



## South African Reserve Bank

**For further information regarding this release, please contact:**

Adri Wolhuter: +27 (12) 313 3228

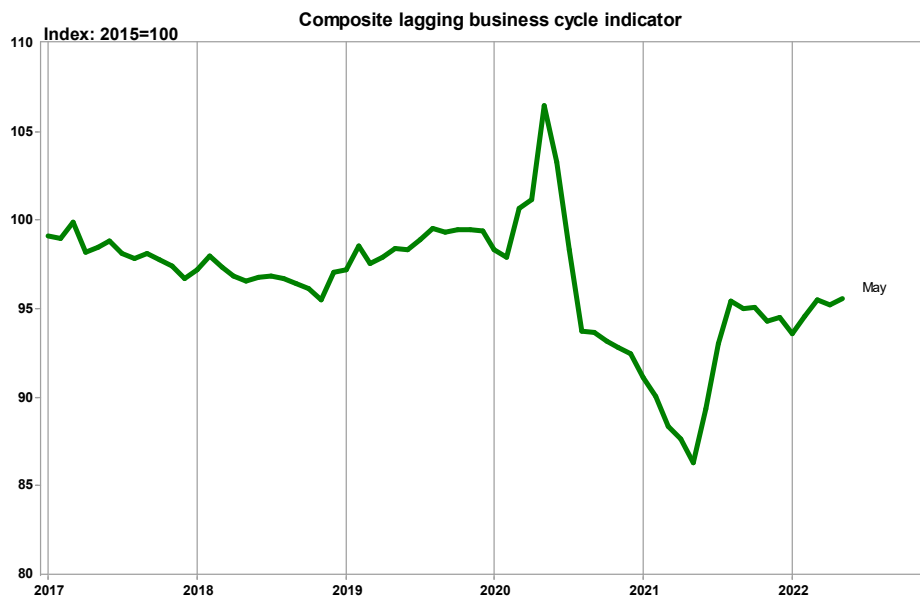
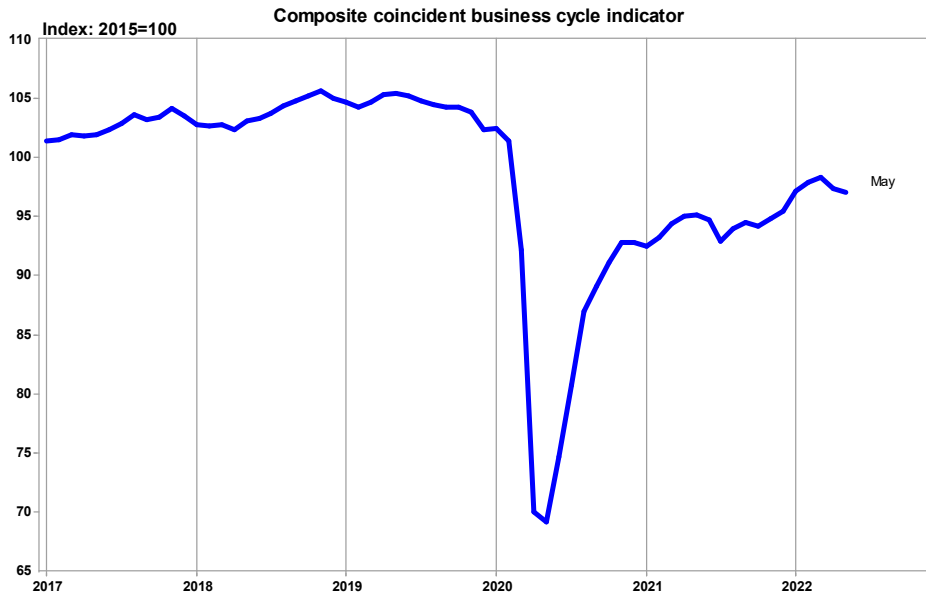
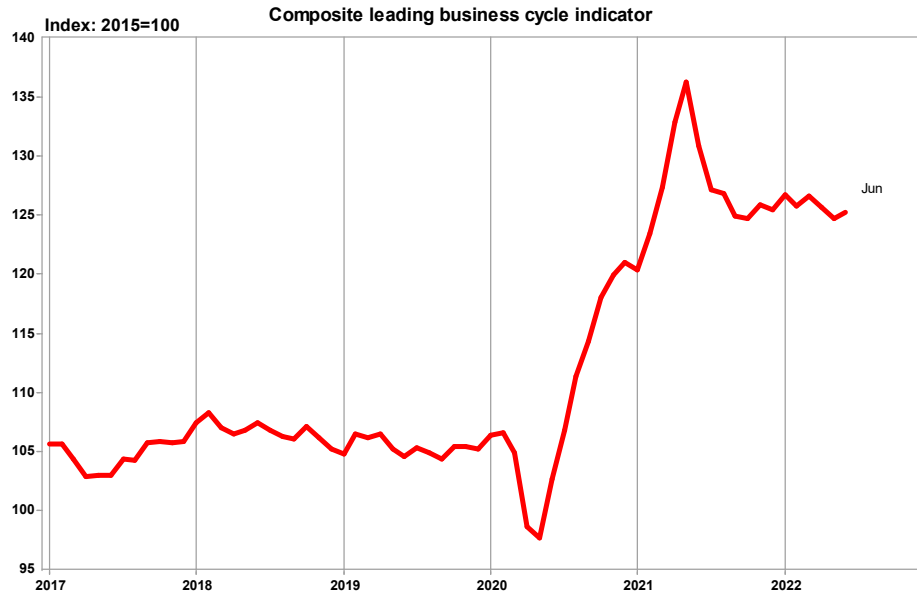
[Adri.Wolhuter@resbank.co.za](mailto:Adri.Wolhuter@resbank.co.za)

**FOR RELEASE: 09:00 A.M., Tuesday, 23 August 2022**

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

- The composite **leading** business cycle indicator *increased* by 0.4% in June 2022. Five of the nine available component time series increased and the remaining four decreased. The largest positive contributors were an increase in the number of residential building plans approved and an acceleration in the six-month smoothed growth rate in new passenger vehicle sales. The largest detractors were a narrowing of the interest rate spread and a decrease in the US dollar-denominated export commodity price index.
- The composite **coincident** business cycle indicator *decreased* by 0.3% in May 2022 as the utilisation of production capacity in the manufacturing sector as well as retail and new vehicle sales decreased.
- The composite **lagging** business cycle indicator *increased* by 0.3% in May 2022.

**The next release is scheduled for 20 September 2022, at 09:00 A.M.**



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

Indices: 2015 = 100	2021			2022					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	124.7	125.9	125.5	126.7	125.8	126.6	125.6	124.7	125.2
<i>Monthly percentage change</i>	-0.2	1.0	-0.3	1.0	-0.7	0.7	-0.8	-0.7	0.4
<i>12-month percentage change</i>	5.6	4.9	3.7	5.3	1.9	-0.6	-5.4	-8.5	-4.3
Coincident indicator	94.2	94.8	95.5	97.2	97.9	98.3	97.4	97.1	-
<i>Monthly percentage change</i>	-0.3	0.7	0.7	1.8	0.7	0.4	-0.9	-0.3	-
<i>12-month percentage change</i>	3.3	2.1	2.9	5.1	5.0	4.1	2.5	2.0	-
Lagging indicator	95.1	94.3	94.5	93.6	94.6	95.5	95.2	95.6	-
<i>Monthly percentage change</i>	0.1	-0.8	0.2	-0.9	1.1	0.9	-0.3	0.3	-
<i>12-month percentage change</i>	2.1	1.6	2.2	2.7	5.1	8.0	8.6	10.7	-

\* 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 June 2022 data point:**

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

\* Bureau for Economic Research, Stellenbosch University