South African Reserve Bank

For further information regarding this release, please contact:
Adri Wolhuter: +27 (12) 313 3228   Adri.Wolhuter@resbank.co.za
Kgopotso Moagi: +27 (12) 399 6376   Kgopotso.Moagi@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 24 October 2023

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.4% in August 2023 as increases in six of the ten available component time series outweighed decreases in the remaining four. The largest positive contributors were an increase in the average hours worked per factory worker in the manufacturing sector and an improvement in the RMB/BER Business Confidence Index. The largest negative contributors were decelerations in the six-month smoothed growth rates of job advertisement space and real M1 money supply.

- The composite **coincident** business cycle indicator *decreased* by 0.6% in July 2023 due to a decrease in the industrial production index.

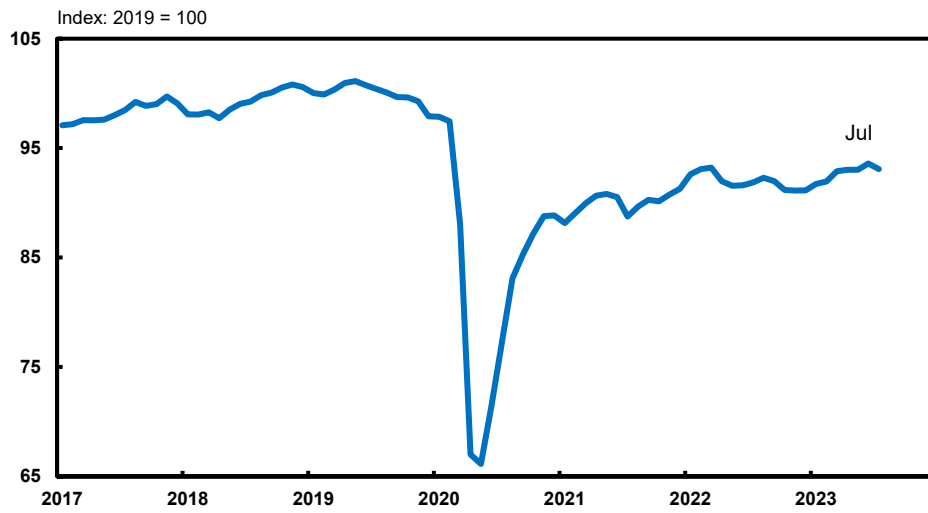- The composite **lagging** business cycle indicator *increased* by 1.1% in July 2023.

The next release is scheduled for 21 November 2023, at 09:00 A.M.
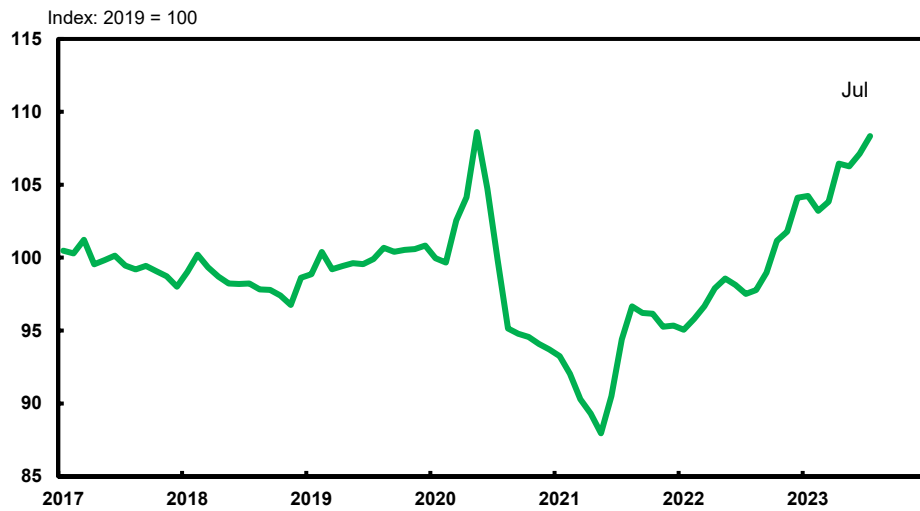
File reference: (17/8/4/2)

Composite leading business cycle indicator
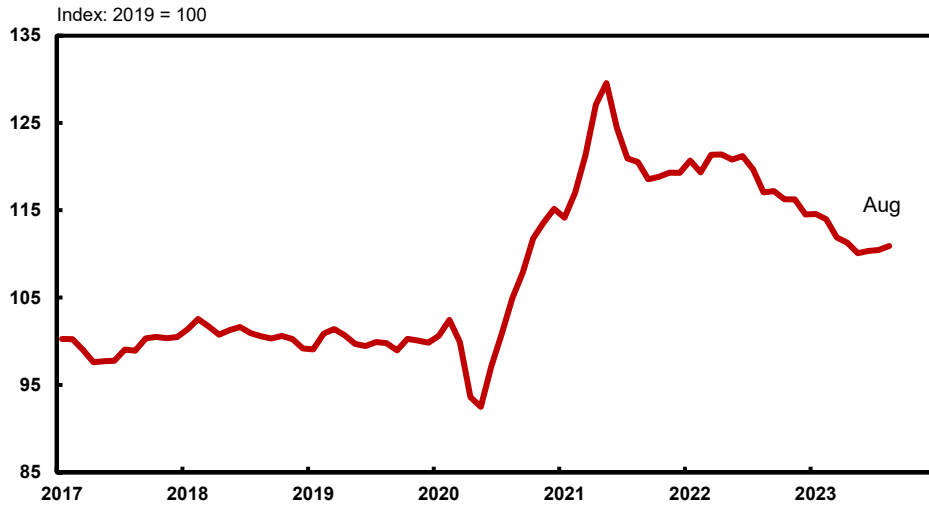
Index: 2019 = 100

Composite coincident business cycle indicator

Index: 2019 = 100

Composite lagging business cycle indicator

Index: 2019 = 100

Table 1   Summary of the composite business cycle indicators*

Indices: 2019 = 100	2022 Dec	2023 Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Leading indicator	114.5	114.6	114.0	111.9	111.3	110.1	110.3	110.4	110.9
Monthly percentage change	*-1.5*	*0.1*	*-0.6*	*-1.8*	*-0.5*	*-1.1*	*0.2*	*0.1*	*0.4*
12-month percentage change	*-4.0*	*-5.0*	*-4.5*	*-7.8*	*-8.3*	*-8.9*	*-9.0*	*-7.7*	*-5.3*
Coincident indicator	91.1	91.7	92.0	92.9	93.0	93.0	93.6	93.1	-
Monthly percentage change	*0.0*	*0.6*	*0.3*	*1.0*	*0.2*	*0.0*	*0.6*	*-0.6*	*-*
12-month percentage change	*-0.2*	*-1.0*	*-1.1*	*-0.3*	*1.1*	*1.6*	*2.2*	*1.3*	*-*
Lagging indicator	104.1	104.2	103.2	103.8	106.5	106.3	107.1	108.3	-
Monthly percentage change	*2.3*	*0.1*	*-1.0*	*0.6*	*2.6*	*-0.2*	*0.8*	*1.1*	*-*
12-month percentage change	*9.2*	*9.6*	*7.7*	*7.4*	*8.8*	*7.8*	*9.2*	*11.1*	*-*

* 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 August 2023 data point:

Positive contributors (ranked from largest to smallest)
BER*: Average hours worked per factory worker in manufacturing (half weight)
RMB/BER* Business Confidence Index
Number of building plans approved: Flats, townhouses & houses larger than 80m²
BER*: Volume of orders in manufacturing (half weight)
Number of new passenger vehicles sold (six-month smoothed growth rate)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Negative 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)
Commodity price index for South Africa's main export commodities (US dollar based)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

 * Bureau for Economic Research, Stellenbosch University