

Contents:

Highlights

Core indicators

GDP Growth

Business environment

Household consumption

International trade

Financial markets

Money and prices

Labour

Government

Algorithm

Highlights

March CPI posts the first y-o-y acceleration in six months

The consumer price index (CPI) rose at an annual rate of 4.0% in March, up from a four-year low of 3.9% in February. This marks the first annual increase after six consecutive months of declines. Core inflation (which excludes food and energy) slowed to 5.7% year-on-year (y-o-y), from 5.8% in February. The biggest contributor to annual headline inflation was the housing and utilities component which added 1.4 percentage points (% pts) to the March print. This was largely due to higher water and electricity prices. Despite the fuel increases in March, petrol prices remained lower compared to a year ago. The transport component registered a 5.0% decline, with the petrol price falling by 21.7%. Going forward, higher taxes on fuel, tobacco and alcoholic beverages, as well as a significant electricity tariff increase will push CPI higher. Furthermore, the recent uptick in commodity prices (primarily food and oil) will add to the price pressures.

Mining production up in February, while manufacturing contracted slightly

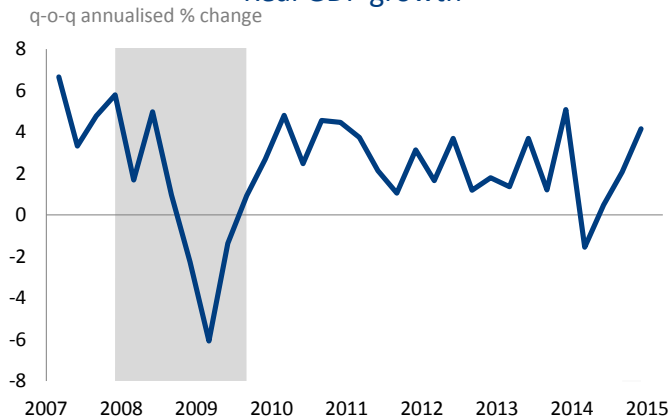
The volume of **mining** production was up 7.5% y-o-y in February, after contracting by a revised 2.4% in January. Contributing most to the annual growth were iron ore and the platinum group metals (the latter up 26.7%), while gold production receded. Meanwhile, **manufacturing** production declined by a moderate 0.5% y-o-y in February, an improvement on the 2.3% decline in January. Production volumes declined in seven of the ten sub-divisions, led by the petroleum, chemical, rubber and plastic products sector. In terms of sales (earnings), the biggest decline was also in the petroleum, chemical, rubber and plastic products sector. The lower oil price is most likely responsible for much of the earnings weakness in this sector.

Retail sales up due to base effect in February

Real **retail** sales jumped by 4.2% y-o-y in February, from an upwardly revised 1.9% registered the month before. Growth was much stronger than expected. Indeed, only the household furniture, appliances and equipment category recorded an annual decline. However, part of this growth is due to a base effect, caused by income losses as a result of the prolonged platinum sector strike last year. In contrast, real growth in **wholesale** trade sales declined by 0.4% y-o-y in February – the fifth straight month of declining sales. February's figure was, however, a significant improvement from the 6.7% slump recorded in January.

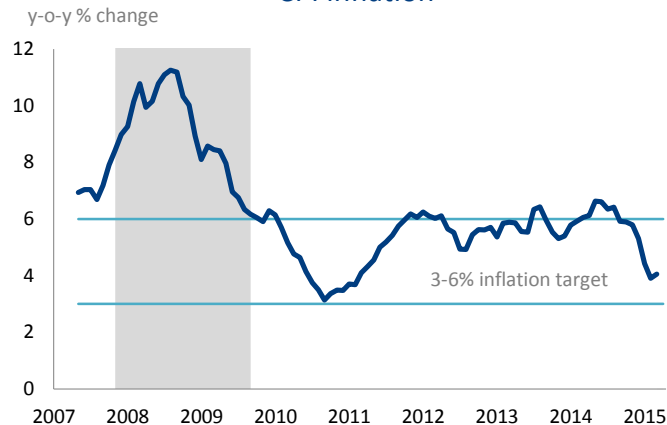
Core indicators

Real GDP growth



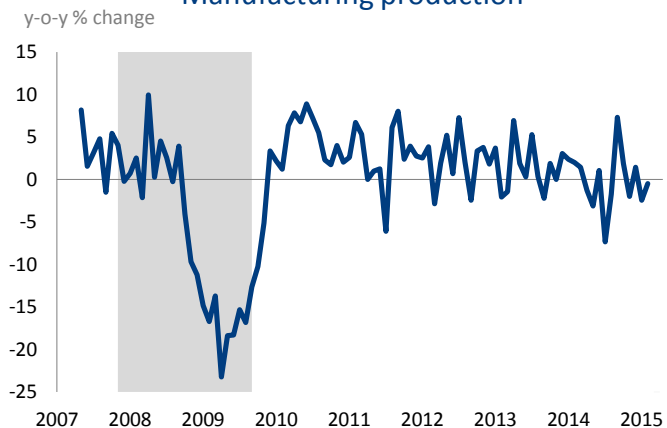
Source: SARB

CPI inflation



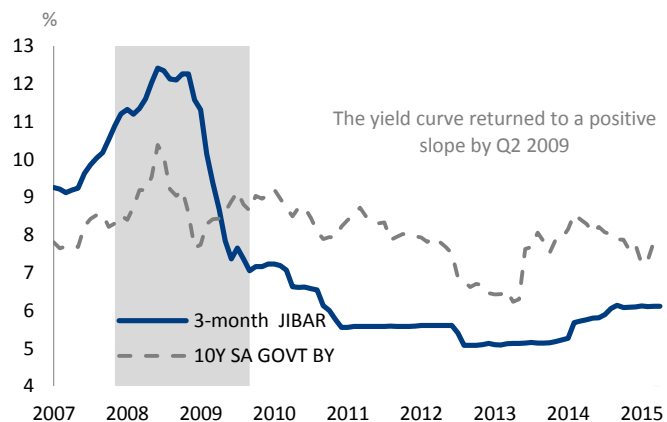
Source: StatsSA

Manufacturing production



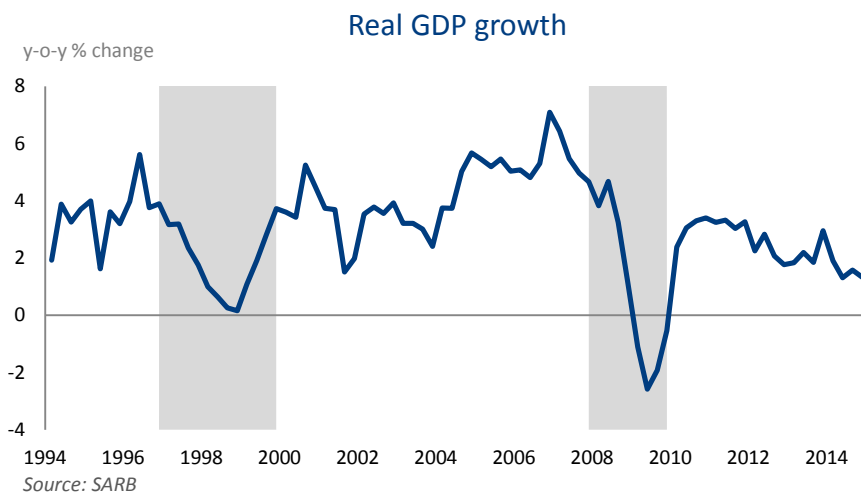
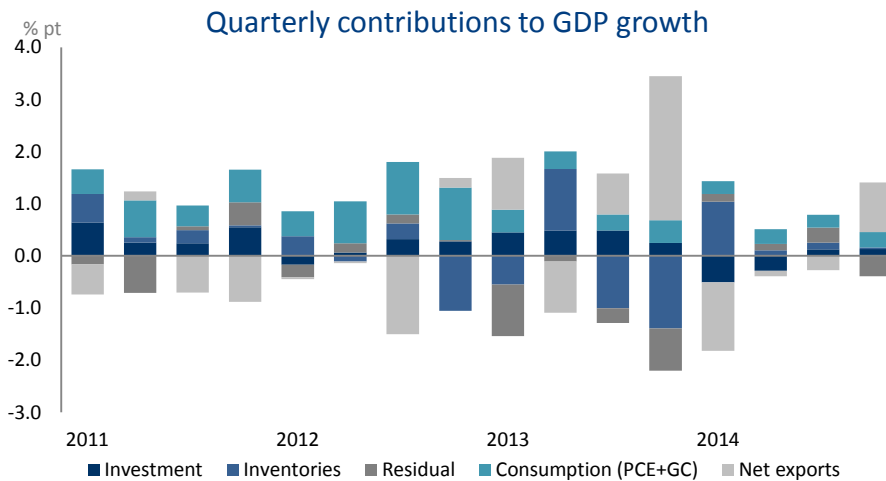
Source: StatsSA

Interest rates



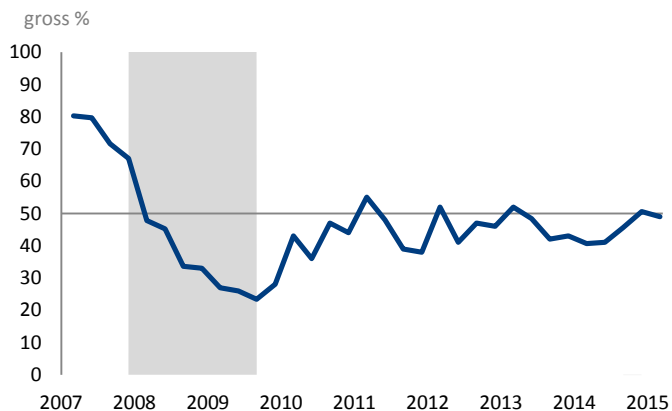
Source: Thomson Reuters

GDP Growth



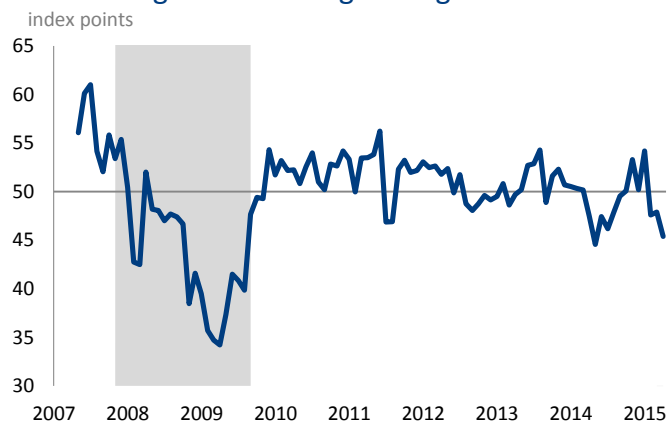
Business Environment

RMB/BER Business Confidence Index



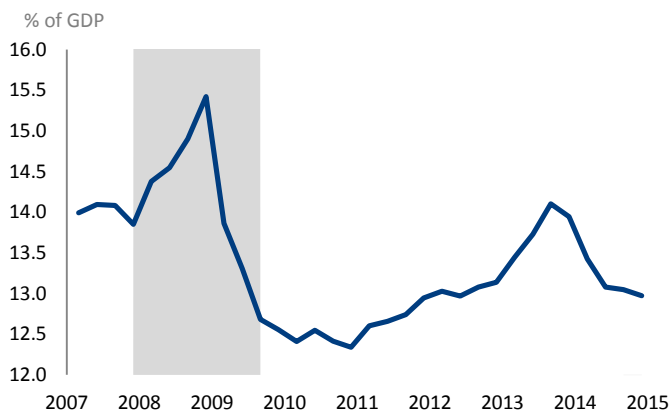
Source: BER

Kagiso Purchasing Managers Index™



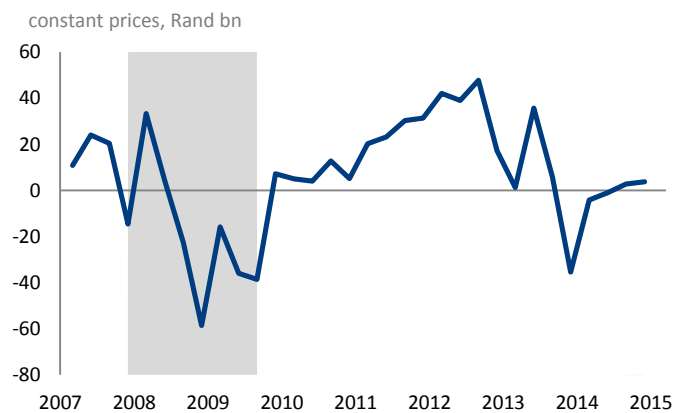
Source: BER

Private fixed investment



Source: SARB

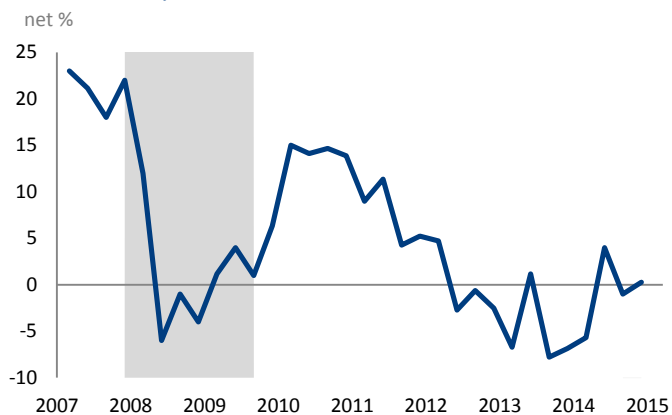
Changes in inventories



Source: SARB

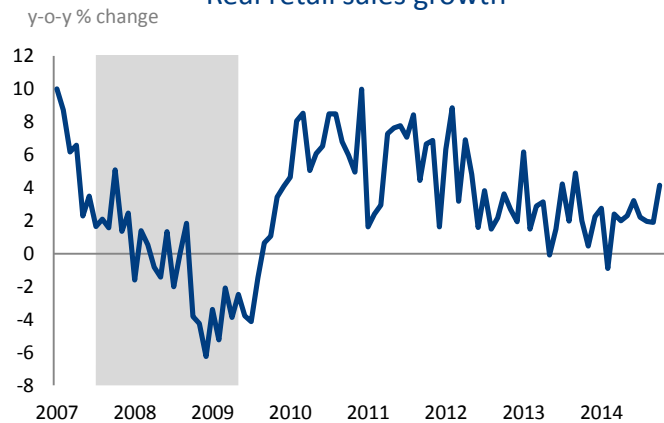
Household consumption

FNB/BER Consumer confidence index



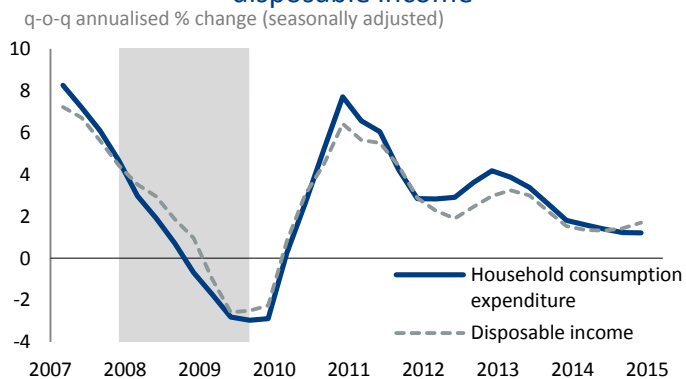
Source: BER

Real retail sales growth



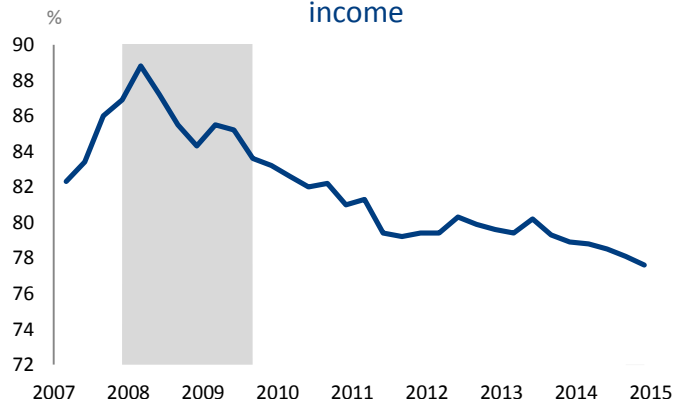
Source: StatsSA

Household consumption and real disposable income



Source: SARB

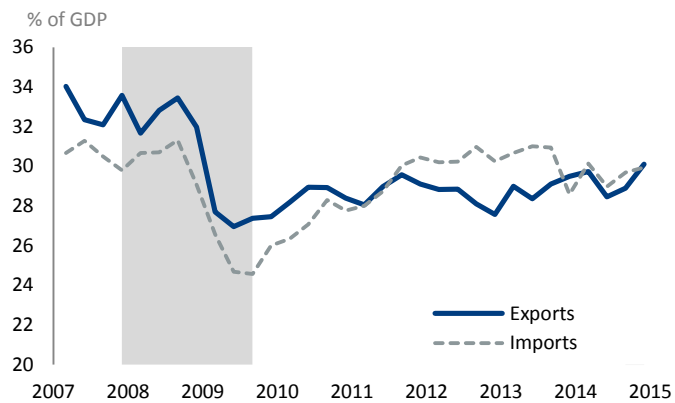
Ratio of household debt to disposable income



Source: SARB

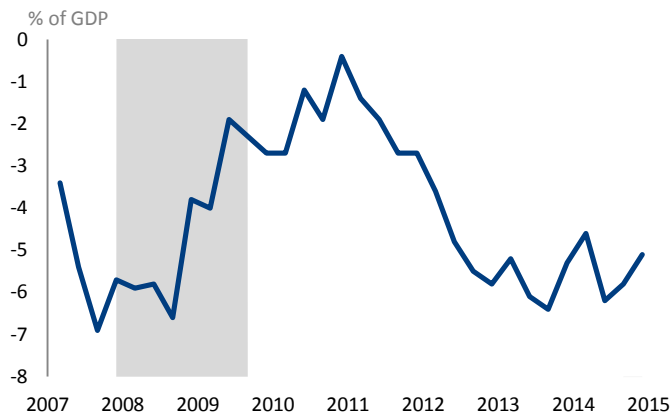
International trade

Imports and exports



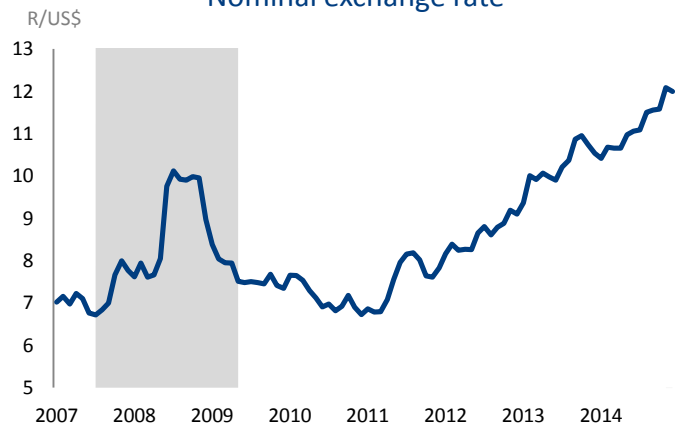
Source: SARB

Current account balance



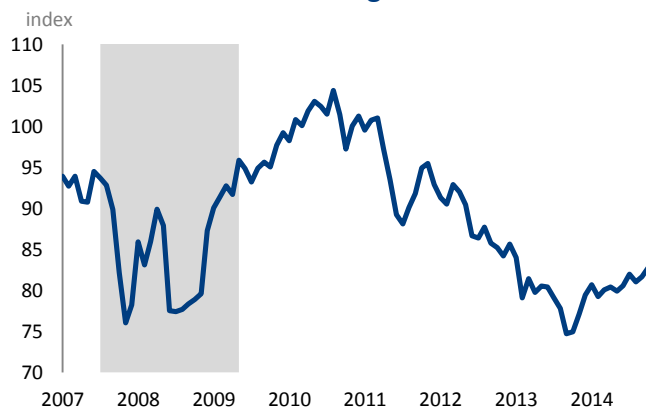
Source: SARB

Nominal exchange rate



Source: Thomson Reuters

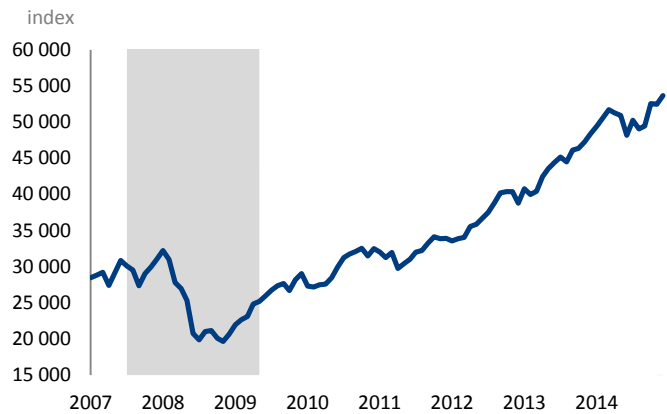
Real effective exchange rate of the Rand



Source: SARB

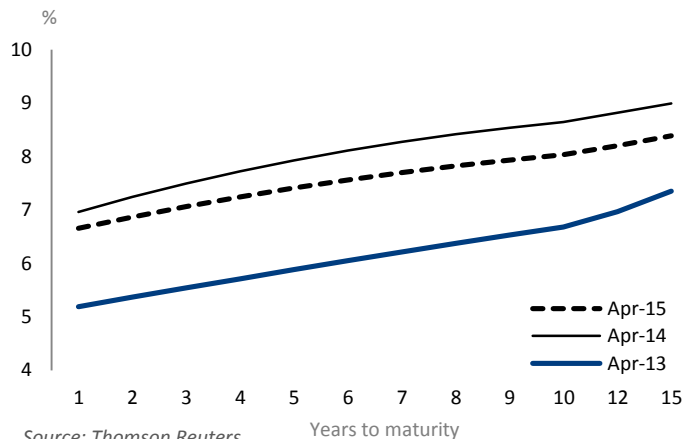
Financial markets

JSE all share index



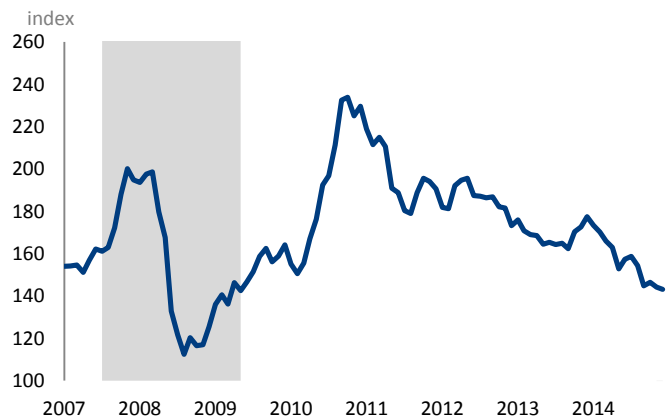
Source: Thomson Reuters

Yield curve comparisons



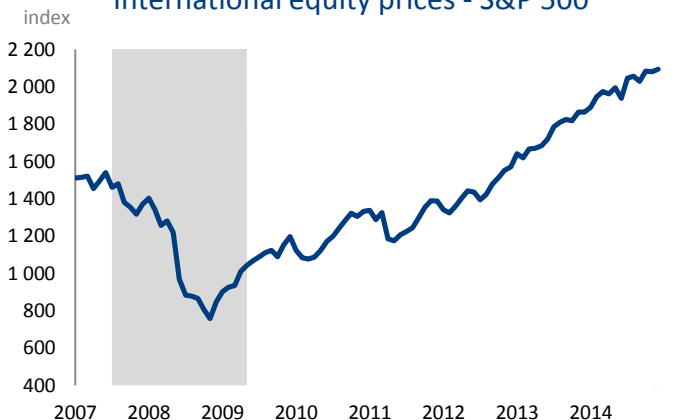
Source: Thomson Reuters

Economist all commodities index



Source: Economist

International equity prices - S&P 500

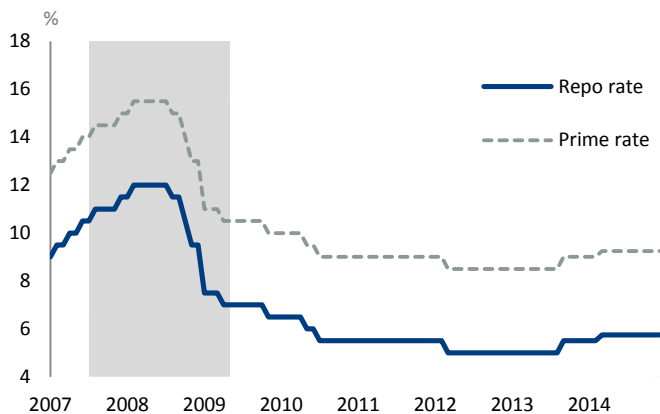


Source: Thomson Reuters

Please refer to the [glossary on the BER's website](#) for explanations of technical terms.
[Click here for more information about the BER's services.](#)

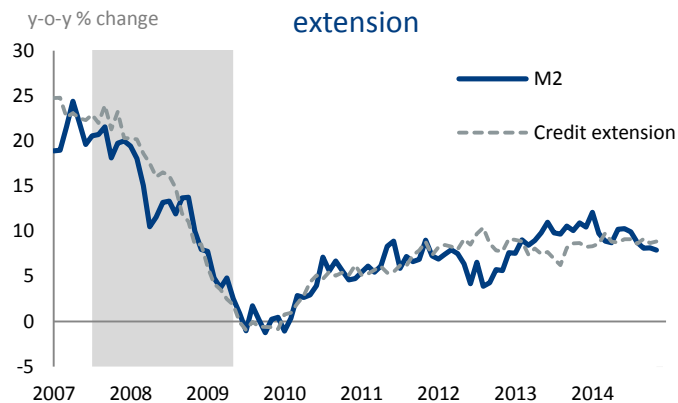
Money and prices

Repo and prime interest rate



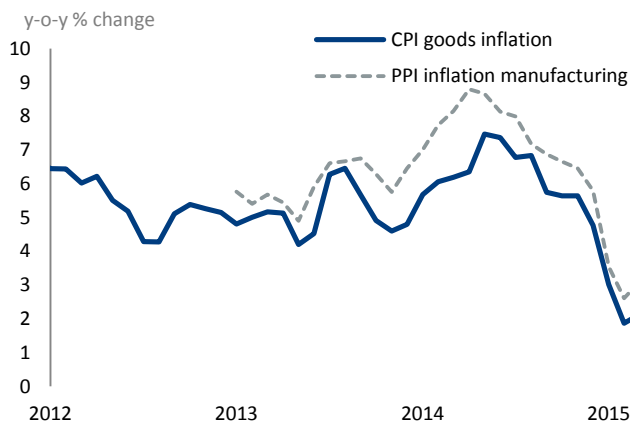
Source: SARB

M2 monetary aggregates and credit extension



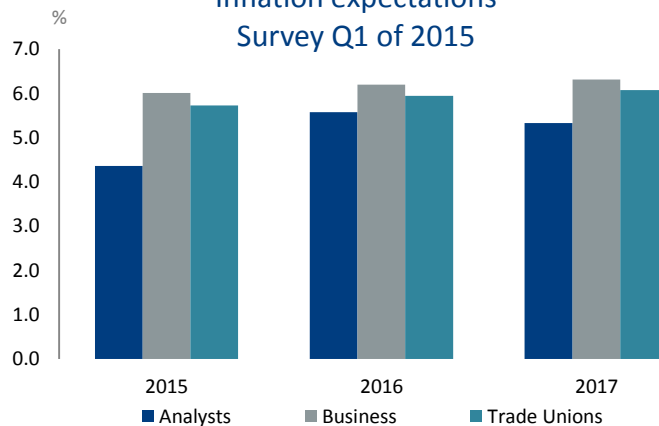
Source: SARB

Consumer and producer prices



Source: StatsSA

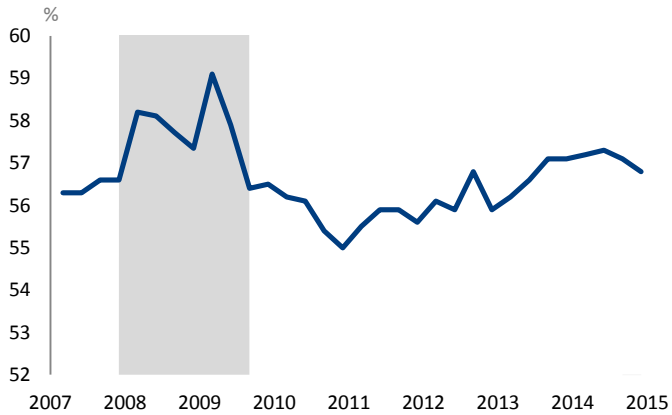
Inflation expectations Survey Q1 of 2015



Source: BER

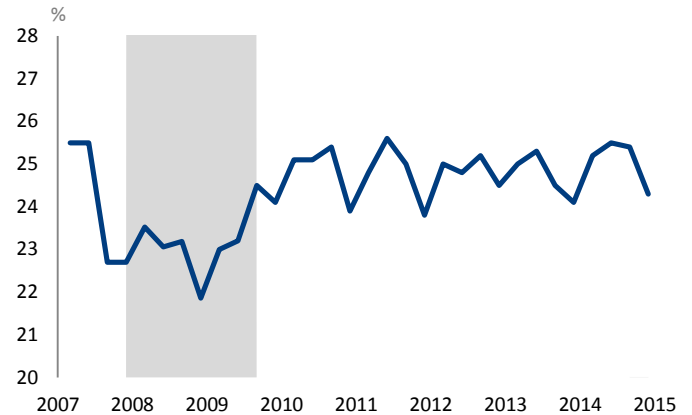
Labour

Labour force participation



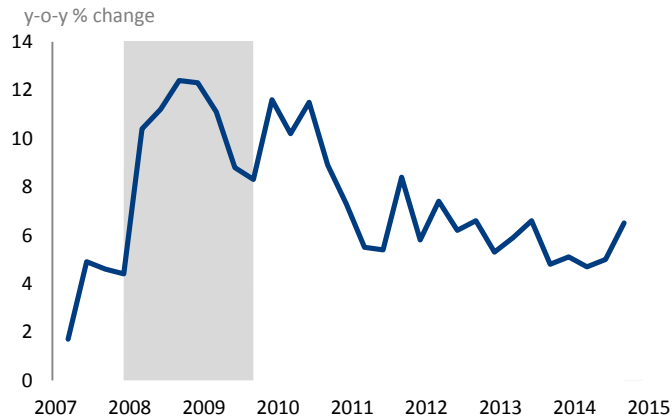
Source: StatsSA

Unemployment rate



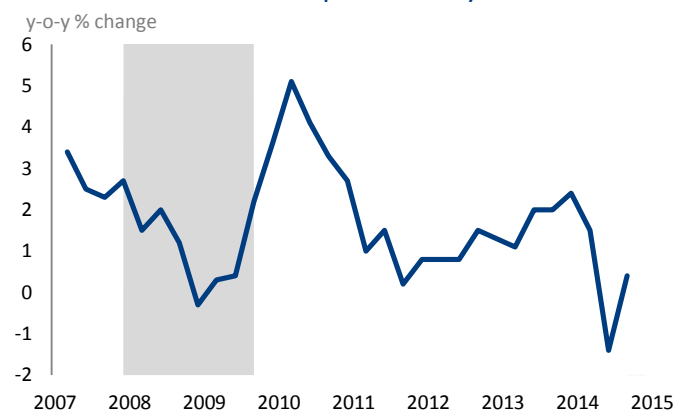
Source: StatsSA

Unit labour cost



Source: SARB

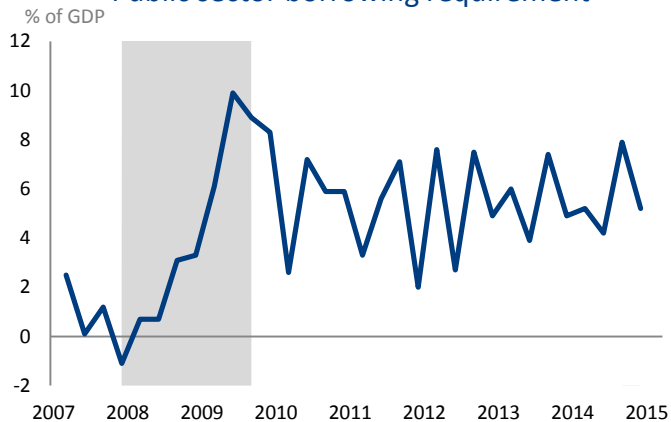
Labour productivity



Source: SARB

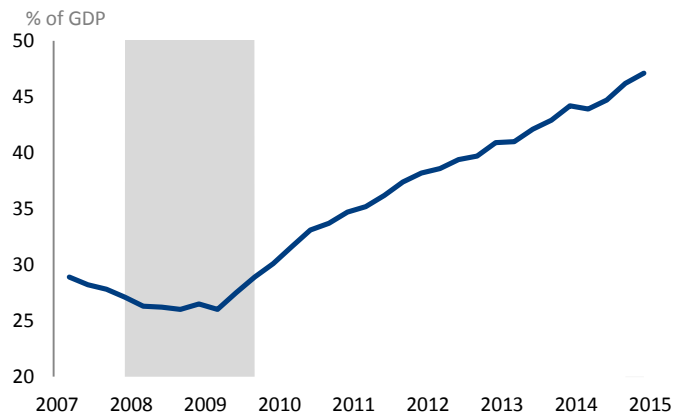
Government

Public sector borrowing requirement



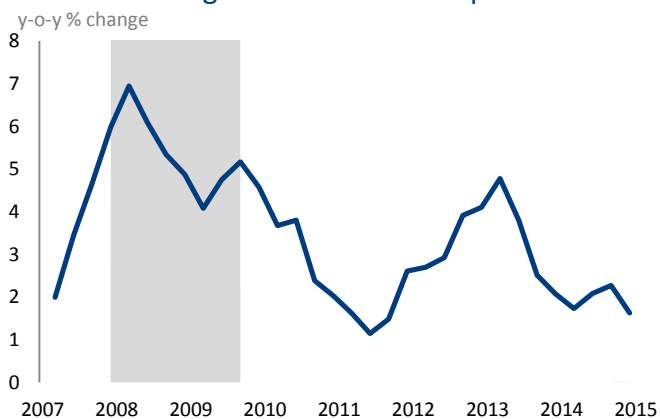
Source: SARB

Government debt



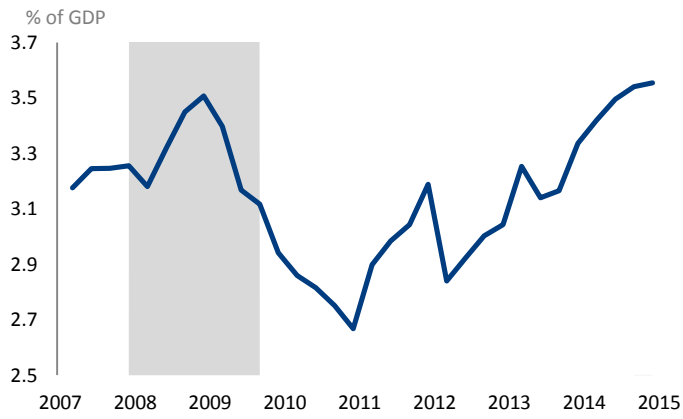
Source: SARB

Real government consumption



Source: SARB

Government fixed investment



Source: SARB

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