



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.4% in June 2024 as decreases in five of the seven available component time series outweighed increases in the remaining two. The largest negative contributors were a decrease in the number of residential building plans approved and a narrowing of the interest rate spread. The only positive contributors were accelerations in the six-month smoothed growth rates of the real M1 money supply and the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *decreased* by 0.4% in May 2024 due to decreases in industrial production, the real value of retail and new vehicle sales as well as the utilisation of production capacity in the manufacturing sector.
- The composite **lagging** business cycle indicator *decreased* by 0.1% in May 2024.

The next release is scheduled for 25 September 2024, at 09:00 A.M.

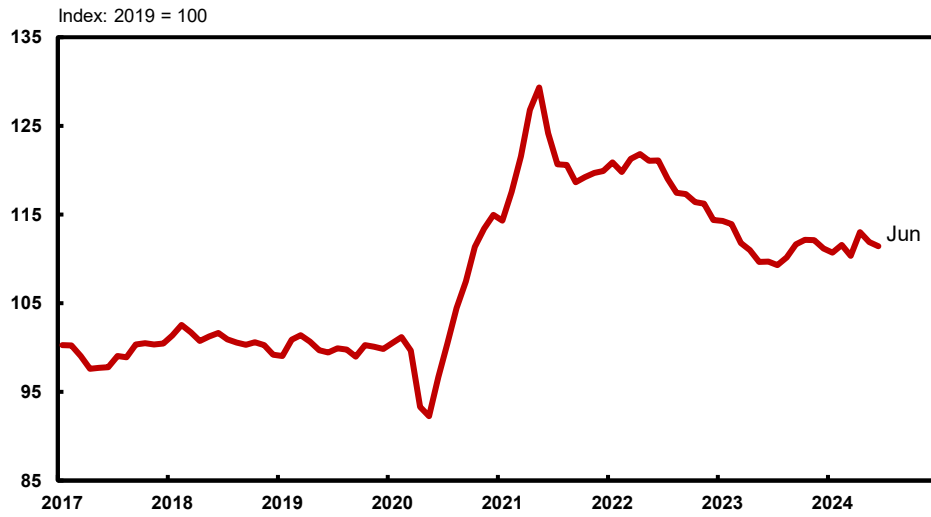
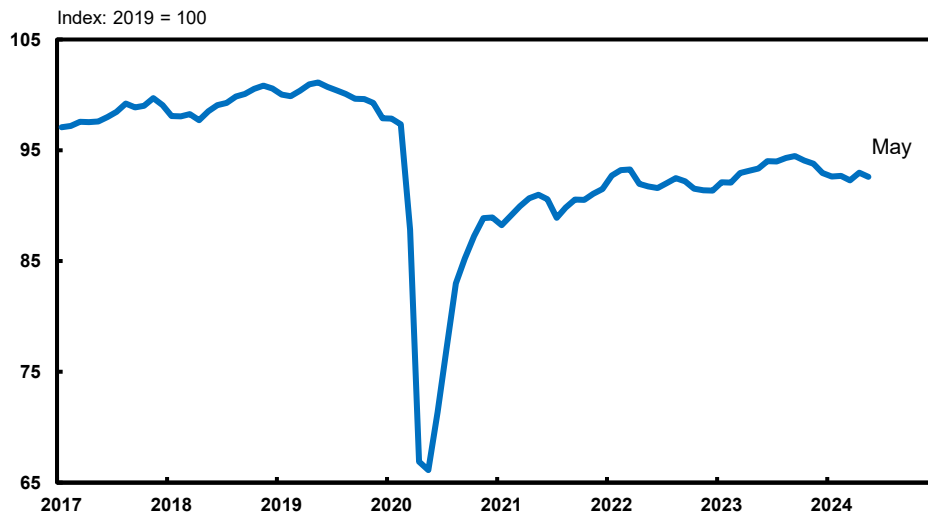
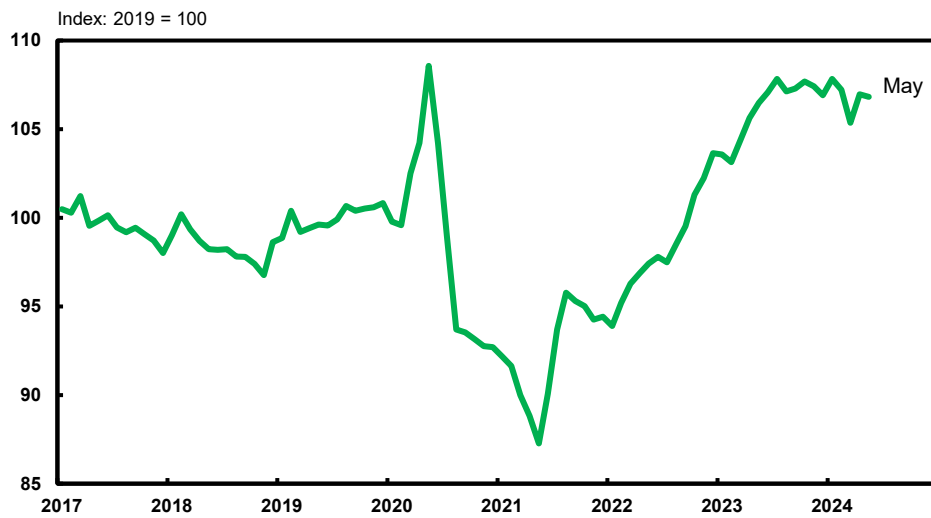
Composite leading business cycle indicator**Composite coincident business cycle indicator****Composite lagging business cycle indicator**

Table 1 Summary of the composite business cycle indicators*

Indices: 2019 = 100	2023			2024					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Leading indicator	112.2	112.1	111.2	110.7	111.6	110.4	113.0	111.9	111.4
Monthly percentage change	0.5	0.0	-0.8	-0.4	0.8	-1.1	2.4	-1.0	-0.4
12-month percentage change	-3.7	-3.5	-2.8	-3.1	-2.0	-1.3	1.8	2.0	1.6
Coincident indicator	94.1	93.8	93.0	92.6	92.7	92.3	93.0	92.6	-
Monthly percentage change	-0.4	-0.3	-0.9	-0.3	0.0	-0.4	0.8	-0.4	-
12-month percentage change	2.8	2.6	1.8	0.6	0.7	-0.7	-0.2	-0.8	-
Lagging indicator	107.7	107.4	106.9	107.8	107.2	105.4	107.0	106.8	-
Monthly percentage change	0.4	-0.3	-0.5	0.9	-0.6	-1.7	1.5	-0.1	-
12-month percentage change	6.3	5.1	3.2	4.1	4.0	0.9	1.3	0.3	-

* 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 June 2024 data point:

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

* Bureau for Economic Research, Stellenbosch University