



## South African Reserve Bank

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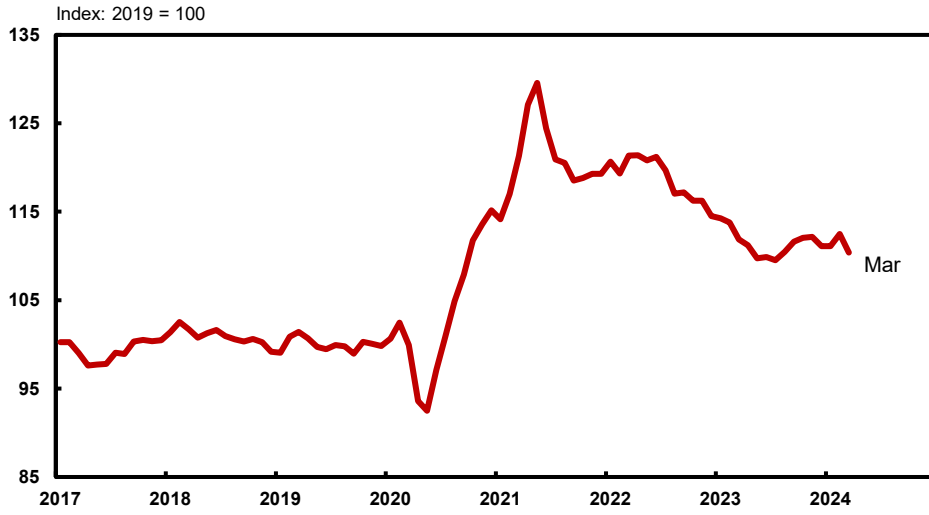
**FOR RELEASE: 09:00 A.M., Tuesday, 21 May 2024**

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

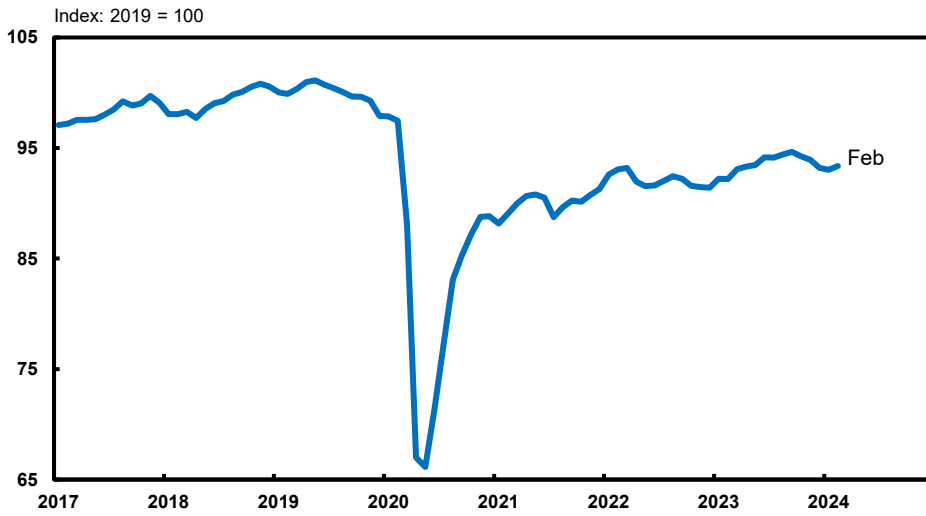
- The composite **leading** business cycle indicator *decreased* by 1.9% in March 2024 as decreases in five of the seven available component time series outweighed increases in the remaining two. The largest negative contributors were a decrease in the number of residential building plans approved and a deceleration in the six-month smoothed growth rate of the number of new passenger vehicles sold. The only 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 composite **coincident** business cycle indicator *increased* by 0.4% in February 2024 due to increases in the real value of retail and new vehicle sales, industrial production and the utilisation of production capacity in the manufacturing sector.
- The composite **lagging** business cycle indicator *decreased* by 0.7% in February 2024.

**The next release is scheduled for 25 June 2024, at 09:00 A.M.**

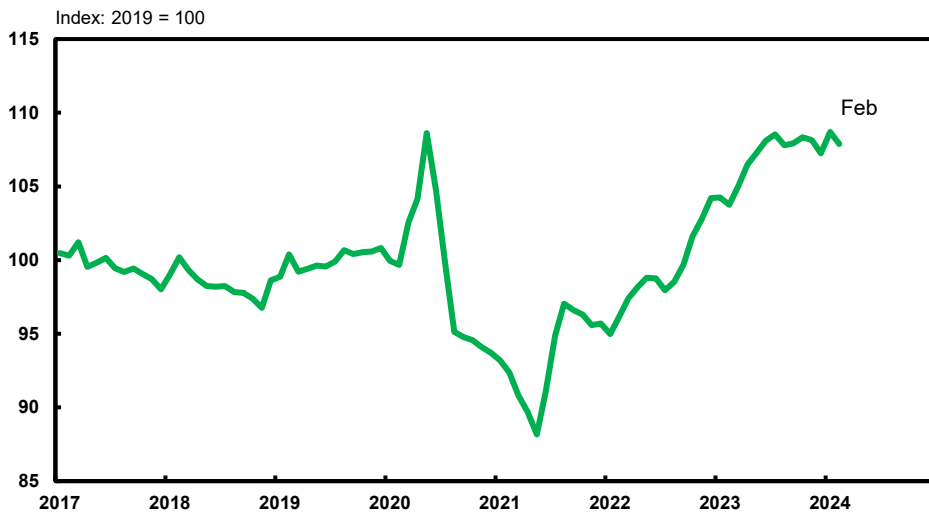
### Composite leading business cycle indicator



### Composite coincident business cycle indicator



### Composite lagging business cycle indicator



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

| Indices: 2019 = 100        | 2023  |       |       |       |       |       | 2024  |       |       |
|----------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                            | Jul   | Aug   | Sep   | Oct   | Nov   | Dec   | Jan   | Feb   | Mar   |
| Leading indicator          | 109.5 | 110.4 | 111.6 | 112.0 | 112.1 | 111.1 | 111.1 | 112.5 | 110.4 |
| Monthly percentage change  | -0.4  | 0.9   | 1.1   | 0.4   | 0.1   | -0.9  | 0.0   | 1.3   | -1.9  |
| 12-month percentage change | -8.5  | -5.7  | -4.8  | -3.6  | -3.5  | -3.0  | -2.8  | -1.1  | -1.3  |
| Coincident indicator       | 94.2  | 94.4  | 94.7  | 94.2  | 93.9  | 93.2  | 93.0  | 93.4  | -     |
| Monthly percentage change  | 0.0   | 0.3   | 0.3   | -0.5  | -0.3  | -0.8  | -0.2  | 0.4   | -     |
| 12-month percentage change | 2.3   | 2.1   | 2.7   | 2.9   | 2.7   | 2.0   | 0.9   | 1.3   | -     |
| Lagging indicator          | 108.5 | 107.8 | 107.9 | 108.3 | 108.1 | 107.3 | 108.7 | 107.9 | -     |
| Monthly percentage change  | 0.4   | -0.7  | 0.1   | 0.4   | -0.2  | -0.8  | 1.3   | -0.7  | -     |
| 12-month percentage change | 10.8  | 9.4   | 8.3   | 6.6   | 5.2   | 2.9   | 4.2   | 4.0   | -     |

\* 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 March 2024 data point:**

| <b>Negative contributors (ranked from largest to smallest)</b>   |
|--|
| Number of building plans approved: Flats, townhouses & houses larger than 80m <sup>2</sup>                                       |
| Number of new passenger vehicles sold (six-month smoothed growth rate)   |
| Real M1 (six-month smoothed growth rate)   |
| Job advertisements: The Sunday Times (six-month smoothed growth rate)  |
| Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months) |
| <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)   |
| <b>Unavailable component series</b>  |
| Gross operating surplus as a percentage of gross domestic product  |
| BER*: Average hours worked per factory worker in manufacturing (half weight)   |
| BER*: Volume of orders in manufacturing (half weight)  |
| RMB/BER* Business Confidence Index   |

\* Bureau for Economic Research, Stellenbosch University