



South African Reserve Bank

For further information regarding this release, please contact:

Adri Wolhuter: +27 (12) 313 3228

Adri.Wolhuter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 20 December 2022

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.9% in October 2022. Six of the ten available component time series decreased and three increased, while one component remained unchanged. The largest negative contributors were decelerations in the six-month smoothed growth rate of both job advertisement space and new passenger vehicle sales. The largest positive contributors were an increase in the number of residential building plans approved and an increase in the volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *increased* by 0.2% in September 2022 due to an increase in the industrial production index.
- The composite **lagging** business cycle indicator *increased* by 1.3% in September 2022.

The next release is scheduled for 24 January 2023, at 09:00 A.M.

File reference: (17/8/4/2)

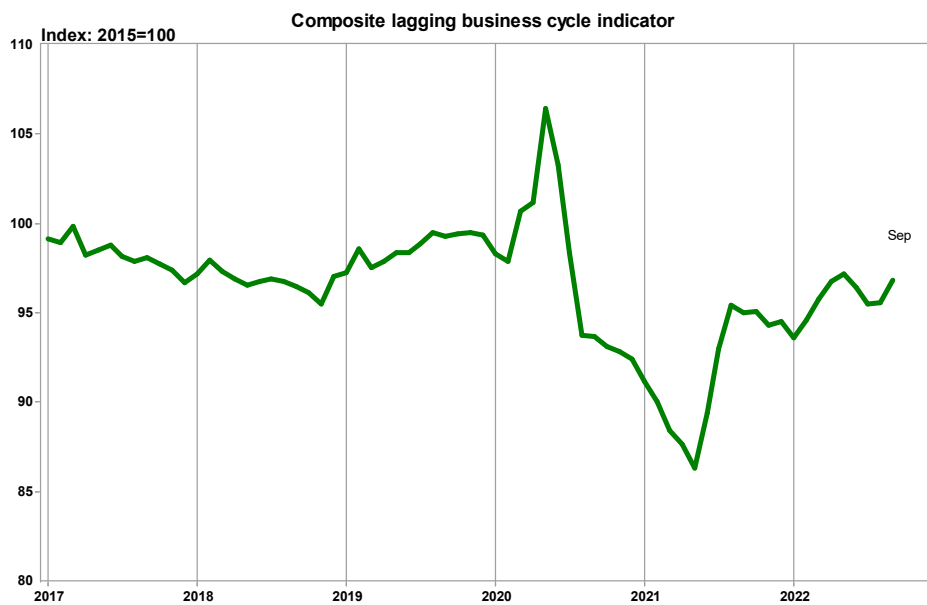
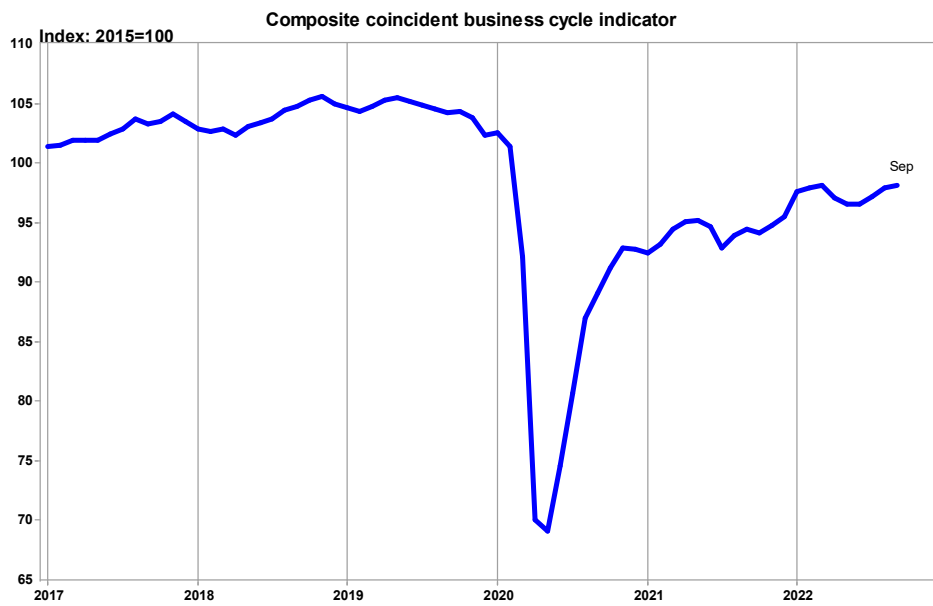
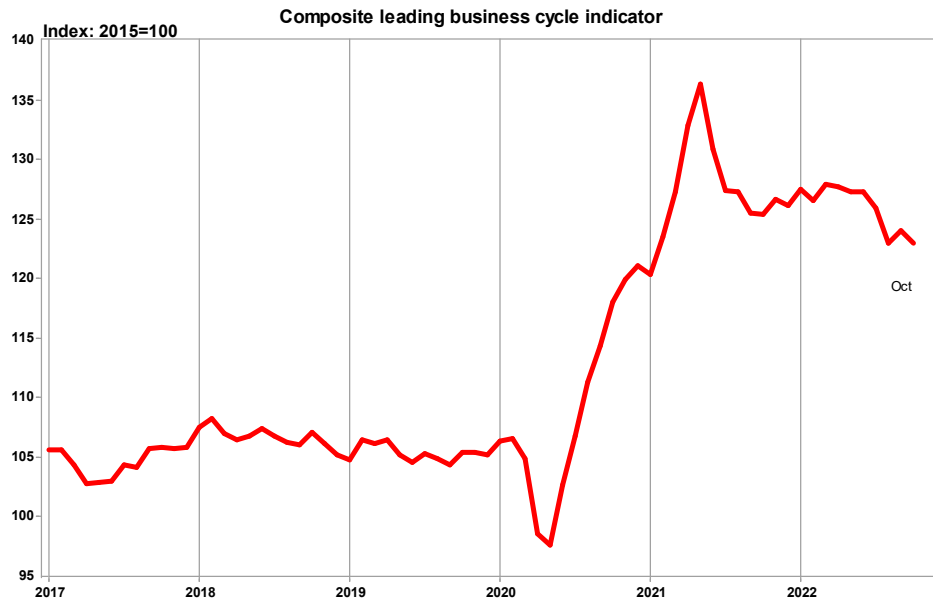


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2022								
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading indicator	126.6	127.9	127.7	127.3	127.3	125.9	123.0	124.1	123.0
<i>Monthly percentage change</i>	-0.7	1.1	-0.2	-0.3	0.0	-1.1	-2.3	0.9	-0.9
<i>12-month percentage change</i>	2.5	0.5	-3.9	-6.6	-2.7	-1.2	-3.4	-1.1	-1.9
Coincident indicator	98.0	98.2	97.0	96.5	96.6	97.2	97.9	98.2	-
<i>Monthly percentage change</i>	0.4	0.2	-1.1	-0.6	0.1	0.6	0.8	0.2	-
<i>12-month percentage change</i>	5.1	4.0	2.1	1.4	2.0	4.6	4.2	3.9	-
Lagging indicator	94.6	95.8	96.7	97.2	96.4	95.5	95.5	96.8	-
<i>Monthly percentage change</i>	1.1	1.2	1.0	0.4	-0.8	-0.9	0.0	1.3	-
<i>12-month percentage change</i>	5.1	8.4	10.3	12.5	7.8	2.7	0.1	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 October 2022 data point:

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

* Bureau for Economic Research, Stellenbosch University