

Taiwan Business Indicators in June 2010

Press Release

Council for Economic Planning and Development

July 27, 2010

In Jun 2010, Taiwan Business Indicators indicated that economy continued its mild growth. 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 3.0 points, the trend-adjusted coincident index rose by 0.4 % 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 114.8, down by 0.1% from May. Its annualized six-month rate of change declined by 3.0 points to 10.0%. Among the seven indicators making up the trend-adjusted index, index of producer's inventory for manufacturing, stock price index, and index of export orders had negative cyclical movements from previous month. Average monthly overtime in industry and services, SEMI book-to-bill ratio, building permits, and real monetary aggregates M1B had positive cyclical movements from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 111.7, up by 0.3% from May. Its trend-adjusted index rose by 0.4% to 109.2, increasing for the seventeenth consecutive month. Among the seven indicators making up the trend-adjusted index, the real customs-cleared exports, sales index of wholesale, retail, and food services, index of producer's shipment for manufacturing, and nonagricultural employment had positive cyclical movements from previous month. Electric power consumption, real imports of machineries and electrical equipments, and industrial production index had negative cyclical movements from previous month.
3. **The Monitoring Indicators:** The total score recorded 37 in June, remaining at the same level of May. The overall light signal was flashing the "yellow-red" signal for the second consecutive month. Among the nine components, nonagricultural employment gained one

point and changed its individual light signal from "green" to "yellow-red", sales index of wholesale, retail and food services lost one point and changed its individual light signal from "yellow-red" to "green". The light signals for the rest of seven components remained unchanged.

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

Leading Indicators

Seasonally adjusted

	2009	2010					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	110.4	112.7	113.5	114.4	114.9	114.9	114.8
Change from preceding month (%)	2.1	2.1	0.8	0.8	0.4	0.0	-0.1
Annualized 6-month rate of change (%)	24.9	25.5	22.4	19.6	16.5	13.0	10.0
Change from preceding month (point)	1.6	0.6	-3.1	-2.8	-3.1	-3.4	-3.0
Components							
Index of export orders (2006=100)	131.8	132.0	138.1	135.4	133.0	137.2	136.6
Real monetary aggregates M1B (NT\$ billion)	10,013	10,029	9,916	10,002	10,023	10,060	10,144
Stock price index(1966=100)	7,837	8,099	7,432	7,775	8,052	7,526	7,383
Index of producer's Inventory for manufacturing*(2006=100)	100.8	100.0	102.8	103.3	101.7	105.3	106.1 _p
Average monthly overtime in industry and services (hours/month)	8.0	8.5	8.7	9.0	9.1	9.1	9.4 _p
Building Permits ** (1,000m2)	1,855	1,465	2,286	2,594	2,122	2,421	2,295
SEMI Book-to-Bill Ratio	1.07	1.23	1.23	1.21	1.13	1.13	1.19

Coincident Indicators

Seasonally adjusted

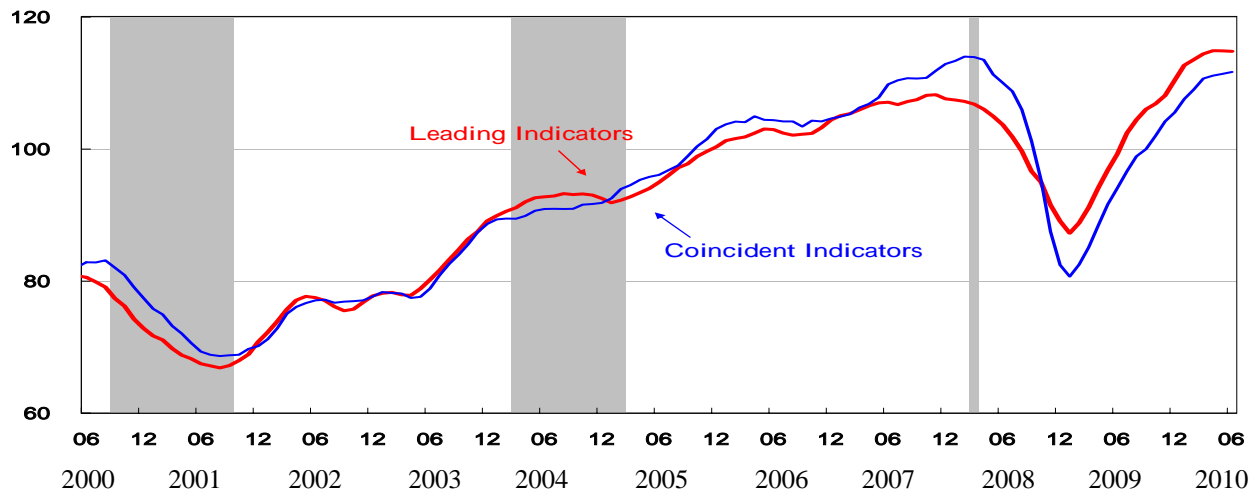
	2009	2010					
	Dec	Jan	Feb	Mar	Apr	May	Jun
Composite Index	105.5	107.6	109.0	110.7	111.1	111.4	111.7
Change from preceding month (%)	1.3	1.9	1.3	1.5	0.4	0.3	0.3
Trend adjusted index	102.7	104.7	106.2	108.0	108.5	108.8	109.2
Change from preceding month (%)	1.4	2.0	1.4	1.6	0.5	0.3	0.4
Components							
Industrial production index(2006=100)	117.1	118.8	123.9	119.9	120.7	120.8	120.7
Electric power consumption (billion kWh)	10.92	10.73	10.97	11.50	10.93	11.33	10.83
Index of producer's shipment for manufacturing (2006=100)	115.8	117.3	120.4	120.0	121.0	123.1	122.2 _p
Sales index of wholesale, retail, and food services (2006=100)	107.5	101.5	105.3	106.0	105.7	107.5	108.1
Nonagricultural employment (1,000)	9,810	9,829	9,849	9,876	9,888	9,912	9,934
Real customs-cleared exports (NT\$ billion)	669.5	704.0	708.4	732.3	731.5	799.1	752.4
Real machineries and electrical equipments imports (NT\$ billion)	229.7	237.0	252.7	264.2	266.4	268.1	257.2

Note : 1. p=Preliminary.

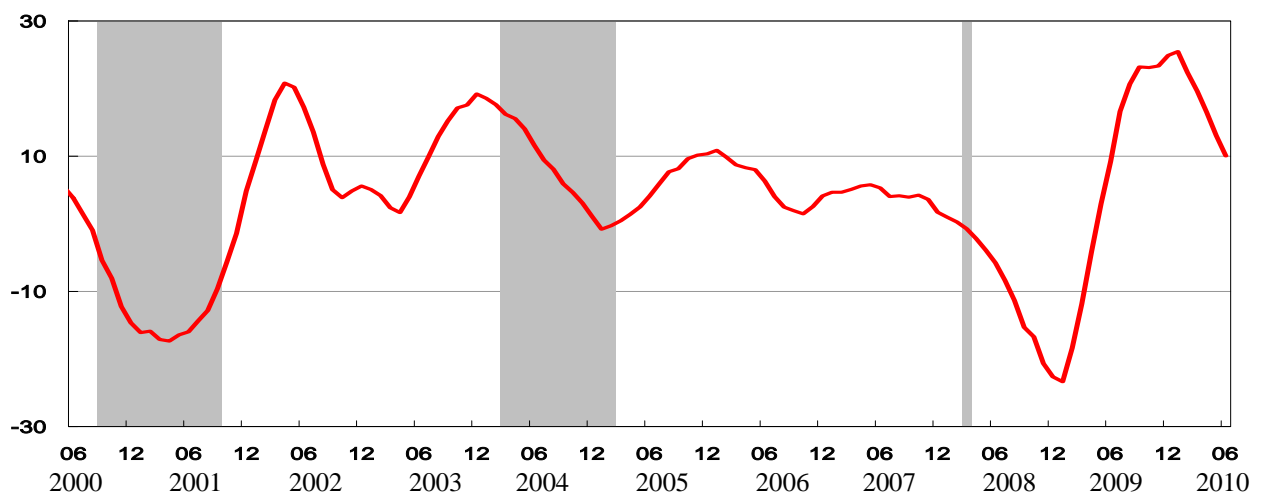
2. * This series is inverted while aggregating composite leading index.

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

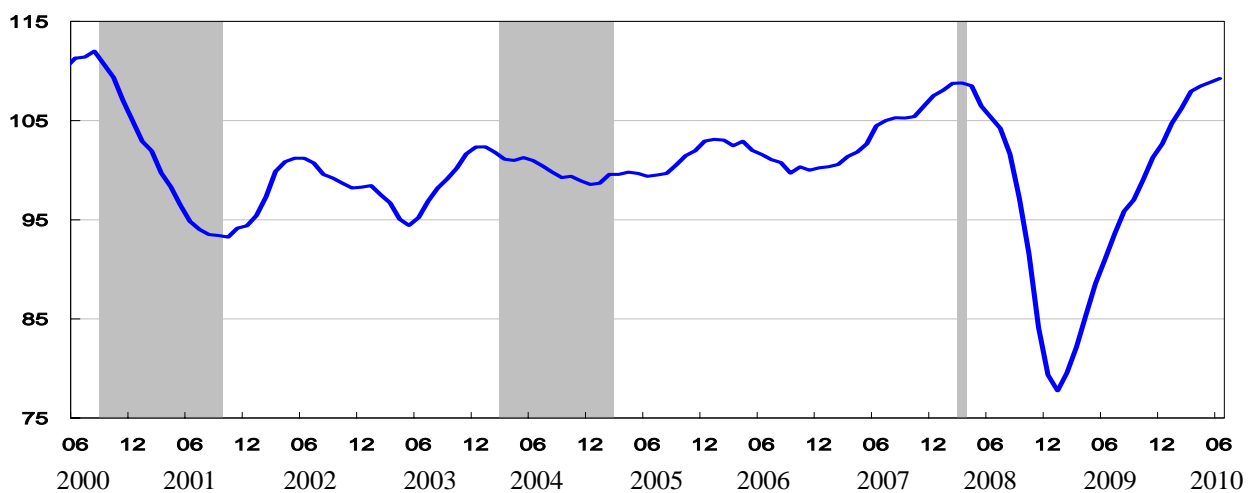
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indicators

		2009						2010							
		6	7	8	9	10	11	12	1	2	3	4	5	6	
Total	Light														
	Score	17	18	18	20	26	37	37	38	38	39	39	37	37	
Monetary Aggregates M1B															13.1
Direct and Indirect Finance															3.7
Stock Price Index															13.7
Industrial Production Index															23.1
Nonagricultural Employment															2.3
Exports															33.5
Imports of Machinery and Electrical Equipment															33.8
Manufacturing Sales															29.5 _p
Wholesale, Retail and Food Services Sales															3.3

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.