

Taiwan Business Indicators in October 2009

Press Release

Council for Economic Planning and Development

November 27, 2009

In October 2009, Taiwan's economic condition had gradually stabilized, given the improved visibility on global economy further. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the annualized six-month rate of change of leading index decreased 0.6 points, the trend-adjusted coincident index rose by 2.4% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. **Leading Indicators:** With revised data, the leading index stood at 103.7, up by 0.5% from September. Its annualized six-month rate of change decreased by 0.6 points to 21.2%. Among the seven indicators making up the composite index, average monthly overtime in industry and services, real monetary aggregates M1B, building permits, stock price index, and the index of export orders had positive cyclical movements from previous month. SEMI book-to-bill ratio and index of producer's inventory had negative cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 101.2, up by 2.1% from September. Its trend-adjusted index rose by 2.4% to 104.1. All coincident indicators contributed positively to the index, led mainly by large increase of the cyclical movements in industrial production index, real machineries and electrical equipments imports, real manufacturing sales, and real customs-cleared exports.
3. **The Monitoring Indicators:** The total score in September was revised to 20 from 19, following an upward revision in sales index of wholesale, retail and food services. The total score in October increased 8 points to 28, changing the overall light signal from "yellow-blue" to "green". Among the nine components, industrial production index gained three points and changed its individual light signal from "blue" to "yellow-red". Imports of machineries, electrical equipments and manufacturing sales each gained two points and changed their

individual light signal from "blue" to "green". Stock price index gained one point and changed its individual light signal from "yellow-red" to "red". The light signals for the rest of four components remained unchanged.

~~ The next release is scheduled for December 28, 2009 ~~

Leading Indicators

Seasonally adjusted

	2009						
	Apr	May	Jun	Jul	Aug	Sep	Oct
Composite Index	92.3	94.7	96.9	99.9	101.7	103.2	103.7
Change from preceding month (%)	3.1	2.6	2.3	3.1	1.8	1.5	0.5
Annualized 6-month rate of change (%)	-4.7	2.0	7.9	15.3	19.2	21.8	21.2
Change from preceding month (point)	7.5	6.7	5.9	7.4	3.9	2.6	-0.6
Components							
Index of export orders (2006=100)	109.2	112.6	122.0	119.2	118.2	122.7	124.6
Real monetary aggregates M1B (NT\$ billion)	8,507	8,774	8,962	9,106	9,238	9,364	9,630
Stock price index(1966=100)	5,724	6,586	6,496	6,835	6,856	7,321	7,589
Index of producer's Inventory (2006=100)	102.5	104.2	101.6	100.4	100.8	102.0	102.6 _p
Average monthly overtime in industry and services (hours/month)	5.4	5.9	6.1	6.7	7.4	7.5	7.6 _p
Building Permits * (1,000m ²)	1,226	832	1,003	1,239	1,475	1,406	1,866
SEMI Book-to-Bill Ratio	0.65	0.73	0.80	1.06	1.06	1.17	1.10

Note : 1.p=Preliminary.

2.* Including only housing, mercantile, business and service, industry warehousing.

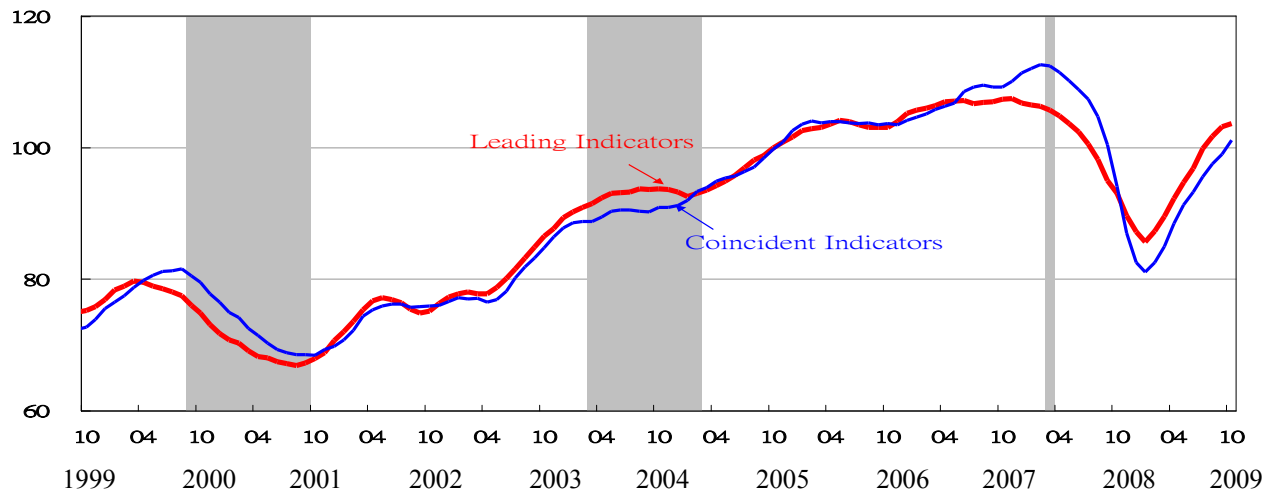
Coincident Indicators

Seasonally adjusted

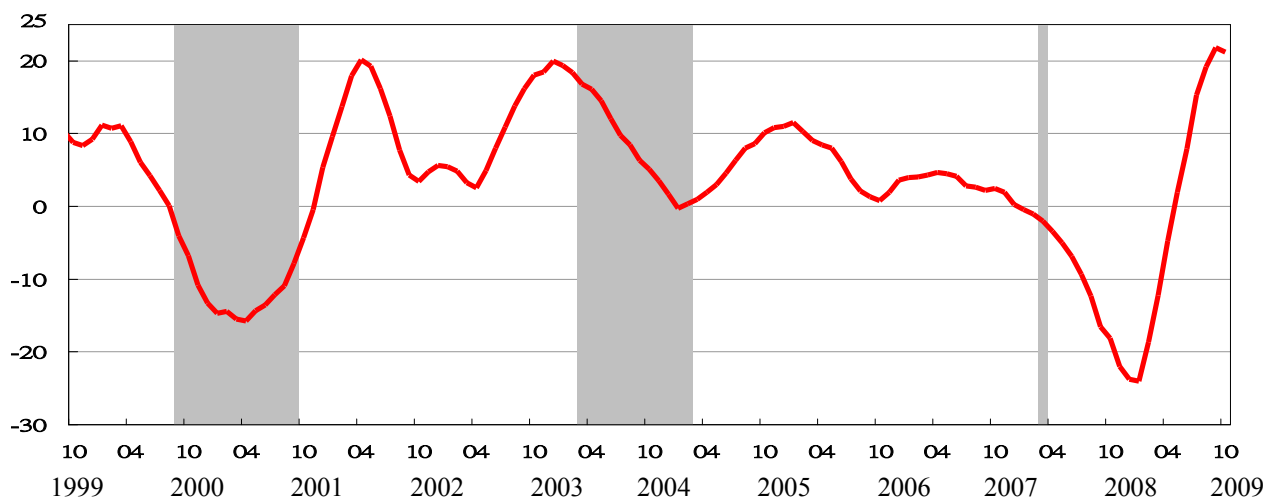
	2009						
	Apr	May	Jun	Jul	Aug	Sep	Oct
Composite Index	88.5	91.3	93.3	95.6	97.6	99.1	101.2
Change from preceding month (%)	4.1	3.2	2.1	2.5	2.1	1.5	2.1
Trend adjusted index	89.7	92.8	95.0	97.6	99.9	101.7	104.1
Change from preceding month (%)	4.4	3.5	2.4	2.7	2.4	1.8	2.4
Components							
Industrial production index(2006=100)	90.6	92.1	96.7	97.5	97.3	104.2	103.7
Electric power consumption (billion kWh)	9.81	9.22	10.42	10.69	10.06	10.80	10.73
Real manufacturing sales (NT\$ billion)	679.3	675.0	725.0	730.8	735.1	750.5	764.6 _p
Sales index of wholesale, retail, and food services (2006=100)	100.4	99.6	104.7	106.1	104.8	106.9	106.8
Nonagricultural employment (1,000)	9,714	9,714	9,719	9,703	9,701	9,726	9,742
Real customs-cleared exports (NT\$ billion)	532.6	574.0	599.1	609.6	628.0	644.7	649.4
Real machineries and electrical equipments imports (NT\$ billion)	157.3	159.6	180.4	173.1	179.0	191.9	206.4

Note : p: Preliminary.

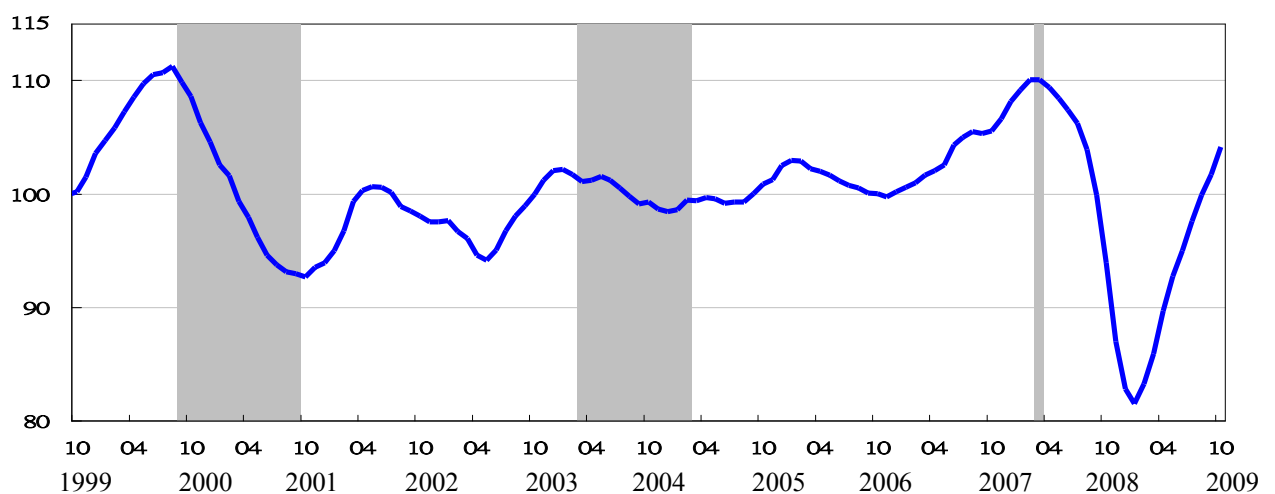
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2008			2009									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Total	Light													
	Score	12	11	9	9	10	10	11	12	17	18	18	20 ₁	28
Monetary Aggregates M1B														25.5
Direct and Indirect Finance														0.6
Stock Price Index														50.5
Industrial Production Index														7.3
Nonagricultural Employment														-1.4
Exports														-5.2
Imports of Machinery and Electrical Equipment														9.9
Manufacturing Sales														3.2 _p
Wholesale, Retail and Food Services Sales														9.4 _r

Booming
 Transitional
 Stable
 Transitional
 Sluggish

*Components are in terms of percentage changes over 1-year span. All components, except stock price index, have been seasonally adjusted.