

## Taiwan Business Indicators in May 2010

Press Release

Council for Economic Planning and Development

June 28, 2010

In May 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 2.4 points, the trend-adjusted coincident index rose by 0.9 % from the previous month, and the overall monitoring indicator flashed the "yellow-red" signal.

1. **Leading Indicators:** With revised data, the composite leading index stood at 110.5, up by 0.3% from April. Its annualized six-month rate of change declined by 2.4 points to 10.8%. Among the seven indicators making up the trend-adjusted index, stock price index, SEMI book-to-bill ratio, real monetary aggregates M1B, and index of export orders had negative cyclical movement from previous month. Index of producer's inventory for manufacturing, building permits, and average monthly overtime in industry and services had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 112.8, up by 0.9% from April. Its trend-adjusted index rose by 0.9% to 110.7, increasing for the sixteenth consecutive month. All coincident indicators contributed positively to the trend-adjusted index, led mainly by the real customs-cleared exports, electric power consumption, the index of producer's shipment for manufacturing, and real imports of machineries and electrical equipments.
3. **The Monitoring Indicators:** The total score in May was down by 2 points to 37, changing the overall light signal from "red" to "yellow-red". Among the nine components, money supply M1B and stock price index each lost one point and changed their individual light signals from "red" to "yellow-red". The light signals for the rest of seven components remained unchanged.

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

## Leading Indicators

Seasonally adjusted

	2009		2010				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Composite Index</b>	105.3	107.1	109.1	109.6	110.0	110.1	110.5
Change from preceding month (%)	1.1	1.7	1.9	0.4	0.3	0.1	0.3
Annualized 6-month rate of change (%)	22.1	22.8	23.2	19.7	16.4	13.1	10.8
Change from preceding month (point)	0.4	0.7	0.4	-3.5	-3.3	-3.3	-2.4
<b>Components</b>							
Index of export orders (2006=100)	129.4	131.8	132.0	138.1	135.2	132.6	136.7
Real monetary aggregates M1B (NT\$ billion)	9,863	9,896	10,030	9,942	9,991	10,014	10,027
Stock price index(1966=100)	7,612	7,837	8,099	7,432	7,775	8,052	7,526
Index of producer's Inventory for manufacturing*(2006=100)	103.5	100.6	99.6	102.4	103.1	101.6	101.2 <sub>p</sub>
Average monthly overtime in industry and services (hours/month)	7.7	8.0	8.5	8.6	9.0	9.1	9.0 <sub>p</sub>
Building Permits ** (1,000m2)	1,443	1,863	1,471	2,295	2,594	2,133	2,425
SEMI Book-to-Bill Ratio	1.06	1.07	1.23	1.23	1.21	1.13	1.12

## Coincident Indicators

Seasonally adjusted

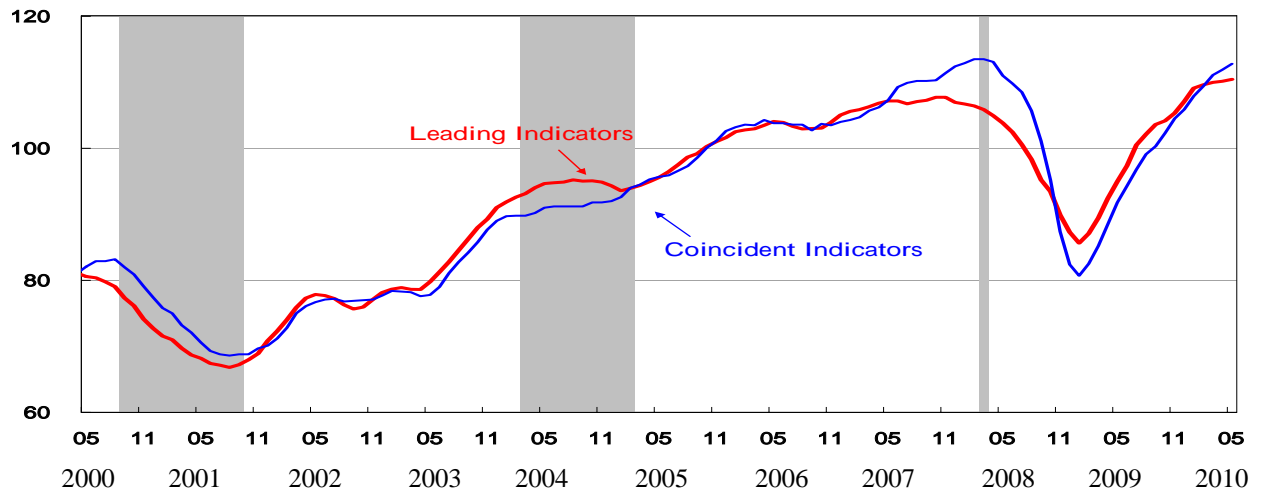
	2009		2010				
	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Composite Index</b>	104.5	105.9	107.9	109.4	111.1	111.9	112.8
Change from preceding month (%)	2.1	1.3	1.9	1.3	1.6	0.7	0.9
Trend adjusted index	101.9	103.4	105.5	107.0	108.8	109.7	110.7
Change from preceding month (%)	2.2	1.4	2.0	1.4	1.7	0.8	0.9
<b>Components</b>							
Industrial production index(2006=100)	112.0	117.1	118.8	123.9	119.9	120.7	120.5
Electric power consumption (billion kWh)	10.10	10.94	10.74	10.98	11.47	10.98	11.34
Index of producer's shipment for manufacturing (2006=100)	112.9	115.7	117.2	120.1	119.8	120.6	121.4 <sub>p</sub>
Sales index of wholesale, retail, and food services (2006=100)	107.5	107.5	101.5	105.3	106.0	105.7	106.0
Nonagricultural employment (1,000)	9,787	9,810	9,828	9,847	9,874	9,885	9,909
Real customs-cleared exports (NT\$ billion)	644.7	667.7	703.9	708.4	733.5	728.9	798.5
Real machineries and electrical equipments imports (NT\$ billion)	221.9	229.5	237.1	253.1	264.6	266.3	269.7

Note : 1. p=Preliminary.

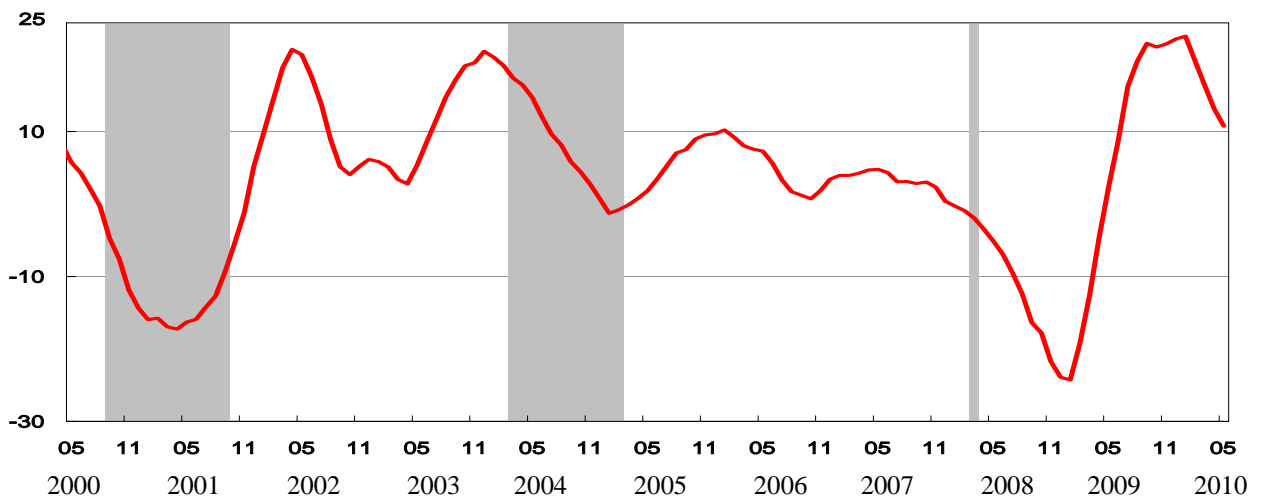
2. \* This series is inverted while aggregating composite leading index.

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

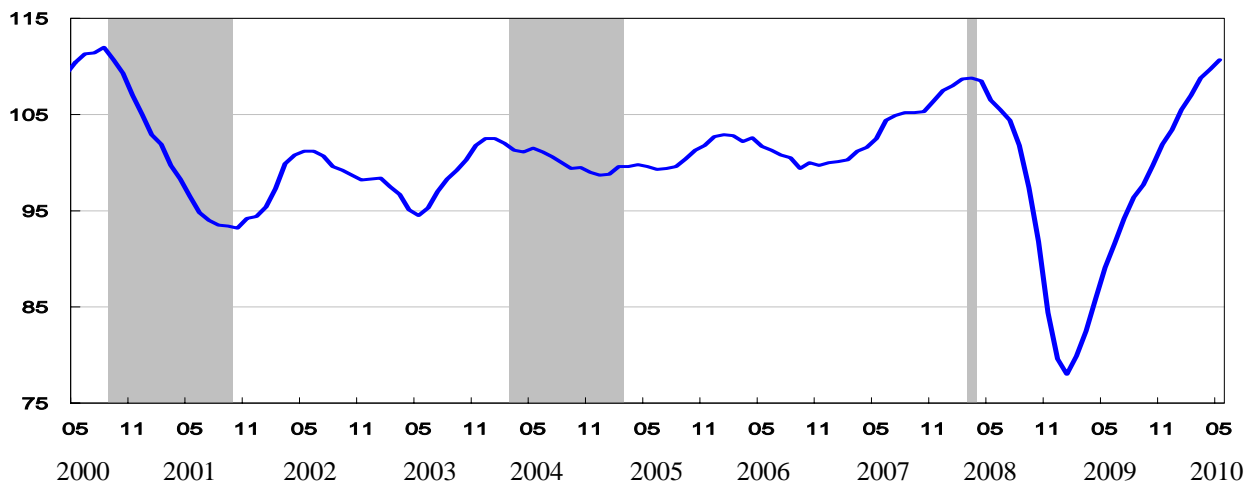
## Composite Indices of Cyclical Indicators



## Annualized 6-month rate of change of composite leading index



## Trend-adjusted composite coincident index



Shaded areas represent recessions.

# Monitoring Indicators

		2009										2010				
		5	6	7	8	9	10	11	12	1	2	3	4	5		
Total	Light															
	Score	12	17	18	18	20	26	37	37	38	38	39	39	37		
Monetary Aggregates M1B														14.4		
Direct and Indirect Finance														3.6		
Stock Price Index														14.3		
Industrial Production Index														29.6		
Nonagricultural Employment														2.1		
Exports														49.0		
Imports of Machinery and Electrical Equipment														57.6		
Manufacturing Sales														39.1 <sub>7</sub>		
Wholesale, Retail and Food Services Sales														6.5		

● 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.