



## South African Reserve Bank

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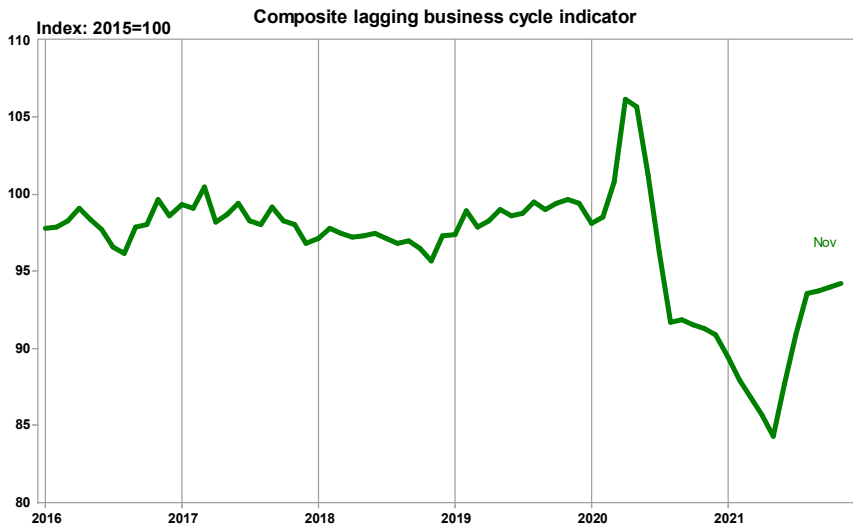
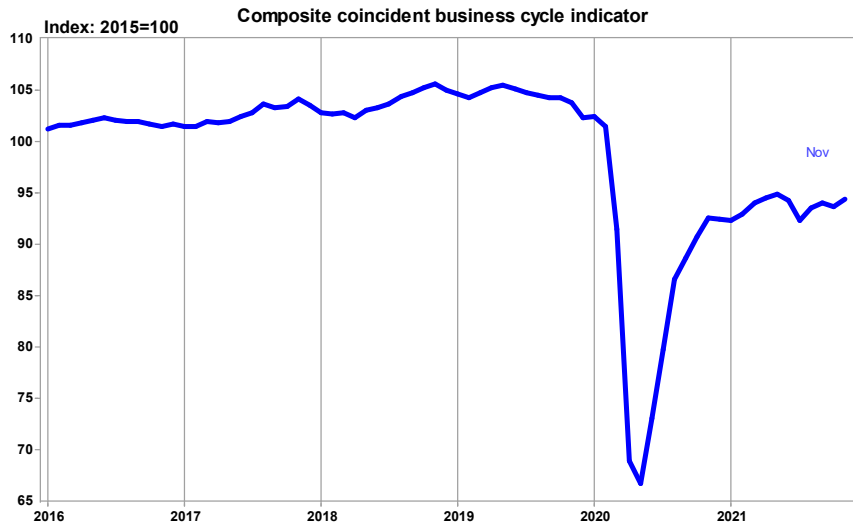
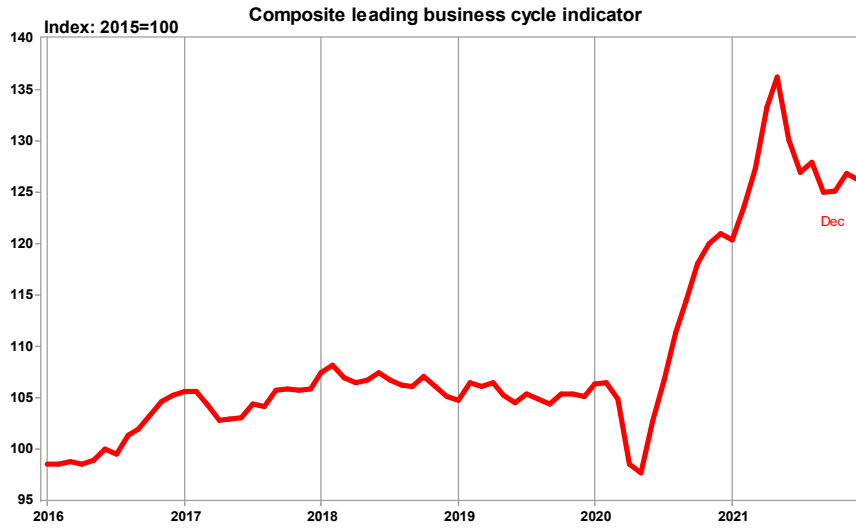
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**FOR RELEASE: 09:00 A.M., Tuesday, 22 February 2022**

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

- The composite **leading** business cycle indicator *decreased* by 0.5% in December 2021, extending the more recent sideways movement in the indicator following a distinct downward trend since reaching a low-base-induced peak in May. Seven of the nine available component time series decreased, while one increased and one remained unchanged. The largest detractors in December 2021 were decelerations in the six-month smoothed growth rate in the real M1 money supply and in the twelve-month percentage change in the composite leading business cycle indicator for South Africa's main trading partner countries. An acceleration in the six-month smoothed growth rate of job advertisement space contributed positively to the indicator.
- The composite **coincident** business cycle indicator *increased* by 0.7% in November 2021, as industrial production as well as retail and new vehicle sales increased.
- The composite **lagging** business cycle indicator *increased* by 0.2% in November 2021.

**The next release is scheduled for 22 March 2022, at 09:00 A.M.**



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

Indices: 2015 = 100	2021								
	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Leading indicator	133.3	136.2	130.2	127.0	127.9	125.0	125.2	126.8	126.2
<i>12-month percentage change</i>	35.2	39.5	26.8	19.0	14.9	9.3	6.0	5.7	4.3
Coincident indicator	94.5	94.9	94.2	92.4	93.5	94.1	93.7	94.4	-
<i>12-month percentage change</i>	37.2	42.2	29.0	15.8	8.1	6.1	3.3	1.9	-
Lagging indicator	85.7	84.3	87.7	90.9	93.6	93.7	94.0	94.2	-
<i>12-month percentage change</i>	-19.2	-20.3	-13.4	-5.5	2.0	2.0	2.7	3.2	-

\* 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 December 2021 data point:**

<b>Negative contributors (ranked from largest to smallest)</b>
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)
Number of new passenger vehicles sold (six-month smoothed growth rate)
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>
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
BER*: Volume of orders in manufacturing (half weight)
<b>Positive contributor</b>
Job advertisements: The Sunday Times (six-month smoothed growth rate)
<b>Unchanged component series</b>
BER*: Average hours worked per factory worker in manufacturing (half weight)
<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