



## South African Reserve Bank

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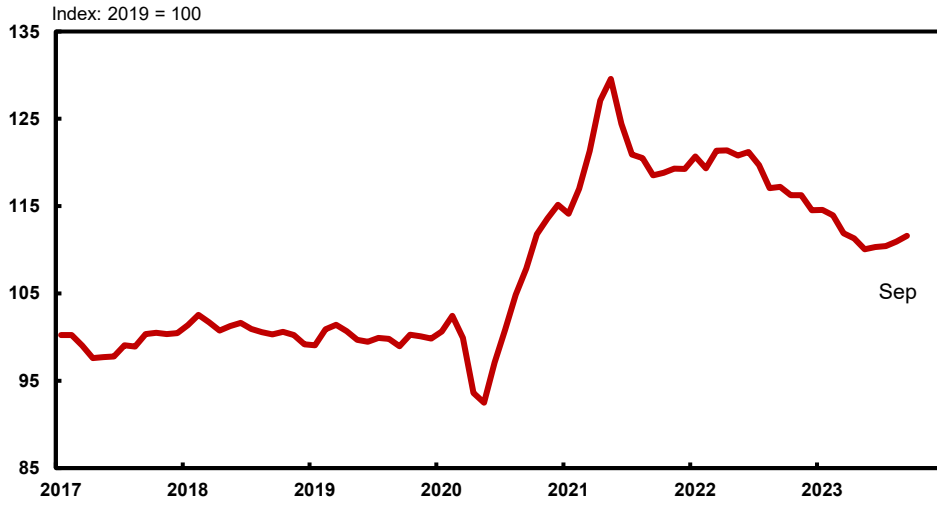
**FOR RELEASE: 09:00 A.M., Tuesday, 21 November 2023**

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

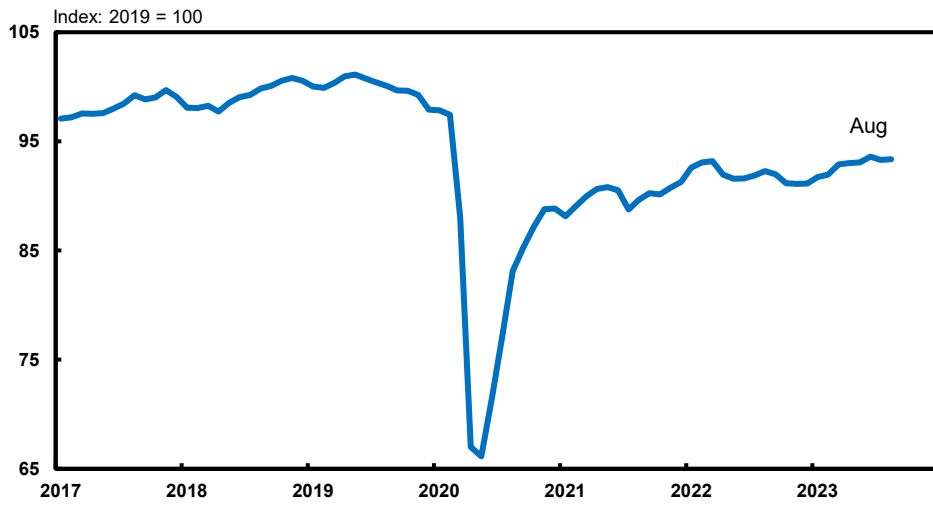
- The composite **leading** business cycle indicator *increased* further by 0.6% in September 2023 as increases in six of the nine available component time series outweighed decreases in the remaining three. The largest positive contributors were a widening of the interest rate spread and an increase in South Africa's US dollar-denominated export commodity price index. The largest negative contributors were decelerations in the six-month smoothed growth rates of real M1 money supply and the number of new passenger vehicles sold.
- The composite **coincident** business cycle indicator *increased* by 0.1% in August 2023 due to marginal increases in industrial production, the utilisation of production capacity in the manufacturing sector as well as real retail and new vehicle sales.
- The composite **lagging** business cycle indicator *decreased* by 0.7% in August 2023.

**The next release is scheduled for 19 December 2023, at 09:00 A.M.**

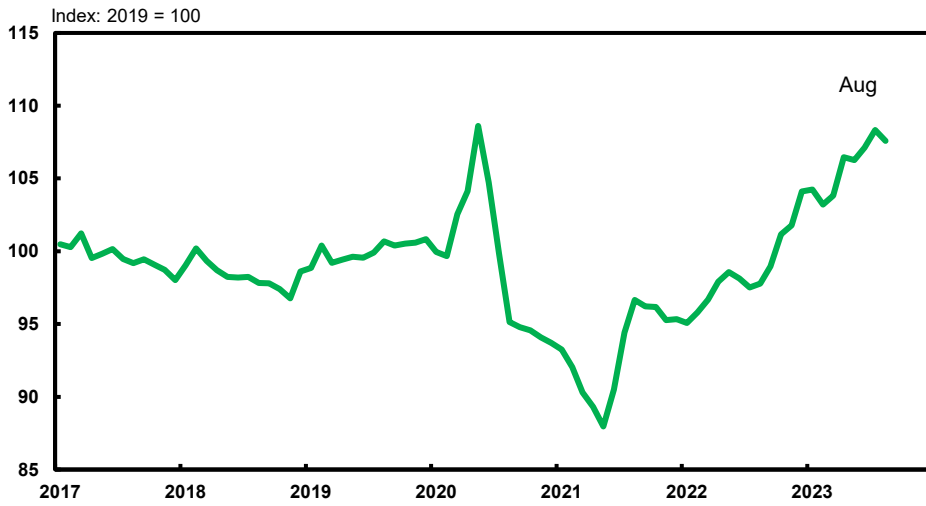
**Composite leading business cycle indicator**



**Composite coincident business cycle indicator**



**Composite lagging business cycle indicator**



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

Indices: 2019 = 100	2023								
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Leading indicator	114.6	114.0	111.9	111.3	110.1	110.3	110.4	110.9	111.6
<i>Monthly percentage change</i>	0.0	-0.5	-1.8	-0.5	-1.1	0.2	0.1	0.5	0.6
<i>12-month percentage change</i>	-5.1	-4.5	-7.8	-8.3	-8.9	-9.0	-7.7	-5.2	-4.8
Coincident indicator	91.7	92.0	92.9	93.0	93.1	93.6	93.3	93.4	-
<i>Monthly percentage change</i>	0.6	0.3	1.0	0.2	0.1	0.6	-0.3	0.1	-
<i>12-month percentage change</i>	-1.0	-1.1	-0.3	1.1	1.6	2.2	1.6	1.2	-
Lagging indicator	104.2	103.2	103.8	106.5	106.3	107.1	108.3	107.6	-
<i>Monthly percentage change</i>	0.1	-1.0	0.6	2.6	-0.2	0.8	1.1	-0.7	-
<i>12-month percentage change</i>	9.6	7.7	7.4	8.8	7.8	9.2	11.1	10.0	-

\* 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 September 2023 data point:**

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

\* Bureau for Economic Research, Stellenbosch University