



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 1.0% in January 2022 as increases in 4 of the 10 available component time series outweighed decreases in the remaining 6. The largest increases were in the US dollar-denominated export commodity price index and the number of residential building plans approved, while the largest detractors in January 2022 were a deceleration in the six-month smoothed growth rate of job advertisement space and a decrease in the volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *increased* by 0.9% in December 2021 as industrial production as well as retail and new vehicle sales increased.
- The composite **lagging** business cycle indicator *increased* by 0.1% in December 2021.

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

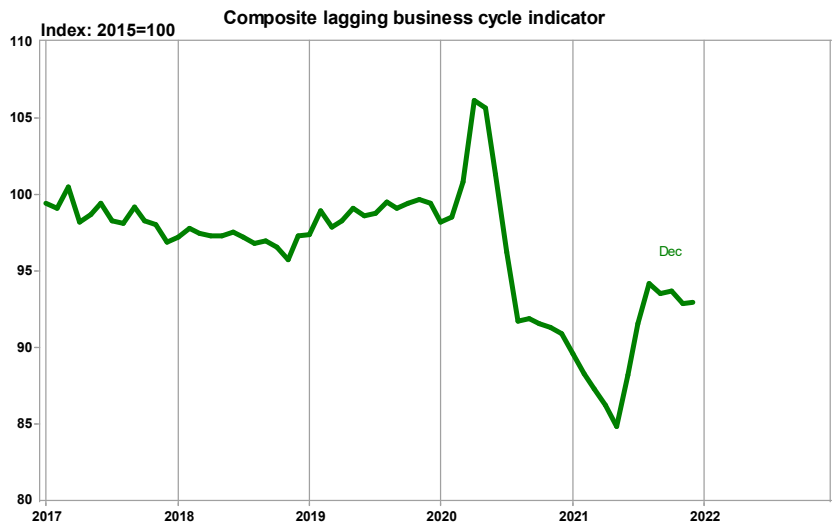
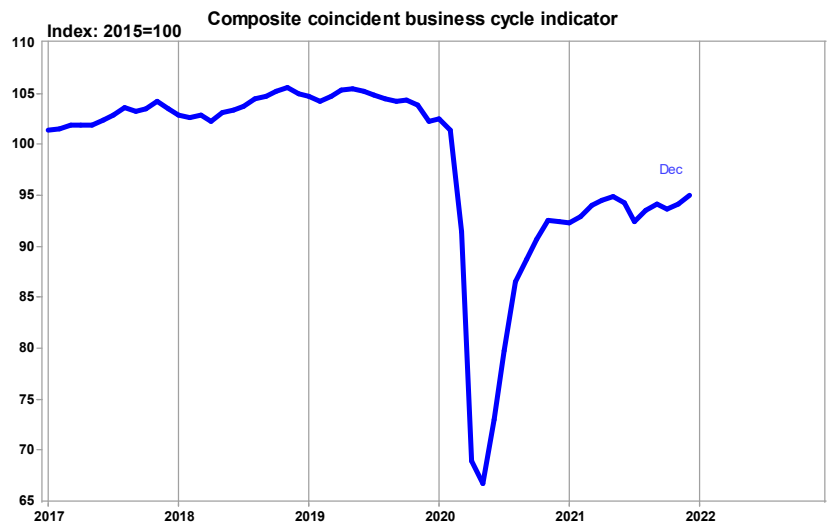
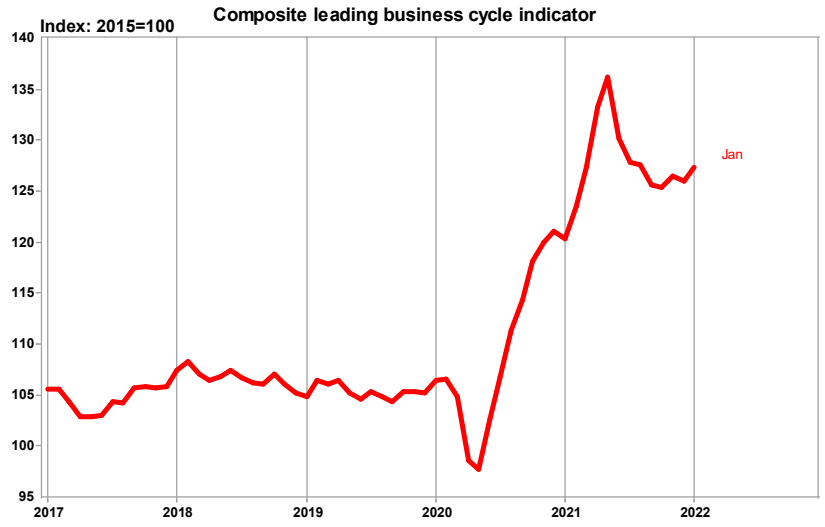


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2021									2022 Jan
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		
Leading indicator	136.2	130.2	127.9	127.6	125.7	125.3	126.4	126.0	127.3	
<i>12-month percentage change</i>	39.5	26.8	19.8	14.6	9.9	6.1	5.4	4.1	5.8	
Coincident indicator	94.9	94.2	92.4	93.5	94.1	93.6	94.2	95.0	-	
<i>12-month percentage change</i>	42.2	29.0	15.8	8.1	6.1	3.2	1.8	2.8	-	
Lagging indicator	84.8	88.2	91.5	94.2	93.6	93.7	92.9	93.0	-	
<i>12-month percentage change</i>	-19.8	-12.9	-4.9	2.7	1.9	2.3	1.7	2.3	-	

* 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 January 2021 data point:

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

* Bureau for Economic Research, Stellenbosch University