

Taiwan Business Indicators in March 2010

Press Release

Council for Economic Planning and Development

April 27, 2010

In March 2010, Taiwan Business Indicators indicated that economy has been picking up steadily. 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 3.4 points, the trend-adjusted coincident index rose by 2.3 % from the previous month, and the overall monitoring indicator flashed the "red" signal for the third consecutive month.

1. **Leading Indicators:** With revised data, the composite leading index stood at 109.3, up by 0.3% from February. Its annualized six-month rate of change declined by 3.4 points to 16.9%. Among the seven indicators making up the trend-adjusted index, index of producer's inventory for manufacturing, SEMI book-to-bill ratio, stock price index, and real monetary aggregates M1B had negative cyclical movement from previous month. Average monthly overtime in industry and services, building permits, and the index of export orders had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 111.5, up by 2.2% from February. Its trend-adjusted index rose by 2.3% to 111.1, with increasing for the fourteenth consecutive month. The increasing coincident index largely came from the positive cyclical movements in electric power consumption, sales index of wholesale, retail, and food services, real customs-cleared exports, and real imports of machineries and electrical equipments.
3. **The Monitoring Indicators:** The total score in March increased 1 point to 39, flashing the "red" signal for the third consecutive month. Among the nine components, sales index of wholesale, retail and food services gained one point and changed its individual light signal from "yellow-red" to "red". The light signals for the rest of eight components remained unchanged.

~~ **The next release is scheduled for May 27, 2010** ~~

Leading Indicators

Seasonally adjusted

	2009				2010		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	102.8	103.3	104.4	106.2	108.1	109.0	109.3
Change from preceding month (%)	1.4	0.5	1.1	1.7	1.9	0.8	0.3
Annualized 6-month rate of change (%)	22.2	21.6	22.0	22.7	23.1	20.3	16.9
Change from preceding month (point)	2.5	-0.6	0.4	0.7	0.4	-2.8	-3.4
Components							
Index of export orders (2006=100)	122.6	124.6	129.4	131.8	132.3	138.2	135.6
Real monetary aggregates M1B (NT\$ billion)	9,416	9,641	9,867	9,873	9,998	9,910	9,958
Stock price index(1966=100)	7,321	7,589	7,612	7,837	8,099	7,432	7,775
Index of producer's Inventory for manufacturing*(2006=100)	102.1	102.9	103.6	100.5	99.8	102.6	103.1 _p
Average monthly overtime in industry and services (hours/month)	7.3	7.4	7.7	8.0	8.5	8.6	9.0 _p
Building Permits ** (1,000m2)	1,447	1,843	1,451	1,878	1,469	2,294	2,550
SEMI Book-to-Bill Ratio	1.17	1.09	1.06	1.07	1.23	1.23	1.19

Coincident Indicators

Seasonally adjusted

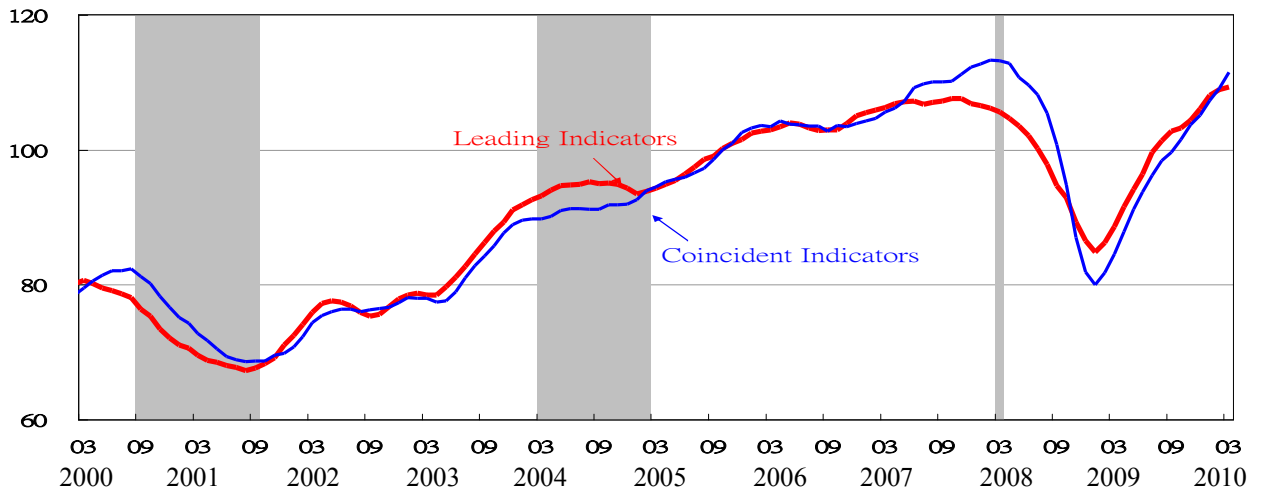
	2009				2010		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	99.7	101.6	103.7	105.1	107.4	109.1	111.5
Change from preceding month (%)	1.2	1.9	2.1	1.3	2.1	1.6	2.2
Trend adjusted index	98.5	100.5	102.8	104.4	106.7	108.6	111.1
Change from preceding month (%)	1.4	2.1	2.3	1.5	2.3	1.7	2.3
Components							
Industrial production index(2006=100)	106.6	106.2	112.0	117.1	118.8	123.9	119.7
Electric power consumption (billion kWh)	10.69	10.65	10.12	10.95	10.72	10.95	11.49
Index of producer's shipment for manufacturing (2006=100)	110.9	109.9	112.9	115.6	117.0	119.9	119.9 _p
Sales index of wholesale, retail, and food services (2006=100)	106.8	106.6	107.5	107.5	101.5	105.3	105.6
Nonagricultural employment (1,000)	9,738	9,757	9,790	9,808	9,826	9,844	9,868
Real customs-cleared exports (NT\$ billion)	649.6	657.0	647.6	666.6	704.1	707.4	732.7
Real machineries and electrical equipments imports (NT\$ billion)	190.7	206.2	218.6	230.7	240.6	271.9	259.8

Note : 1. p=Preliminary.

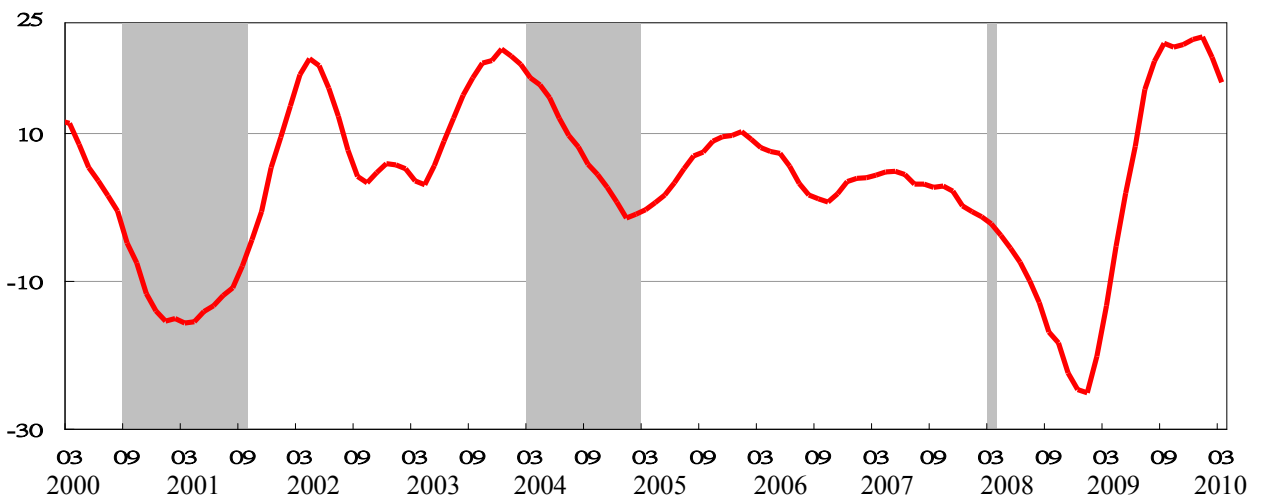
2. * This series is inverted while aggregating composite leading index.

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

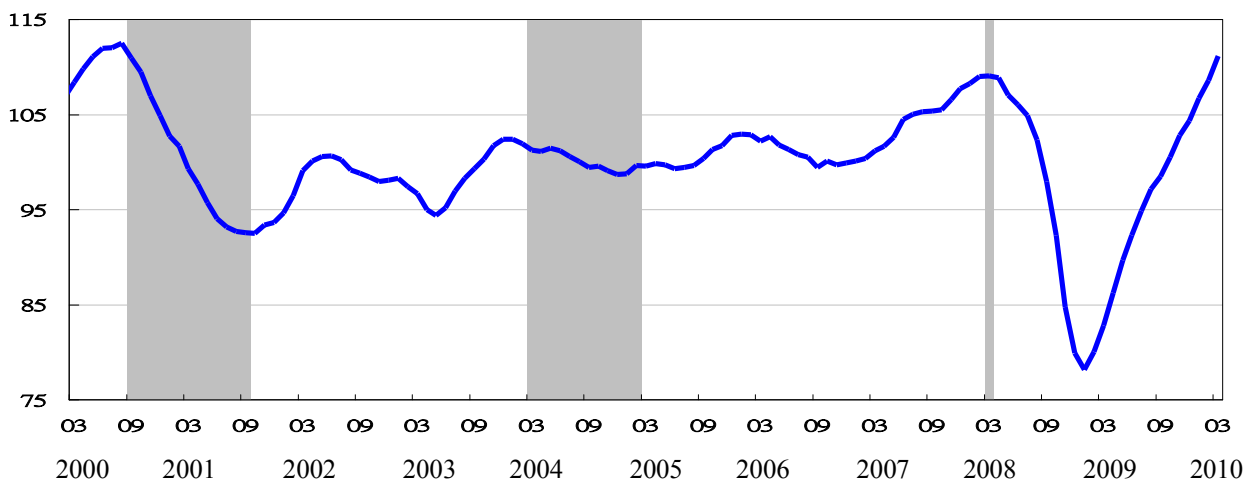
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2009										2010			
		3	4	5	6	7	8	9	10	11	12	1	2	3	
Total	Light														
	Score	10	11	12	17	18	18	20	26	37	37	38	38	39	
Monetary Aggregates M1B														21.4	
Direct and Indirect Finance														2.8	
Stock Price Index														57.8	
Industrial Production Index														37.1	
Nonagricultural Employment														1.7	
Exports														38.8	
Imports of Machinery and Electrical Equipment														62.7	
Manufacturing Sales														40.9 _r	
Wholesale, Retail and Food Services Sales														9.3	

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.