



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator extended its recent downward trend, *decreasing* by 0.1% in January 2023,. Eight of the ten available component time series decreased, while the remaining two increased. The largest negative contributors were decreases in the number of residential building plans approved and South Africa's US dollar-denominated export commodity price index.
- The composite **coincident** business cycle indicator *increased* by 0.2% in December 2022, maintaining the broadly sideways movement in the indicator since the start of 2022.
- The composite **lagging** business cycle indicator *increased* by 2.4% in December 2022, raising the index to its highest level since the pandemic-induced low in April 2021.

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

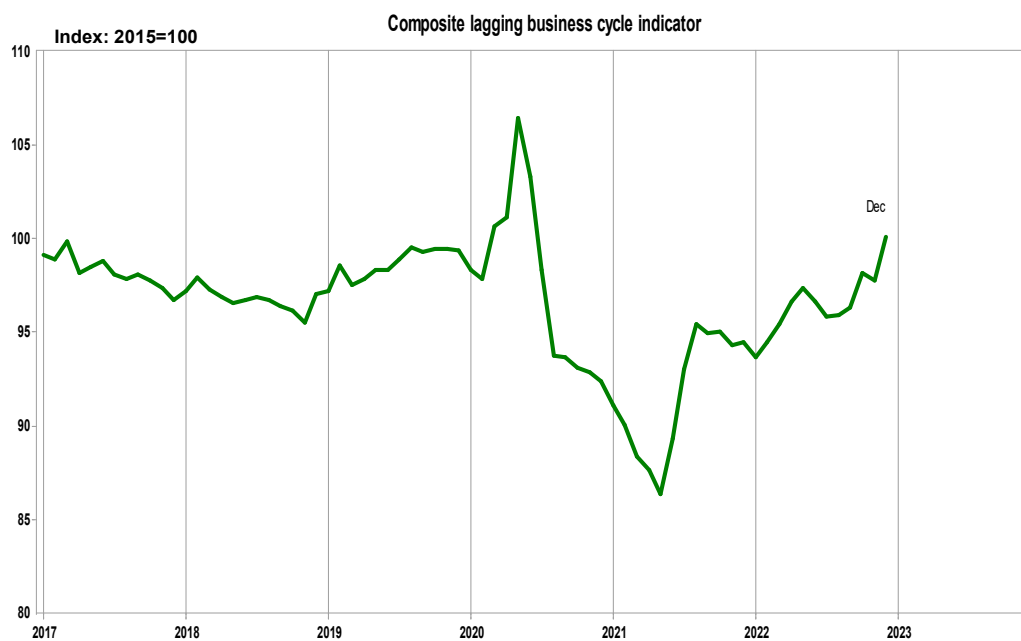
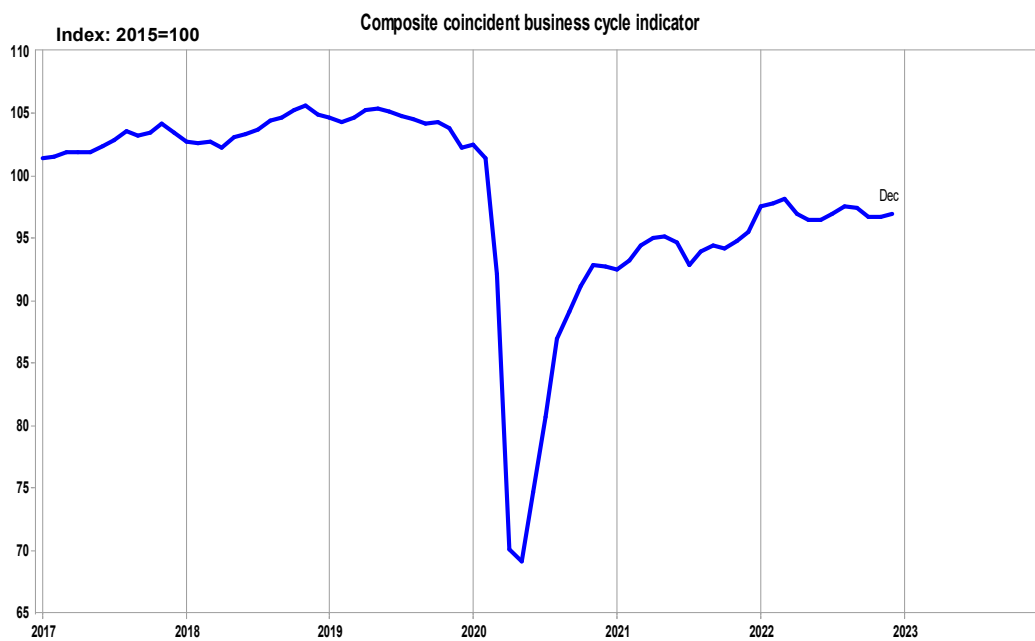
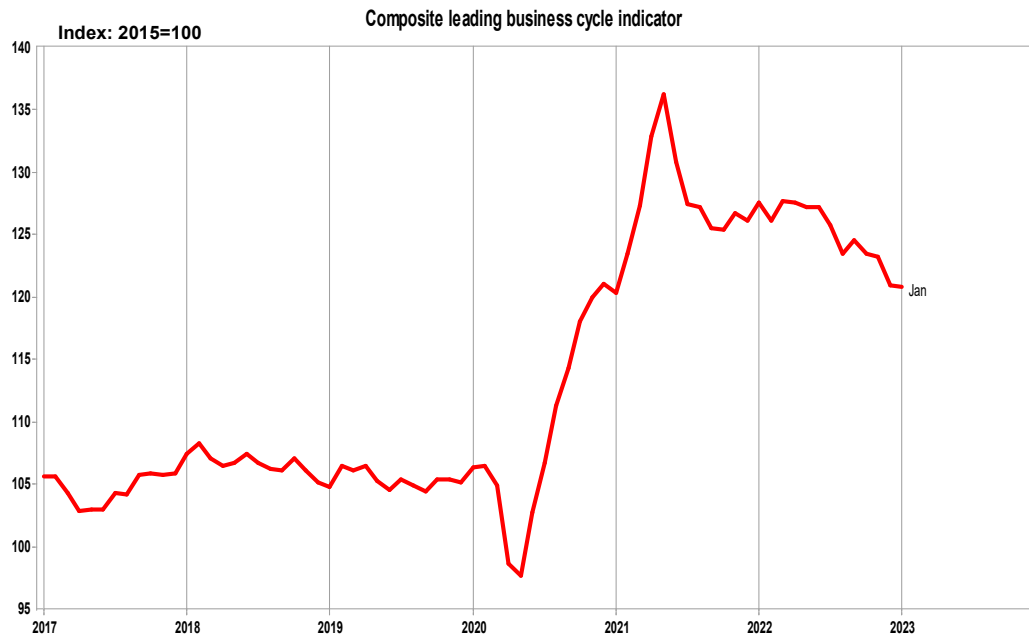


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2022								2023 Jan
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Leading indicator	127.2	127.2	125.7	123.5	124.5	123.5	123.3	121.0	120.8
Monthly percentage change	-0.3	0.0	-1.2	-1.8	0.9	-0.8	-0.2	-1.9	-0.1
12-month percentage change	-6.7	-2.8	-1.3	-3.0	-0.8	-1.5	-2.7	-4.1	-5.3
Coincident indicator	96.4	96.5	96.9	97.6	97.5	96.7	96.7	97.0	-
Monthly percentage change	-0.5	0.1	0.5	0.7	-0.2	-0.7	0.0	0.2	-
12-month percentage change	1.3	1.9	4.3	3.9	3.1	2.7	2.0	1.6	-
Lagging indicator	97.4	96.7	95.9	95.9	96.3	98.1	97.8	100.1	-
Monthly percentage change	0.7	-0.7	-0.8	0.0	0.5	1.9	-0.4	2.4	-
12-month percentage change	12.8	8.2	3.1	0.5	1.4	3.2	3.6	5.9	-

* 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 January 2023 data point:

Negative contributors (ranked from largest to smallest)	
Number of building plans approved: Flats, townhouses & houses larger than 80m ²	
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	
BER*: Volume of orders in manufacturing (half weight)	
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)	
RMB/BER* Business Confidence Index	
Number of new passenger vehicles sold (six-months smoothed growth rate)	
Positive contributors (ranked from largest to smallest)	
Job advertisements: The Sunday Times (six-months smoothed growth rate)	
Real M1 (six-months smoothed growth rate)	
Unavailable component series	
Gross operating surplus as a percentage of gross domestic product	

* Bureau for Economic Research, Stellenbosch University