



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The month-to-month pace of *increase* in the composite **leading** business cycle indicator moderated further to 0.5% in December 2020. Increases in four of the nine available component time series outweighed decreases in the remaining five. The largest contributors to the increase in the composite leading business cycle indicator in December were an increase in the US dollar-denominated South African export commodity price index and in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *increased* by 2.4% on a month-to-month basis in November 2020. The increase was driven largely by higher retail trade and new vehicle sales as well as an increase in the utilisation of production capacity in the manufacturing sector.
- The composite **lagging** business cycle indicator remained broadly *unchanged* on a month-to-month basis in November 2020.

The next release is scheduled for 23 March 2021, at 09:00 A.M.

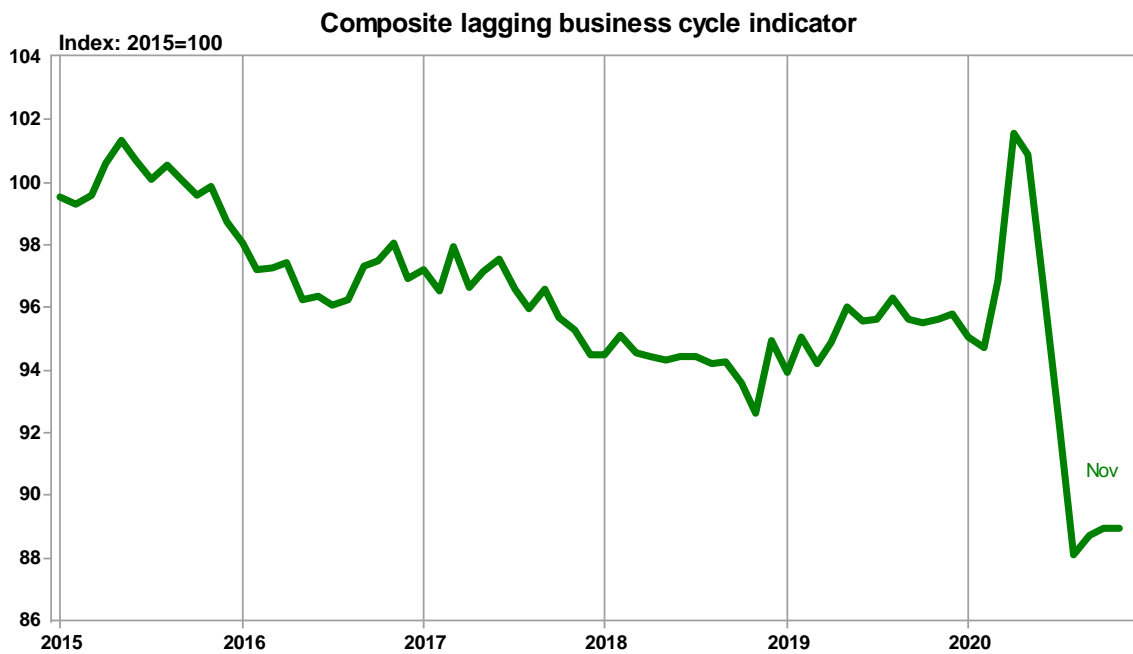
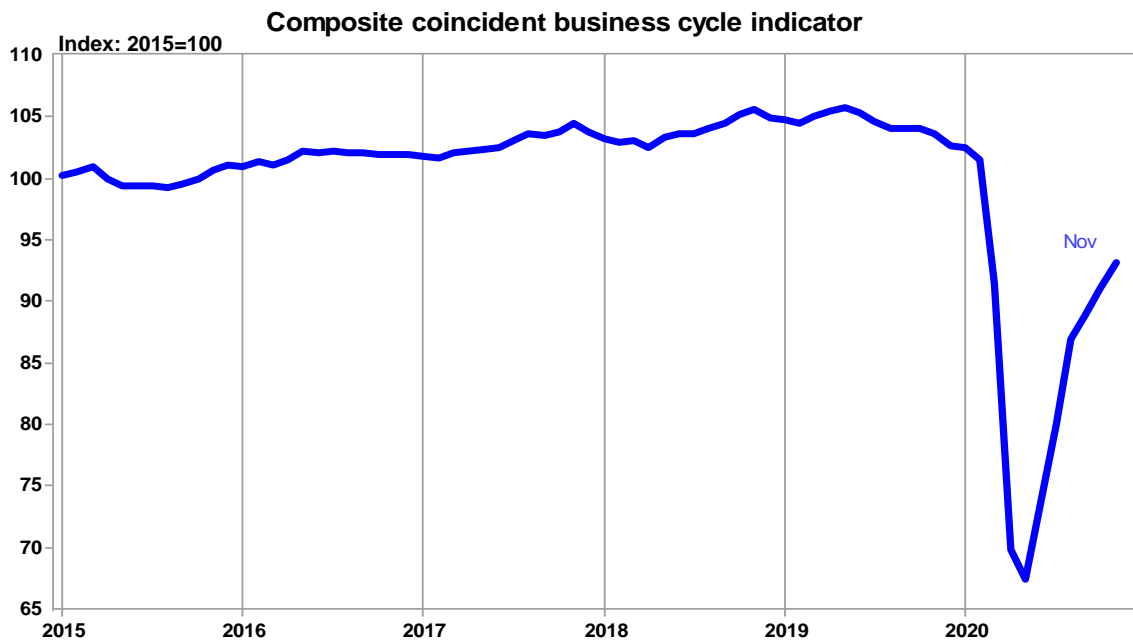
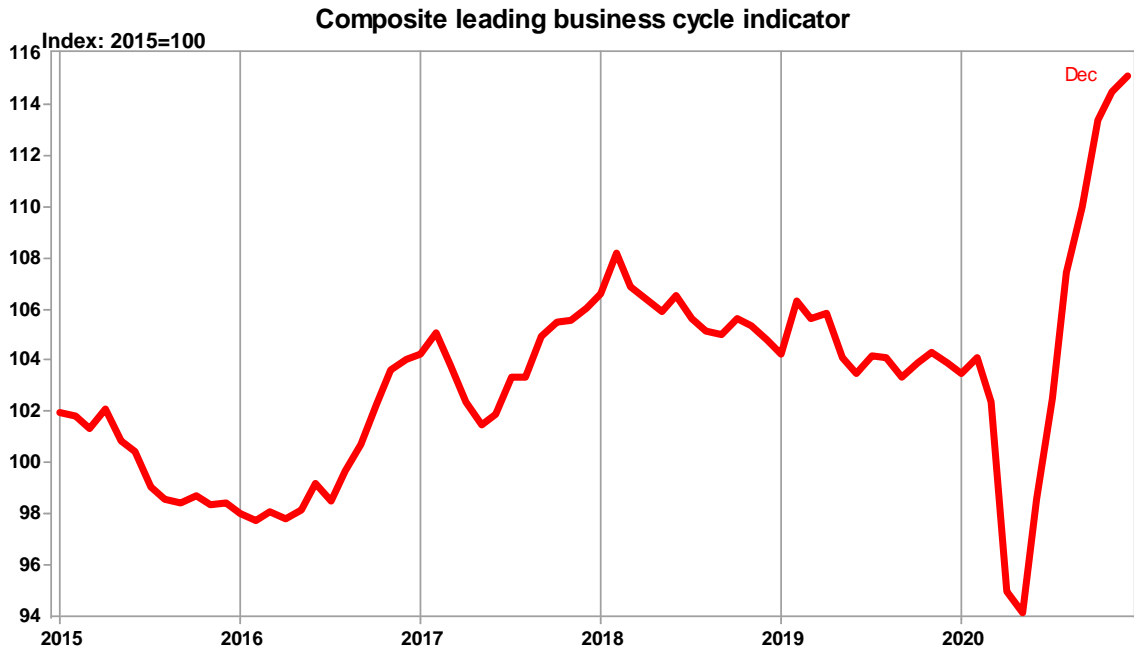


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2020									
	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Leading indicator	102.4	95.0	94.2	98.6	102.5	107.4	110.0	113.4	114.5	115.1
12-month percentage change	-3.1	-10.2	-9.6	-4.7	-1.6	3.2	6.5	9.2	9.8	10.8
Coincident indicator	91.4	69.8	67.5	73.4	80.1	86.9	88.9	91.0	93.2	-
12-month percentage change	-13.0	-33.9	-36.2	-30.3	-23.5	-16.5	-14.5	-12.6	-10.1	-
Lagging indicator	96.9	101.6	100.9	96.6	92.2	88.1	88.7	88.9	89.0	-
12-month percentage change	2.8	7.1	5.0	1.1	-3.6	-8.5	-7.2	-6.9	-7.0	-

* 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 December 2020 data point:

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

* Bureau for Economic Research, Stellenbosch University