SOUTH AFRICAN RESERVE BANK

For media queries, please contact media@resbank.co.za

For further information regarding this release, please contact:
Kgopotso Moagi: +27 (12) 399 6376 Kgopotso.Moagi@resbank.co.za
Wandile Ndwandwe: +27 (12) 313 4006 Wandile.Ndwandwe@resbank.co.za

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* further by 1.4% in June 2026, marking a third consecutive monthly decrease, primarily reflecting a decrease in South Africa's US-dollar denominated export commodity price index and a deceleration in the six-month smoothed growth rate in the real M1 money supply. Overall, five of the seven available component time series decreased, outweighing the increase in the number of residential building plans approved and the acceleration in the six-month smoothed growth rate in job advertisements.

- The composite **coincident** business cycle indicator *decreased* by 0.2% in May 2026 due to decreases in the real value of wholesale, retail and motor trade sales and the industrial production index.

- The composite **lagging** business cycle indicator *increased* by 0.9% in May 2026.

The next release is scheduled for 22 September 2026, at 09:00 A.M.

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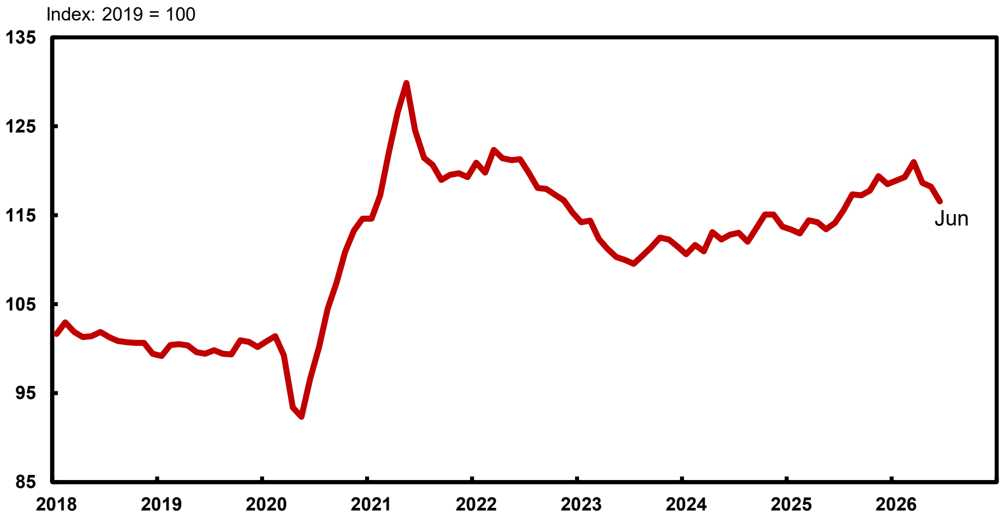
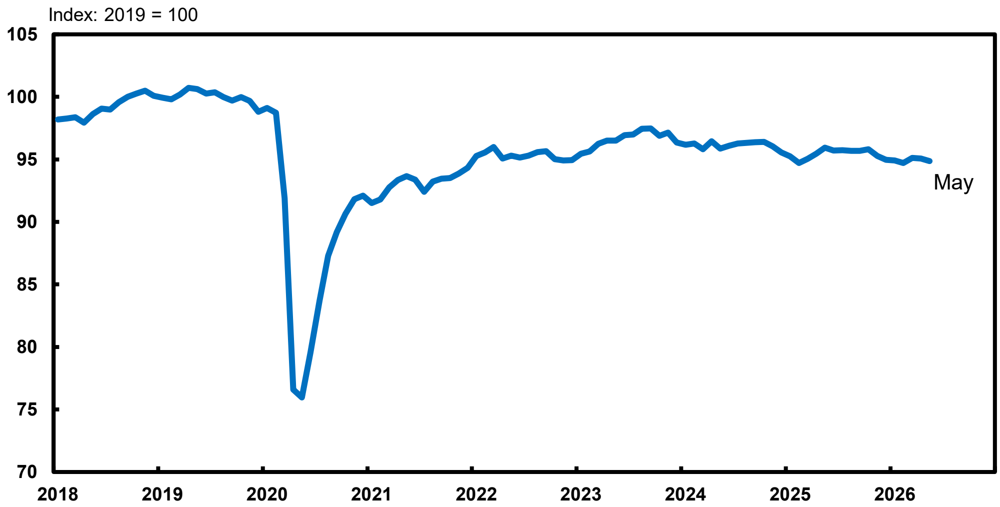
Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

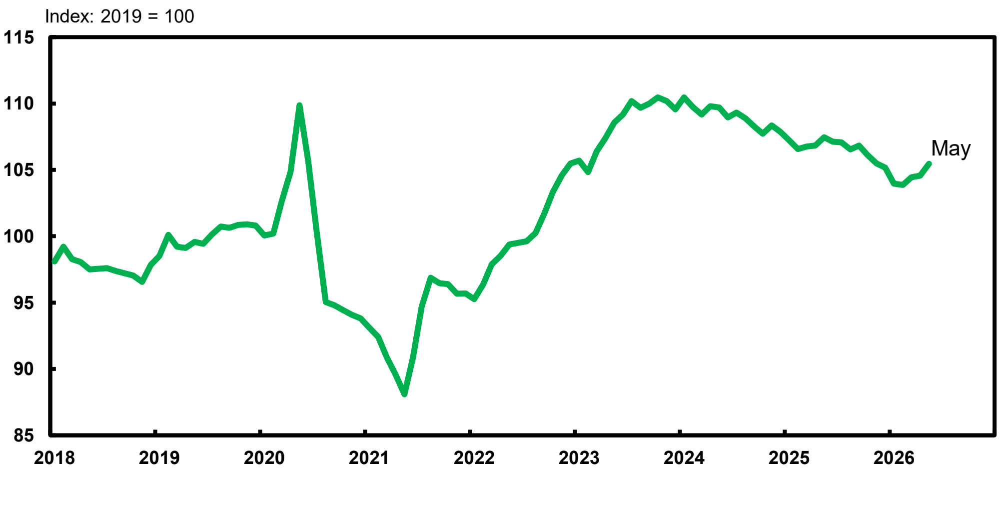


Table 1 Summary of the composite business cycle indicators*

Indices: 2019 = 100	2025 Oct	2025 Nov	2025 Dec	2026 Jan	2026 Feb	2026 Mar	2026 Apr	2026 May	2026 Jun
Leading indicator	117.8	119.4	118.5	118.9	119.3	121.0	118.6	118.2	116.6
Monthly percentage change	*0.5*	*1.4*	*-0.8*	*0.3*	*0.3*	*1.4*	*-2.0*	*-0.3*	*-1.4*
12-month percentage change	*2.3*	*3.8*	*4.2*	*4.9*	*5.6*	*5.7*	*3.9*	*4.2*	*2.1*
Coincident indicator	95.8	95.3	95.0	94.9	94.7	95.1	95.1	94.9	-
Monthly percentage change	*0.1*	*-0.5*	*-0.3*	*-0.1*	*-0.2*	*0.4*	*0.0*	*-0.2*	-
12-month percentage change	*-0.6*	*-0.8*	*-0.6*	*-0.3*	*0.0*	*0.1*	*-0.4*	*-1.1*	-
Lagging indicator	106.1	105.5	105.2	104.0	103.9	104.4	104.6	105.5	-
Monthly percentage change	*-0.7*	*-0.6*	*-0.3*	*-1.1*	*-0.1*	*0.6*	*0.1*	*0.9*	-
12-month percentage change	*-1.5*	*-2.6*	*-2.5*	*-3.0*	*-2.5*	*-2.2*	*-2.1*	*-1.9*	-

* 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 2026 data point:

Negative contributors (ranked from largest to smallest)
Commodity price index for South Africa’s main export commodities (US dollar based)
Real M1 (six-month smoothed growth rate)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Number of new passenger vehicles sold (six-month smoothed growth rate)
Composite leading business cycle indicator for South Africa’s major trading-partner countries (percentage change over 12 months)
Positive contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m²
Job advertisements: The Sunday Times and Pnet (six-month smoothed growth rate)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product
RMB/BER* Business Confidence Index
BER*: Average hours worked per factory worker in manufacturing (half weight)
BER*: Volume of domestic orders in manufacturing (half weight)

* Bureau for Economic Research, Stellenbosch University