



South African Reserve Bank

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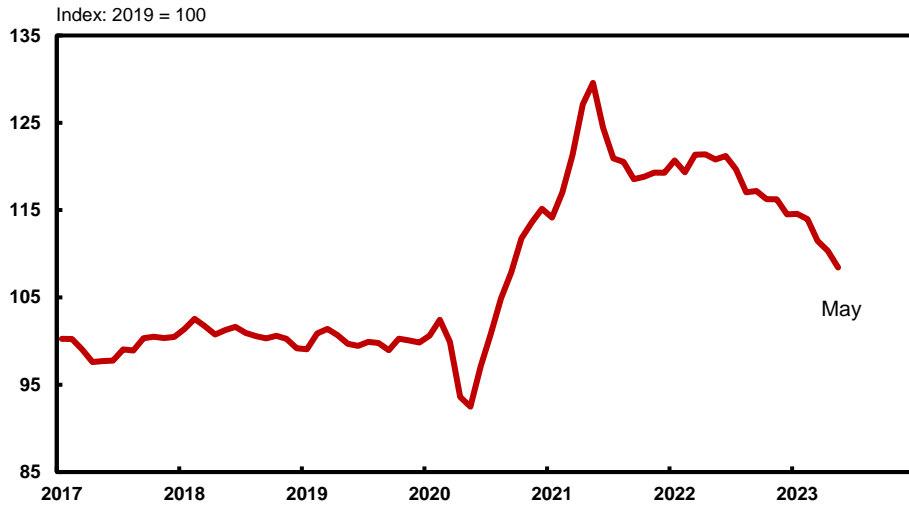
FOR RELEASE: 09:00 A.M., Tuesday, 25 July 2023

Composite business cycle indicators for South Africa

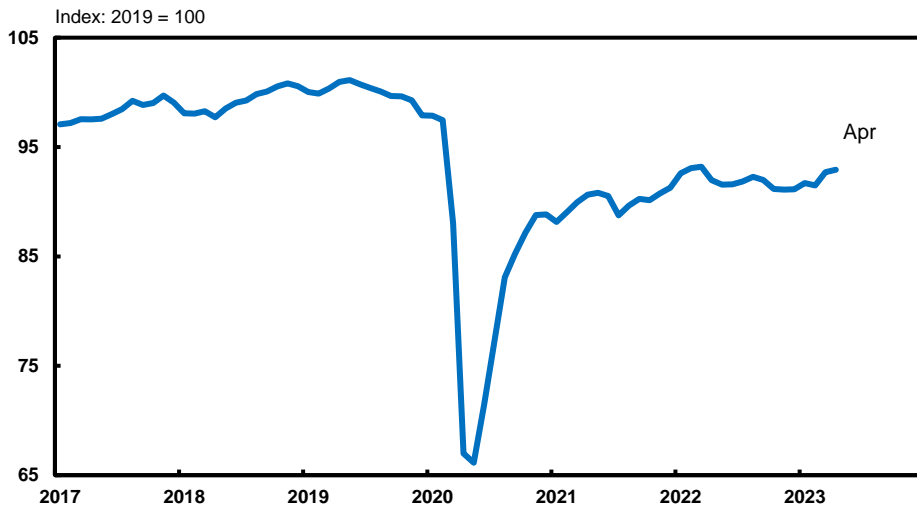
- The rate of *decrease* in the composite **leading** business cycle indicator accelerated to 1.7% in May 2023. Six of the ten available component time series decreased, while four increased. The largest negative contributors were decreases in the number of residential building plans approved and in South Africa's export commodity price index denominated in US dollar. The positive contributors were a widening of the interest rate spread and an acceleration in the six-months smoothed growth rate of the real M1 money supply.
- The composite **coincident** business cycle indicator *increased* by 0.2% in April 2023, due to an increase in the industrial production index.
- The composite **lagging** business cycle indicator *increased* by 1.6% in April 2023.

The next release is scheduled for 22 August 2023, at 09:00 A.M.

Composite leading business cycle indicator



Composite coincident business cycle indicator



Composite lagging business cycle indicator

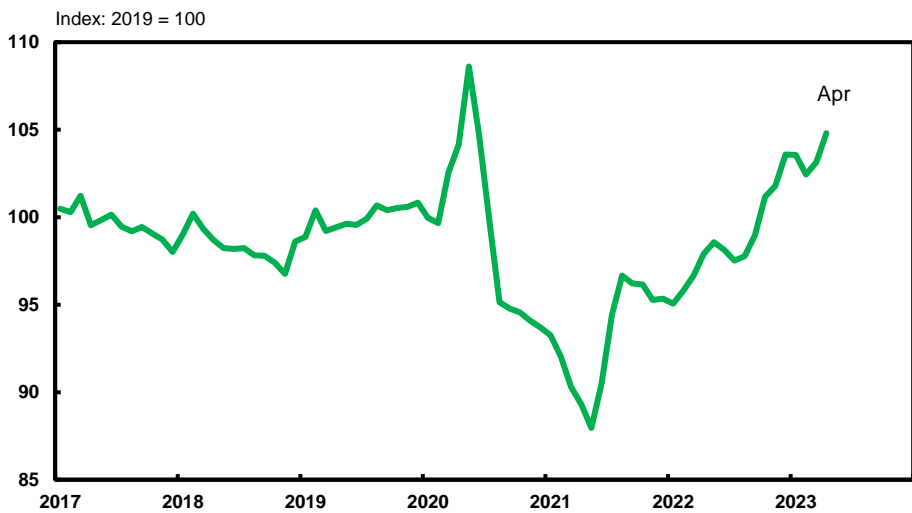


Table 1 Summary of the composite business cycle indicators*

Indices: 2019 = 100	2022				2023				
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Leading indicator	117.2	116.3	116.2	114.5	114.6	114.0	111.5	110.3	108.4
Monthly percentage change	0.1	-0.8	0.0	-1.5	0.0	-0.5	-2.2	-1.0	-1.7
12-month percentage change	-1.1	-2.2	-2.6	-4.0	-5.1	-4.5	-8.1	-9.1	-10.2
Coincident indicator	92.0	91.2	91.1	91.1	91.7	91.5	92.7	92.9	-
Monthly percentage change	-0.3	-0.9	-0.1	0.0	0.6	-0.2	1.3	0.2	-
12-month percentage change	1.9	1.1	0.4	-0.2	-1.0	-1.7	-0.5	1.0	-
Lagging indicator	99.0	101.2	101.8	103.6	103.6	102.4	103.1	104.8	-
Monthly percentage change	1.2	2.2	0.6	1.8	0.0	-1.1	0.7	1.6	-
12-month percentage change	2.9	5.2	6.8	8.6	8.9	6.9	6.7	7.0	-

* 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 May 2023 data point:

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

* Bureau for Economic Research, Stellenbosch University