



## South African Reserve Bank

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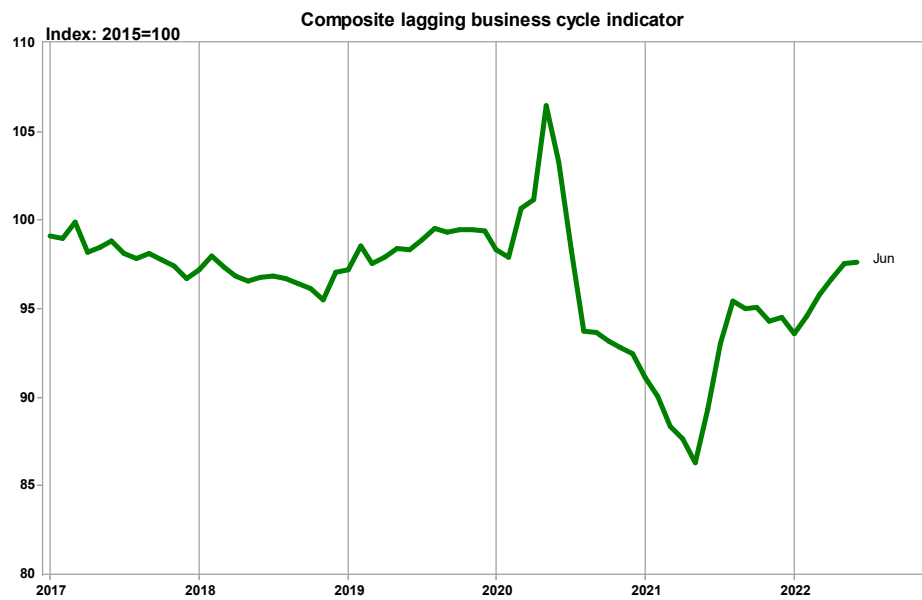
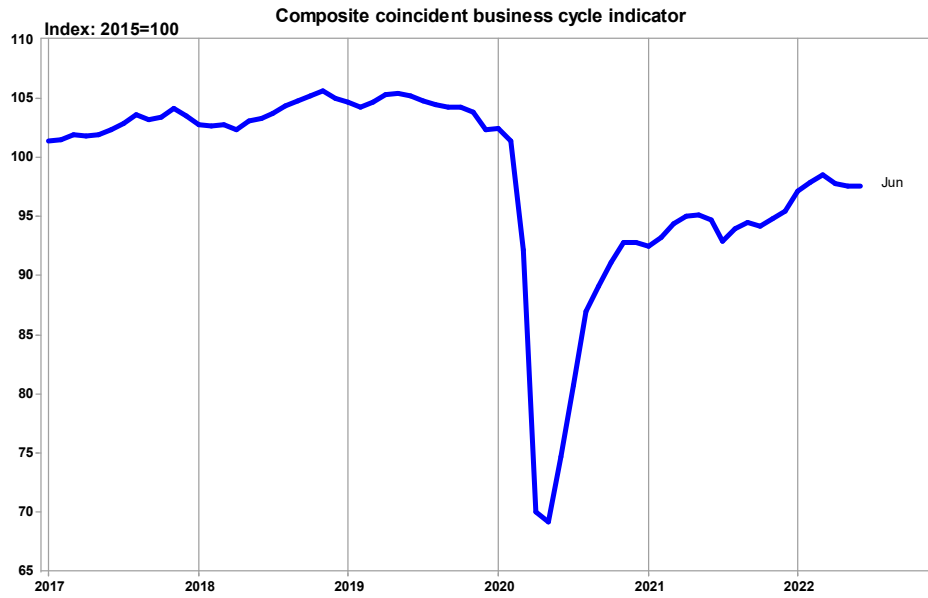
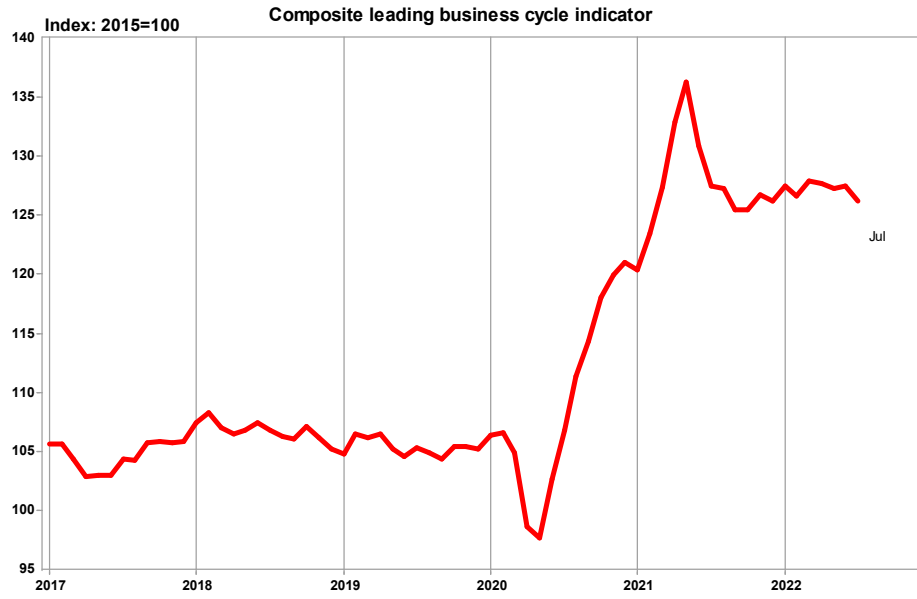
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**FOR RELEASE: 09:00 A.M., Tuesday, 20 September 2022**

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

- The composite **leading** business cycle indicator *decreased* by 1.0% in July 2022 as 6 of the 10 available component time series decreased, while 4 increased. The largest negative contributors were a decrease in the number of residential building plans approved and a decrease in the composite leading business cycle indicator for South Africa's main trading partner countries. The largest positive contributors were an acceleration in the six-month smoothed growth rate in new passenger vehicle sales and a widening of the interest rate spread.
- The composite **coincident** business cycle indicator *decreased* by 0.1% in June 2022 as retail and new vehicle sales and the industrial production index decreased.
- The composite **lagging** business cycle indicator *increased* by 0.1% in June 2022.

**The next release is scheduled for 25 October 2022, at 09:00 A.M.**



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

Indices: 2015 = 100	2021		2022						
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	126.7	126.2	127.5	126.6	127.3	127.7	127.3	127.5	126.2
<i>Monthly percentage change</i>	1.0	-0.4	1.1	-0.7	1.1	-0.2	-0.3	0.2	-1.0
<i>12-month percentage change</i>	5.6	4.2	6.0	2.5	0.5	-3.9	-6.6	-2.6	-1.0
Coincident indicator	94.8	95.5	97.2	97.9	98.5	97.8	97.6	97.5	-
<i>Monthly percentage change</i>	0.7	0.7	1.8	0.7	0.7	-0.8	-0.2	-0.1	-
<i>12-month percentage change</i>	2.1	2.9	5.1	5.0	4.3	2.9	2.6	3.0	-
Lagging indicator	94.3	94.5	93.6	94.6	95.8	96.7	97.6	97.6	-
<i>Monthly percentage change</i>	-0.8	0.2	-0.9	1.1	1.2	1.0	0.9	0.1	-
<i>12-month percentage change</i>	1.6	2.2	2.7	5.1	8.4	10.3	13.0	9.2	-

\* 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 July 2022 data point:**

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

\* Bureau for Economic Research, Stellenbosch University