

## **Taiwan Business Indicators in October 2014**

Press Release

National Development Council (NDC)

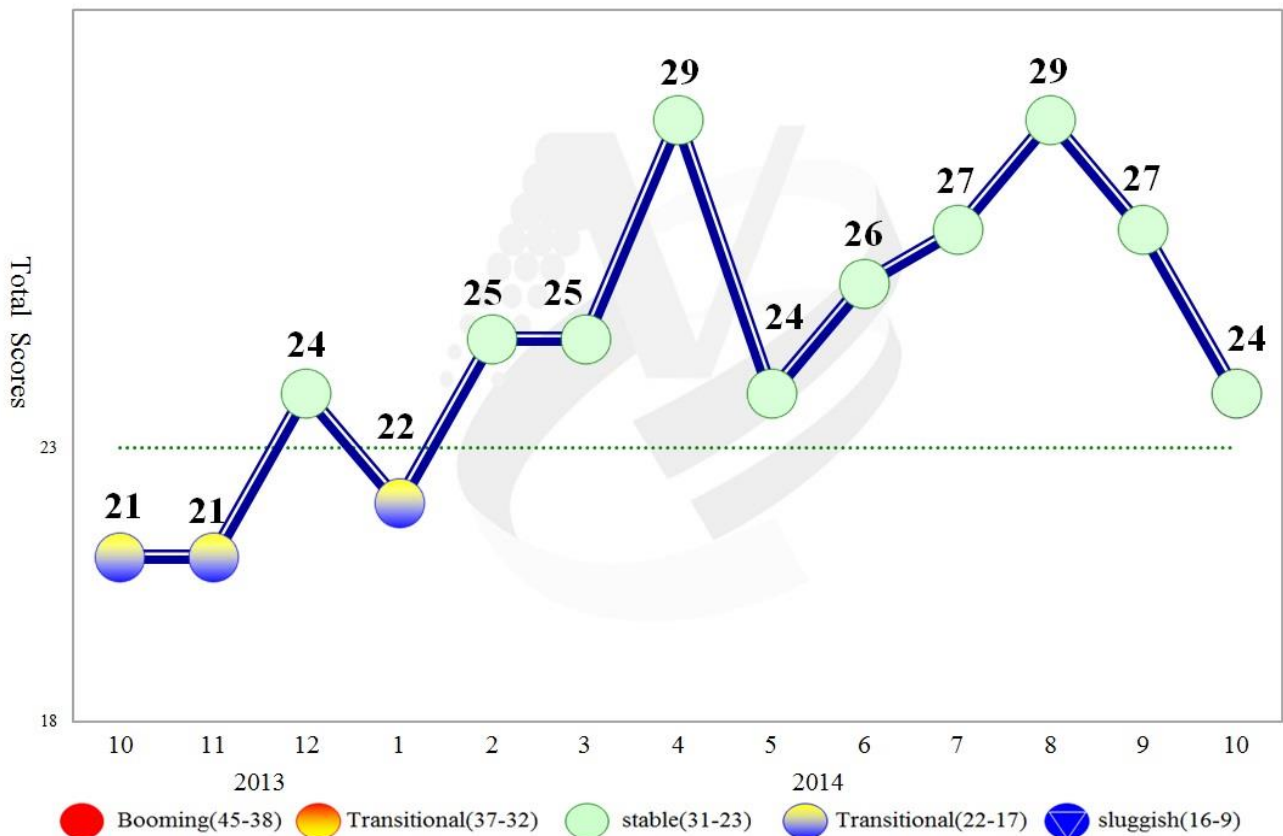
November 27, 2014

In October 2014, the Taiwan Business Indicators showed that the domestic economy continued its steady growth. Among the indicators compiled by the National Development Council (NDC), the trend-adjusted leading index decreased by 0.18%, the trend-adjusted coincident index increased by 0.15% from the previous month, and the overall monitoring indicator flashed the "green" signal for the ninth consecutive month.

1. The Monitoring Indicators: The total score in October 2014 decreased by three points to 24, flashing the "green" signal for the ninth month. Among the nine components, the TAIEX average closing price lost one point to change its individual light signal from "yellow-red" to "green", while the customs-cleared exports and the TIER manufacturing sector composite indicator each lost one point to change its individual light signal from "green" to "yellow-blue". The light signal for the rest of six components remained unchanged.
2. Leading Indicators: With revised data, the trend-adjusted leading index stood at 99.68, down by 0.18% from September 2014. Among the seven indicators making up the trend-adjusted index, the index of export orders had positive cyclical movement from the previous month, while the TIER manufacturing sector composite indicator, SEMI book-to-bill ratio, building permits, TAIEX average closing price, net accession rate of employees on payrolls of industry and services, and real monetary aggregates M1B had negative cyclical movements.
3. Coincident Indicators: With revised data, the trend-adjusted coincident index stood at 101.66, up by 0.15% from September 2014. Among the seven indicators making up the trend-adjusted index, the industrial production index, electric power consumption, the index of producer's shipment for manufacturing, and nonagricultural employment had positive cyclical movements from the previous month, while sales of trade and food services, real machineries electrical equipments imports, and real customs-cleared exports had negative cyclical movements.

4. Lagging Indicators: With revised data, the trend-adjusted lagging index stood at 98.31, down by 0.27% from September 2014. Among the six indicators making up the trend-adjusted 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 the manufacturing unit output labor cost index, loans and investments of monetary financial institutions, and the interbank overnight call-loan rate had negative cyclical movements.

**~~ The next release is scheduled for December 26 2014 ~~**



**Figure 1 Total Scores in the Past Year**

		2013			2014									
		10	11	12	1	2	3	4	5	6	7	8	9	10
Total	Light													
	Score	21	21	24	22	25	25	29	24	26	27	29	27	24
Monetary Aggregates M1B													7.3	7.2
TAIEX Average Closing Price													12.6	5.4
Industrial Production Index													8.7 <sub>r</sub>	8.1
Nonagricultural Employment													1.1	1.1
Customs-Cleared Exports													5.8	4.0
Imports of Machineries and Electrical Equipments													3.4 <sub>r</sub>	2.3
Index of producer's shipment for manufacturing													6.5 <sub>r</sub>	4.9 <sub>p</sub>
Sales of Trade and Food Services													2.3 <sub>r</sub>	1.6
The TIER Manufacturing Sector Composite Indicator													99.9 <sub>r</sub>	95.8

Notes : 1. Individual Componentets 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**

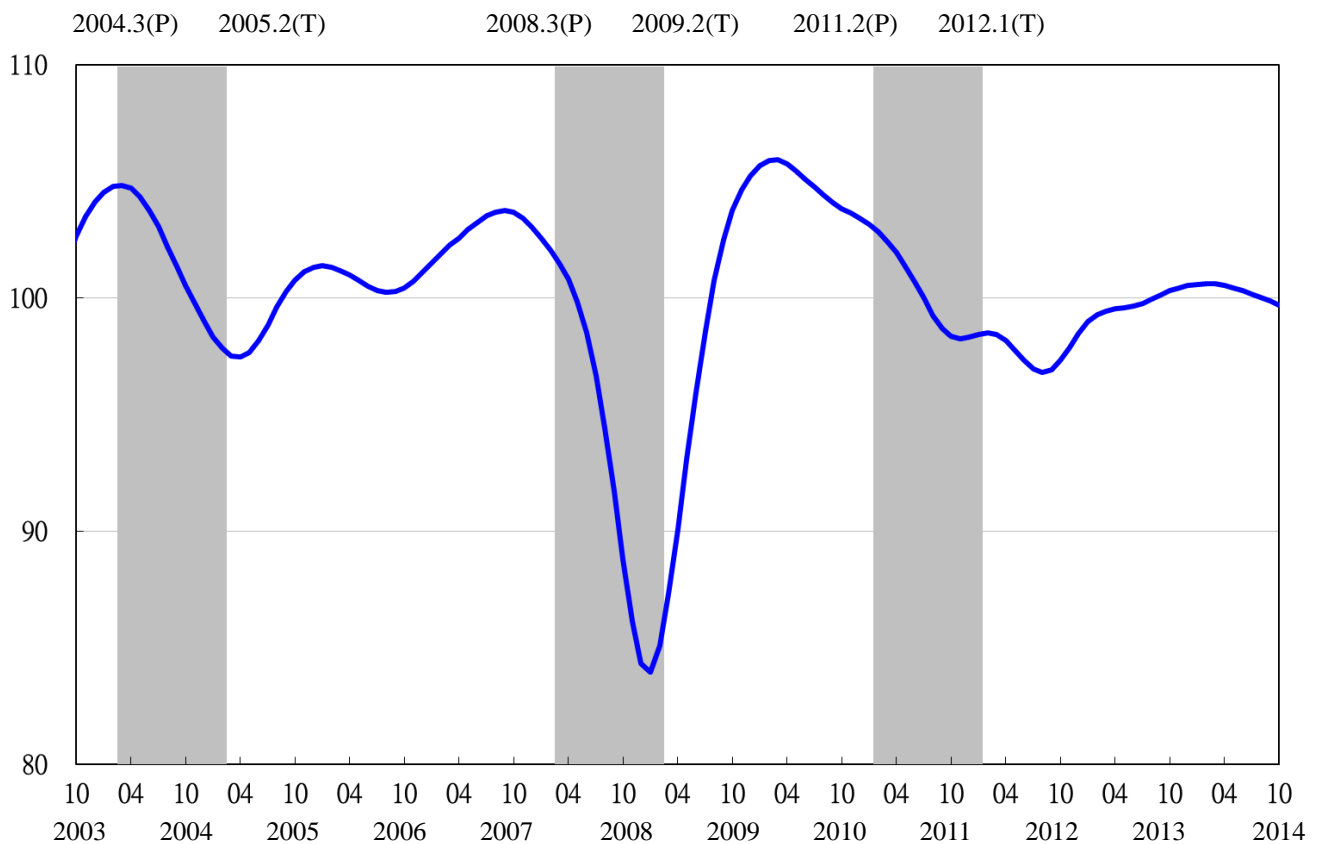
Index

	2014						
	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Trend adjusted index</b>	100.52	100.41	100.31	100.18	100.03	99.87	99.68
Change from preceding month (%)	-0.07	-0.11	-0.10	-0.12	-0.15	-0.17	-0.18
<b>Components<sup>1</sup></b>							
Index of export orders	99.77	99.78	99.91	100.19	100.66	101.30	101.99
Real monetary aggregates M1B	100.10	100.09	100.09	100.10	100.09	100.09	100.09
TAIEX average closing price	100.24	100.30	100.35	100.35	100.32	100.25	100.16
Net accession rate of employees on payrolls of industry and services <sup>2</sup>	100.27	100.18	100.09	100.03	99.99	99.96	99.94
Building permits <sup>3</sup>	99.98	99.81	99.67	99.53	99.37	99.19	98.99
SEMI Book-to-Bill Ratio	100.22	100.19	100.14	100.01	99.80	99.53	99.25
The TIER manufacturing sector composite indicator	100.68	100.70	100.64	100.48	100.20	99.83	99.42

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.

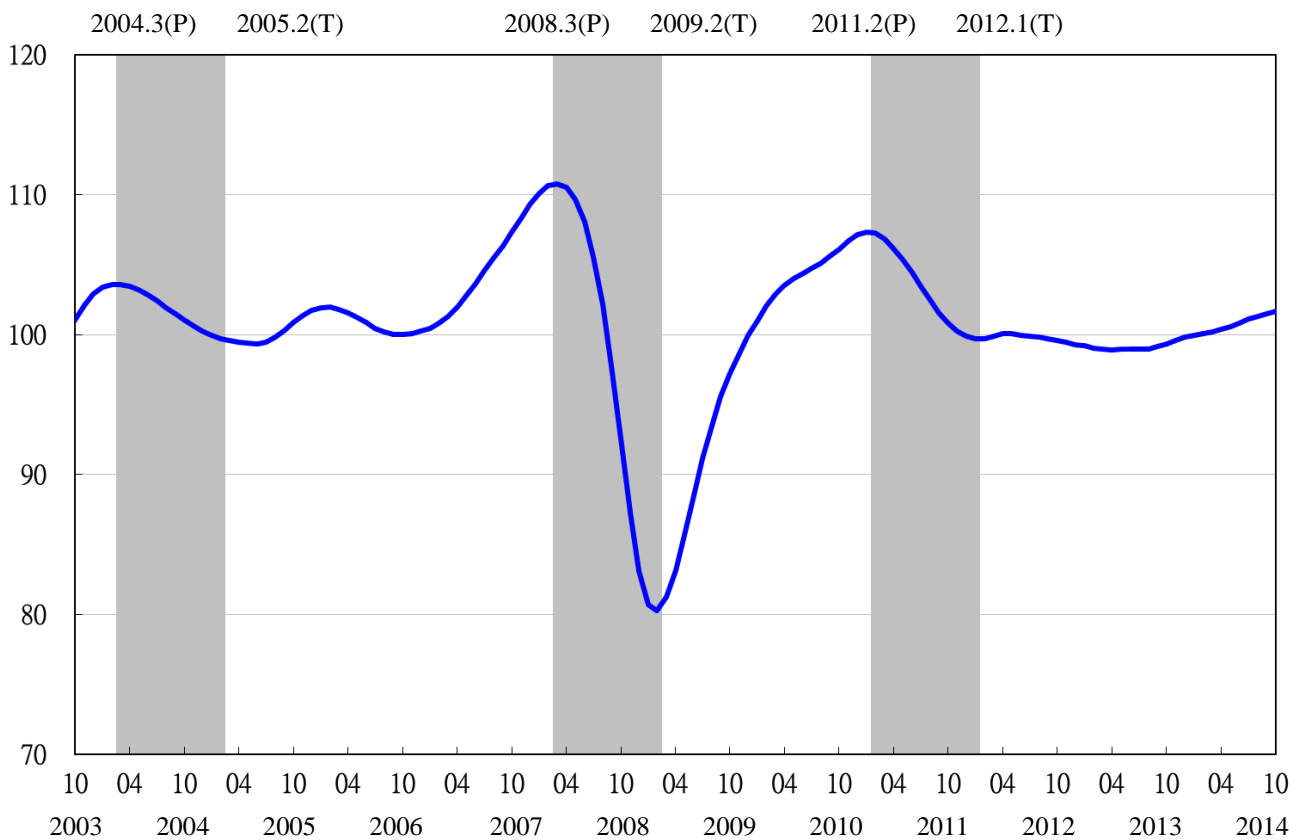


Note: Shaded areas represent recessions.

**Figure 3 Trend-adjusted Leading Index**

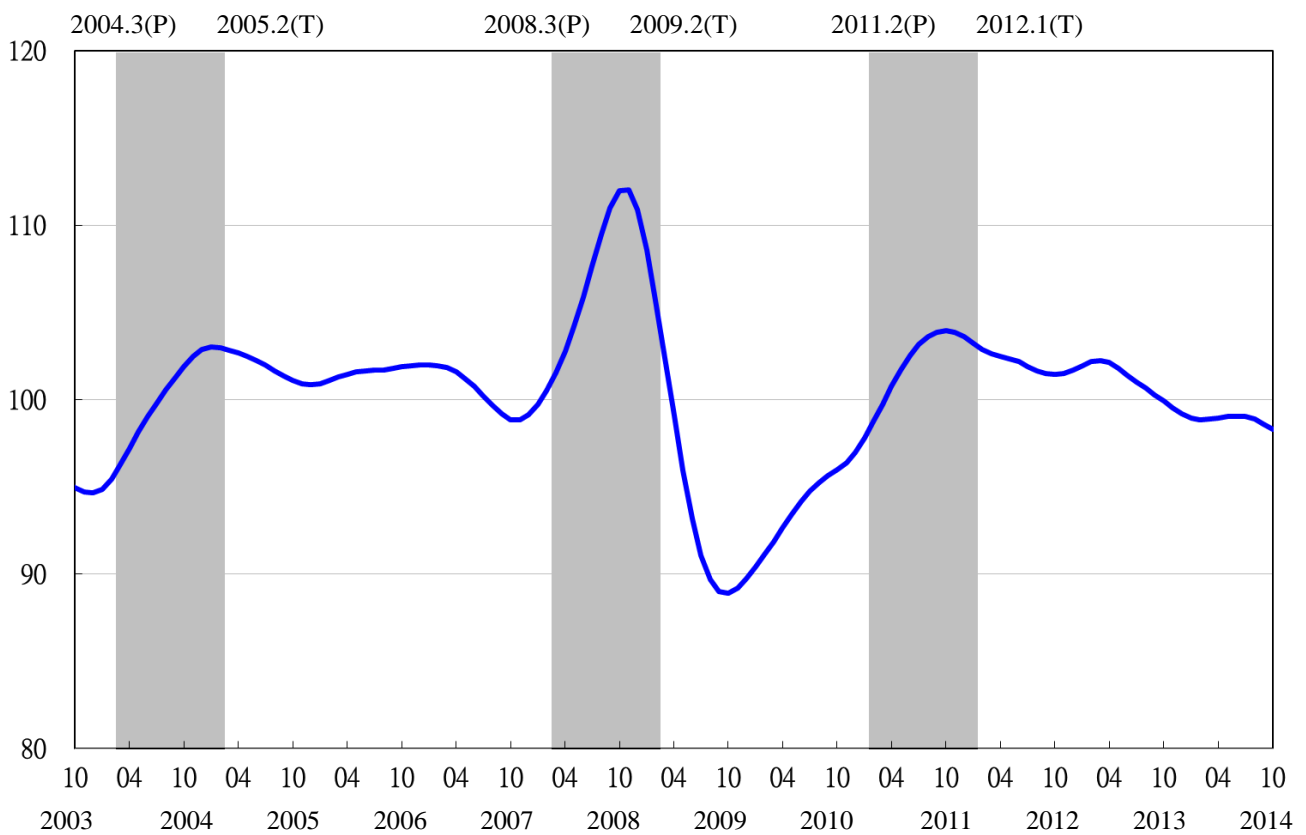
**Table 2 Coincident Indicators**

	Index						
	2014						
	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Trend adjusted index</b>	100.36	100.58	100.83	101.09	101.32	101.50	101.66
Change from preceding month (%)	0.20	0.21	0.25	0.25	0.23	0.18	0.15
<b>Components</b>							
Industrial production index	99.90	100.09	100.31	100.53	100.74	100.96	101.17
Electric power consumption	99.45	99.61	99.80	100.05	100.29	100.49	100.68
Index of producer's shipment for manufacturing	100.17	100.30	100.42	100.52	100.60	100.69	100.78
Sales of trade and food services	100.29	100.28	100.23	100.14	100.05	99.96	99.87
Nonagricultural employment	99.70	99.65	99.61	99.59	99.59	99.61	99.63
Real customs-cleared exports	99.97	100.05	100.15	100.23	100.27	100.27	100.25
Real machineries and electrical equipments imports	100.37	100.32	100.33	100.34	100.33	100.29	100.22

**Figure 4 Trend-adjusted Coincident Index**

**Table 3 Lagging Indicators**

	Index						
	2014						
	Apr	May	Jun	Jul	Aug	Sep	Oct
<b>Trend adjusted index</b>	98.95	99.04	99.06	99.05	98.87	98.58	98.31
Change from preceding month (%)	0.08	0.09	0.02	-0.00	-0.18	-0.30	-0.27
<b>Components</b>							
Unemployment rate	99.77	99.82	99.86	99.90	99.95	100.00	100.05
Regular employees on payrolls in industry & services	99.76	99.78	99.81	99.84	99.88	99.93	99.97
The manufacturing unit output labor cost index	100.13	100.22	100.16	100.02	99.62	99.06	98.52
Interbank overnight call-loan rate	99.98	99.97	99.96	99.96	99.95	99.94	99.94
Loans and investments of monetary financial institutions	99.89	99.89	99.89	99.88	99.86	99.83	99.79
Inventories to sales ratio for manufacturing	99.26	99.21	99.22	99.30	99.44	99.60	99.77



**Figure 5 Trend-adjusted Lagging Index**