

Taiwan Business Indicators in February 2015

Press Release

National Development Council (NDC)

March 27, 2015

In February 2015, the Taiwan Business Indicators showed that the domestic economy remained broadly stable. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.1%, the trend-adjusted coincident index decreased by 0.22% from the previous month, and the overall monitoring indicator flashed the "green" signal.

1. The Monitoring Indicators: Total scores in February 2015 increased by one point to 24, flashing the "green" signal for the second month. Among the nine components, the TAIEX average closing price and the imports of machineries and electrical equipments each gained one point to change its individual light from "green" to "yellow-red", the sales of trade and food services gained one point to change its individual light from "blue" to "yellow-blue", while the monetary aggregates M1B and the index of producer's shipment for manufacturing each lost one point to change its individual light from "green" to "yellow-blue". The light signal for the rest of four components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 99.6, down by 0.1% from January 2015. Among the seven indicators making up the trend-adjusted index, net accession rate of employees on payrolls of industry and services, SEMI book-to-bill ratio, real monetary aggregates M1B, and TAIEX average closing price had positive cyclical movements from the previous month, while the index of export orders, building permits, and the TIER manufacturing sector composite indicator had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 100.62, down by 0.22% from January 2015. Among the seven indicators making up the trend-adjusted index, real machineries electrical equipments imports, the index of producer's shipment for manufacturing, and real customs-cleared exports had

positive cyclical movements from the previous month, while electric power consumption, sales of trade and food services, the industrial production index, and nonagricultural employment had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 101.81, up by 1.06% from January 2015. Among the six indicators making up the trend-adjusted index, the manufacturing unit output labor cost index, the inventories to sales ratio for manufacturing, the unemployment rate (inverted), and regular employees on payrolls in industry and services had positive cyclical movements from the previous month, while loans and investments of monetary financial institutions and the interbank overnight call-loan rate had negative cyclical movements.

~~ The next release is scheduled for April 27 2015 ~~

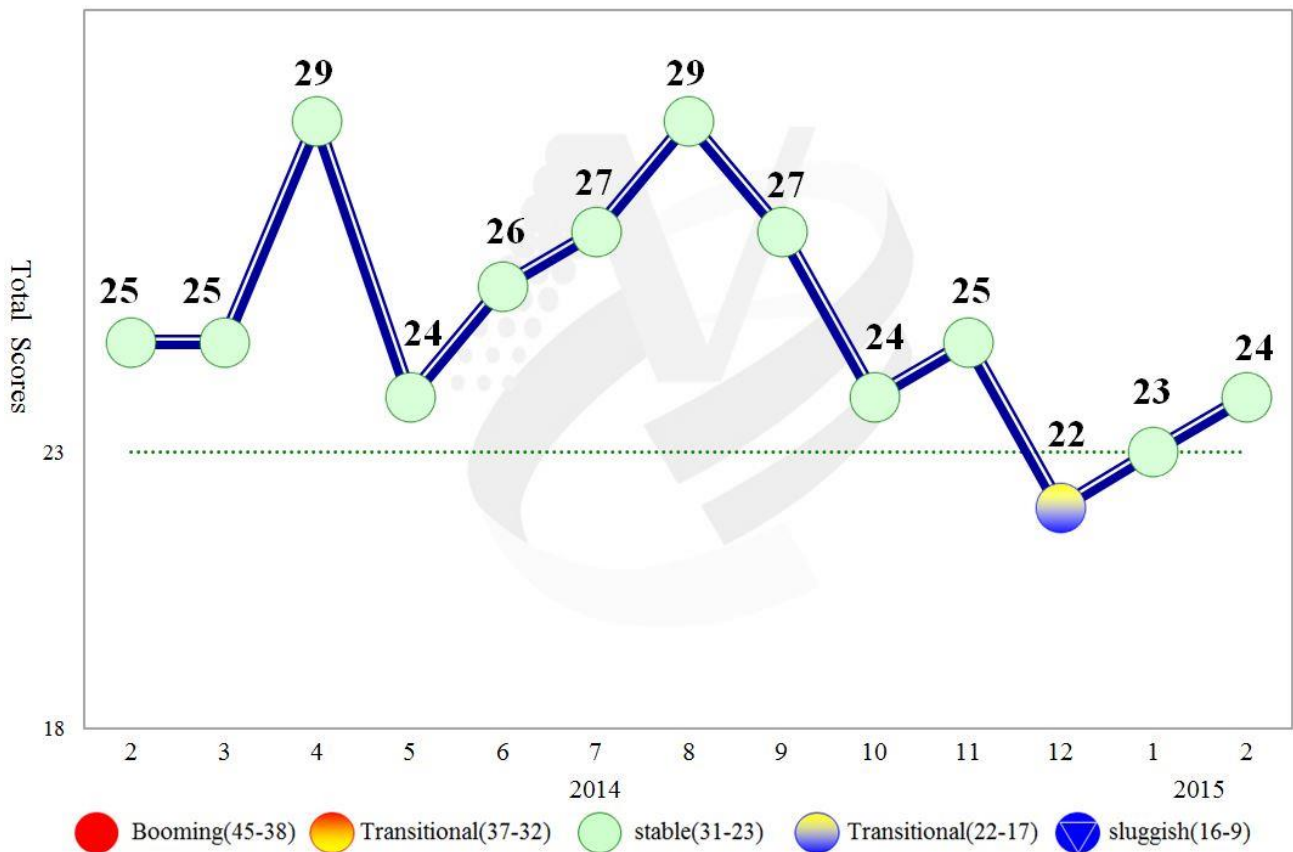


Figure 1 Total Scores in the Past Year

	2014											2015		
	2	3	4	5	6	7	8	9	10	11	12	1	2	
Total	Light	●	●	●	●	●	●	●	●	●	●	●	●	●
	Score	25	25	29	24	26	27	29	27	24	25	22	23	24
Monetary Aggregates M1B	●	●	●	●	●	●	●	●	●	●	●	6.1	●	5.8
TAIEX Average Closing Price	●	●	●	●	●	●	●	●	●	●	●	8.3	●	11.9
Industrial Production Index	●	●	●	●	●	●	●	●	●	●	●	5.6 _r	●	5.7
Nonagricultural Employment	●	●	●	●	●	●	●	●	●	●	●	1.1	●	1.0
Customs-Cleared Exports	●	●	●	●	●	●	●	●	●	●	●	4.9 _r	●	0.3
Imports of Machineries and Electrical Equipments	●	●	●	●	●	●	●	●	●	●	●	4.0	●	17.9
Index of producer's shipment for manufacturing	●	●	●	●	●	●	●	●	●	●	●	6.1 _r	●	1.5 _p
Sales of Trade and Food Services	●	●	●	●	●	●	●	●	●	●	●	-2.2 _r	●	1.5
The TIER Manufacturing Sector Composite Indicator	●	●	●	●	●	●	●	●	●	●	●	99.2 _r	●	98.0

Notes : 1. Individual Componenets and check points are in terms of percentage changes over a one-year span, except the TIER Manufacturing Composite Indicator, which is in point (2006=100).

2. All components, except TAIEX average closing price, have been seasonally adjusted.

3. p = Preliminarily estimated, r = Revised.

Figure 2 Monitoring Indicators

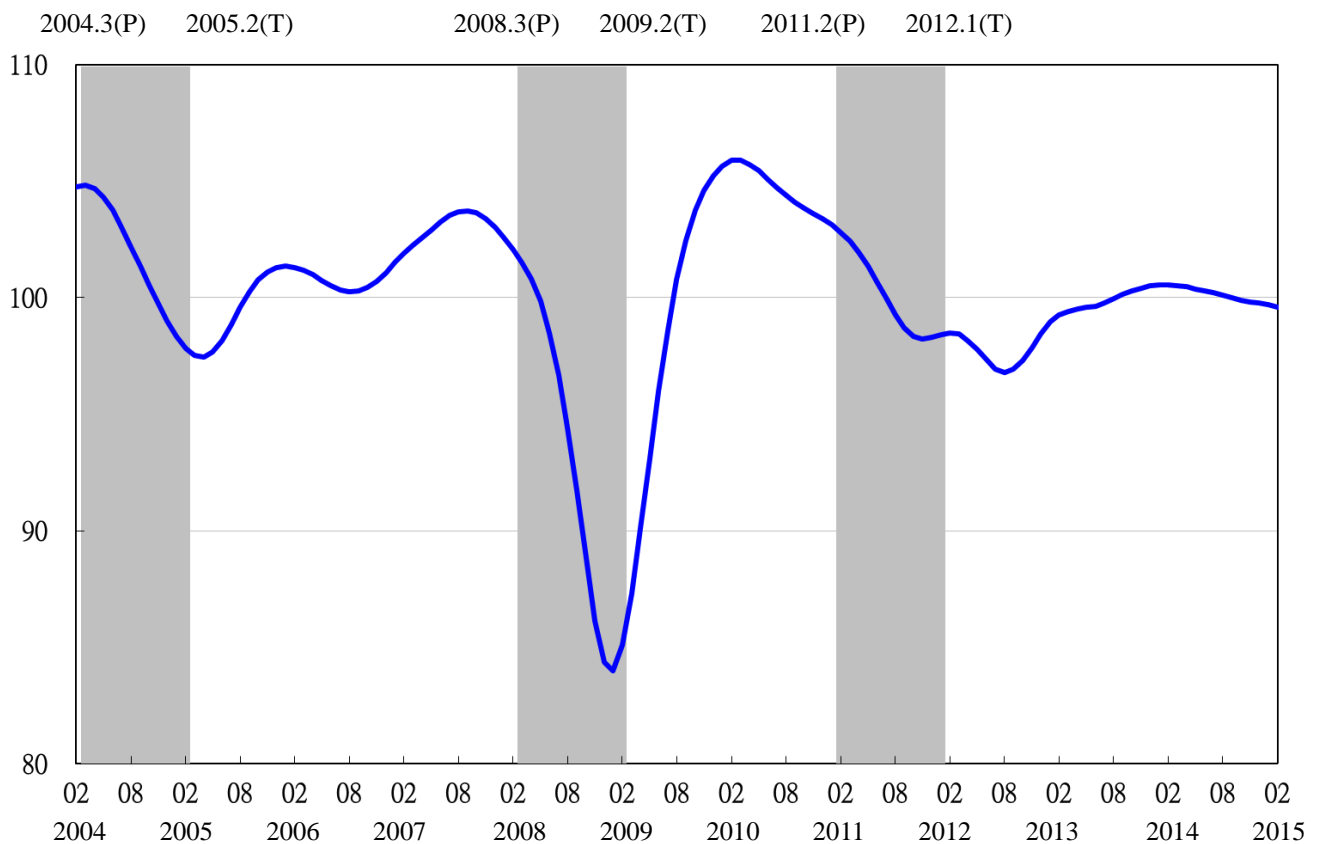
Table 1 Leading Indicators

	Index						
	2014					2015	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Trend adjusted index	100.12	100.00	99.89	99.82	99.77	99.70	99.60
Change from preceding month (%)	-0.11	-0.12	-0.11	-0.07	-0.06	-0.07	-0.10
Components¹							
Index of export orders	100.33	100.76	101.09	101.25	101.23	101.04	100.78
Real monetary aggregates M1B	100.00	100.03	100.08	100.14	100.20	100.25	100.30
TAIEX average closing price	100.26	100.20	100.14	100.10	100.08	100.09	100.11
Net accession rate of employees on payrolls of industry and services ²	99.98	99.96	99.96	99.98	100.03	100.12	100.22
Building permits ³	99.68	99.55	99.42	99.32	99.25	99.18	99.11
SEMI Book-to-Bill Ratio	99.92	99.78	99.71	99.70	99.73	99.79	99.84
The TIER manufacturing sector composite indicator	100.41	100.10	99.80	99.59	99.46	99.40	99.34

Note : 1.All components are passed through seasonal adjustment, trend-removal, smoothing and normalization.

2. Net accession rate is equal to accession rate minus separation rate.

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



Note: Shaded areas represent recessions.

Figure 3 Trend-adjusted Leading Index

Table 2 Coincident Indicators

	Index						
	2014					2015	
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Trend adjusted index	101.13	101.25	101.29	101.24	101.08	100.84	100.62
Change from preceding month (%)	0.20	0.12	0.04	-0.05	-0.16	-0.23	-0.22
Components							
Industrial production index	100.47	100.57	100.64	100.66	100.64	100.59	100.54
Electric power consumption	100.45	100.48	100.39	100.16	99.81	99.40	98.97
Index of producer's shipment for manufacturing	100.36	100.38	100.39	100.40	100.41	100.42	100.43
Sales of trade and food services	100.12	100.09	100.06	100.02	99.95	99.85	99.74
Nonagricultural employment	99.71	99.73	99.75	99.77	99.77	99.77	99.76
Real customs-cleared exports	100.20	100.20	100.18	100.16	100.15	100.15	100.16
Real machineries and electrical equipments imports	100.18	100.30	100.43	100.57	100.65	100.72	100.81

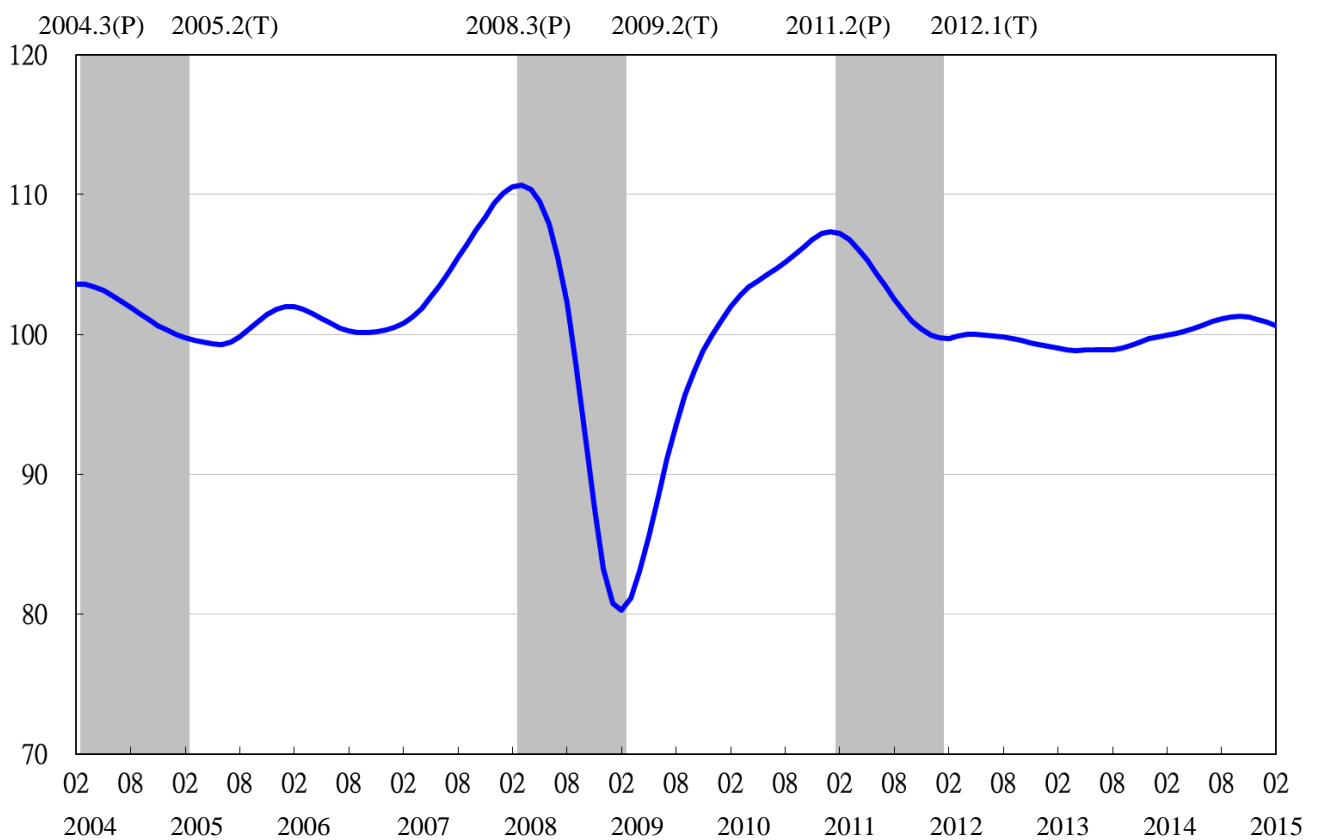


Figure 4 Trend-adjusted Coincident Index

