



## South African Reserve Bank

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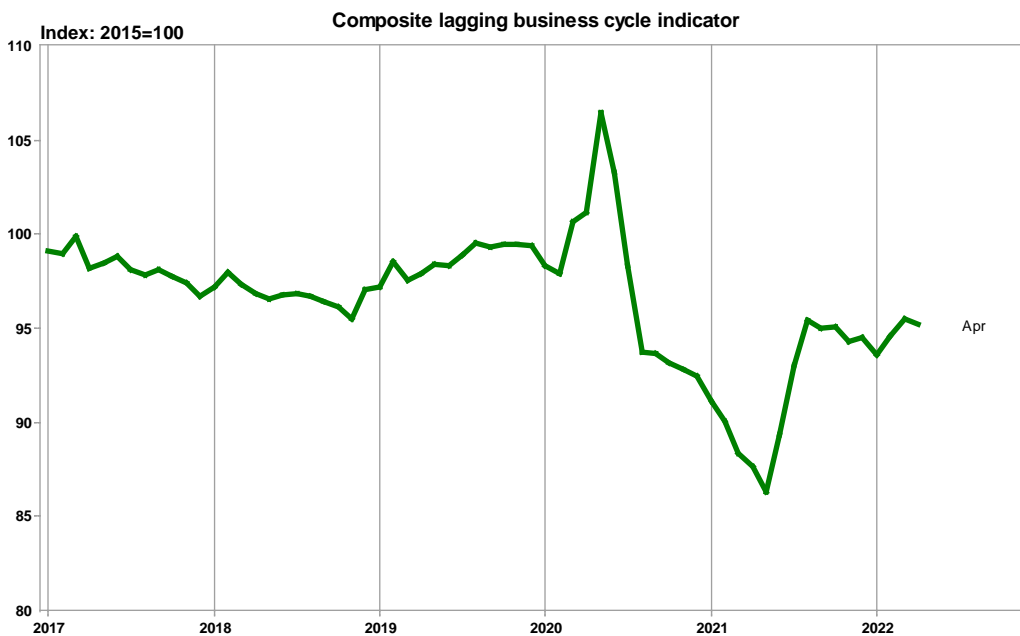
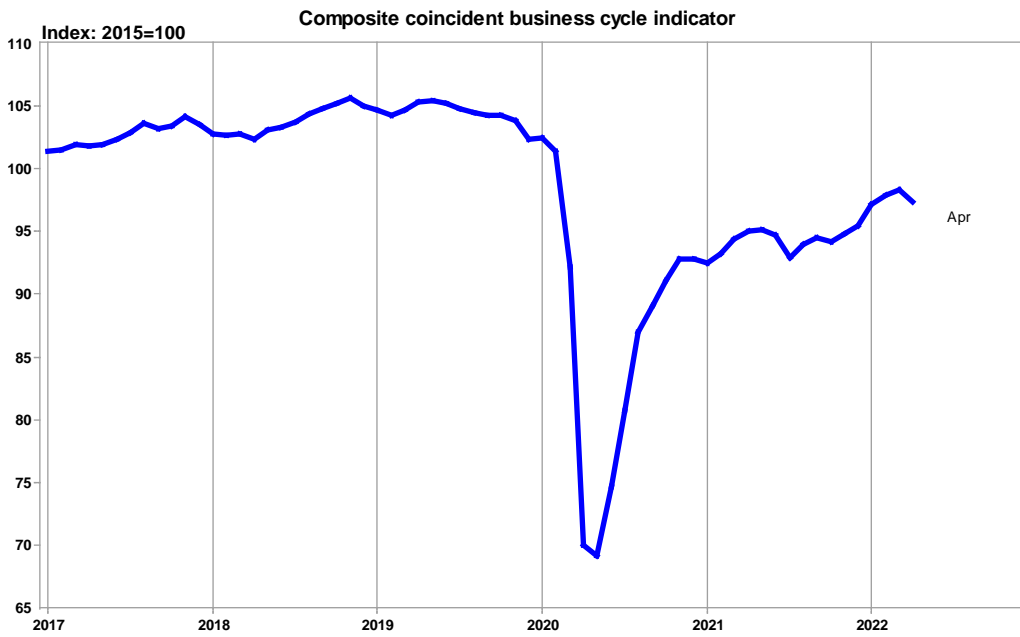
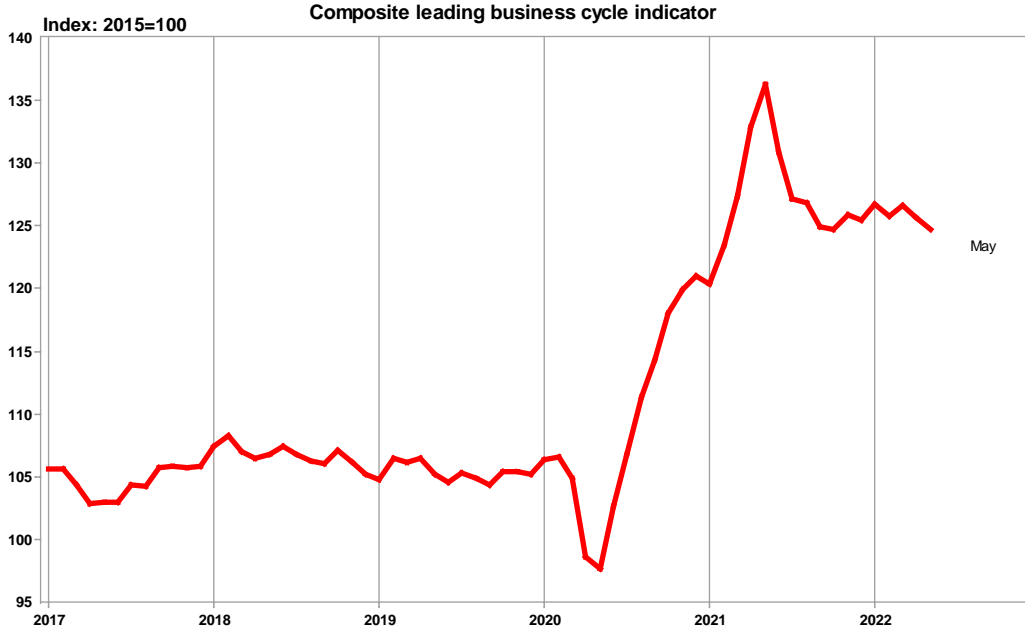
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**FOR RELEASE: 09:00 A.M., Tuesday, 26 July 2022**

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

- The composite **leading** business cycle indicator *decreased* by 0.7% in May 2022. Decreases in 7 of the 10 available component time series outweighed increases in the remainder. The largest detractors were decreases in the US dollar-denominated export commodity price index and in the number of residential building plans approved. The largest positive contributors were an acceleration in the six-month smoothed growth rate in job advertisement space and a widening of the interest rate spread.
- The composite **coincident** business cycle indicator *decreased* by 0.9% in April 2022 as industrial production as well as retail and new vehicle sales decreased, impacted by the flooding in KwaZulu-Natal.
- The composite **lagging** business cycle indicator *decreased* by 0.3% in April 2022.

**The next release is scheduled for 23 August 2022, at 09:00 A.M.**



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

Indices: 2015 = 100	2021				2022				
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	125.0	124.7	125.9	125.5	126.7	125.8	126.6	125.6	124.7
12-month percentage change	9.3	5.6	4.9	3.7	5.3	1.9	-0.6	-5.4	-8.5
Coincident indicator	94.5	94.2	94.8	95.5	97.2	97.9	98.3	97.4	-
12-month percentage change	6.1	3.3	2.1	2.9	5.1	5.0	4.1	2.5	-
Lagging indicator	95.0	95.1	94.3	94.5	93.6	94.6	95.5	95.2	-
12-month percentage change	1.4	2.1	1.6	2.2	2.7	5.1	8.0	8.6	-

\* 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 2022 data point:**

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

\* Bureau for Economic Research, Stellenbosch University