

**29 May 2026**

This report summarises the key domestic and international data releases over the past week. The full **BER Weekly Review** also unpacks the SA Reserve Bank (SARB) decision to hike its policy interest rate by 25bps as well as renewed hopes for a US-Iran deal. The Weekly further includes a detailed South African political update by Natasha Marrian.

The full Weekly is available to BER Essential Insights subscribers ([sign up here](#) for only R210/month) and Premium Insights clients.

## DOMESTIC DATA

Nkosinathi Nonkonyana

### RECORD JUMP IN MONTHLY PPI IN APRIL REFLECTS WAR PREMIUM

Producer price inflation (PPI) for final manufactured goods accelerated to a two-year high of 4.8% y-o-y in April, up from 2.3% in March. The rise in PPI was mainly driven by higher prices for petroleum-related products, chemicals, rubber and plastics (11.8%, 2.5% pts), as well as food, beverages and tobacco products (1.9%, 0.6% pts).

On a monthly basis, PPI rose by 3% in April, the largest monthly increase on record (data since 2012), followed by 2.5% in March 2022, which was due to the Russia-Ukraine war. The largest positive contribution came from coke, petroleum, chemical, rubber and plastic products, which increased by 12.8% and contributed 2.7% pts. Notably, diesel, a key input cost for many producers, rose 39.4% m-o-m, reflecting the impact of global supply constraints on domestic manufacturers.

### MARCH LEADING INDICATOR AND VEHICLE SALES DATA TELL A POSITIVE STORY FOR Q1

The annual composite leading business cycle indicator rose by 7.5% in March, following a 6.3% increase in February. Monthly, the indicator increased by 2.4%, marking the strongest growth since May 2021. Improvements in six of the seven available component time series exceeded the decrease observed in the seventh.

Meanwhile, motor trade sales increased by 14.7% y-o-y in March, up from 5.6% in February. The biggest support came from higher sales of new vehicles (23.4%, 6.3% pts), used vehicles (19.1%, 3.7% pts) and fuel (9.5%, 2.4% pts). [For more on how vehicle imports are transforming the motor trade landscape, click here for a publicly available Research Note about the industry.](#)

Monthly sales rose by 3.9%, marking the highest print since February 2023. Income from fuel sales increased 9% m-o-m, driven by a spike in demand for fuel ahead of the massive jump in fuel prices on 1st of April. Despite the current trade sales momentum, new vehicles decreased by 1% over the month and were the only drag on monthly growth.

The solid improvement in the SARB's leading indicator, along with strong vehicle sales data, suggests that economic momentum improved in the first quarter, ahead of the fallout from the escalation in Iran.

## INTERNATIONAL DATA

Nadia Matulich

### US CONSUMER SENTIMENT REACHES RECORD LOWS AS INFLATION PICKS UP

This week was marked by a slew of sentiment indicator releases. Starting in the US, the University of Michigan Survey of Consumers and the Conference Board Consumer Confidence Index were both released. The former hit a record low of 44.8 in May 2026, down from 49.8 in April. This represents a 10% month-on-month decline and a 14.2% year-on-year decline. The May reading is the lowest in the index's history, dating back to the 1950s, and is just below the previous historical trough in June 2022. Expectations were also very weak, at 44.1, the lowest since 1979.

May's decline was primarily driven by a deterioration in consumers' cost-of-living perceptions, with high prices cited as the biggest concern. Notably, sentiment declined among both Republicans and independents, reaching the lowest level of the current presidential administration. Sentiment among Democrats was unchanged from April. Inflation expectations remain high, including over the longer term. Year-ahead inflation expectations rose to 4.8% in May, from 4.7% in April and well above the 3.4% recorded in February, before the start of the Iran conflict.

Respondents to the Conference Board survey were not quite as depressed as those in the University of Michigan survey. Consumer confidence declined by 0.7 points to 93.1 in May. The present situation index fell by 3.2 points to 121.2, while six-month-ahead expectations rose by 1 point to 74.4. The primary concern weighing on confidence appears to be the inflationary impact of the Middle East war. Notably, 66.5% of consumers said that they were cutting back on spending and delaying purchases of big-ticket items.

The second estimate of US GDP growth for Q1 came in at 1.6%, down from the advance release's 2.0%. The main revisions were to consumer spending and investment. Consumer spending rose by 1.4%, investment by 7.0%, government consumption by 4.4%, exports by 13.1% and imports by 21.1%.

Important for monetary policy, the Personal Consumption Expenditures (PCE) price index also ticked up, rising by 0.4% month on month and 3.8% year on year. Excluding food and energy prices, which are more volatile, core PCE inflation rose by 0.2% month on month and 3.3% year on year.

## **EUROPE SEES HIGHER SENTIMENT**

In the UK, the GfK consumer confidence index improved marginally from -25 to -23 in May, beating market expectations of -28. The personal financial situation index and the general economic situation index both improved, and expectations for both measures strengthened. However, consumers remain less likely to purchase major items, while the savings index fell by 10 points as households continue to use savings to pay for day-to-day expenses.

In Germany, the Ifo Business Climate Index rose by 0.4 points in May, supported by improved current business conditions and slightly less pessimistic expectations for the coming months. The improvement was broad-based, with better current conditions in manufacturing, services and trade. Sentiment in construction was slightly weaker.

In the EU and the Eurozone more generally, the European Commission's Economic Sentiment Indicator was broadly unchanged from April. The indicator rose by 0.3 points in both the EU and euro area, to 93.7 and 93.5, respectively.

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