South African Reserve Bank

For further information regarding this release, please contact:
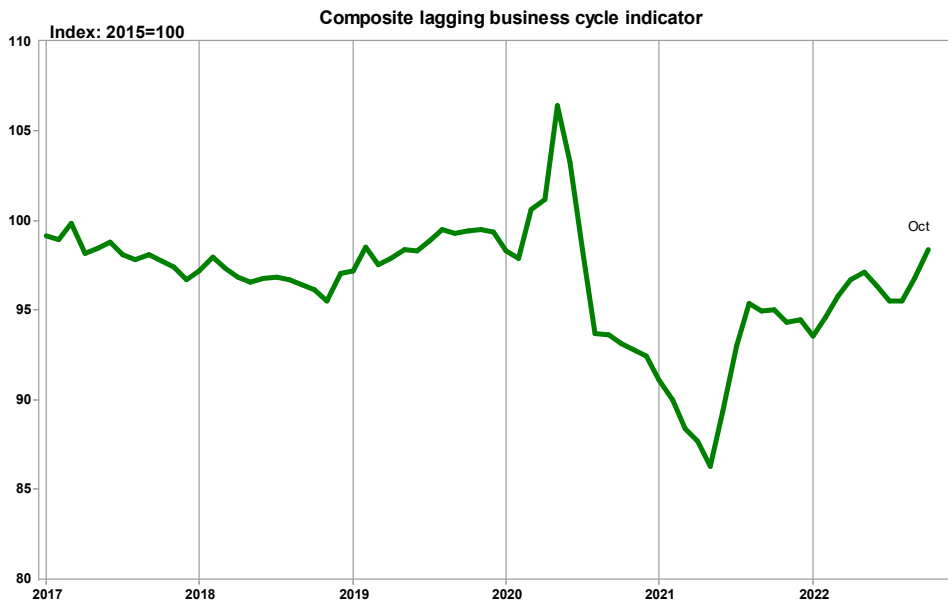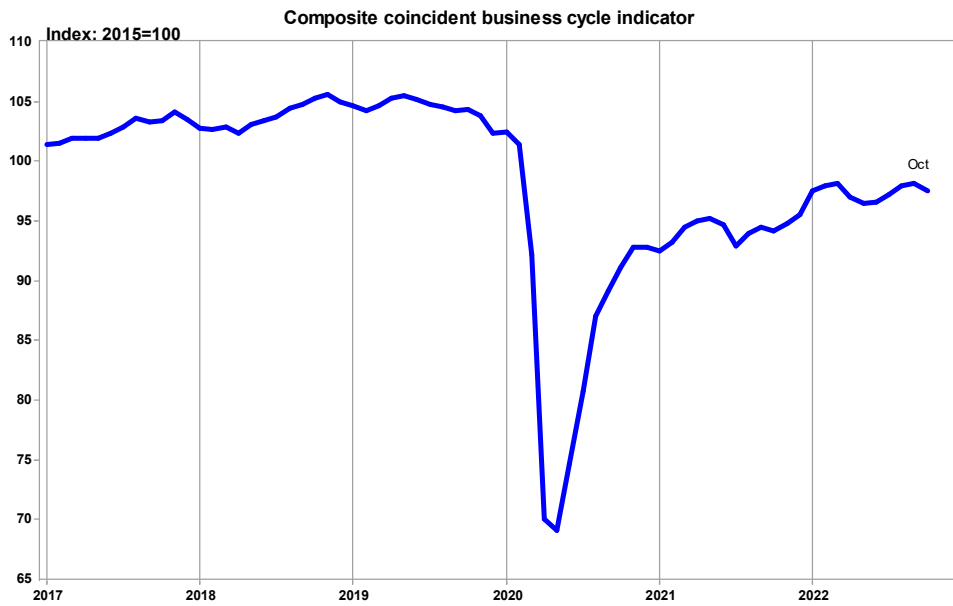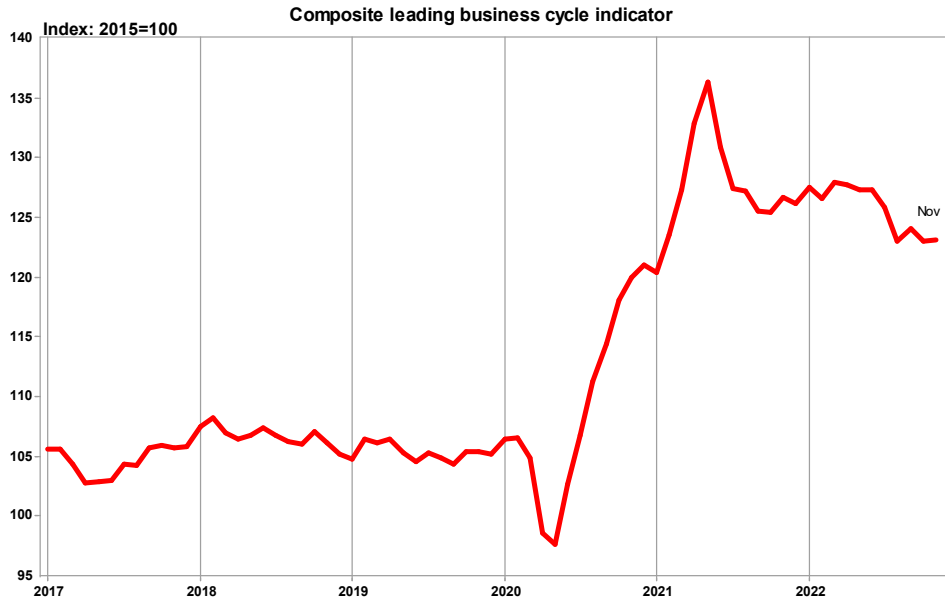Adri Wolhuter: +27 (12) 313 3228   Adri.Wolhuter@resbank.co.za

FOR RELEASE: 09:00 A.M., Tuesday, 24 January 2023

Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *increased* marginally by 0.1% in November 2022. Four of the ten available component time series increased, outweighing decreases in five components, while one component remained unchanged. The largest positive contributors were an acceleration in the six-months smoothed growth rate in the number of new passenger vehicles sold and an increase in the volume of orders in manufacturing. The largest negative contributors were a narrowing of the interest rate spread and a decrease in South Africa's export commodity price index denominated in US dollar.

- The composite **coincident** business cycle indicator *decreased* by 0.6% in October 2022 due to a decrease in the industrial production index.

- The composite **lagging** business cycle indicator *increased* by 1.6% in October 2022.

<div style="border:1px solid">

The next release is scheduled for 21 February 2023, at 09:00 A.M.

</div>

File reference: (17/8/4/2)

Composite leading business cycle indicator

Index: 2015=100

Nov

Composite coincident business cycle indicator

Index: 2015=100

Oct

Composite lagging business cycle indicator

Index: 2015=100

Oct

Table 1   Summary of the composite business cycle indicators*

Indices: 2015 = 100	Mar	Apr	May	Jun	2022 Jul	Aug	Sep	Oct	Nov
Leading indicator	127.9	127.7	127.3	127.3	125.9	123.0	124.1	123.0	123.1
Monthly percentage change	*1.1*	*-0.2*	*-0.3*	*0.0*	*-1.1*	*-2.3*	*0.9*	*-0.9*	*0.1*
12-month percentage change	*0.5*	*-3.9*	*-6.6*	*-2.7*	*-1.2*	*-3.4*	*-1.1*	*-1.9*	*-2.8*
Coincident indicator	98.2	97.0	96.5	96.6	97.2	97.9	98.2	97.5	-
Monthly percentage change	*0.2*	*-1.1*	*-0.6*	*0.1*	*0.6*	*0.8*	*0.2*	*-0.6*	*-*
12-month percentage change	*4.0*	*2.1*	*1.4*	*2.0*	*4.6*	*4.2*	*3.9*	*3.6*	*-*
Lagging indicator	95.8	96.7	97.2	96.4	95.5	95.5	96.8	98.4	-
Monthly percentage change	*1.2*	*1.0*	*0.4*	*-0.8*	*-0.9*	*0.0*	*1.3*	*1.6*	*-*
12-month percentage change	*8.4*	*10.3*	*12.5*	*7.8*	*2.7*	*0.1*	*1.9*	*3.5*	*-*

* 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 November 2022 data point:

Positive contributors (ranked from largest to smallest)
Number of new passenger vehicles sold (six-months smoothed growth rate)
BER*: Volume of orders in manufacturing (half weight)
Real M1 (six-months smoothed growth rate)
Job advertisements: The Sunday Times (six-months smoothed growth rate)
Negative contributors (ranked from largest to smallest)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
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)
Number of building plans approved: Flats, townhouses & houses larger than 80m²
RMB/BER* Business Confidence Index
Unchanged component series
BER*: Average hours worked per factory worker in manufacturing (half weight)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

* Bureau for Economic Research, Stellenbosch University