



## South African Reserve Bank

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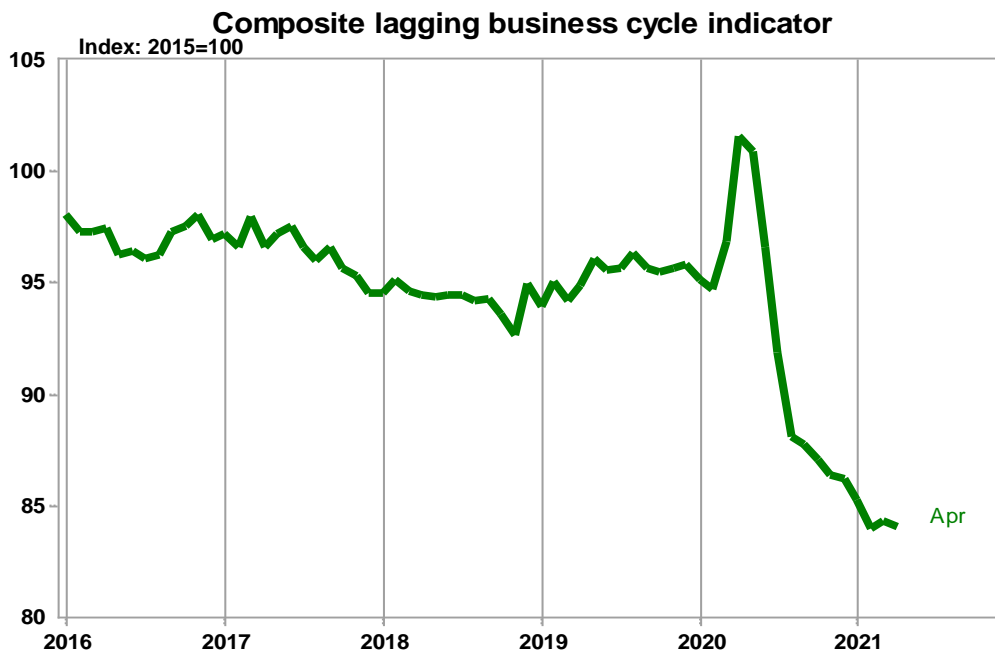
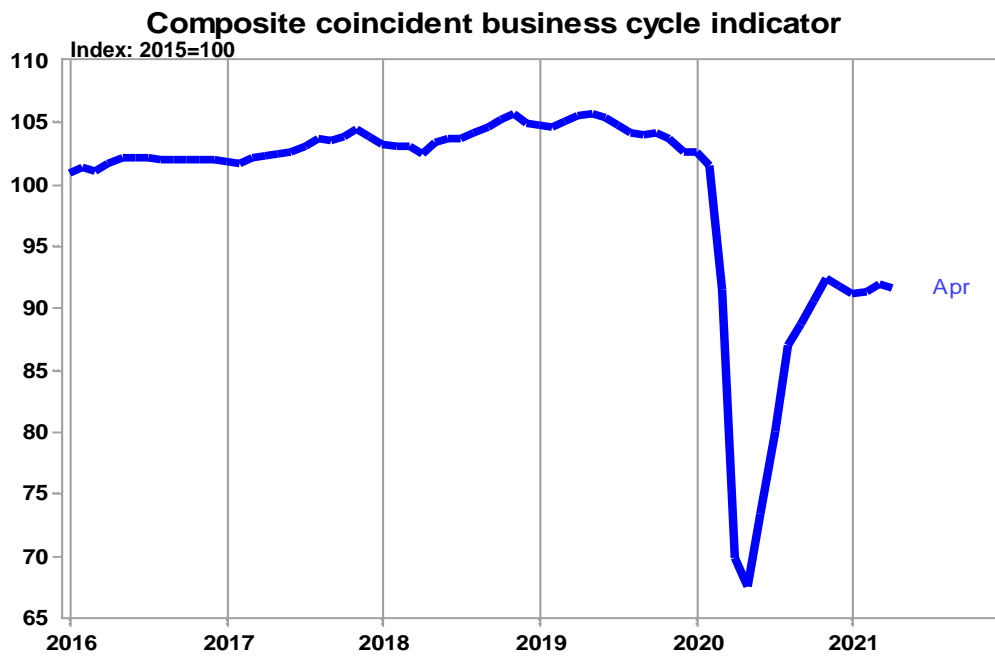
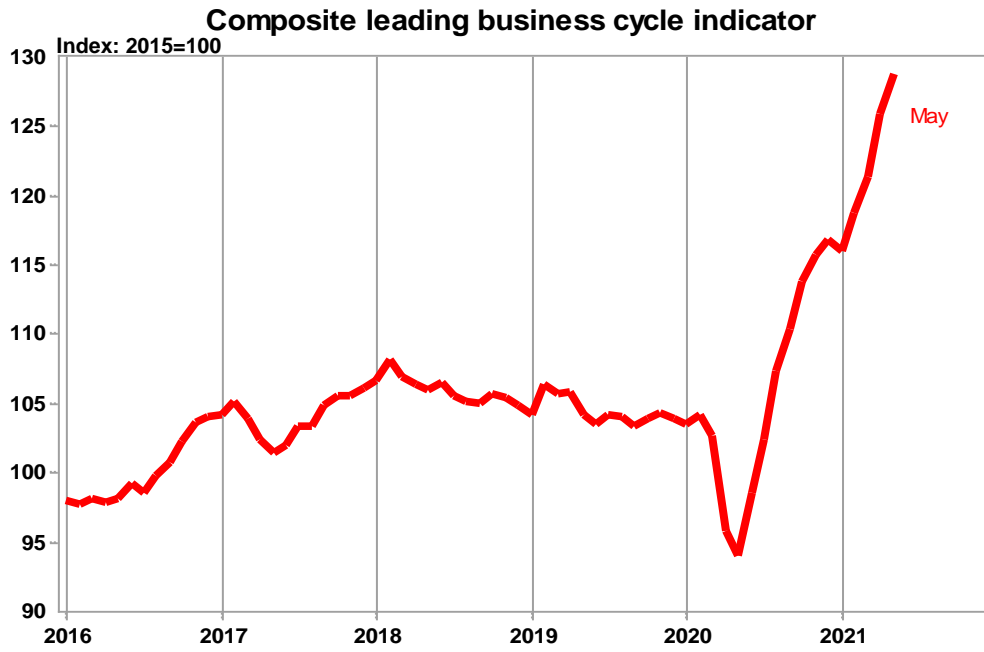
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**FOR RELEASE: 09:00 A.M., Tuesday, 20 July 2021**

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

- The composite **leading** business cycle indicator *increased* further by 2.3% in May 2021, as increases in 7 of the 10 available component time series outweighed decreases in the remaining three. The largest contributors to the increase in the composite leading business cycle indicator in May 2021 were increases in the average hours worked per factory worker and the volume of orders in manufacturing. The largest detractors were decelerations in the percentage change over 12 months in the composite leading business cycle indicator for South Africa's main trading-partner countries and in the six-month smoothed growth rate in the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *decreased* slightly by 0.2% in April 2021 after having trended essentially sideways since the closing months of 2020.
- The composite **lagging** business cycle indicator *decreased* by 0.3% in April 2021, with its level approximating that in the first month of the year following a steep decline in the indicator after the COVID-19-related hard lockdown in the second quarter of 2020.

**The next release is scheduled for 24 August 2021, at 09:00 A.M.**



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

Indices: 2015 = 100	2020				2021				
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	110.3	113.8	115.7	116.7	116.0	118.7	121.4	125.8	128.8
12-month percentage change	6.8	9.6	11.0	12.4	12.1	14.0	18.2	31.4	36.9
Coincident indicator	88.7	90.6	92.4	91.7	91.1	91.3	91.8	91.7	-
12-month percentage change	-14.7	-13.0	-10.9	-10.6	-11.1	-10.1	0.5	31.4	-
Lagging indicator	87.8	87.0	86.3	86.2	85.3	83.9	84.3	84.1	-
12-month percentage change	-8.2	-8.9	-9.7	-10.0	-10.3	-11.4	-13.0	-17.3	-

\* 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 May 2021 data point:**

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

\* Bureau for Economic Research, Stellenbosch University