



## South African Reserve Bank

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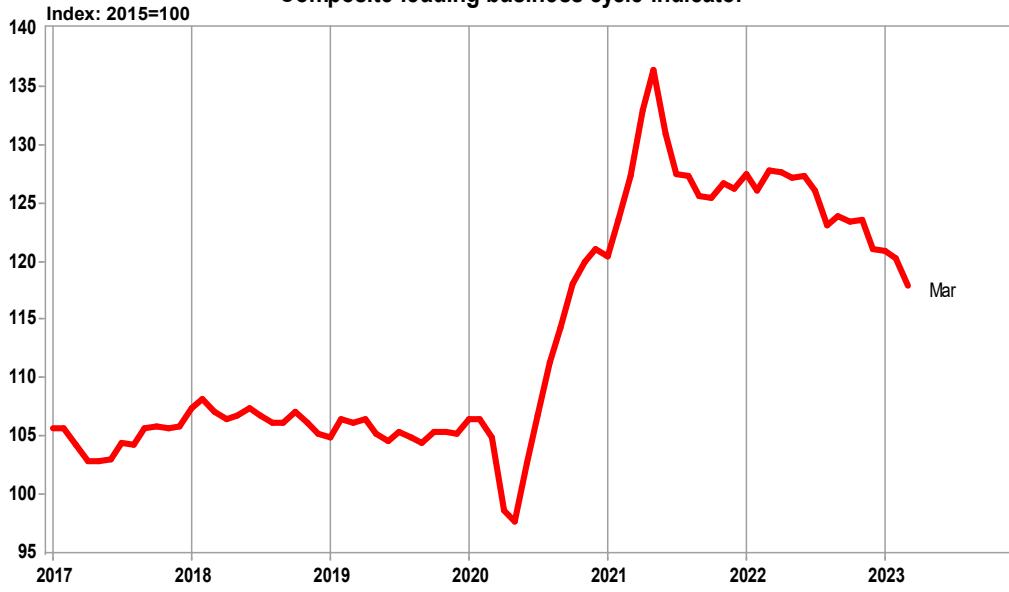
**FOR RELEASE: 09:00 A.M., Tuesday, 23 May 2023**

### **Composite business cycle indicators for South Africa**

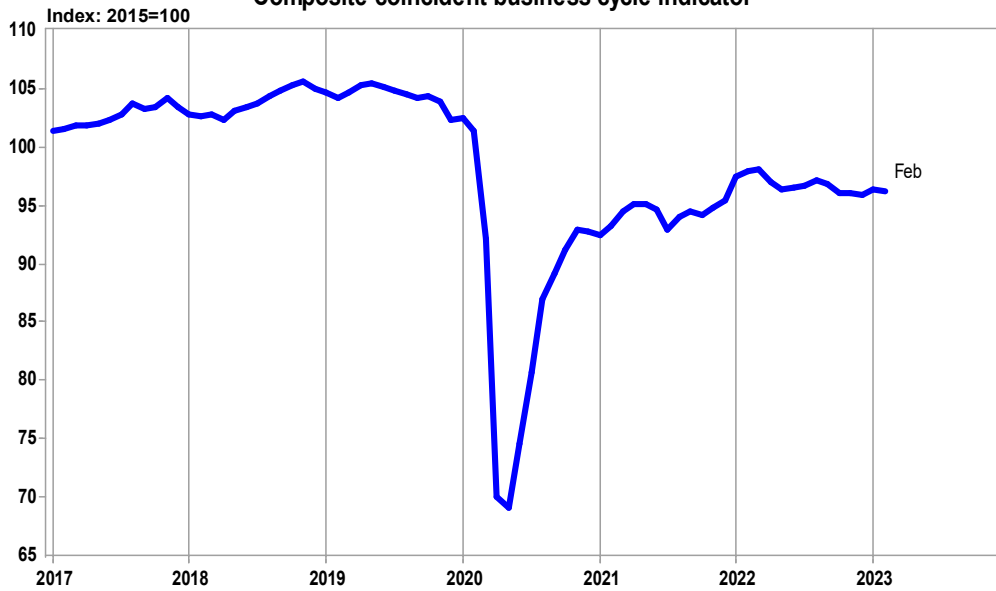
- The composite **leading** business cycle indicator continued its downward trend, *decreasing* further by 2.0% in March 2023. Five of the seven available component time series decreased, while two increased. The largest negative contributors were a decrease in South Africa's export commodity price index denominated in US dollar and a deceleration in the six-months smoothed growth rate in the real M1 money supply. The positive contributors were an increase in the number of residential building plans approved and an acceleration in the composite leading business cycle indicator for South Africa's major trading-partner countries.
- The composite **coincident** business cycle indicator *decreased* by 0.3% in February 2023, due to decreases in the utilisation of production capacity in the manufacturing sector, retail and new vehicle sales as well as industrial production.
- The composite **lagging** business cycle indicator *decreased* by 1.5% in February 2023.

**The next release is scheduled for 20 June 2023, at 09:00 A.M.**

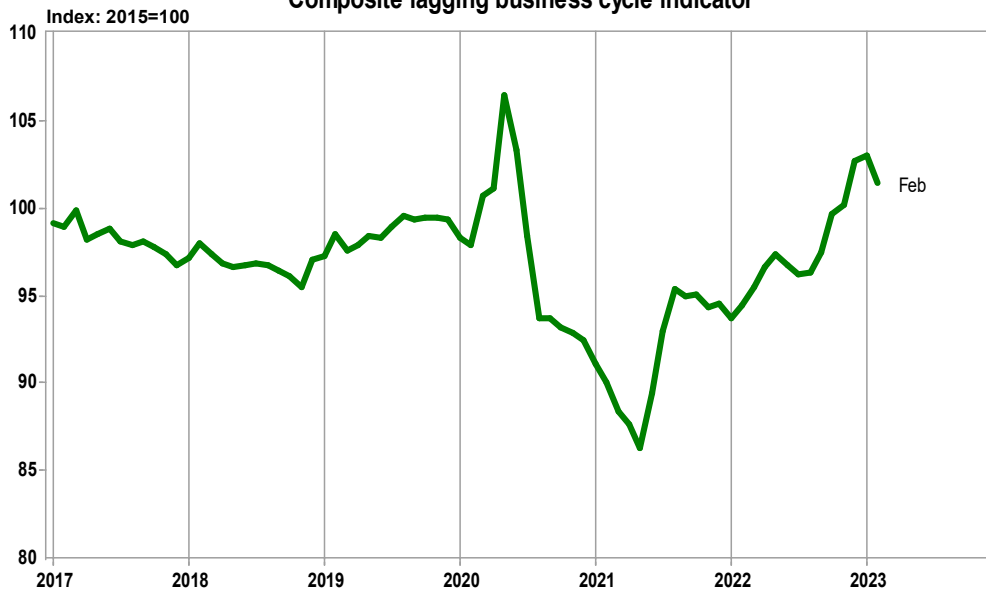
**Composite leading business cycle indicator**



**Composite coincident business cycle indicator**



**Composite lagging business cycle indicator**



**Table 1 Summary of the composite business cycle indicators\***

Indices: 2015 = 100	2022						2023		
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Leading indicator	126.1	123.1	123.9	123.4	123.5	121.1	120.9	120.2	117.8
<i>Monthly percentage change</i>	-0.9	-2.4	0.7	-0.4	0.1	-2.0	-0.2	-0.5	-2.0
<i>12-month percentage change</i>	-1.1	-3.3	-1.3	-1.6	-2.5	-4.0	-5.2	-4.6	-7.8
Coincident indicator	96.7	97.2	96.8	96.1	96.0	95.9	96.4	96.1	-
<i>Monthly percentage change</i>	0.2	0.5	-0.4	-0.8	-0.1	-0.1	0.5	-0.3	-
<i>12-month percentage change</i>	4.1	3.5	2.5	2.0	1.2	0.5	-1.1	-1.8	-
Lagging indicator	96.2	96.3	97.5	99.6	100.2	102.7	103.0	101.4	-
<i>Monthly percentage change</i>	-0.5	0.1	1.2	2.2	0.6	2.5	0.3	-1.5	-
<i>12-month percentage change</i>	3.4	0.9	2.6	4.8	6.2	8.7	9.9	7.4	-

\* 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 March 2023 data point:**

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

\* Bureau for Economic Research, Stellenbosch University