



South African Reserve Bank

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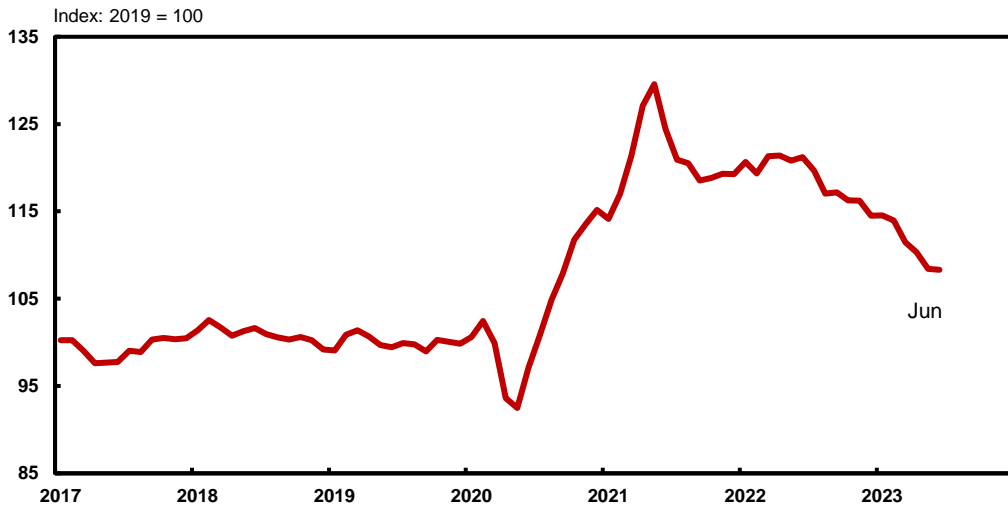
FOR RELEASE: 09:00 A.M., Tuesday, 22 August 2023

Composite business cycle indicators for South Africa

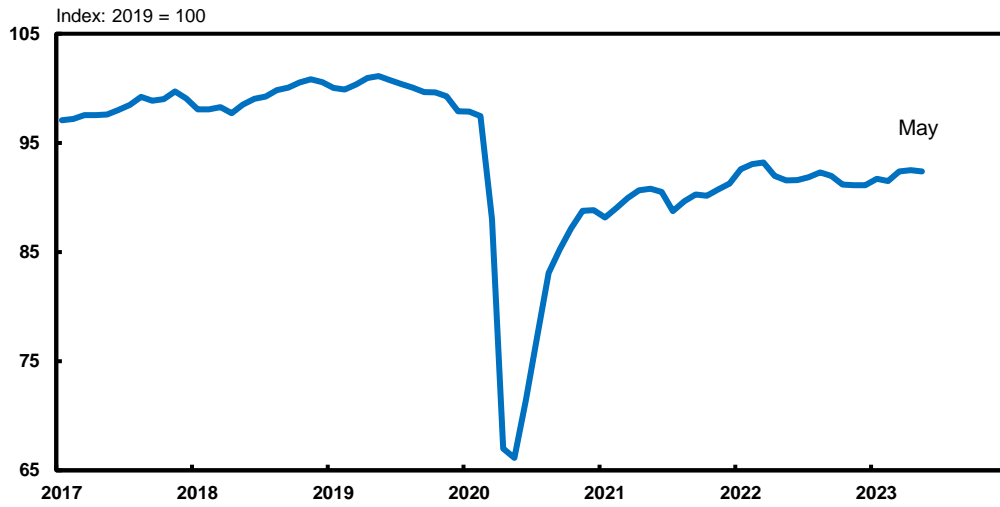
- The composite **leading** business cycle indicator decreased marginally further by 0.1% in June 2023 as decreases in three of the nine available component time series slightly outweighed increases in the remaining six. The largest negative contributors were a decrease in South Africa's export commodity price index denominated in US dollar and a narrowing of the interest rate spread. The largest positive contributors were an increase in the average hours worked per factory worker in the manufacturing sector and an acceleration in the six-months smoothed growth rate of the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *decreased* slightly by 0.1% in May 2023 due to decreases in the utilisation of production capacity in the manufacturing sector, real retail and new vehicle sales as well as industrial production.
- The composite **lagging** business cycle indicator *decreased* by 0.6% in May 2023.

The next release is scheduled for 26 September 2023, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

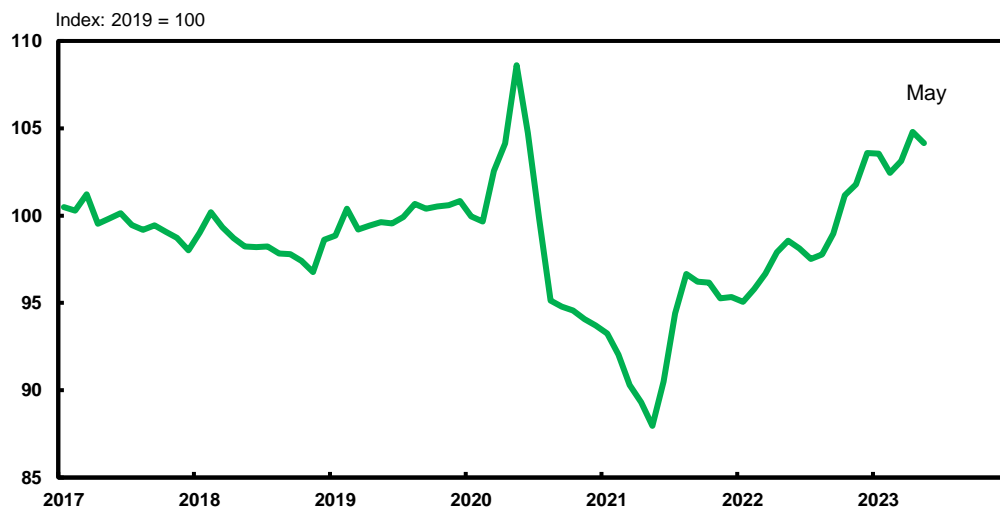


Table 1 Summary of the composite business cycle indicators*

Indices: 2019 = 100	2022			2023					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	116.3	116.2	114.5	114.6	114.0	111.5	110.3	108.4	108.3
Monthly percentage change	-0.8	0.0	-1.5	0.0	-0.5	-2.2	-1.0	-1.7	-0.1
12-month percentage change	-2.2	-2.6	-4.0	-5.1	-4.5	-8.1	-9.1	-10.2	-10.6
Coincident indicator	91.2	91.1	91.1	91.7	91.5	92.4	92.5	92.4	-
Monthly percentage change	-0.9	-0.1	0.0	0.6	-0.2	1.0	0.1	-0.1	-
12-month percentage change	1.1	0.4	-0.2	-1.0	-1.7	-0.9	0.6	0.9	-
Lagging indicator	101.2	101.8	103.6	103.6	102.4	103.1	104.8	104.1	-
Monthly percentage change	2.2	0.6	1.8	0.0	-1.1	0.7	1.6	-0.6	-
12-month percentage change	5.2	6.8	8.6	8.9	6.9	6.7	7.0	5.7	-

* 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 2023 data point:

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

* Bureau for Economic Research, Stellenbosch University