



South African Reserve Bank

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FOR RELEASE: 09:00 A.M., Tuesday, 25 October 2022

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 2.3% in August 2022 as 9 of the 10 available component time series decreased, while only one component increased. The largest negative contributors were a decrease in the number of residential building plans approved and a narrowing of the interest rate spread. The positive contribution came from an increase in the volume of orders in manufacturing.
- The composite **coincident** business cycle indicator *increased* by 0.4% in July 2022 as the industrial production index as well as retail and new vehicle sales increased.
- The composite **lagging** business cycle indicator *decreased* by 0.2% in July 2022.

The next release is scheduled for 22 November 2022, at 09:00 A.M.

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

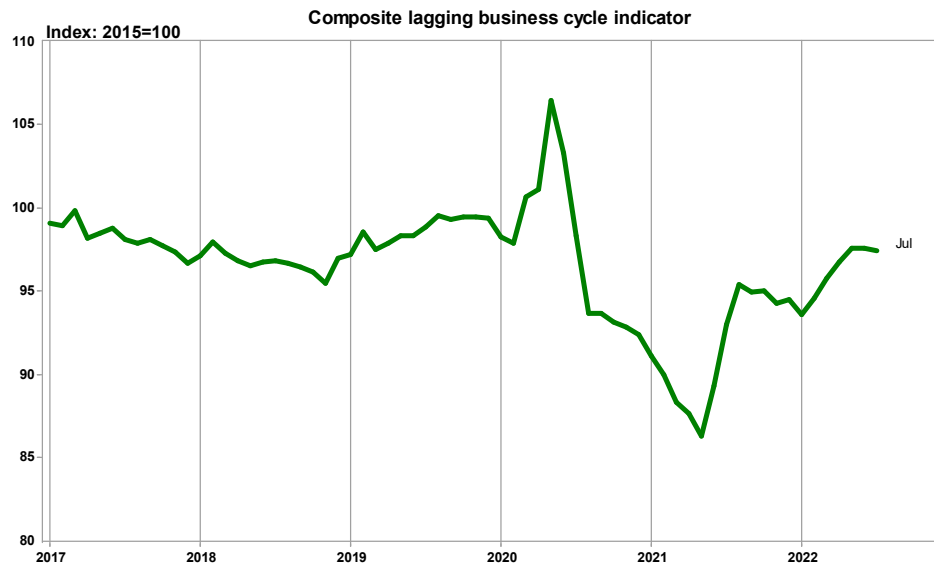
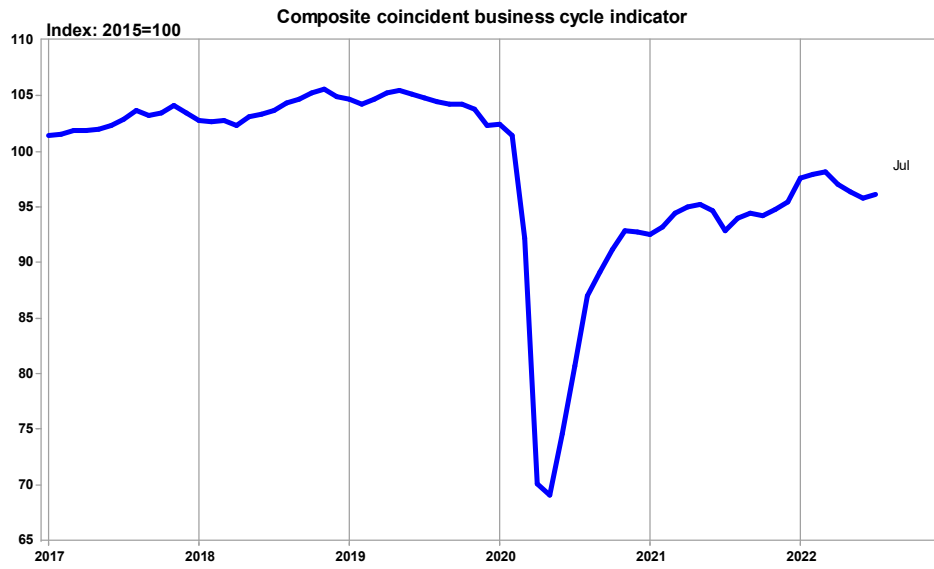
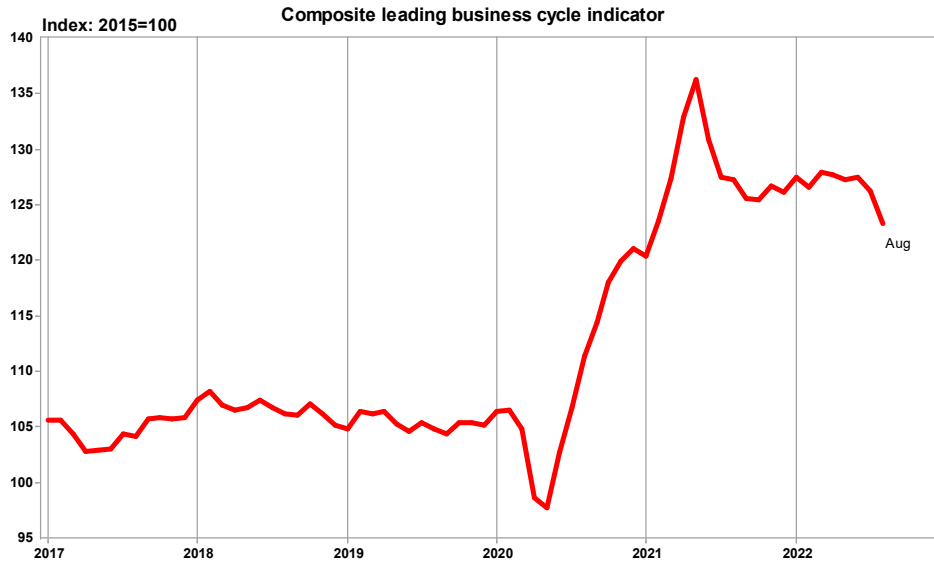


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2021	2022							
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	126.2	127.5	126.6	127.9	127.7	127.3	127.5	126.2	123.4
<i>Monthly percentage change</i>	-0.4	1.1	-0.7	1.1	-0.2	-0.3	0.2	-1.0	-2.3
<i>12-month percentage change</i>	4.2	6.0	2.5	0.5	-3.9	-6.6	-2.6	-1.0	-3.0
Coincident indicator	95.5	97.6	98.0	98.2	97.0	96.3	95.8	96.2	-
<i>Monthly percentage change</i>	0.7	2.2	0.4	0.2	-1.2	-0.7	-0.6	0.4	-
<i>12-month percentage change</i>	2.9	5.5	5.1	4.0	2.1	1.2	1.2	3.5	-
Lagging indicator	94.5	93.6	94.6	95.8	96.7	97.6	97.6	97.4	-
<i>Monthly percentage change</i>	0.2	-0.9	1.1	1.2	1.0	0.9	0.1	-0.2	-
<i>12-month percentage change</i>	2.2	2.7	5.1	8.4	10.3	13.0	9.2	4.8	-

* 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 2022 data point:

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

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