



## South African Reserve Bank

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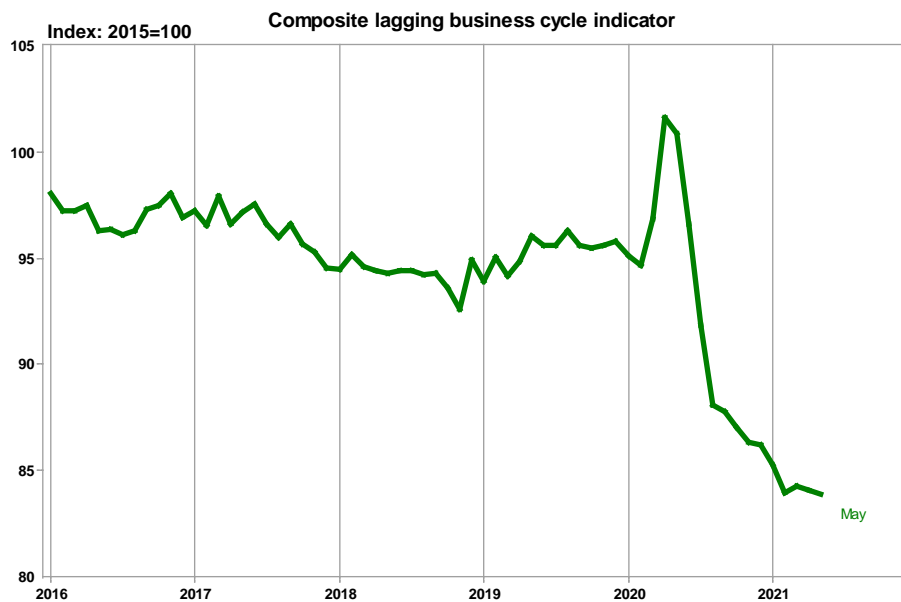
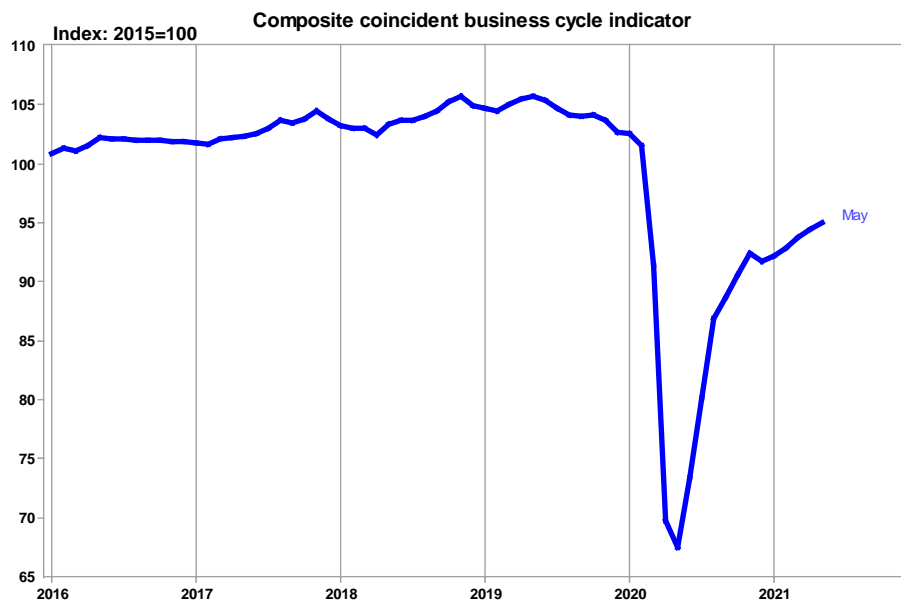
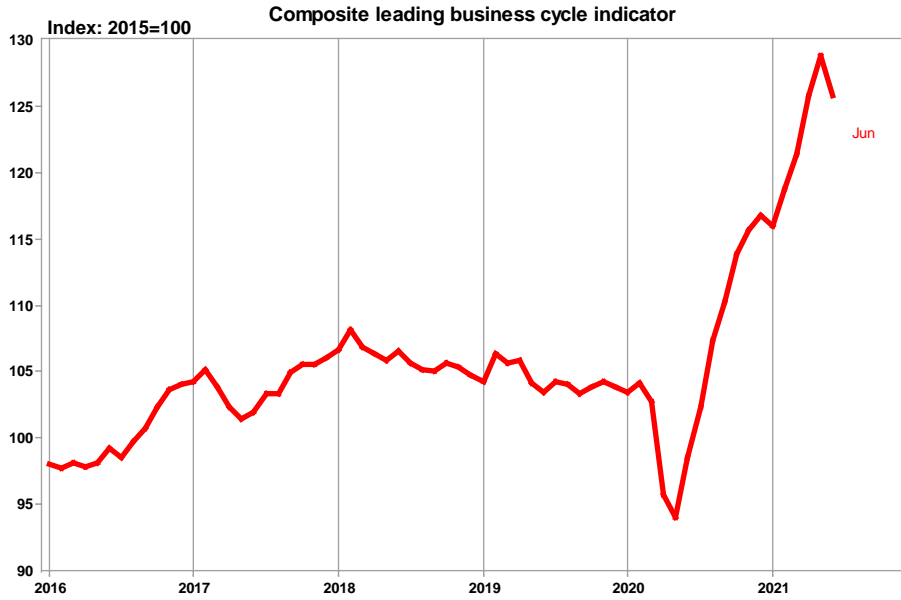
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**FOR RELEASE: 09:00 A.M., Tuesday, 24 August 2021**

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

- The composite **leading** business cycle indicator *decreased* by 2.3% in June 2021. All nine of the available component time series decreased in the month, the largest of which were decreases in the number of residential building plans approved and in the US dollar-denominated South African export commodity price index. This was the largest monthly decrease in the leading indicator since May 2020 and suggests that the pandemic-related base effects have started to dissipate.
- The composite **coincident** business cycle indicator *increased* by 0.6% in May 2021, largely due to the higher utilisation of production capacity in the manufacturing sector in the second quarter of 2021.
- The composite **lagging** business cycle indicator *decreased* further by 0.2% in May 2021, following a steep decline in the indicator since the initial COVID-19-related lockdown in the second quarter of 2020.

**The next release is scheduled for 21 September 2021, at 09:00 A.M.**



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

Indices: 2015 = 100	2020			2021					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	113.8	115.7	116.7	116.0	118.7	121.4	125.8	128.8	125.8
<i>12-month percentage change</i>	9.6	11.0	12.4	12.1	14.0	18.2	31.4	36.9	27.6
Coincident indicator	90.6	92.4	91.7	92.2	92.8	93.7	94.4	95.0	-
<i>12-month percentage change</i>	-13.0	-10.9	-10.6	-10.1	-8.6	2.5	35.3	40.8	-
Lagging indicator	87.0	86.3	86.2	85.3	83.9	84.3	84.1	83.9	-
<i>12-month percentage change</i>	-8.9	-9.7	-10.0	-10.3	-11.4	-13.0	-17.3	-16.9	-

\* 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 June 2021 data point:**

<b>Negative contributors (ranked from largest to smallest)</b>
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)
Number of new passenger vehicles sold (percentage change over 12 months)
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Real M1 (six-month smoothed growth rate)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Job advertisements: The Sunday Times (percentage change over 12 months)
BER*: Average hours worked per factory worker in manufacturing (half weight)
BER*: Volume of orders in manufacturing (half weight)
<b>Unavailable component series</b>
RMB/BER* Business Confidence Index
Gross operating surplus as a percentage of gross domestic product

\* Bureau for Economic Research, Stellenbosch University