



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228 Adri.Wolhuter@resbank.co.za

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* further by 2.1% in January 2021. Increases in 4 of the 10 available component time series outweighed decreases in the remaining 6 components. The largest contributors to the increase in the composite leading business cycle indicator in January 2021 were an acceleration in the 12-month rate of increase in job advertisement space and an increase in the US dollar-denominated South African export commodity price index.
- The month-to-month rate of increase in the composite **coincident** business cycle indicator *moderated* to 0.3% in December 2020, due to the slower pace of increase in real gross value added excluding agriculture.
- The composite **lagging** business cycle indicator *increased* by 1.1% on a month-to-month basis in December 2020.

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

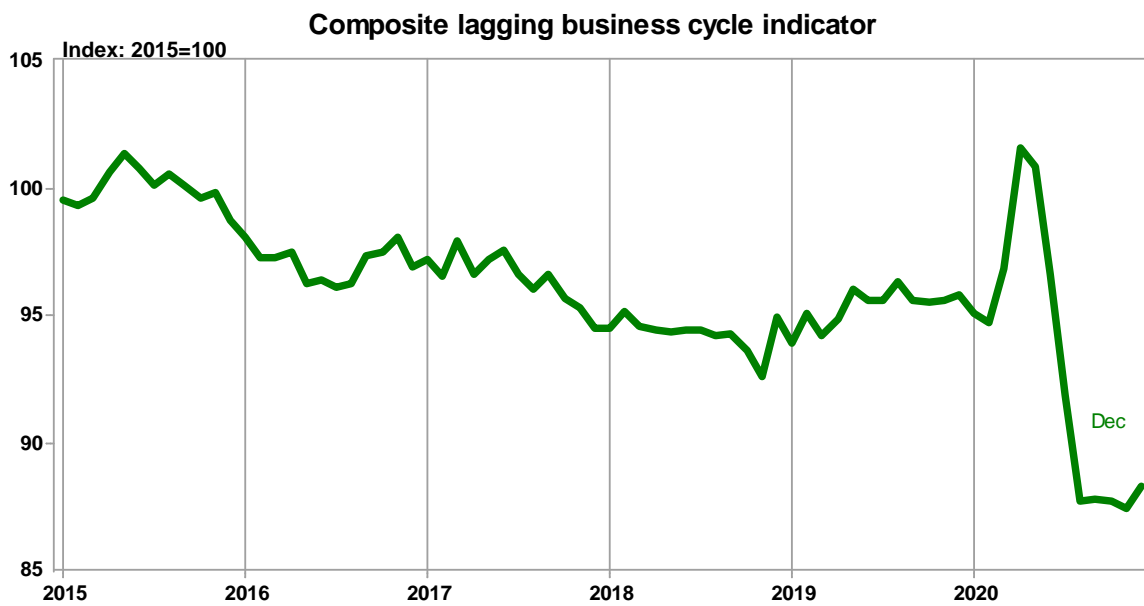
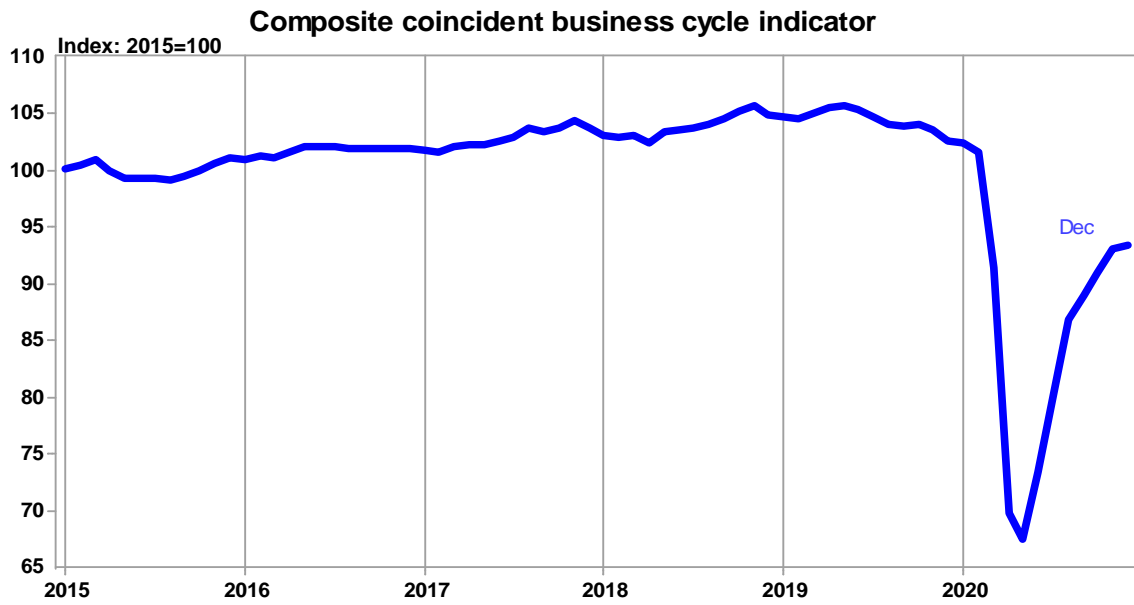
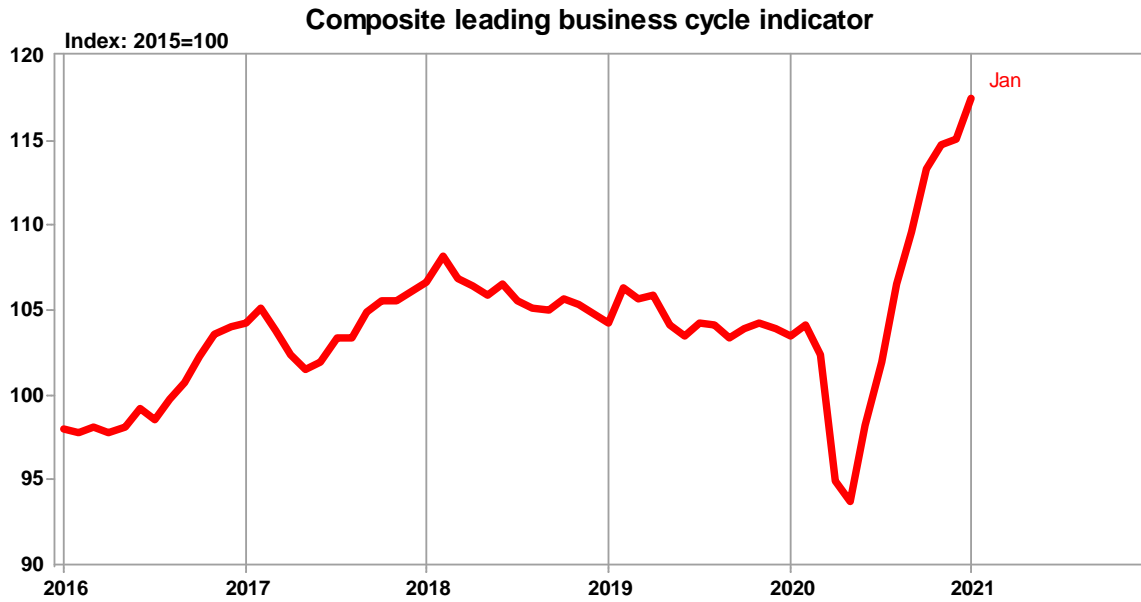


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2020								2021 Jan
	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
Leading indicator	93.7	98.2	101.9	106.5	109.6	113.3	114.7	115.1	117.5
<i>12-month percentage change</i>	<i>-10.0</i>	<i>-5.1</i>	<i>-2.2</i>	<i>2.4</i>	<i>6.0</i>	<i>9.1</i>	<i>10.0</i>	<i>10.8</i>	<i>13.6</i>
Coincident indicator	67.5	73.4	80.1	86.9	88.9	91.0	93.1	93.4	-
<i>12-month percentage change</i>	<i>-36.2</i>	<i>-30.3</i>	<i>-23.5</i>	<i>-16.5</i>	<i>-14.5</i>	<i>-12.6</i>	<i>-10.2</i>	<i>-9.0</i>	<i>-</i>
Lagging indicator	100.9	96.6	91.8	87.7	87.8	87.7	87.4	88.3	-
<i>12-month percentage change</i>	<i>5.0</i>	<i>1.1</i>	<i>-3.9</i>	<i>-8.9</i>	<i>-8.2</i>	<i>-8.2</i>	<i>-8.6</i>	<i>-7.8</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 January 2021 data point:

Positive contributors (ranked from largest to smallest)
Job advertisements: The Sunday Times (percentage change over 12 months)
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)
Negative contributors (ranked from largest to smallest)
RMB/BER*: Business Confidence Index
Number of new passenger vehicles sold (percentage change over 12 months)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
BER*: Volume of orders in manufacturing (half weight)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University