



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.1% in February 2022. Decreases in 6 of the 10 available component time series outweighed increases in the remaining 4. The largest detractors were a decrease in the number of residential building plans approved and a deceleration in the six-month smoothed growth rate of job advertisement space. The largest positive contributors were an increase in the US dollar-denominated export commodity price index and a widening in the interest rate spread.
- The composite **coincident** business cycle indicator *increased* by 1.8% in January 2022 as both industrial production as well as retail and new vehicle sales increased.
- The composite **lagging** business cycle indicator *decreased* by 0.4% in January 2022.

The next release is scheduled for 24 May 2022, at 09:00 A.M.

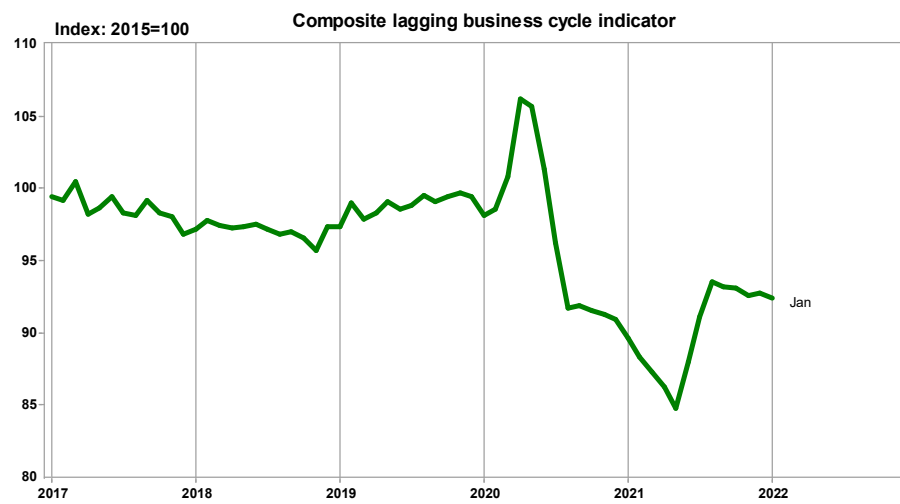
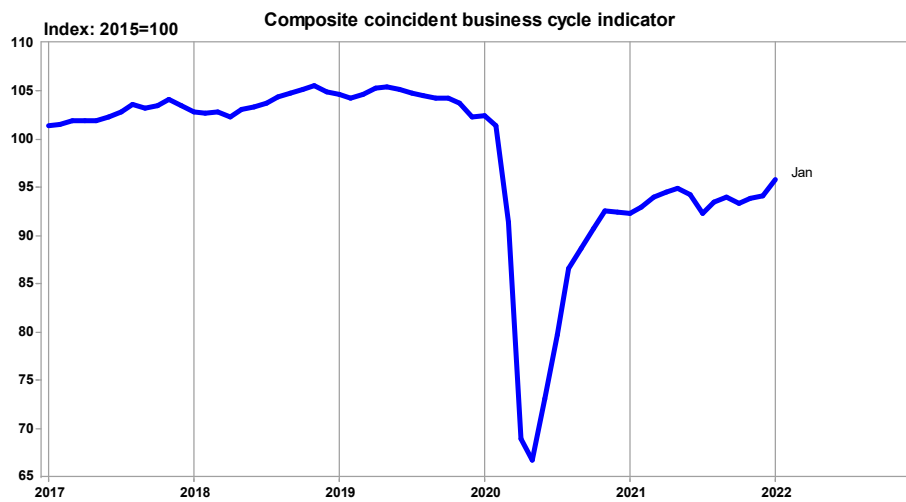
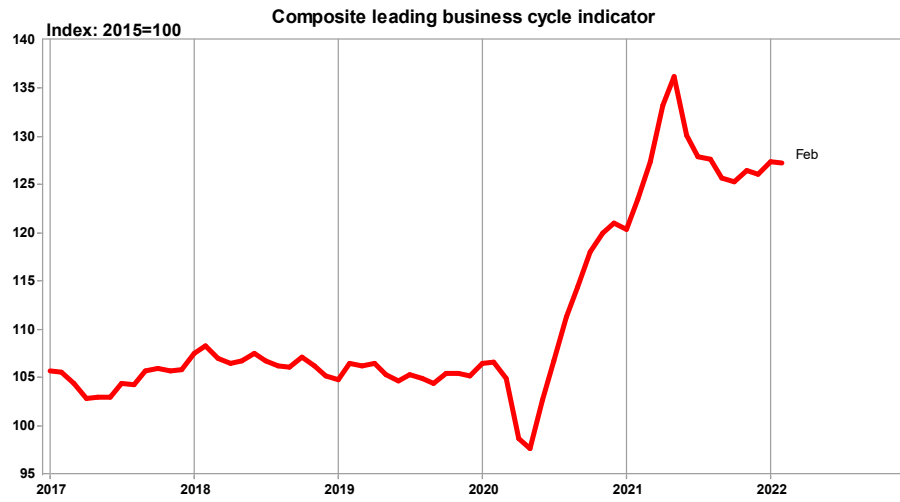


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2021							2022	
	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Leading indicator	130.2	127.9	127.6	125.7	125.3	126.4	126.0	127.3	127.2
12-month percentage change	26.8	19.8	14.6	9.9	6.1	5.4	4.1	5.8	3.0
Coincident indicator	94.2	92.4	93.4	94.0	93.4	93.8	94.2	95.9	-
12-month percentage change	29.0	15.8	8.0	5.9	2.9	1.4	1.9	3.9	-
Lagging indicator	88.0	91.1	93.5	93.2	93.1	92.6	92.8	92.4	-
12-month percentage change	-13.1	-5.4	1.9	1.4	1.7	1.5	2.0	3.1	-

* 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 February 2022 data point:

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

* Bureau for Economic Research, Stellenbosch University