



South African Reserve Bank

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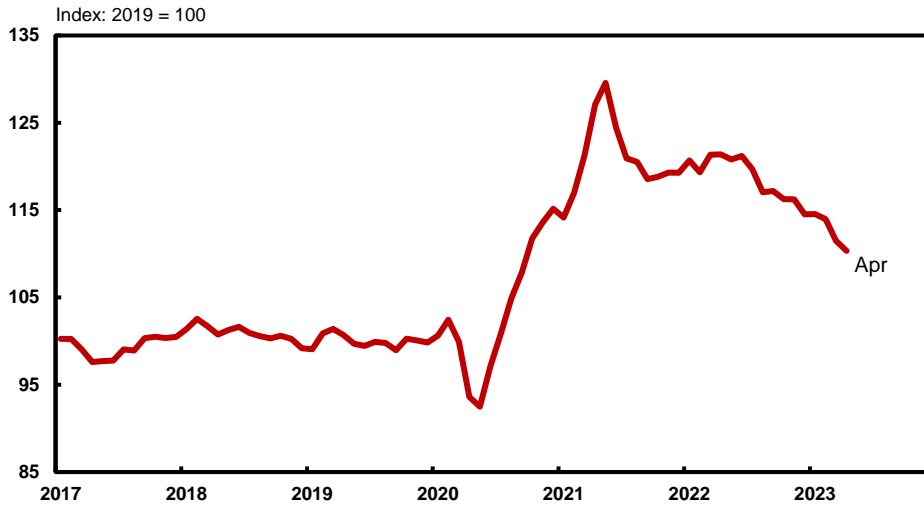
Composite business cycle indicators for South Africa

NOTE: The revisions to the national accounts statistics that were recently published by Statistics South Africa have been incorporated in the affected component time series of the composite business cycle indicators from 2018. In addition, the composite indicators were rebased to 2019 = 100.

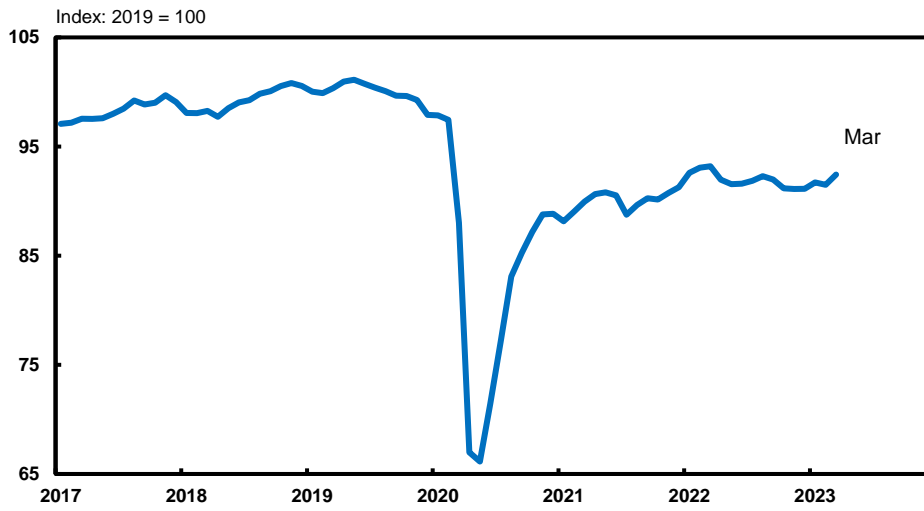
- The composite **leading** business cycle indicator *decreased* for a third consecutive month by 1.0% in April 2023. Seven of the ten available component time series decreased, while the remaining three increased. The largest negative contributors were a narrowing of the interest rate spread and a deterioration in the RMB/BER Business Confidence Index. The positive contributors were accelerations in both the six-month smoothed growth rate of job advertisement space and real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 1.0% in March 2023, largely due to an increase in the industrial production index.
- The composite **lagging** business cycle indicator *increased* by 0.3% in March 2023.

The next release is scheduled for 25 July 2023, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

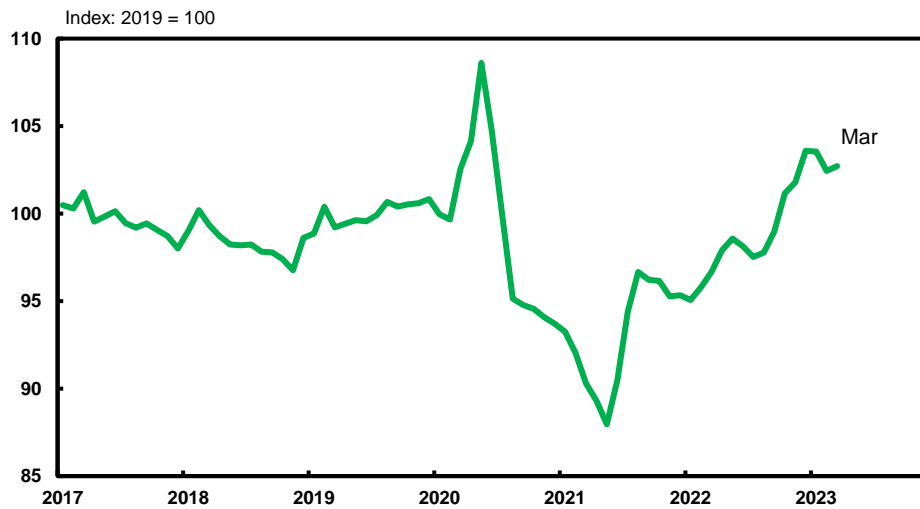


Table 1 Summary of the composite business cycle indicators*

| Indices: 2019 = 100 | 2022 | | | | | 2023 | | | |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
| Leading indicator | 117.1 | 117.2 | 116.3 | 116.2 | 114.5 | 114.6 | 114.0 | 111.5 | 110.3 |
| Monthly percentage change | -2.2 | 0.1 | -0.8 | 0.0 | -1.5 | 0.0 | -0.5 | -2.2 | -1.0 |
| 12-month percentage change | -2.9 | -1.1 | -2.2 | -2.6 | -4.0 | -5.1 | -4.5 | -8.1 | -9.1 |
| Coincident indicator | 92.3 | 92.0 | 91.2 | 91.1 | 91.1 | 91.7 | 91.5 | 92.4 | - |
| Monthly percentage change | 0.5 | -0.3 | -0.9 | -0.1 | 0.0 | 0.6 | -0.2 | 1.0 | - |
| 12-month percentage change | 2.9 | 1.9 | 1.1 | 0.4 | -0.2 | -1.0 | -1.7 | -0.8 | - |
| Lagging indicator | 97.8 | 99.0 | 101.2 | 101.8 | 103.6 | 103.6 | 102.4 | 102.7 | - |
| Monthly percentage change | 0.3 | 1.2 | 2.2 | 0.6 | 1.8 | 0.0 | -1.1 | 0.3 | - |
| 12-month percentage change | 1.2 | 2.9 | 5.2 | 6.8 | 8.6 | 8.9 | 6.9 | 6.2 | - |

* 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 April 2023 data point:

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

* Bureau for Economic Research, Stellenbosch University