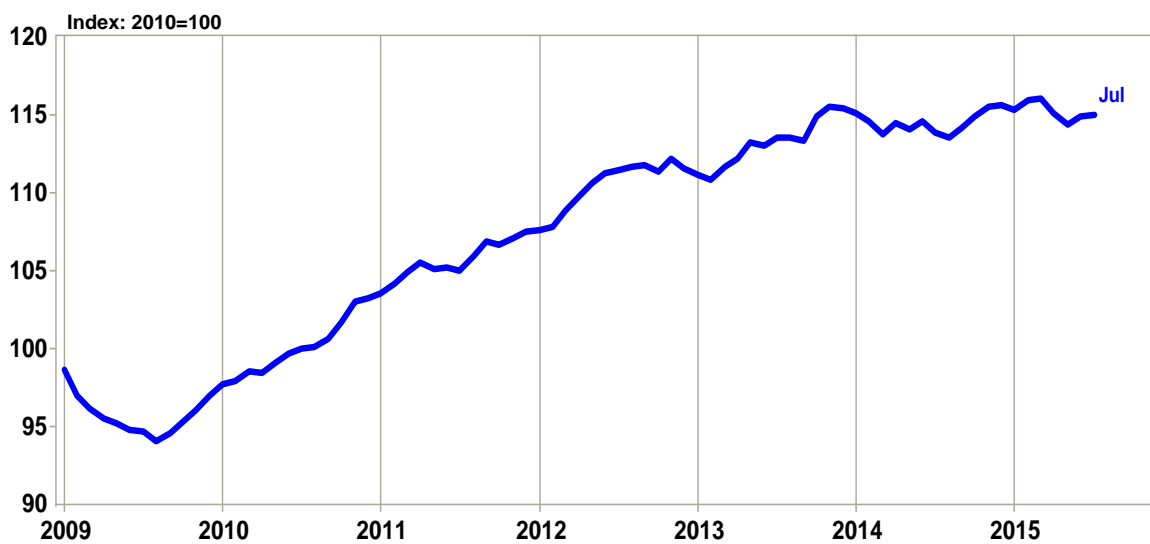
- The composite **leading** business cycle indicator *decreased* further by 0,1 per cent on a month-to-month basis in August 2015. Only four of the ten component time series that were available for August 2015 increased, while six decreased. The largest negative contributions in August came from a decrease in the US dollar based export commodity price index, as well as a deterioration in the BER's Business Confidence Index. The largest positive contribution to the movement in the composite leading indicator in August came from an acceleration in the twelve-month percentage change in job advertisement space, followed by an acceleration in the twelve-month percentage change in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *increased* by 0,1 per cent on a month-to-month basis in July 2015.
- The composite **lagging** business cycle indicator *decreased* further by 0,2 per cent on a month-to-month basis in July 2015.

The next release is scheduled for 24 November 2015, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

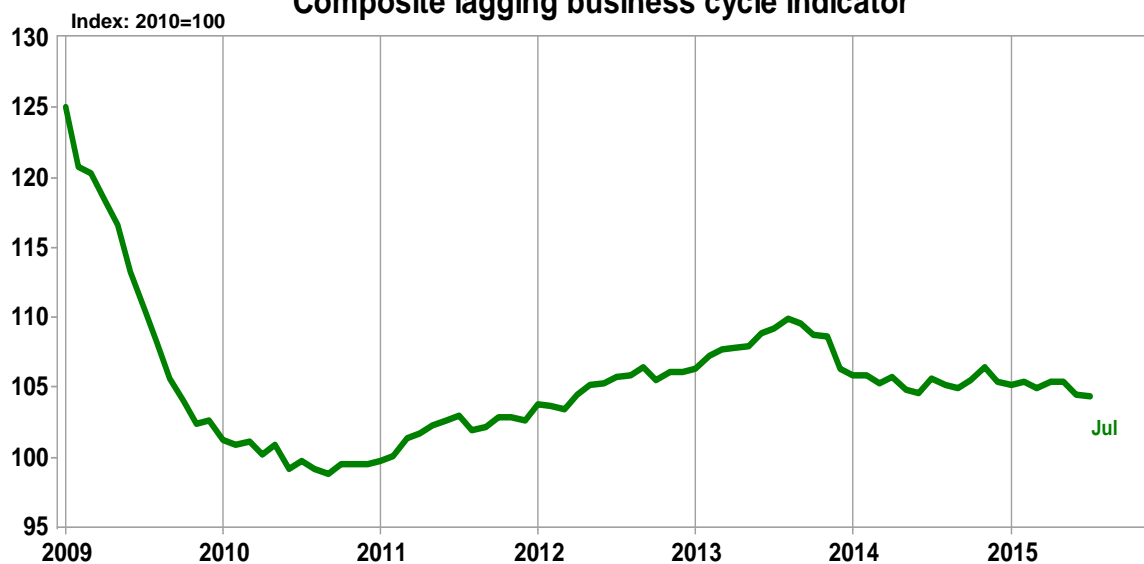


Table 1 Summary of the composite business cycle indicators*

Indices: 2010 = 100	2015							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	95,8	95,4	95,0	95,6	94,6	94,4	92,8	92,7
12-month percentage change	-3,3	-3,2	-2,5	-0,9	-2,2	-2,3	-3,6	-4,7
Coincident indicator	115,3	116,0	116,1	115,1	114,4	114,9	115,0	-
12-month percentage change	0,2	1,2	2,0	0,6	0,3	0,3	1,1	-
Lagging indicator	105,2	105,4	104,9	105,4	105,3	104,5	104,3	-
12-month percentage change	-0,6	-0,4	-0,3	-0,3	0,5	0,0	-1,3	-

* 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 2015 data point:

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

* Bureau for Economic Research, Stellenbosch University