



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 3.7% in April 2021. Eight of the ten available component time series increased while the remaining two component time series decreased. The largest contributors to the increase in the composite leading business cycle indicator in April 2021 were an acceleration in the 12-month rate of increase in the composite leading business cycle indicator for South Africa's major trading-partner countries and an improvement in the RMB/BER Business Confidence Index. The detractors were a deceleration in the six-month smoothed growth rate in the real M1 money supply and a narrowing in the interest rate spread. The marked year-on-year increase of 31.4% in the composite leading business cycle indicator in April 2021 reflects, among other factors, the impact of the low base established a year earlier during the initial severe COVID-19 lockdown restrictions.
- The composite **coincident** business cycle indicator *increased* by 0.6% in March 2021 due to an increase in the industrial production index.
- The composite **lagging** business cycle indicator *increased* by 0.4% in March 2021.

The next release is scheduled for 20 July 2021, at 09:00 A.M.

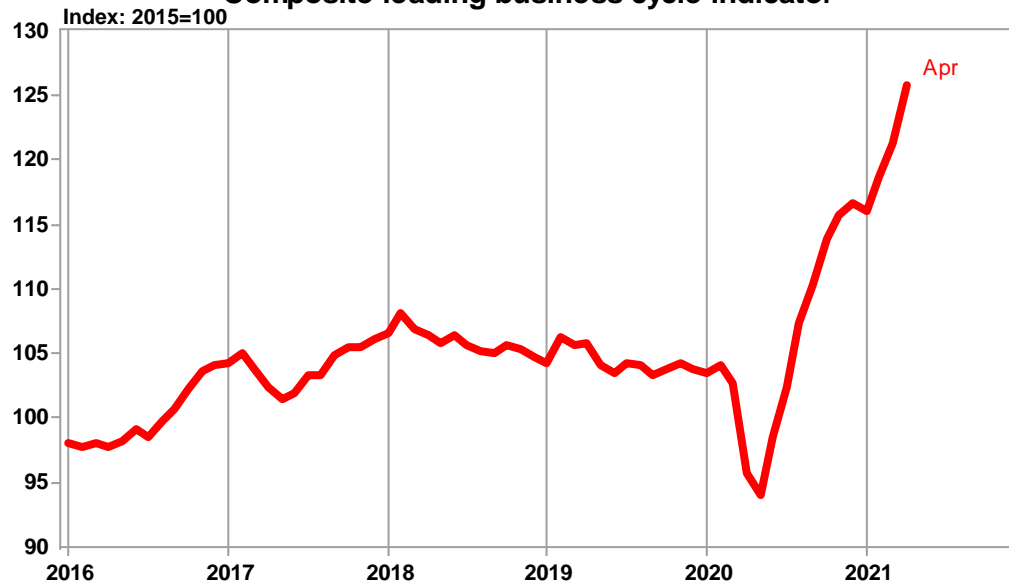
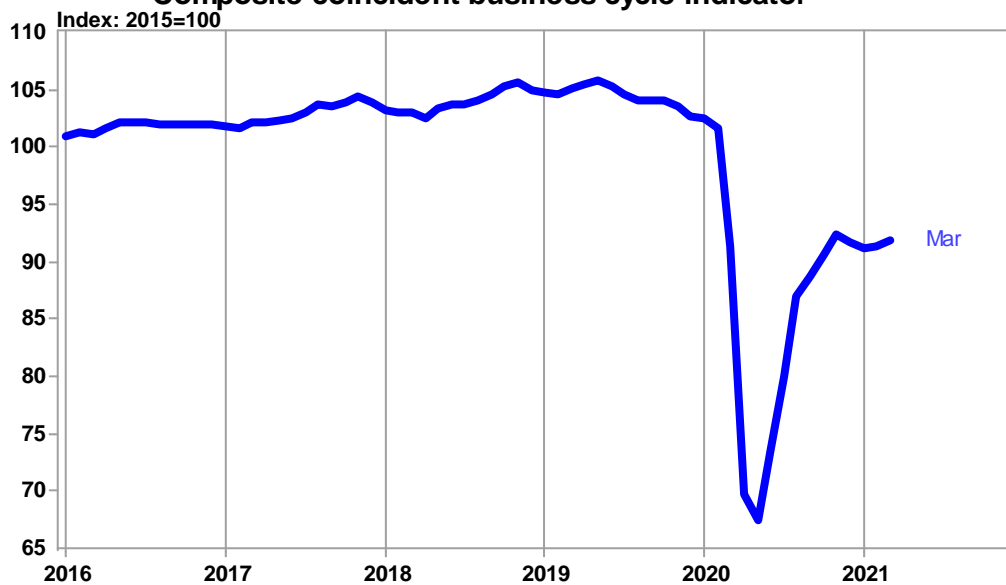
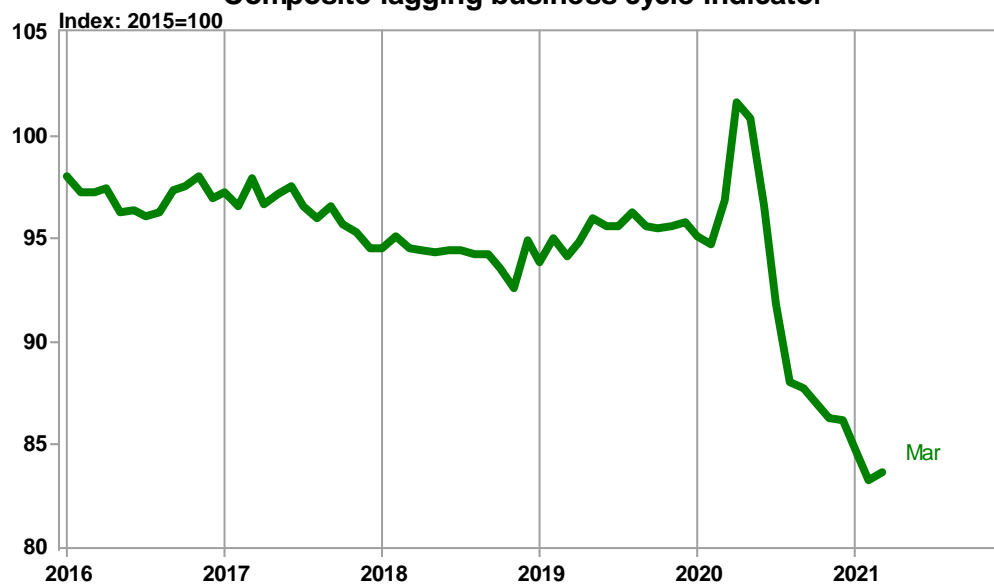
Composite leading business cycle indicator**Composite coincident business cycle indicator****Composite lagging business cycle indicator**

Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2020					2021			
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Leading indicator	107.3	110.3	113.8	115.7	116.7	116.0	118.7	121.4	125.8
12-month percentage change	3.1	6.8	9.6	11.0	12.4	12.1	14.0	18.2	31.4
Coincident indicator	86.9	88.7	90.6	92.4	91.7	91.1	91.3	91.8	-
12-month percentage change	-16.5	-14.7	-13.0	-10.9	-10.6	-11.1	-10.1	0.5	-
Lagging indicator	88.1	87.8	87.0	86.3	86.2	84.9	83.3	83.7	-
12-month percentage change	-8.5	-8.2	-8.9	-9.7	-10.0	-10.7	-12.0	-13.6	-

* 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 2021 data point:

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

* Bureau for Economic Research, Stellenbosch University