



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.6% in March 2022 and by 0.5% year on year. Increases in six of the nine available component time series outweighed decreases in the other three, while two were unavailable. The largest positive contributions were from an increase in the US dollar-denominated export commodity price index and an acceleration in the six-month smoothed growth rate in the real M1 money supply. The largest negative contributors were a deceleration in the six-month smoothed growth rate of job advertisement space and a narrowing in the interest rate spread.
- The composite **coincident** business cycle indicator remained broadly *unchanged* in February 2022.
- The composite **lagging** business cycle indicator *increased* by 1.0% in February 2022.

The next release is scheduled for 21 June 2022, at 09:00 A.M.

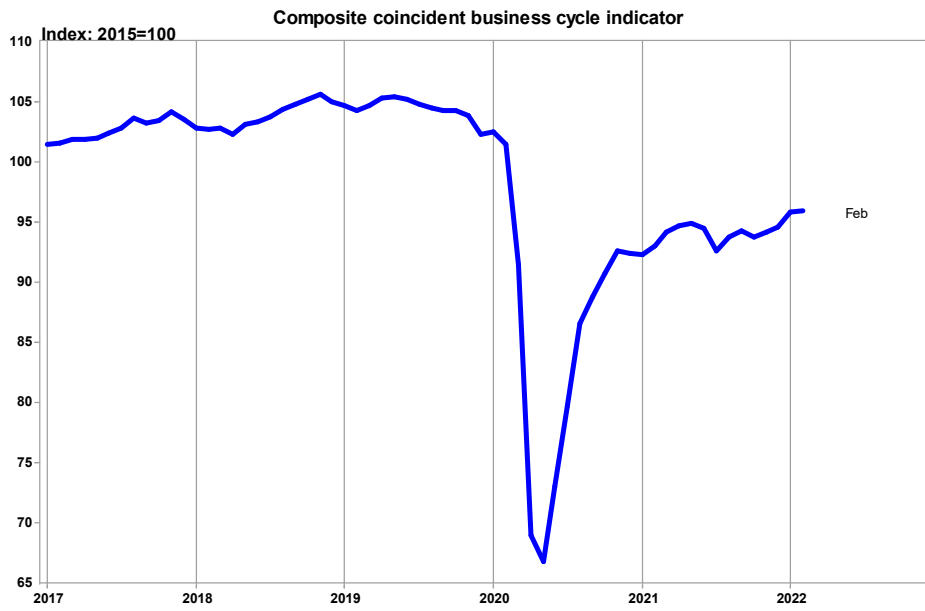
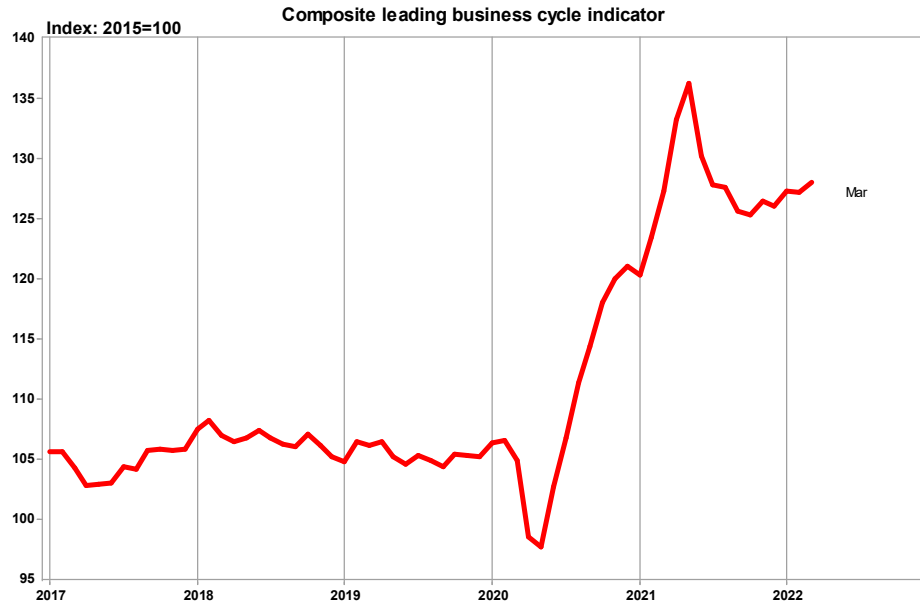


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2021						2022		
	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Leading indicator	127.9	127.6	125.7	125.3	126.4	126.0	127.3	127.2	128.0
<i>12-month percentage change</i>	<i>19.8</i>	<i>14.6</i>	<i>9.9</i>	<i>6.1</i>	<i>5.4</i>	<i>4.1</i>	<i>5.8</i>	<i>3.0</i>	<i>0.5</i>
Coincident indicator	92.6	93.7	94.3	93.7	94.2	94.6	95.9	95.9	-
<i>12-month percentage change</i>	<i>16.2</i>	<i>8.3</i>	<i>6.3</i>	<i>3.3</i>	<i>1.8</i>	<i>2.4</i>	<i>3.9</i>	<i>3.1</i>	<i>-</i>
Lagging indicator	91.6	94.1	93.7	93.9	93.3	93.4	92.8	93.7	-
<i>12-month percentage change</i>	<i>-4.8</i>	<i>2.5</i>	<i>2.0</i>	<i>2.5</i>	<i>2.2</i>	<i>2.7</i>	<i>3.6</i>	<i>6.1</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 March 2022 data point:

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

* Bureau for Economic Research, Stellenbosch University