



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228

Adri.Wolhuter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 25 January 2022

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.6% in November 2021, following a general downward movement since reaching a low-base-induced peak in May which was related to the onset of COVID-19. Six of the ten available component time series increased, while three decreased and one remained unchanged. The largest contributors to the increase were accelerations in the six-month smoothed growth rate of job advertisement space and in the six-month smoothed growth rate of new passenger vehicle sales. The largest detractors were a decrease in the US dollar-denominated export commodity price index and a decrease in the composite leading business cycle indicator for South Africa's main trading partner countries.
- The composite **coincident** business cycle indicator *decreased* by 0.2% in October 2021, as industrial production as well as retail and new vehicle sales decreased.
- The composite **lagging** business cycle indicator *increased* by 0.3% in October 2021. The lagging indicator was upwardly revised after the inclusion of unit labour cost statistics up to August 2021 following the release of national accounts statistics for the third quarter of the year.

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

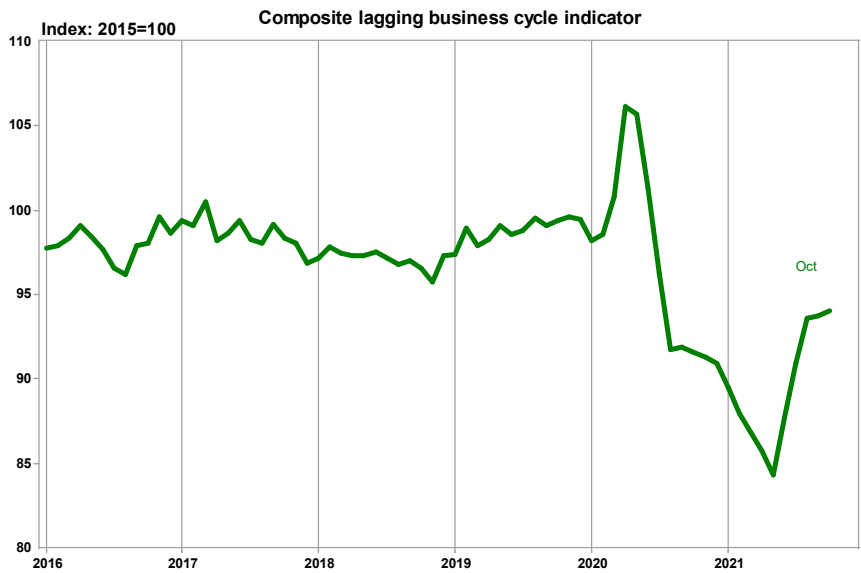
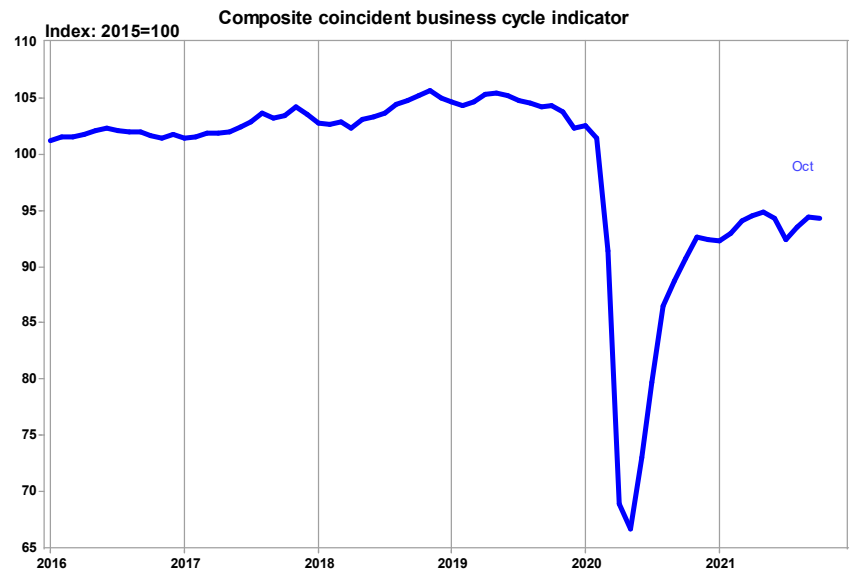
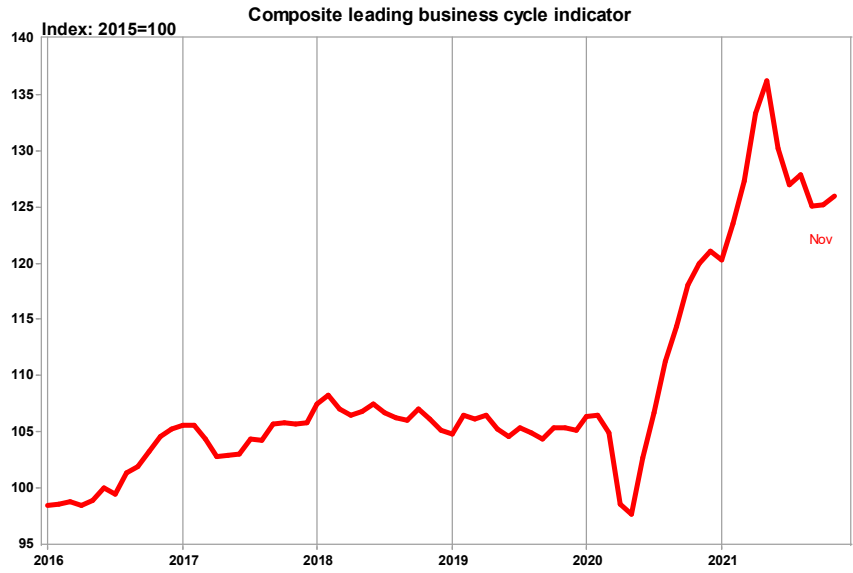


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2021									
	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	
Leading indicator	127.3	133.3	136.2	130.2	127.0	127.9	125.0	125.2	125.9	
<i>12-month percentage change</i>	<i>21.4</i>	<i>35.2</i>	<i>39.5</i>	<i>26.8</i>	<i>19.0</i>	<i>14.9</i>	<i>9.3</i>	<i>6.0</i>	<i>5.0</i>	
Coincident indicator	94.0	94.5	94.9	94.2	92.4	93.5	94.5	94.3	-	
<i>12-month percentage change</i>	<i>2.9</i>	<i>37.2</i>	<i>42.2</i>	<i>29.0</i>	<i>15.8</i>	<i>8.1</i>	<i>6.5</i>	<i>3.9</i>	<i>-</i>	
Lagging indicator	86.8	85.7	84.3	87.7	90.9	93.6	93.7	94.0	-	
<i>12-month percentage change</i>	<i>-13.9</i>	<i>-19.2</i>	<i>-20.3</i>	<i>-13.4</i>	<i>-5.5</i>	<i>2.0</i>	<i>2.0</i>	<i>2.7</i>	<i>-</i>	

* 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 November 2021 data point:

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

* Bureau for Economic Research, Stellenbosch University