# South African Reserve Bank

FOR RELEASE: 09:00 A.M., Tuesday, 19 December 2023

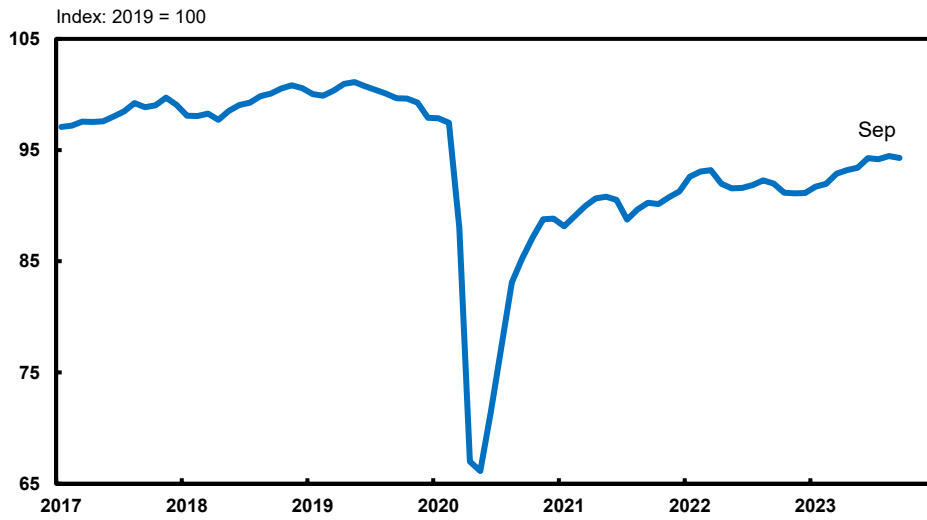## Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* by 0.2% in October 2023. Five of the ten available component time series increased while the remaining five components decreased. The largest positive contributors were an increase in the average hours worked per factory worker in the manufacturing sector and an increase in South Africa's US dollar-denominated export commodity price index. The largest negative contributors were a decrease in the number of residential building plans approved and a deceleration in the six-month smoothed growth rate of the number of new passenger vehicles sold.

- The composite **coincident** business cycle indicator *decreased* by 0.2% in September 2023 due to decreases in the industrial production index and real retail and new vehicle sales.

- The composite **lagging** business cycle indicator *increased* by 0.9% in September 2023.

The next release is scheduled for 23 January 2024, at 09:00 A.M.
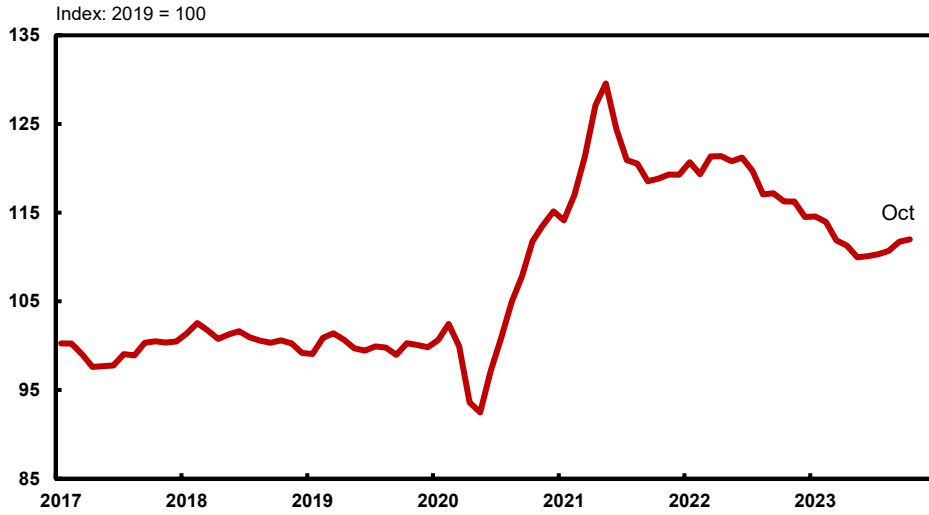
File reference: (17/8/4/2)

Composite leading business cycle indicator

Index: 2019 = 100

Oct

Composite coincident business cycle indicator

Index: 2019 = 100

Sep

Composite lagging business cycle indicator

Index: 2019 = 100

Sep
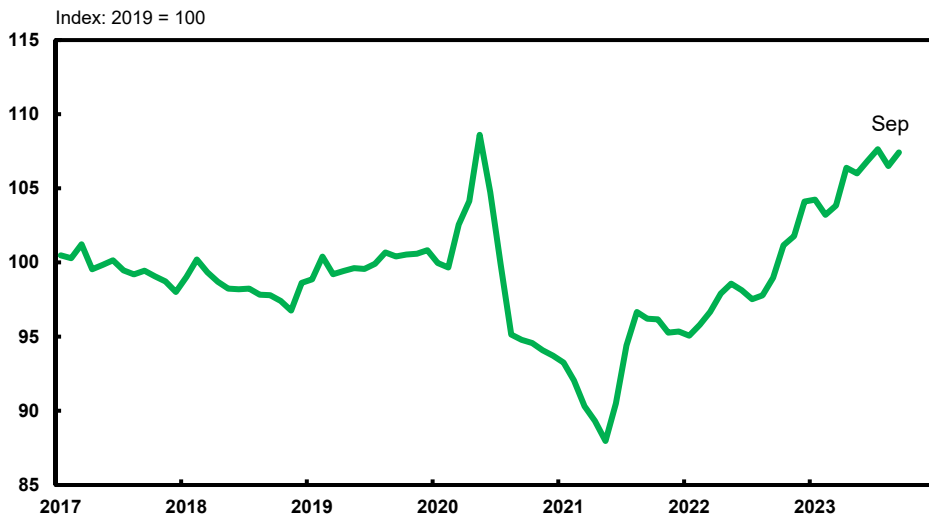
Table 1   Summary of the composite business cycle indicators*

| Indices: 2019 = 100 | 2023 | | | | | | | | |
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Leading indicator	114.0	111.9	111.3	110.0	110.1	110.3	110.7	111.7	112.0
Monthly percentage change	*-0.5*	*-1.8*	*-0.5*	*-1.2*	*0.1*	*0.2*	*0.3*	*0.9*	*0.2*
12-month percentage change	*-4.5*	*-7.8*	*-8.3*	*-9.0*	*-9.2*	*-7.8*	*-5.5*	*-4.7*	*-3.7*
Coincident indicator	92.0	92.9	93.2	93.4	94.3	94.2	94.5	94.3	-
Monthly percentage change	*0.3*	*1.0*	*0.3*	*0.2*	*0.9*	*-0.1*	*0.3*	*-0.2*	*-*
12-month percentage change	*-1.1*	*-0.3*	*1.3*	*2.0*	*2.9*	*2.5*	*2.4*	*2.5*	*-*
Lagging indicator	103.2	103.8	106.4	106.0	106.8	107.6	106.5	107.4	-
Monthly percentage change	*-1.0*	*0.6*	*2.4*	*-0.3*	*0.8*	*0.7*	*-1.0*	*0.9*	*-*
12-month percentage change	*7.7*	*7.4*	*8.7*	*7.5*	*8.9*	*10.4*	*8.9*	*8.5*	*-*

* 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 October 2023 data point:**

Positive contributors (ranked from largest to smallest)
BER*: Average hours worked per factory worker in manufacturing (half weight)
Commodity price index for South Africa's main export commodities (US dollar based)
BER*: Volume of orders in manufacturing (half weight)
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
Negative contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m²
Number of new passenger vehicles sold (six-month smoothed growth rate)
RMB/BER* Business Confidence Index
Job advertisements: The Sunday Times (six-month smoothed growth rate)
Real M1 (six-month smoothed growth rate)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

 * Bureau for Economic Research, Stellenbosch University