



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 2.1% in December 2022. The decrease was broad-based across all nine available component time series. The largest negative contributors were a decrease in the number of residential building plans approved and a deceleration in the six-months smoothed growth rate of job advertisement space.
- The composite **coincident** business cycle indicator *increased* by 0.2% in November 2022 due to an increase in retail and new vehicle sales as well as industrial production.
- The composite **lagging** business cycle indicator *decreased* by 0.2% in November 2022.

The next release is scheduled for 22 March 2023, at 09:00 A.M.

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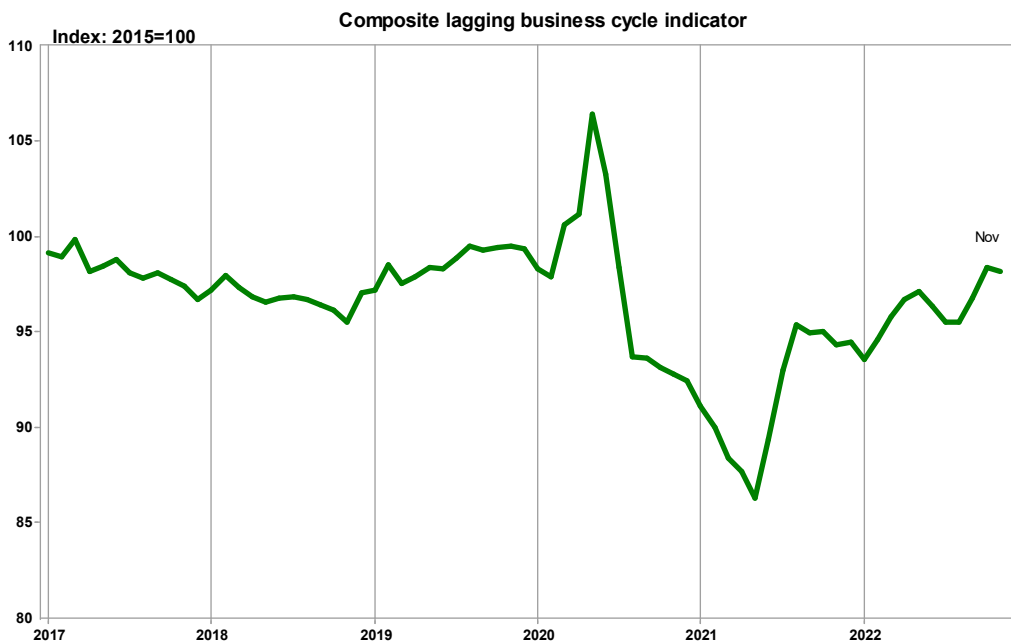
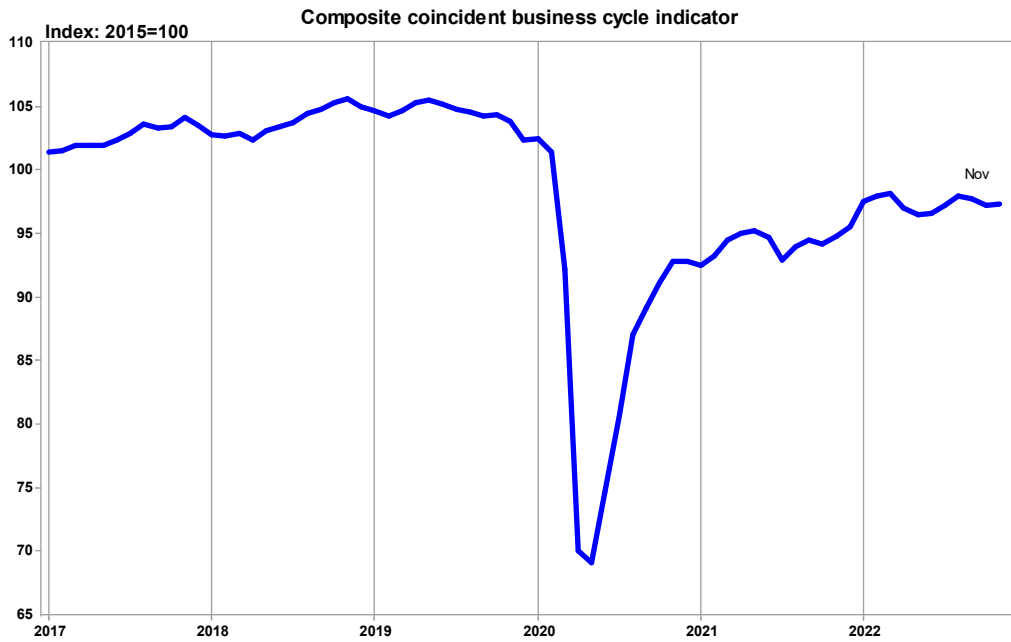
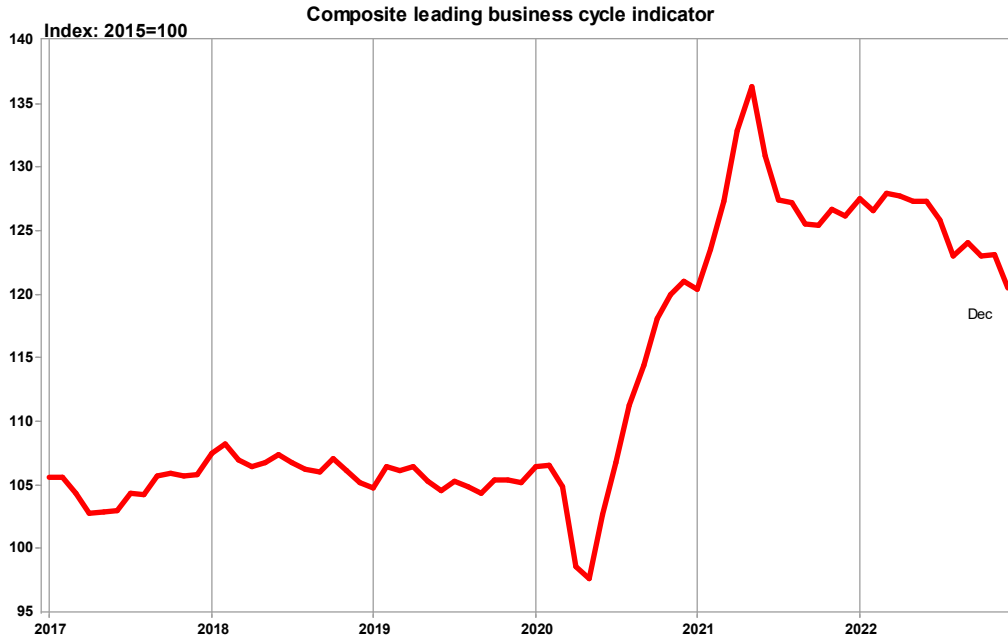


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2022									
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Leading indicator	127.7	127.3	127.3	125.9	123.0	124.1	123.0	123.1	120.5	
<i>Monthly percentage change</i>	-0.2	-0.3	0.0	-1.1	-2.3	0.9	-0.9	0.1	-2.1	
<i>12-month percentage change</i>	-3.9	-6.6	-2.7	-1.2	-3.4	-1.1	-1.9	-2.8	-4.5	
Coincident indicator	97.0	96.5	96.6	97.2	97.9	97.8	97.2	97.4	-	
<i>Monthly percentage change</i>	-1.1	-0.6	0.1	0.6	0.8	-0.2	-0.6	0.2	-	
<i>12-month percentage change</i>	2.1	1.4	2.0	4.6	4.2	3.5	3.2	2.7	-	
Lagging indicator	96.7	97.2	96.4	95.5	95.5	96.8	98.4	98.2	-	
<i>Monthly percentage change</i>	1.0	0.4	-0.8	-0.9	0.0	1.3	1.6	-0.2	-	
<i>12-month percentage change</i>	10.3	12.5	7.8	2.7	0.1	1.9	3.5	4.1	-	

* 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 December 2022 data point:

Negative contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
Job advertisements: The Sunday Times (six-months smoothed growth rate)
Real M1 (six-months smoothed growth rate)
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
BER*: Volume of orders in manufacturing (half weight)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Number of new passenger vehicles sold (six-months smoothed growth rate)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Commodity price index for South Africa's main export commodities (US dollar based)
Unavailable component series
RMB/BER* Business Confidence Index
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University