



## South African Reserve Bank

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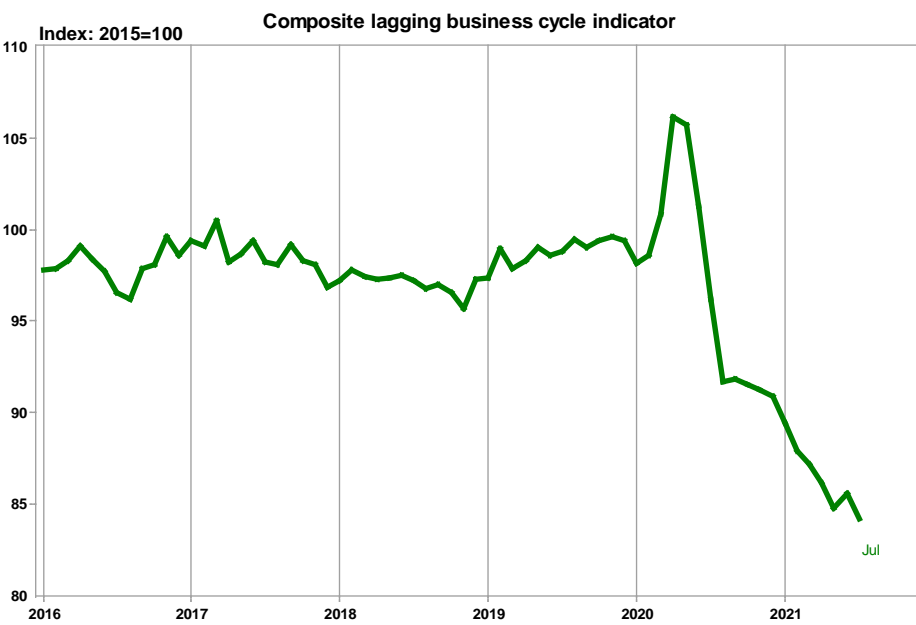
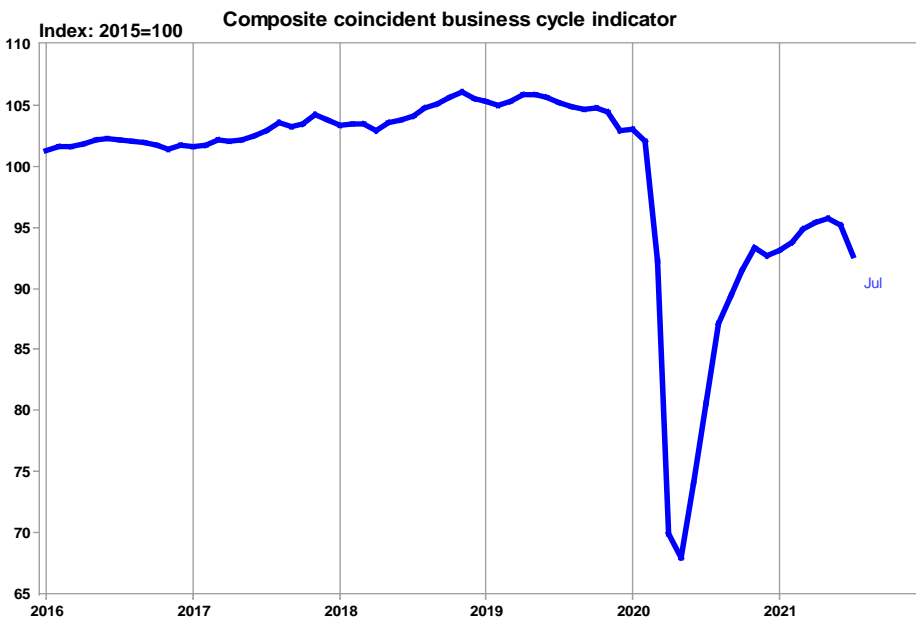
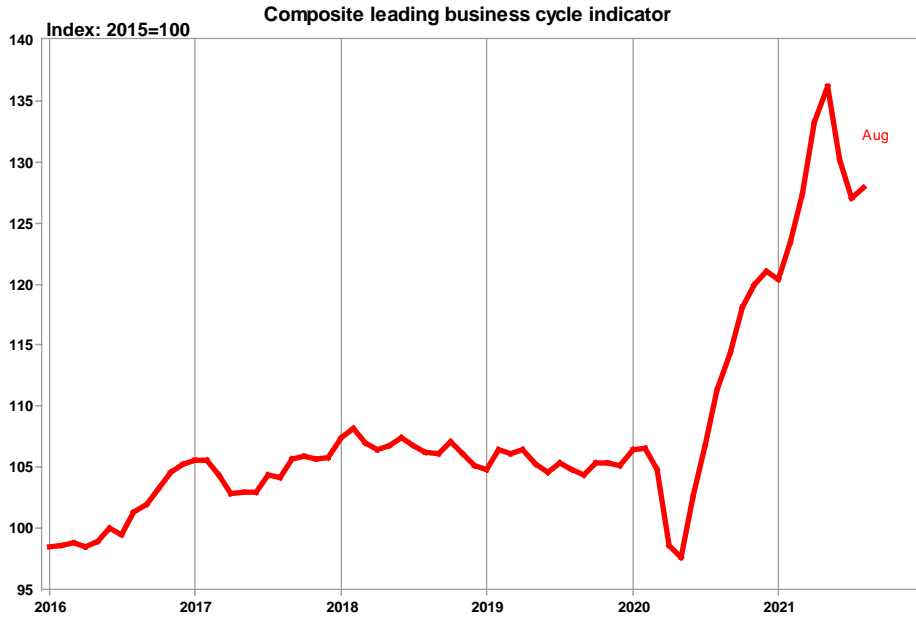
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**FOR RELEASE: 09:00 A.M., Tuesday, 26 October 2021**

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

- The composite **leading** business cycle indicator *increased* by 0.7% in August 2021. Four of the ten available component time series increased, outweighing decreases in the remaining six component time series. The largest positive contributors were accelerations in the six-month smoothed growth rate in the number of new passenger vehicles sold and the six-month smoothed growth rate of job advertisement space. The largest detractors were decreases in the average hours worked per factory worker in manufacturing and in the US dollar-denominated export commodity price index.
- The composite **coincident** business cycle indicator *decreased* by 2.7% in July 2021 as the negative impact of the civil unrest, port terminal disruptions and Level 3 lockdown restrictions was reflected in retail and new vehicle trade sales as well as in industrial production.
- The composite **lagging** business cycle indicator *decreased* further by 1.6% in July 2021.

**The next release is scheduled for 23 November 2021, at 09:00 A.M.**



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

Indices: 2015 = 100	2020	2021							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	121.0	120.3	123.5	127.3	133.3	136.2	130.2	127.0	127.9
12-month percentage change	15.1	13.1	15.9	21.4	35.2	39.5	26.8	19.0	14.9
Coincident indicator	92.6	93.1	93.8	93.8	95.4	95.7	95.2	92.6	-
12-month percentage change	-10.0	-9.7	-8.1	2.9	36.5	41.0	28.5	15.0	-
Lagging indicator	90.9	89.5	87.9	87.2	86.2	84.8	85.6	84.2	-
12-month percentage change	-8.6	-8.9	-10.8	-13.5	-18.8	-19.8	-15.5	-12.5	-

\* 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 August 2021 data point:**

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

\* Bureau for Economic Research, Stellenbosch University