



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator remained *unchanged* on a month-to-month basis in May 2018. Six of the ten component time series that were available for May 2018 increased, while four decreased. The largest positive contributions to the composite leading business cycle indicator resulted from a widening in the interest rate spread and an increase in the average number of hours worked in the manufacturing sector. The largest negative contributions to the movement in the composite leading business cycle indicator came from a deceleration in the twelve-month percentage change in job advertisement space and a decrease in the BER's Business Confidence Index.
- The composite **coincident** business cycle indicator *decreased* by 1.1% on a month-to-month basis in April 2018.
- The composite **lagging** business cycle indicator *decreased* by 1.1% on a month-to-month basis in April 2018.

The next release is scheduled for 21 August 2018, at 09:00 A.M.

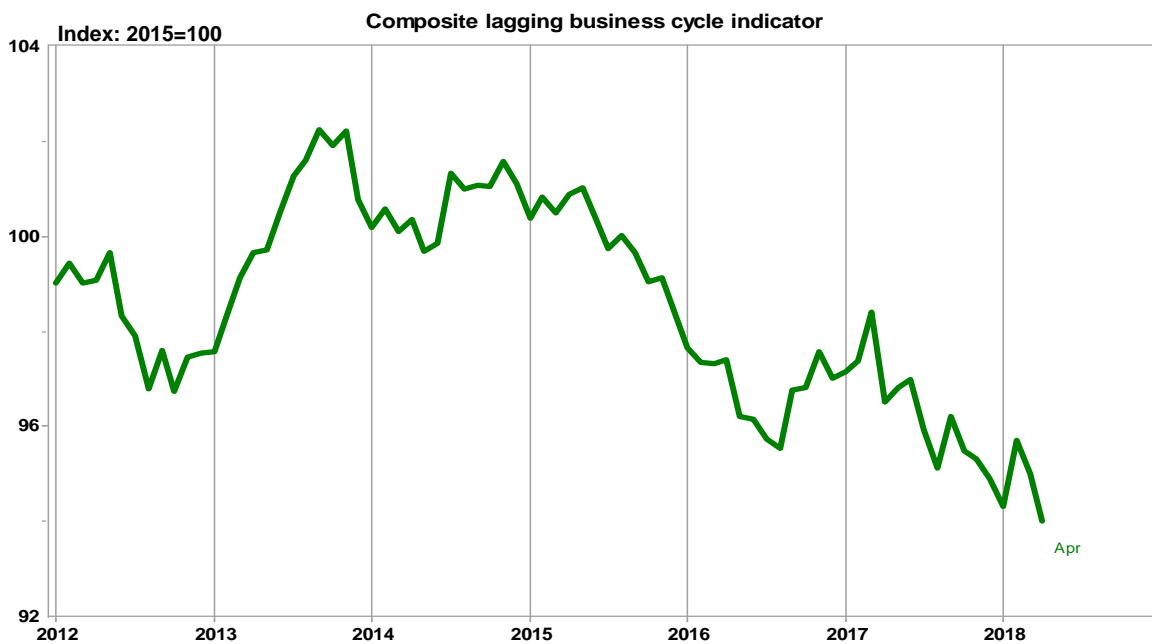
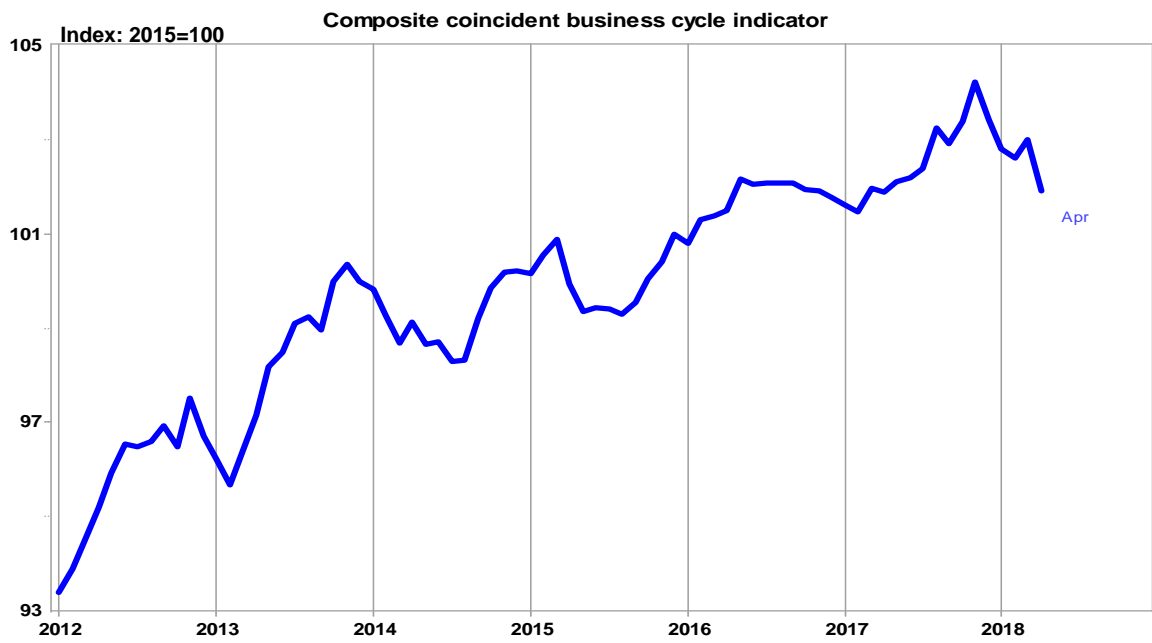
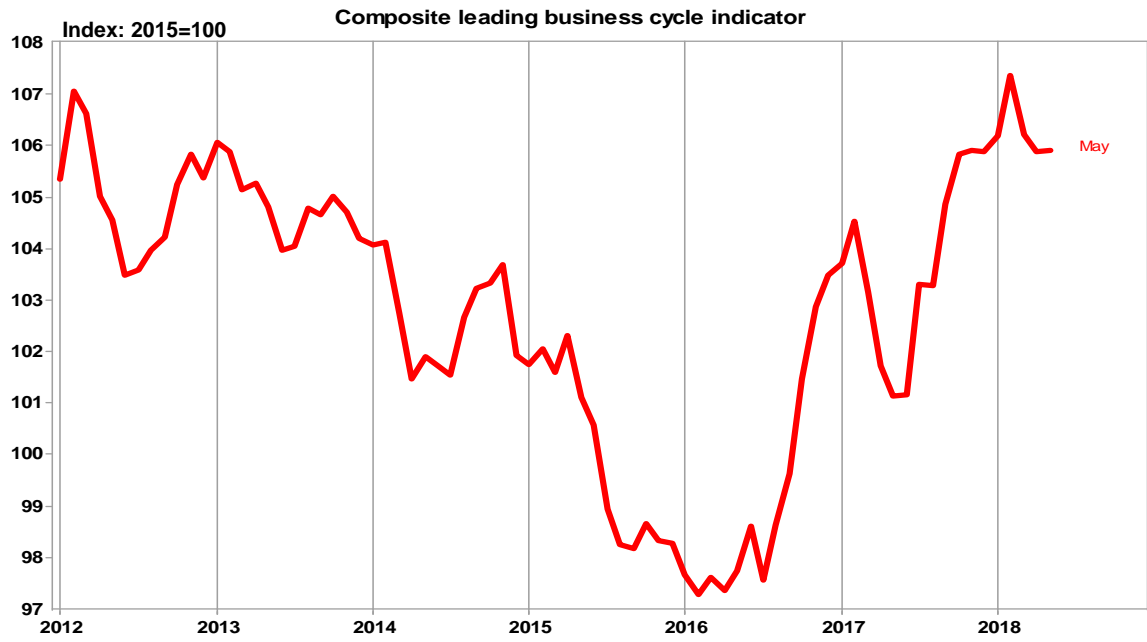


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2017			2018				
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	105.8	105.9	105.9	106.2	107.4	106.2	105.9	105.9
12-month percentage change	4.3	3.0	2.3	2.4	2.7	3.0	4.1	4.7
Coincident indicator	103.4	104.2	103.4	102.8	102.6	103.0	101.9	-
12-month percentage change	1.4	2.3	1.6	1.2	1.2	1.0	0.0	-
Lagging indicator	95.5	95.3	94.9	94.3	95.7	95.0	94.0	-
12-month percentage change	-1.4	-2.3	-2.2	-3.0	-1.8	-3.4	-2.6	-

* 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 May 2018 data point:

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

* Bureau for Economic Research, Stellenbosch University