



South African Reserve Bank

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Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 1.4% in September 2022. Five of the nine available component time series increased, while the remaining four decreased. The largest positive contributors were an acceleration in the six-month smoothed growth rate of job advertisement space and an increase in the number of residential building plans approved. The largest detractors were a deceleration in the six-months smoothed growth rate of new passenger vehicle sales and slower year-on-year growth in the composite leading business cycle indicator for South Africa's main trading partner countries.
- The composite **coincident** business cycle indicator *increased* by 0.8% in August 2022 due to an increase in the utilisation of production capacity in the manufacturing sector and in the industrial production index.
- The composite **lagging** business cycle indicator *increased* by 1.0% in August 2022.

The next release is scheduled for 20 December 2022, at 09:00 A.M.

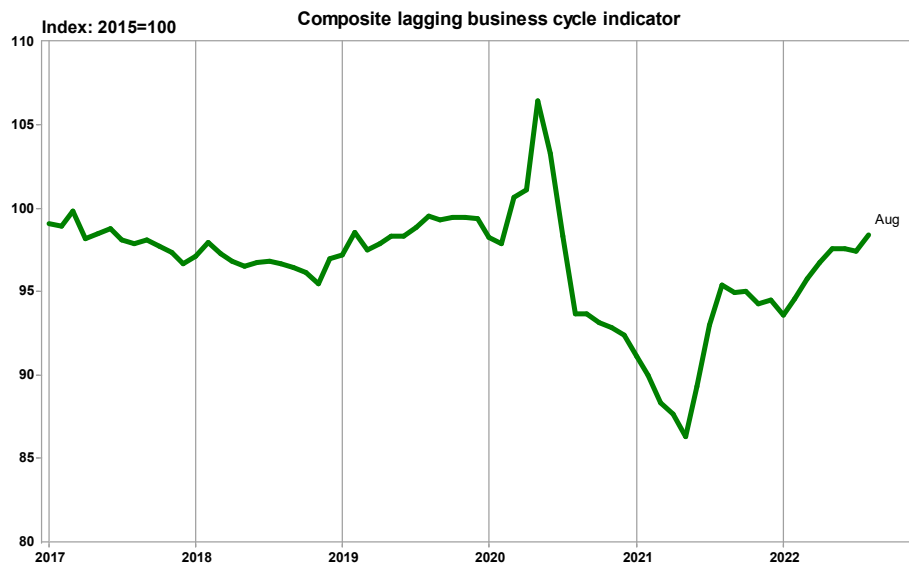
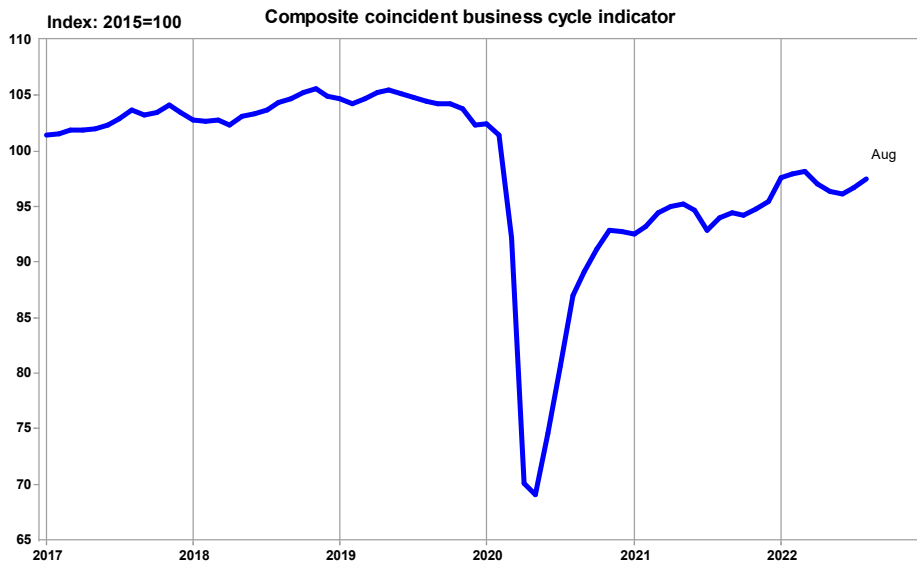
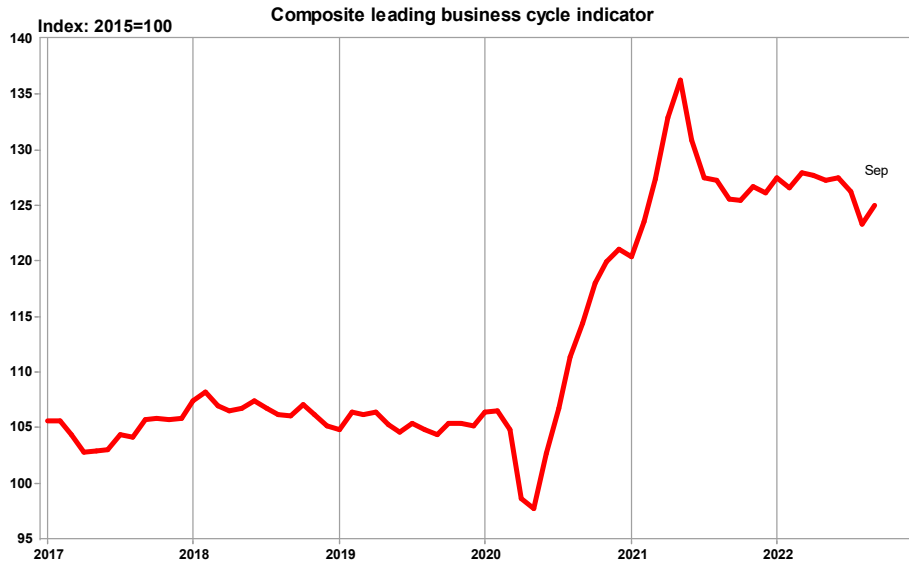


Table 1 Summary of the composite business cycle indicators*

Indices: 2015 = 100	2022								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Leading indicator	127.5	126.6	127.9	127.7	127.3	127.5	126.2	123.4	125.0
<i>Monthly percentage change</i>	1.1	-0.7	1.1	-0.2	-0.3	0.2	-1.0	-2.3	1.4
<i>12-month percentage change</i>	6.0	2.5	0.5	-3.9	-6.6	-2.6	-1.0	-3.0	-0.4
Coincident indicator	97.6	98.0	98.2	97.0	96.3	96.1	96.7	97.5	-
<i>Monthly percentage change</i>	2.2	0.4	0.2	-1.2	-0.7	-0.6	0.4	0.8	-
<i>12-month percentage change</i>	5.5	5.1	4.0	2.1	1.2	1.5	4.1	3.7	-
Lagging indicator	93.6	94.6	95.8	96.7	97.6	97.6	97.4	98.4	-
<i>Monthly percentage change</i>	-0.9	1.1	1.2	1.0	0.9	0.1	-0.2	1.0	-
<i>12-month percentage change</i>	2.7	5.1	8.4	10.3	13.0	9.2	4.8	3.1	-

* 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 September 2022 data point:

Positive contributors (ranked from largest to smallest)
Job advertisements: The Sunday Times (six-month smoothed growth rate)
Number of building plans approved: Flats, townhouses & houses larger than 80m ²
BER*: Average hours worked per factory worker in manufacturing (half weight)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
BER*: Volume of orders in manufacturing (half weight)
Negative contributors (ranked from largest to smallest)
Number of new passenger vehicles sold (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)
Real M1 (six-month smoothed growth rate)
Unavailable component series
RMB/BER* Business Confidence Index
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University