



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

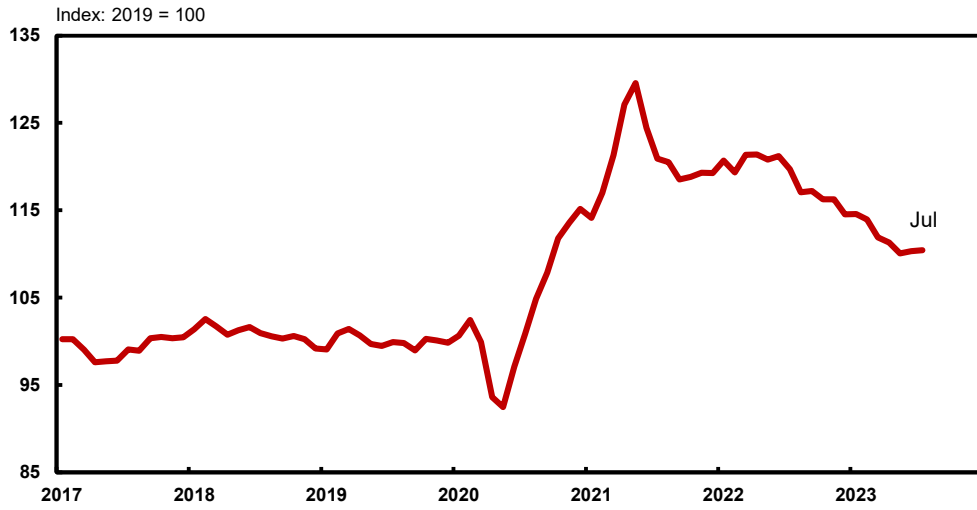
FOR RELEASE: 09:00 A.M., Tuesday, 26 September 2023

Composite business cycle indicators for South Africa

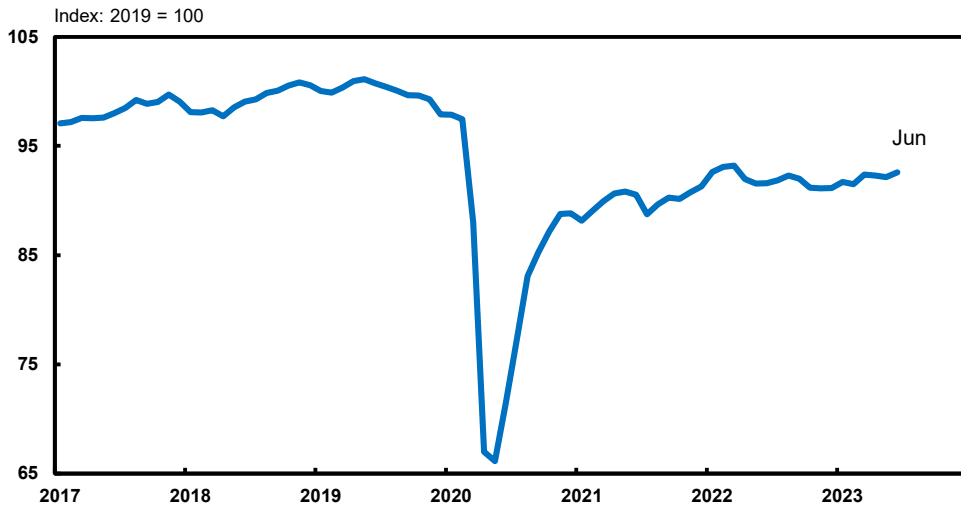
- The composite **leading** business cycle indicator *increased* by 0.1% in July 2023 as increases in six of the ten available component time series outweighed decreases in the remaining four. The largest positive contributors were an acceleration in the six-months smoothed growth rate of job advertisement space and an increase in the average hours worked per factory worker in the manufacturing sector. 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 of the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *increased* by 0.5% in June 2023 due to increases in industrial production and real retail and new vehicle sales.
- The composite **lagging** business cycle indicator *increased* by 0.8% in June 2023.

The next release is scheduled for 24 October 2023, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

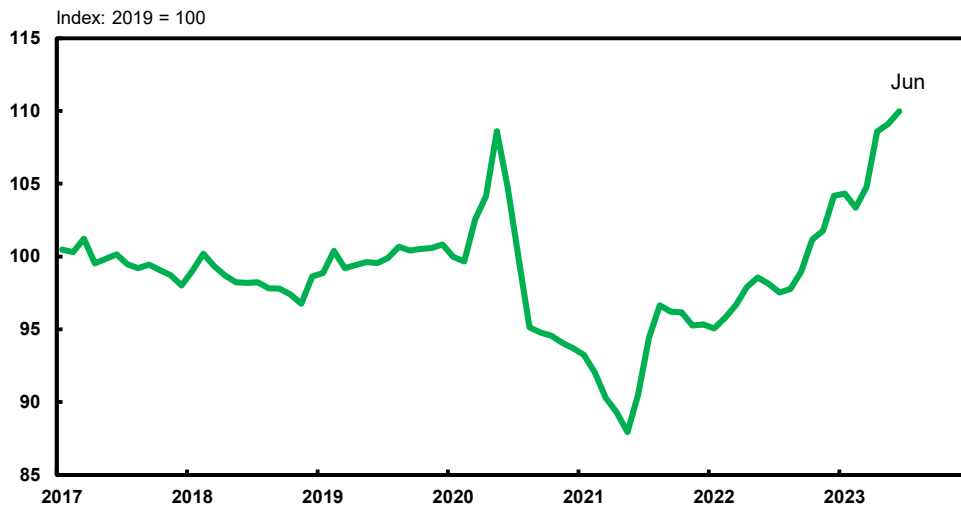


Table 1 Summary of the composite business cycle indicators*

Indices: 2019 = 100	2022		2023						
	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Leading indicator	116.2	114.5	114.6	114.0	111.9	111.3	110.1	110.3	110.4
Monthly percentage change	0.0	-1.5	0.0	-0.5	-1.8	-0.5	-1.1	0.2	0.1
12-month percentage change	-2.6	-4.0	-5.1	-4.5	-7.8	-8.3	-8.9	-9.0	-7.7
Coincident indicator	91.1	91.1	91.7	91.5	92.4	92.3	92.1	92.6	-
Monthly percentage change	-0.1	0.0	0.6	-0.2	1.0	-0.1	-0.2	0.5	-
12-month percentage change	0.4	-0.2	-1.0	-1.7	-0.9	0.3	0.6	1.1	-
Lagging indicator	101.8	104.2	104.3	103.4	104.8	108.6	109.1	110.0	-
Monthly percentage change	0.6	2.4	0.1	-0.9	1.4	3.6	0.5	0.8	-
12-month percentage change	6.8	9.3	9.8	7.9	8.4	10.9	10.7	12.1	-

* 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 July 2023 data point:

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

* Bureau for Economic Research, Stellenbosch University