# South African Reserve Bank

FOR RELEASE: 09:00 A.M., Tuesday, 23 January 2024

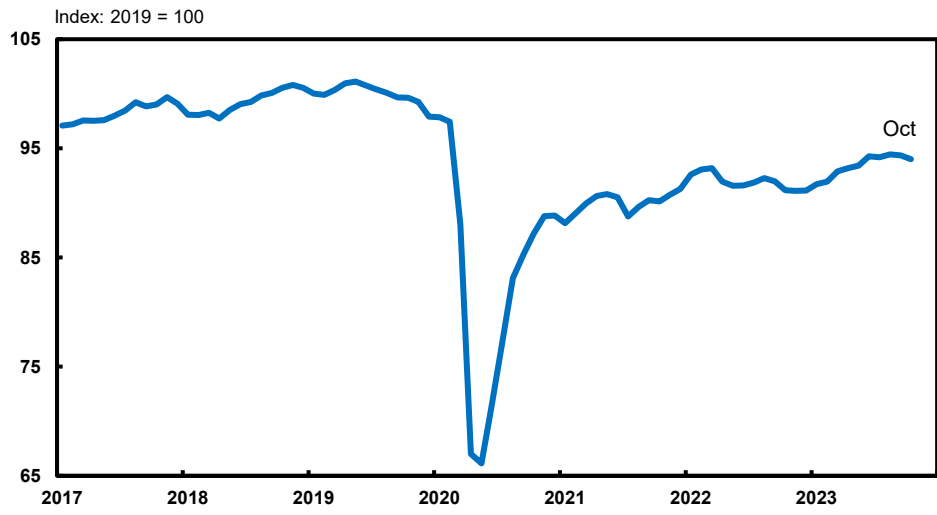## Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0.4% in November 2023 as decreases in five of the ten available component time series outweighed increases in the remaining five. The largest negative contributors were a narrowing of the interest rate spread and a deceleration in the six-month smoothed growth rate of job advertisement space. The largest positive contributors were increases in both the average hours worked per factory worker and the volume of orders in the manufacturing sector.

- The composite **coincident** business cycle indicator *decreased* by 0.4% in October 2023 due to a decrease in real retail and new vehicle sales.

- The composite **lagging** business cycle indicator *increased* by 0.6% in October 2023.

The next release is scheduled for 20 February 2024, at 09:00 A.M.
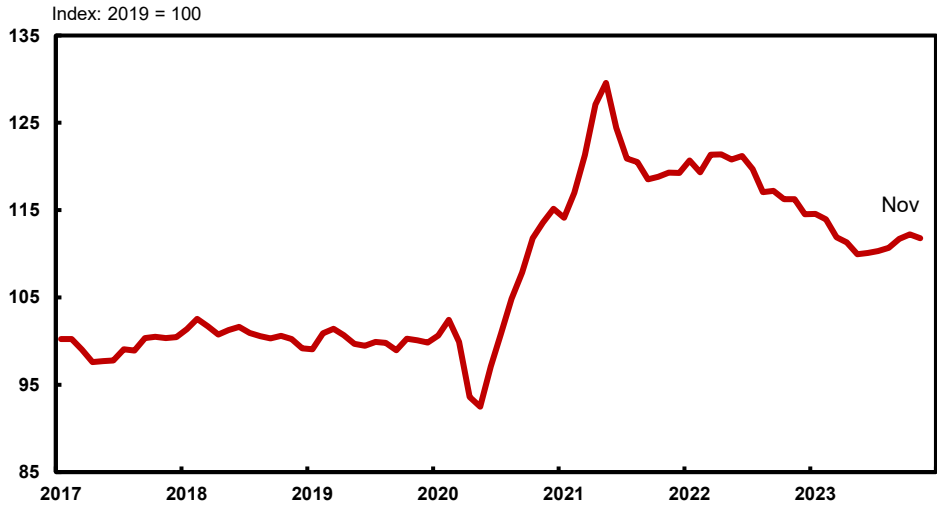
File reference: (17/8/4/2)

Composite leading business cycle indicator

Index: 2019 = 100

Composite coincident business cycle indicator

Index: 2019 = 100

Composite lagging business cycle indicator

Index: 2019 = 100
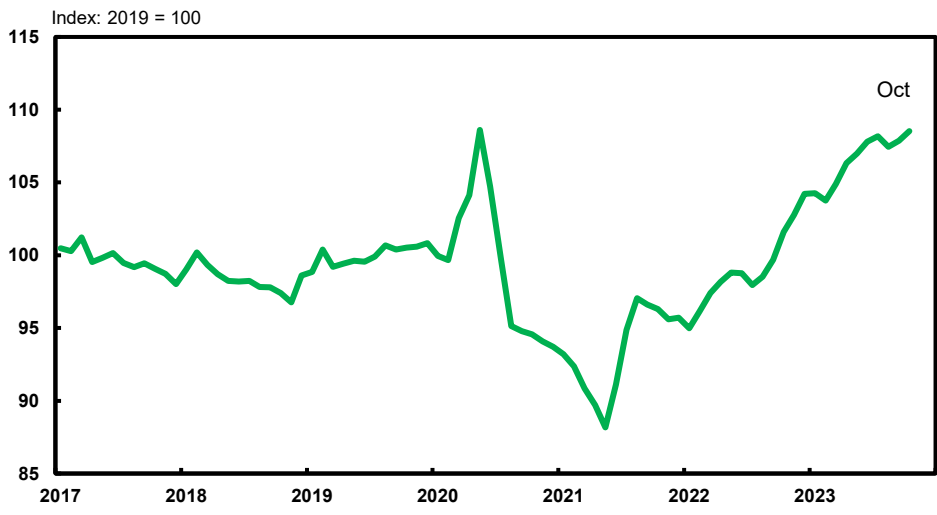
Table 1   Summary of the composite business cycle indicators*

Indices: 2019 = 100					2023				
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Leading indicator	111.9	111.3	110.0	110.1	110.3	110.7	111.7	112.2	111.8
Monthly percentage change	*-1.8*	*-0.5*	*-1.2*	*0.1*	*0.2*	*0.3*	*0.9*	*0.5*	*-0.4*
12-month percentage change	*-7.8*	*-8.3*	*-9.0*	*-9.2*	*-7.8*	*-5.5*	*-4.7*	*-3.5*	*-3.8*
Coincident indicator	92.9	93.2	93.4	94.3	94.2	94.5	94.4	94.0	-
Monthly percentage change	*1.0*	*0.3*	*0.2*	*0.9*	*-0.1*	*0.3*	*-0.1*	*-0.4*	*-*
12-month percentage change	*-0.3*	*1.3*	*2.0*	*2.9*	*2.5*	*2.4*	*2.6*	*3.1*	*-*
Lagging indicator	104.9	106.3	107.0	107.8	108.2	107.5	107.9	108.5	-
Monthly percentage change	*1.1*	*1.4*	*0.6*	*0.8*	*0.3*	*-0.7*	*0.4*	*0.6*	*-*
12-month percentage change	*7.7*	*8.3*	*8.3*	*9.2*	*10.4*	*9.1*	*8.2*	*6.8*	*-*

* 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 2023 data point:

Positive contributors (ranked from largest to smallest)
BER*: Average hours worked per factory worker in manufacturing (half weight)
BER*: Volume of orders in manufacturing (half weight)
Number of new passenger vehicles sold (six-month smoothed growth rate)
Real M1 (six-month smoothed growth rate)
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Negative contributors (ranked from largest to smallest)
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Job advertisements: The Sunday Times (six-month smoothed growth rate)
Commodity price index for South Africa's main export commodities (US dollar based)
Number of building plans approved: Flats, townhouses & houses larger than 80m²
RMB/BER* Business Confidence Index
Unavailable component series
Gross operating surplus as a percentage of gross domestic product

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