



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.3% in April 2022 and by 4.7% on an annual basis – the largest year-on-year contraction since May 2020. Decreases in 5 of the 10 available component time series outweighed increases in the remaining 5. The largest detractors were a deceleration in the six-month smoothed growth rate of new passenger vehicle sales and a decrease in the US dollar-denominated export commodity price index. An acceleration in the six-month smoothed growth rate of job advertisement space and a widening in the interest rate spread were the largest positive contributors to the outcome in April.
- The composite **coincident** business cycle indicator *increased* by 0.4% in March 2022 as both the industrial production index as well as retail and new vehicle sales contributed positively to the outcome.
- The composite **lagging** business cycle indicator *increased* by 0.9% in March 2022.

The next release is scheduled for 26 July 2022, at 09:00 A.M.

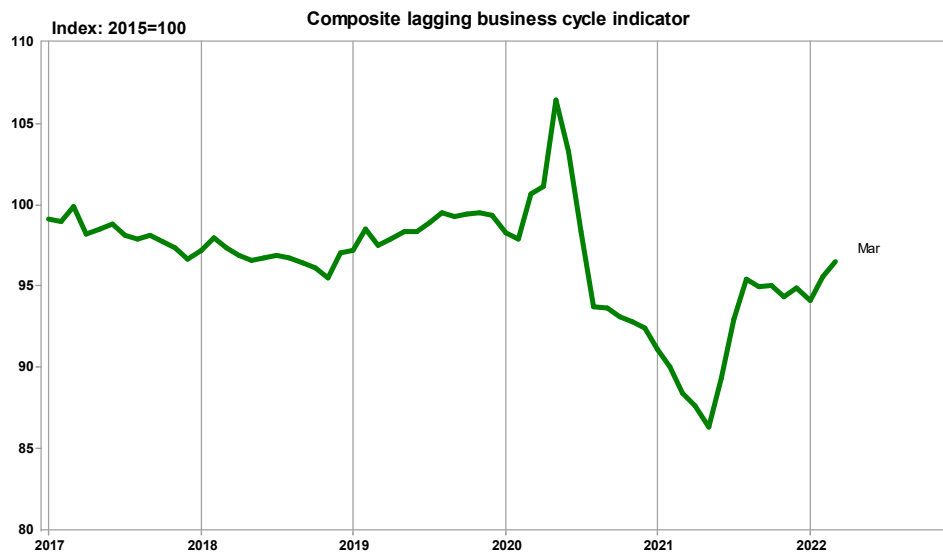
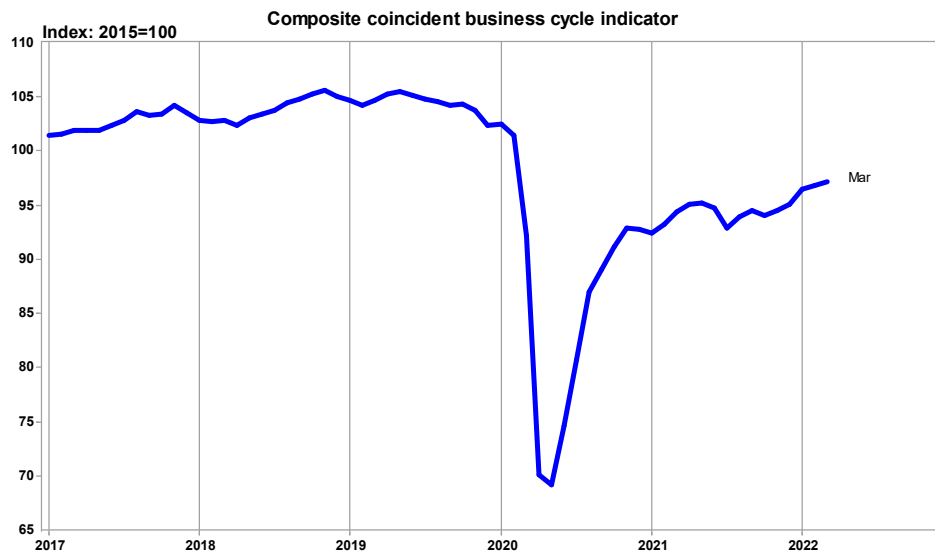
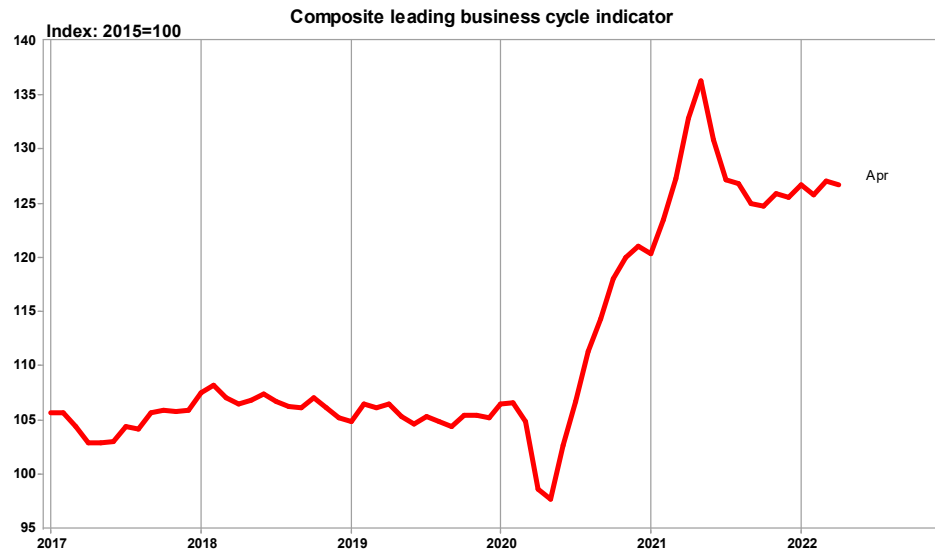


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2021					2022			
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Leading indicator	126.8	125.0	124.7	125.9	125.5	126.7	125.8	127.1	126.7
12-month percentage change	13.9	9.3	5.6	4.9	3.7	5.3	1.9	-0.2	-4.7
Coincident indicator	94.0	94.5	94.0	94.5	95.0	96.5	96.8	97.2	-
12-month percentage change	8.0	6.1	3.1	1.8	2.4	4.4	3.8	2.9	-
Lagging indicator	95.4	95.0	95.1	94.3	94.9	94.1	95.6	96.5	-
12-month percentage change	1.8	1.4	2.1	1.6	2.6	3.3	6.2	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 April 2022 data point:

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

* Bureau for Economic Research, Stellenbosch University