



## South African Reserve Bank

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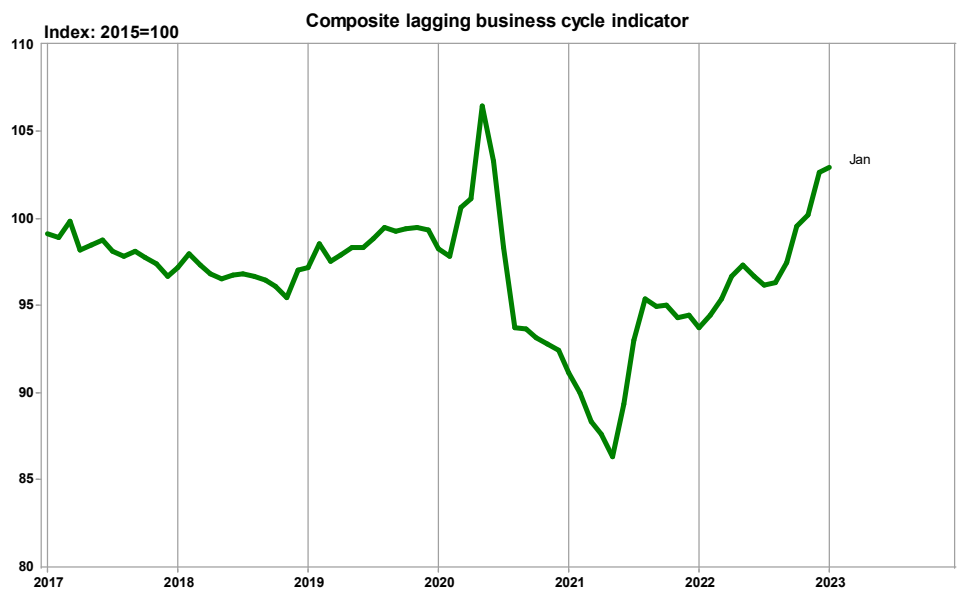
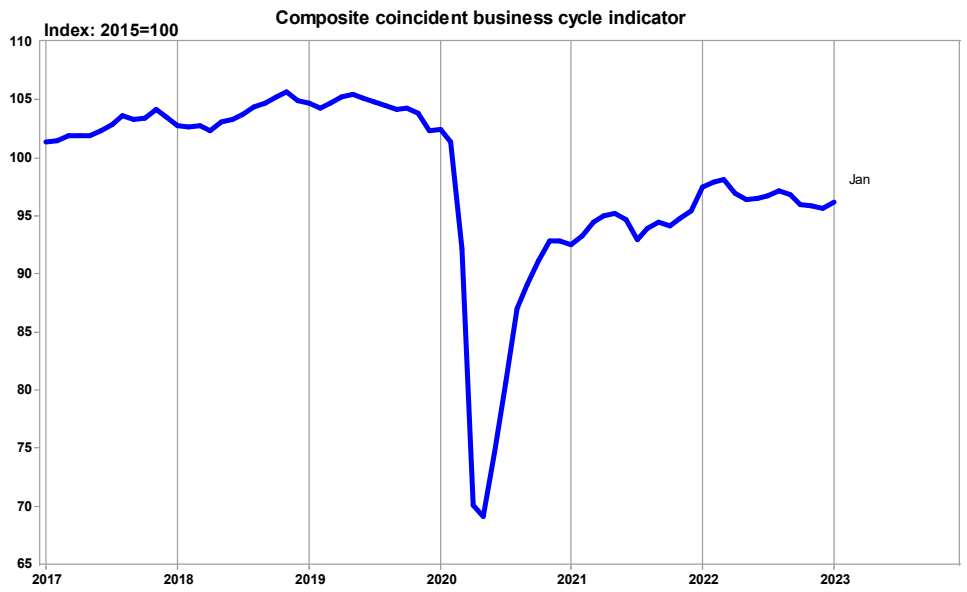
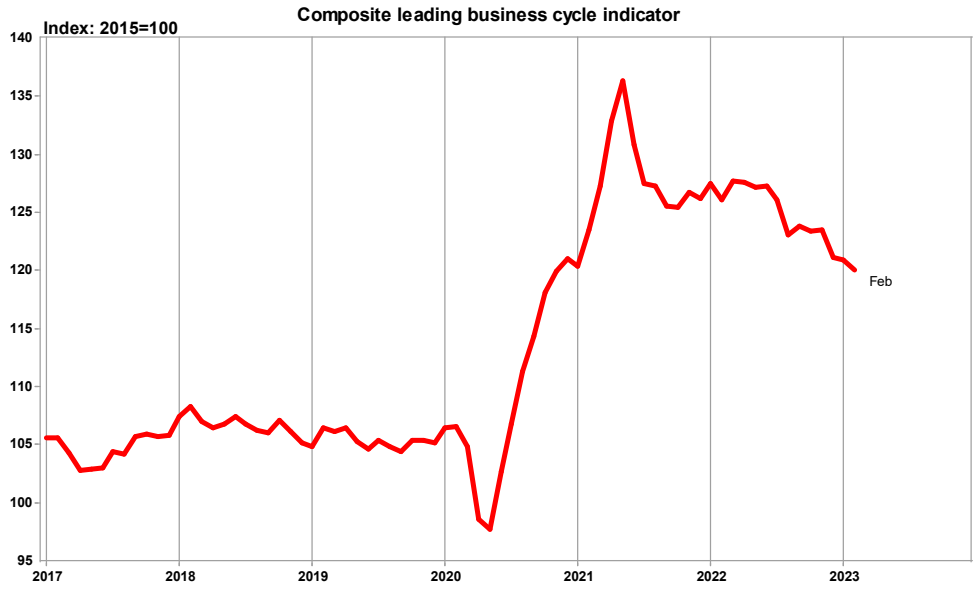
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**FOR RELEASE: 09:00 A.M., Tuesday, 25 April 2023**

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

- The composite **leading** business cycle indicator continued its downward trend, *decreasing* further by 0.7% in February 2023. Eight of the ten available component time series decreased, while the remaining two increased. The largest negative contributors were a deceleration in the six-months smoothed growth rate of job advertisement space and a decrease in South Africa's export commodity price index denominated in US dollar. The positive contributors were an increase in the number of residential building plans approved and an acceleration in the six-months smoothed growth rate in the real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 0.5% in January 2023, due to increases in the retail and new vehicle sales as well as industrial production indices.
- The composite **lagging** business cycle indicator *increased* by 0.3% in January 2023.

**The next release is scheduled for 23 May 2023, at 09:00 A.M.**



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

Indices: 2015 = 100	2022							2023	
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Leading indicator	127.3	126.1	123.1	123.9	123.4	123.5	121.1	120.9	120.1
<i>Monthly percentage change</i>	0.1	-0.9	-2.4	0.7	-0.4	0.1	-2.0	-0.2	-0.7
<i>12-month percentage change</i>	-2.7	-1.1	-3.3	-1.3	-1.6	-2.5	-4.0	-5.2	-4.8
Coincident indicator	96.5	96.7	97.2	96.8	95.9	95.8	95.7	96.2	-
<i>Monthly percentage change</i>	0.1	0.2	0.5	-0.4	-0.9	-0.1	-0.1	0.5	-
<i>12-month percentage change</i>	1.9	4.1	3.5	2.5	1.9	1.1	0.2	-1.3	-
Lagging indicator	96.7	96.2	96.3	97.5	99.6	100.2	102.7	103.0	-
<i>Monthly percentage change</i>	-0.7	-0.5	0.1	1.2	2.2	0.6	2.5	0.3	-
<i>12-month percentage change</i>	8.2	3.4	0.9	2.6	4.8	6.2	8.7	9.9	-

\* 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 February 2023 data point:**

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

\* Bureau for Economic Research, Stellenbosch University