



## South African Reserve Bank

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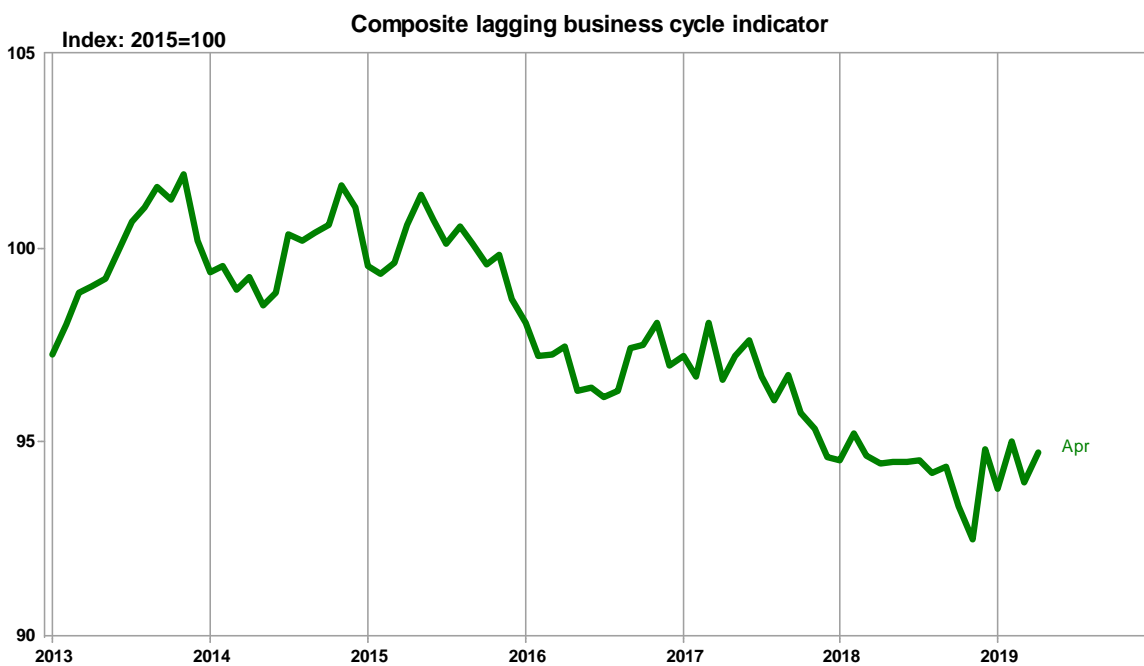
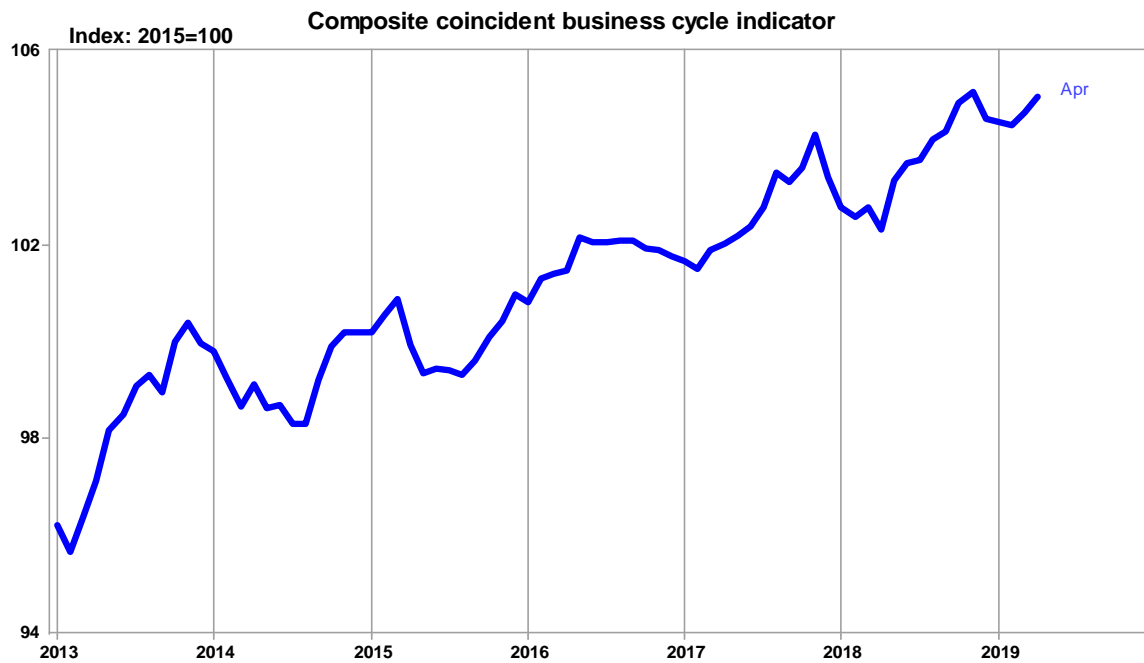
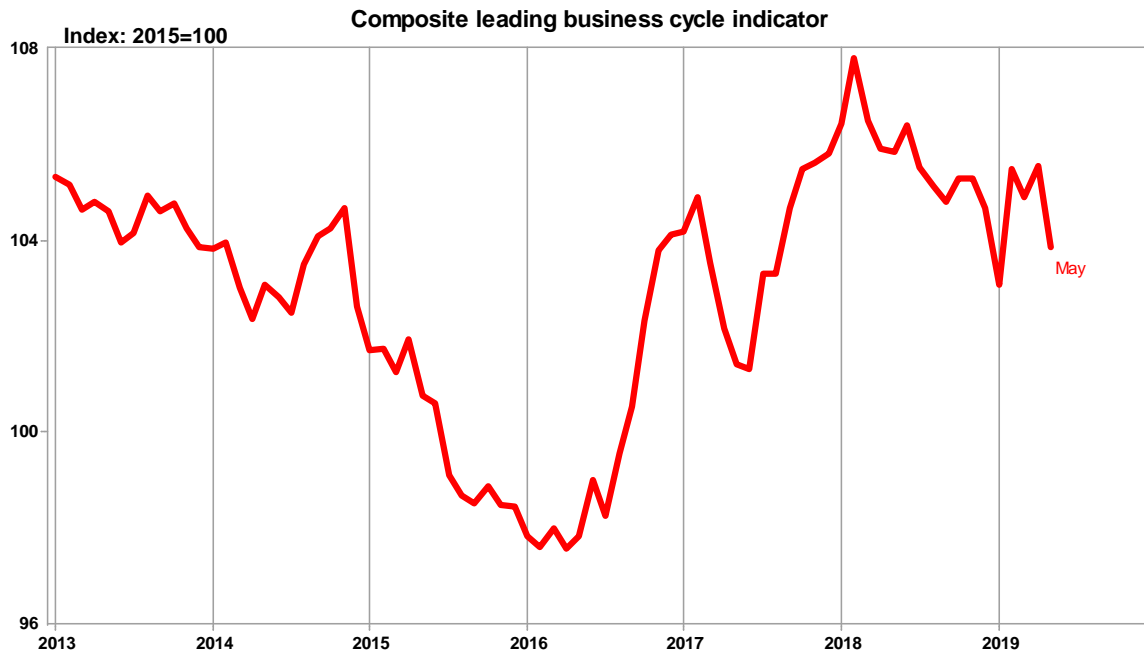
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### **Composite business cycle indicators for South Africa**

- The composite **leading** business cycle indicator *decreased* by 1.6% on a month-to-month basis in May 2019. Eight of the ten available component time series decreased, one increased, and one remained unchanged. The largest negative contributions to the movement in the composite leading business cycle indicator in May came from a deceleration in the twelve-month percentage change in job advertisement space and a decrease in the number of residential building plans approved. The positive contribution came from an increase 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 April 2019.
- The composite **lagging** business cycle indicator *increased* by 0.8% on a month-to-month basis in April 2019.

**The next release is scheduled for 20 August 2019, at 09:00 A.M.**



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

Indices: 2015 = 100	2018				2019				
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator <i>12-month percentage change</i>	104.8 <i>0.1</i>	105.3 <i>-0.2</i>	105.3 <i>-0.3</i>	104.7 <i>-1.1</i>	103.1 <i>-3.2</i>	105.5 <i>-2.2</i>	104.9 <i>-1.5</i>	105.5 <i>-0.3</i>	103.9 <i>-1.9</i>
Coincident indicator <i>12-month percentage change</i>	104.3 <i>1.0</i>	104.9 <i>1.3</i>	105.1 <i>0.8</i>	104.6 <i>1.2</i>	104.5 <i>1.7</i>	104.5 <i>1.8</i>	104.7 <i>1.9</i>	105.1 <i>2.7</i>	- -
Lagging indicator <i>12-month percentage change</i>	94.4 <i>-2.5</i>	93.4 <i>-2.5</i>	92.5 <i>-3.0</i>	94.8 <i>0.2</i>	93.8 <i>-0.8</i>	95.0 <i>-0.2</i>	94.0 <i>-0.7</i>	94.7 <i>0.3</i>	- -

\* 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 2019 data point:**

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

\* Bureau for Economic Research, Stellenbosch University