

Taiwan Business Indicators in February 2010

Press Release

Council for Economic Planning and Development

March 26, 2010

In February 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 2.8 points, the trend-adjusted coincident index rose by 1.3% from the previous month, and the overall monitoring indicator flashed the "red" signal for the second consecutive month.

1. **Leading Indicators:** With revised data, the composite leading index stood at 106.9, up by 0.6% from January. Its annualized six-month rate of change declined by 2.8 points to 18.7%. Among the seven indicators making up the trend-adjusted index, average monthly overtime in industry and services, the index of export orders, index of producer's inventory for manufacturing, and building permits had positive cyclical movements from previous month. Real monetary aggregates M1B, stock price index, and SEMI book-to-bill ratio had negative cyclical movement from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 105.4, up by 1.1% from January. Its trend-adjusted index rose by 1.3% to 107.2. Among the seven indicators making up the trend-adjusted index, industrial production index, real customs cleared exports, real machineries and electrical equipments imports, electric power consumption, and the index of producer's shipment for manufacturing¹ had positive cyclical movements from previous month. Nonagricultural employment stood at the same level as previous month. Sales index of wholesale, retail, and food services, had negative cyclical movement from previous month.
3. **The Monitoring Indicators:** The total score in January was adjusted upward by one point to 38, following the revision of sales index of

¹ Since January 2010, real manufacturing sales has been replaced by the index of producer's shipment for manufacturing.

wholesale, retail and food services, and changed the overall light signal from "yellow-red" to "red". February's total score remained at 38, flashing the "red" signal for the second consecutive month. Among the components, nonagricultural employment gained one point and changed its individual light signal from "yellow-blue" to "green", sales index of wholesale, retail and food services lost one point and changed its individual light signal from "red" to "yellow-red". The light signals for the rest of seven components remained unchanged.

~~ The next release is scheduled for April 27, 2010 ~~

Leading Indicators

Seasonally adjusted

	2009					2010	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Composite Index	100.1	101.5	101.8	102.8	104.3	106.3	106.9
Change from preceding month (%)	1.6	1.3	0.4	0.9	1.4	1.9	0.6
Annualized 6-month rate of change (%)	18.4	20.8	20.2	20.4	20.9	21.5	18.7
Change from preceding month (point)	3.7	2.4	-0.5	0.2	0.4	0.7	-2.8
Components							
Index of export orders (2006=100)	118.1	122.6	124.6	129.4	131.8	132.4	138.3
Real monetary aggregates M1B (NT\$ billion)	9,276	9,416	9,641	9,867	9,873	9,998	9,910
Stock price index(1966=100)	6,856	7,321	7,589	7,612	7,837	8,099	7,432
Index of producer's Inventory for manufacturing*(2006=100)	101.0	101.9	102.7	103.3	100.4	99.8	100.0 _p
Average monthly overtime in industry and services (hours/month)	7.4	7.4	7.4	7.7	7.9	8.3	8.4 _p
Building Permits ** (1,000m2)	1,485	1,422	1,786	1,430	1,852	1,496	2,325
SEMI Book-to-Bill Ratio	1.06	1.17	1.09	1.06	1.07	1.23	1.22

Coincident Indicators

Seasonally adjusted

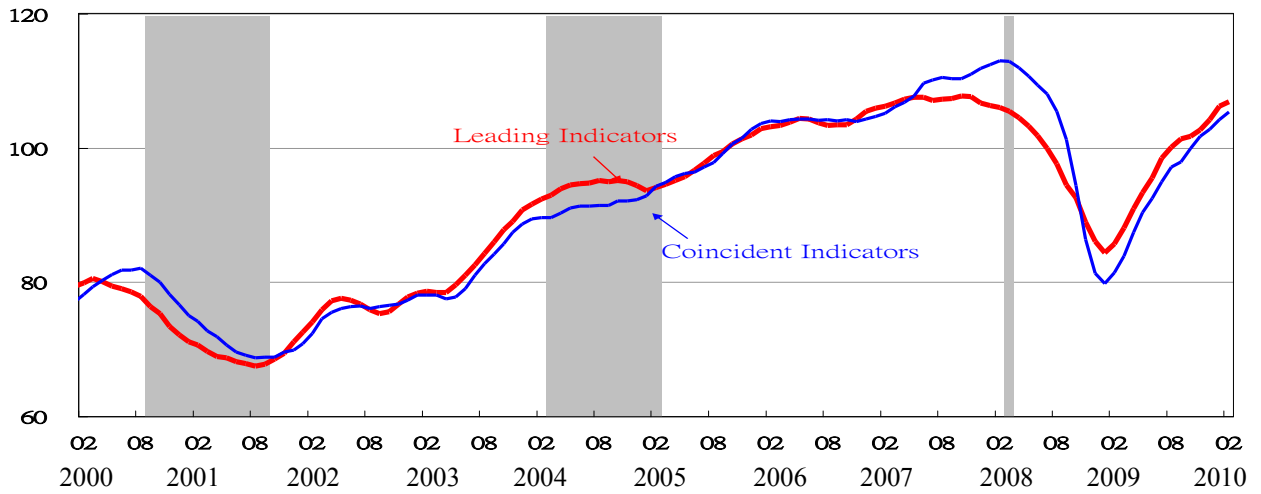
	2009					2010	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Composite Index	97.2	98.0	100.0	101.8	102.9	104.3	105.4
Change from preceding month (%)	2.4	0.8	2.0	1.8	1.1	1.4	1.1
Trend adjusted index	97.5	98.5	100.7	102.7	104.1	105.7	107.2
Change from preceding month (%)	2.6	1.0	2.2	2.0	1.3	1.6	1.3
Components							
Industrial production index(2006=100)	99.6	106.6	106.2	112.0	117.1	118.8	123.7
Electric power consumption (billion kWh)	10.10	10.78	10.71	10.00	10.78	10.66	10.82
Index of producer's shipment for manufacturing (2006=100)	106.2	110.8	109.9	112.7	115.4	116.6	117.7 _p
Sales index of wholesale, retail, and food services (2006=100)	104.8	106.8	106.6	107.5	107.5	101.5	105.0
Nonagricultural employment (1,000)	9,707	9,737	9,757	9,790	9,806	9,823	9,840
Real customs-cleared exports (NT\$ billion)	628.0	647.7	655.9	647.2	664.5	695.2	708.1
Real machineries and electrical equipments imports (NT\$ billion)	178.6	192.1	207.5	222.8	228.3	234.9	249.3

Note : 1. p=Preliminary.

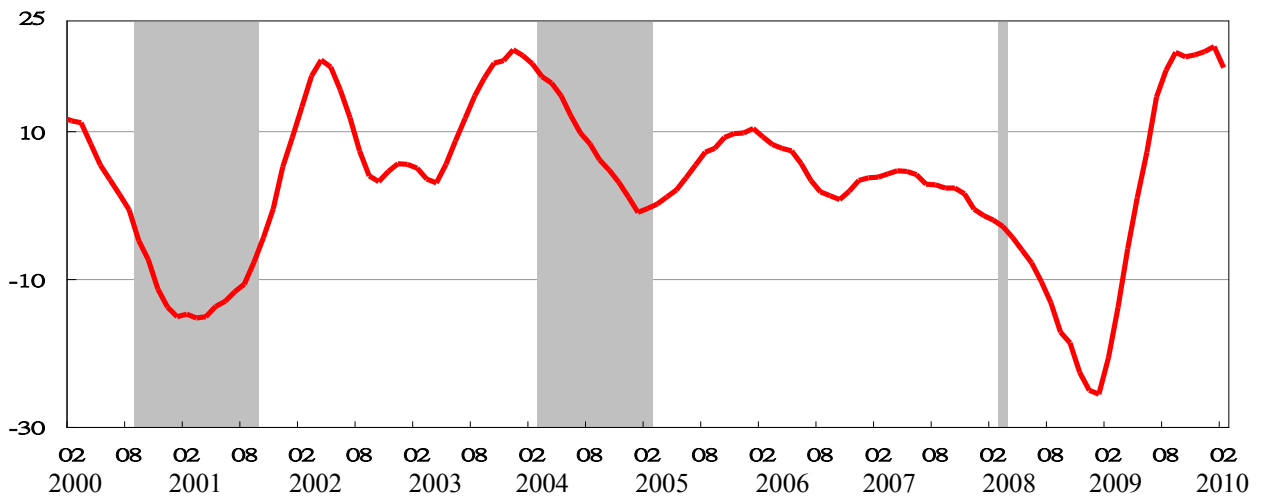
2. * This series is inverted while aggregating composite leading index.

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

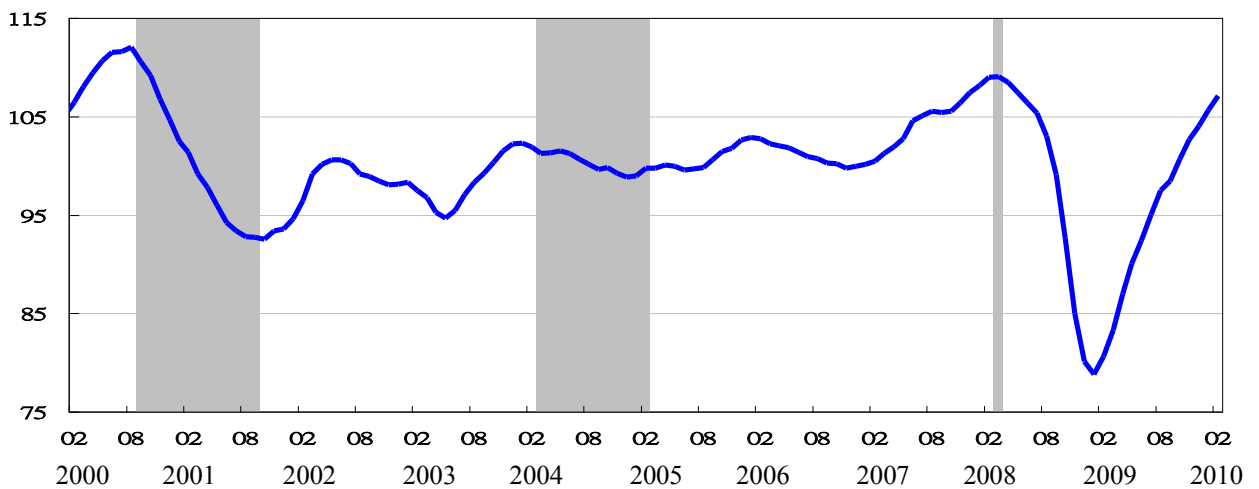
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2009										2010		
		2	3	4	5	6	7	8	9	10	11	12	1	2
Total	Light													
	Score	10	10	11	12	17	18	18	20	26	37	37	38 ₁	38
Monetary Aggregates M1B														23.8
Direct and Indirect Finance														2.6
Stock Price Index														66.0
Industrial Production Index														55.0
Nonagricultural Employment														1.23
Exports														48.0
Imports of Machinery and Electrical Equipment														56.3
Manufacturing Sales														45.0 _p
Wholesale, Retail and Food Services Sales														7.1

Booming
 Transitional
 Stable
 Transitional
 Sluggish

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