

Taiwan Business Indicators in November 2010

Press Release

Council for Economic Planning and Development

December 27, 2010

In November 2010, Taiwan Business Indicators indicated that the economy continued its steady 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 1.0 points, the trend-adjusted coincident index increased by 0.03% 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 119.3, down by 0.03% from October. Its annualized six-month rate of change declined by 1.0 points to 1.0%. Among the seven indicators making up the trend-adjusted index, SEMI book-to-bill ratio, average monthly overtime in industry and services, index of producer's inventory for manufacturing, index of export orders, building permits, and real monetary aggregates M1B had negative cyclical movements from previous month. Stock price index had positive cyclical movement from previous month.
2. **Coincident Indicators:** With revised data, the coincident index stood at 126.4, up by 0.8% from October. Its trend-adjusted index increased by 0.03% to 105.9. Among the seven indicators making up the trend-adjusted index, the real customs-cleared exports, real imports of machineries and electrical equipments, electric power consumption and index of producer's shipment for manufacturing had negative cyclical movements from previous month. The industrial production index, nonagricultural employment and sales index of wholesale, retail, and food services had positive cyclical movements from previous month.
3. **Lagging Indicators:** With revised data, the lagging index stood at 126.8, up by 1.7% from October. Its trend-adjusted index rose by 0.9% to 106.2, increasing for the fourteenth consecutive month.

Except for the manufacturing unit output labor cost index, all the indicators making up the trend-adjusted index had positive cyclical movements from previous month.

4. The Monitoring Indicators: The total score in November was down by 2 points to 32. The overall light signal flashed the "yellow-red" signal for the third consecutive month. Among the nine components, customs-cleared exports and imports of machineries, electrical equipments each lost one point and changed their individual light signals. The light signals for the rest of seven components remained unchanged.

~~ The next release is scheduled for January 27, 2011 ~~

Leading Indicators

Seasonally adjusted

	2010						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	120.0	119.9	119.7	119.5	119.4	119.3	119.3
Change from preceding month (%)	0.1	-0.1	-0.2	-0.1	-0.1	-0.1	0.0
Annualized 6-month rate of change (%)	14.8	11.1	7.9	5.3	3.4	2.0	1.0
Change from preceding month (point)	-4.1	-3.7	-3.2	-2.5	-1.9	-1.4	-1.0
Components							
Index of export orders (2006=100)	137.1	136.4	133.9	137.3	136.0	135.3	139.1
Real monetary aggregates M1B (NT\$ billion)	10,059	10,143	10,258	10,421	10,547	10,563	10,708
Stock price index(1966=100)	7,526	7,383	7,639	7,884	8,040	8,210	8,350
Index of producer's Inventory for manufacturing*(2006=100)	107.0	109.3	111.5	112.8	112.1	112.2	112.8 _p
Average monthly overtime in industry and services (hours/month)	9.0	9.3	9.1	8.9	8.7	8.8	8.8 _p
Building Permits ** (1,000m2)	2,396	2,280	1,974	2,214	2,252	2,200	2,188
SEMI Book-to-Bill Ratio	1.13	1.18	1.23	1.17	1.03	0.98	0.96

Note : 1. p=Preliminary.

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

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

Coincident Indicators

Seasonally adjusted

Seasonally adjusted	2010						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	120.9	121.8	122.7	123.6	124.4	125.4	126.4
Change from preceding month (%)	1.0	0.8	0.7	0.7	0.7	0.8	0.8
Trend adjusted index	105.9	106.0	106.0	105.9	105.8	105.8	105.9
Change from preceding month (%)	0.2	0.1	0.0	-0.1	-0.1	0.0	0.0
Components							
Industrial production index(2006=100)	120.8	121.0	120.4	121.6	118.1	123.0	131.1
Electric power consumption (billion kWh)	11.29	10.80	11.30	11.06	11.26	11.20	11.20
Index of producer's shipment for manufacturing (2006=100)	123.1	121.9	121.8	123.9	121.6	125.5	125.9 _p
Sales index of wholesale, retail, and food services (2006=100)	107.5	108.4	109.3	109.2	109.4	110.5	110.3
Nonagricultural employment (1,000)	9,917	9,945	9,973	9,980	9,989	10,004	10,016
Real customs-cleared exports (NT\$ billion)	790.4	745.7	768.2	759.4	743.7	750.2	753.1
Real machineries and electrical equipments imports (NT\$ billion)	273.9	256.8	270.9	276.6	281.1	276.3	279.6

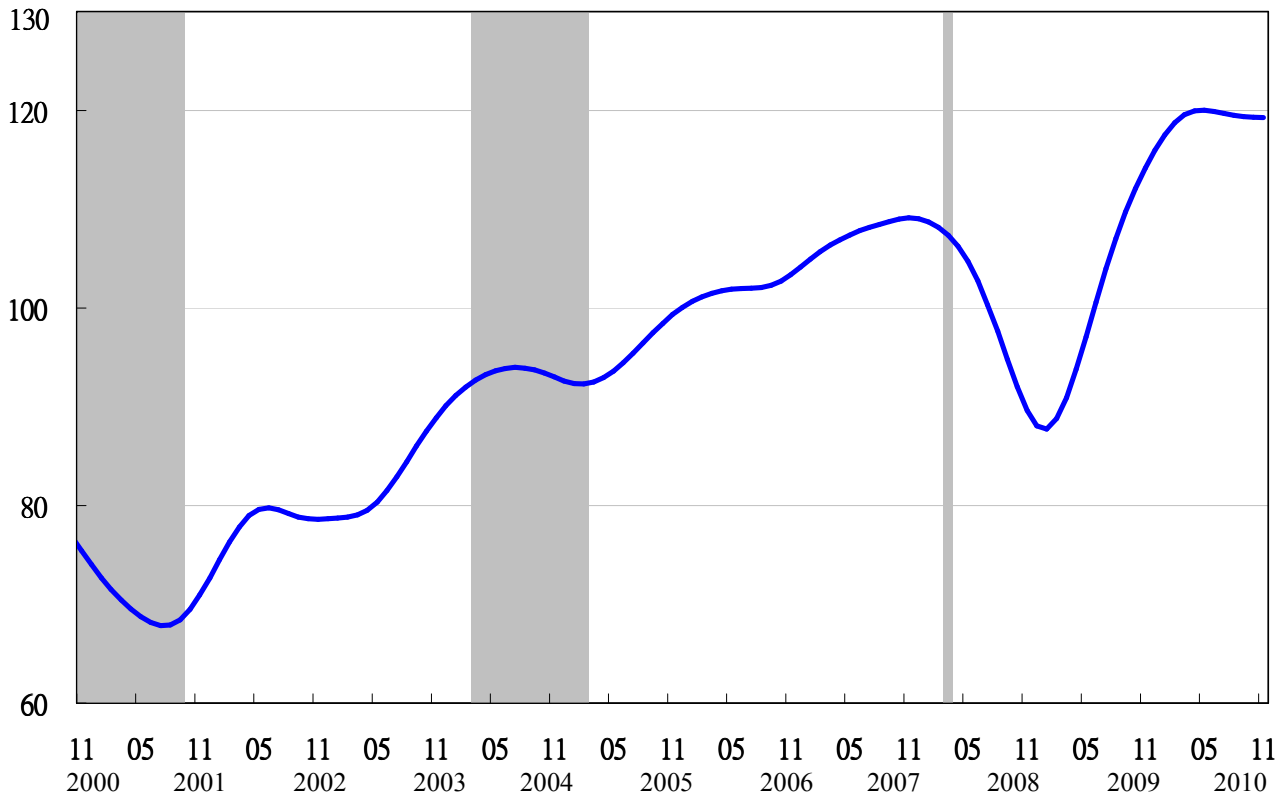
Lagging Indicators

Seasonally adjusted

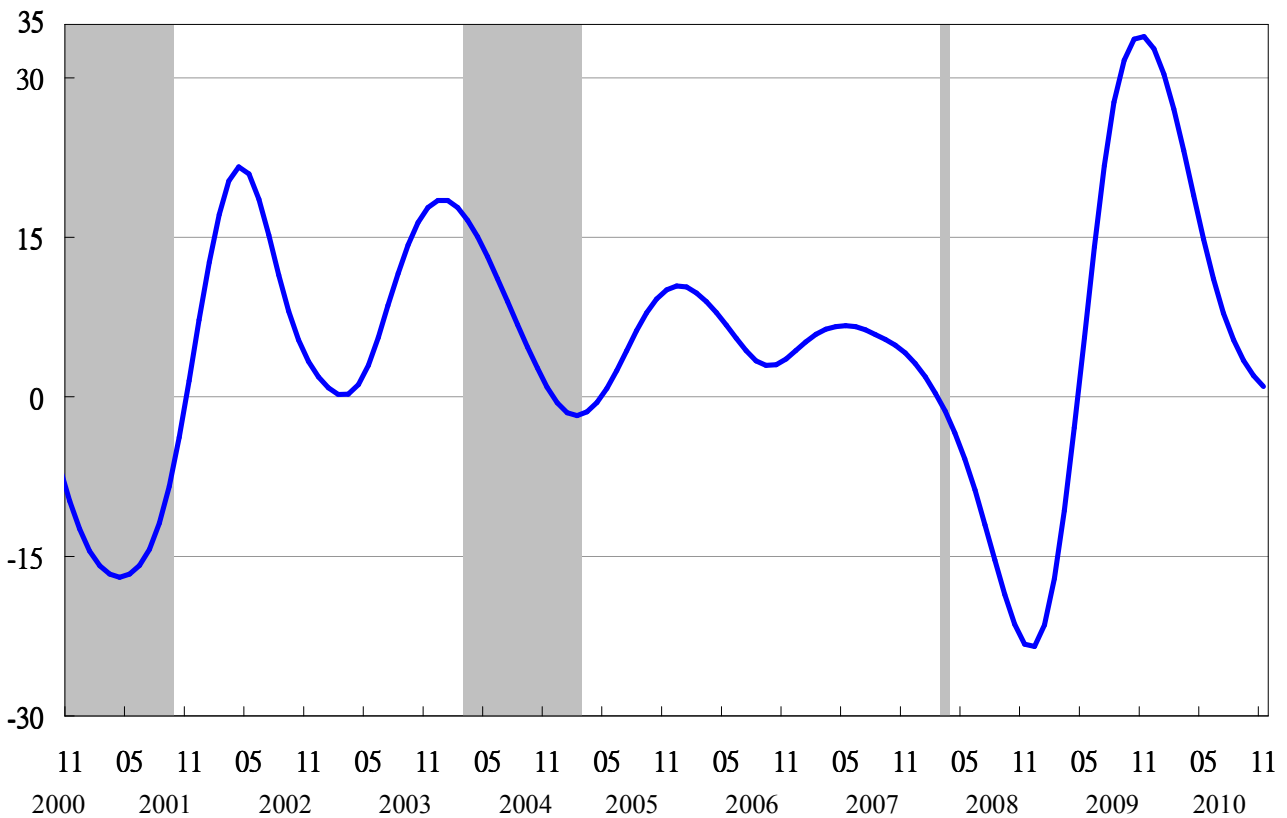
	2010						
	May	Jun	Jul	Aug	Sep	Oct	Nov
Composite Index	112.8	115.5	118.1	120.4	122.6	124.7	126.8
Change from preceding month (%)	2.5	2.4	2.2	2.0	1.8	1.7	1.7
Trend adjusted index	98.8	100.5	101.9	103.2	104.3	105.3	106.2
Change from preceding month (%)	1.8	1.7	1.5	1.2	1.1	0.9	0.9
Components							
Unemployment rate** (%)	5.22	5.20	5.17	5.11	5.08	4.96	4.79
Regular employees on payrolls in industry & services (Thousand persons)	6,443	6,447	6,477	6,488	6,506	6,523	6,542 _p
The manufacturing unit output labor cost index (index 2006=100)	79.4	82.2	80.9	80.4	82.0	78.5	78.0 _p
Interbank overnight call-loan rate (percent per annum)	0.174	0.183	0.196	0.203	0.210	0.226	0.231
Loans and investments of major financial institutions (NT\$ billion)	21,798	21,900	22,057	22,260	22,193	22,405	22,577
Inventories to sales ratio for manufacturing (%)	59.43	62.25	63.23	62.03	61.24	60.42	60.09 _p

Note : ** This series is inverted while aggregating composite lagging index.

Composite Leading Index

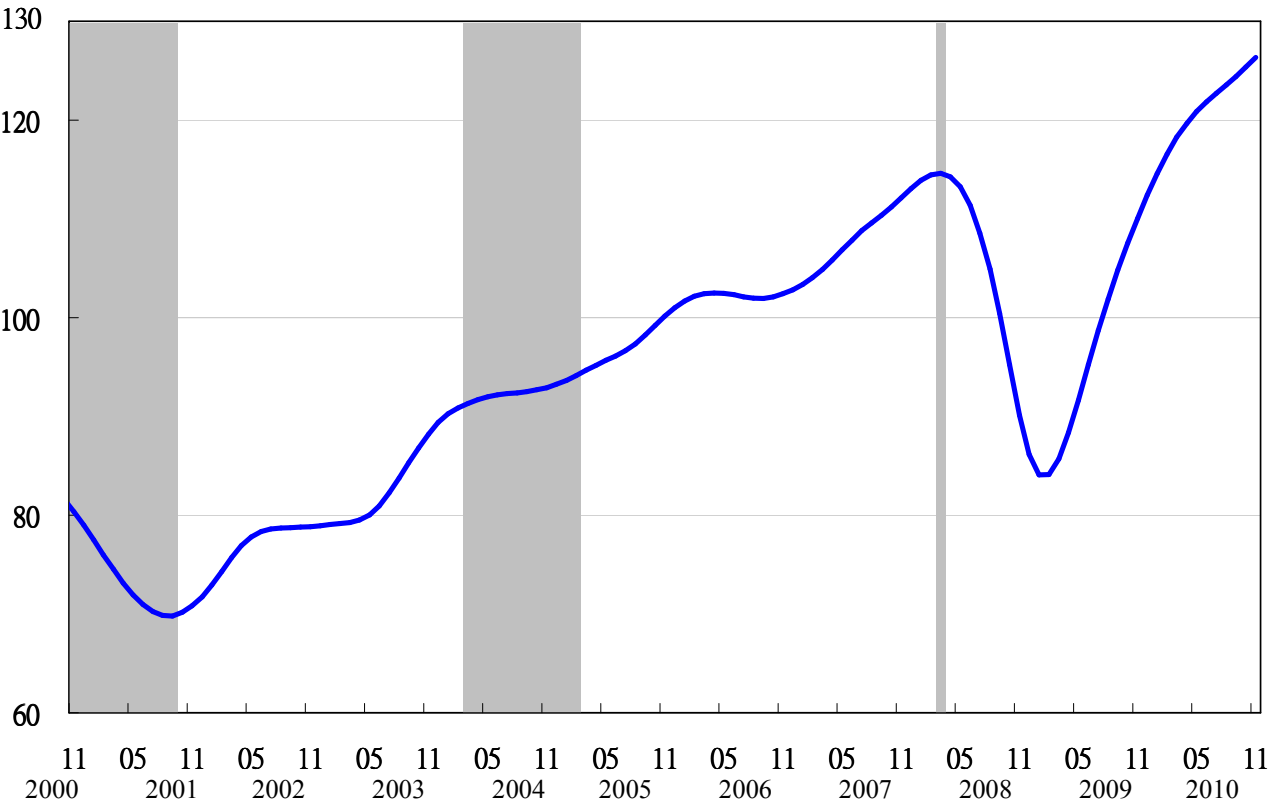


Annualized 6-month rate of change of composite leading index

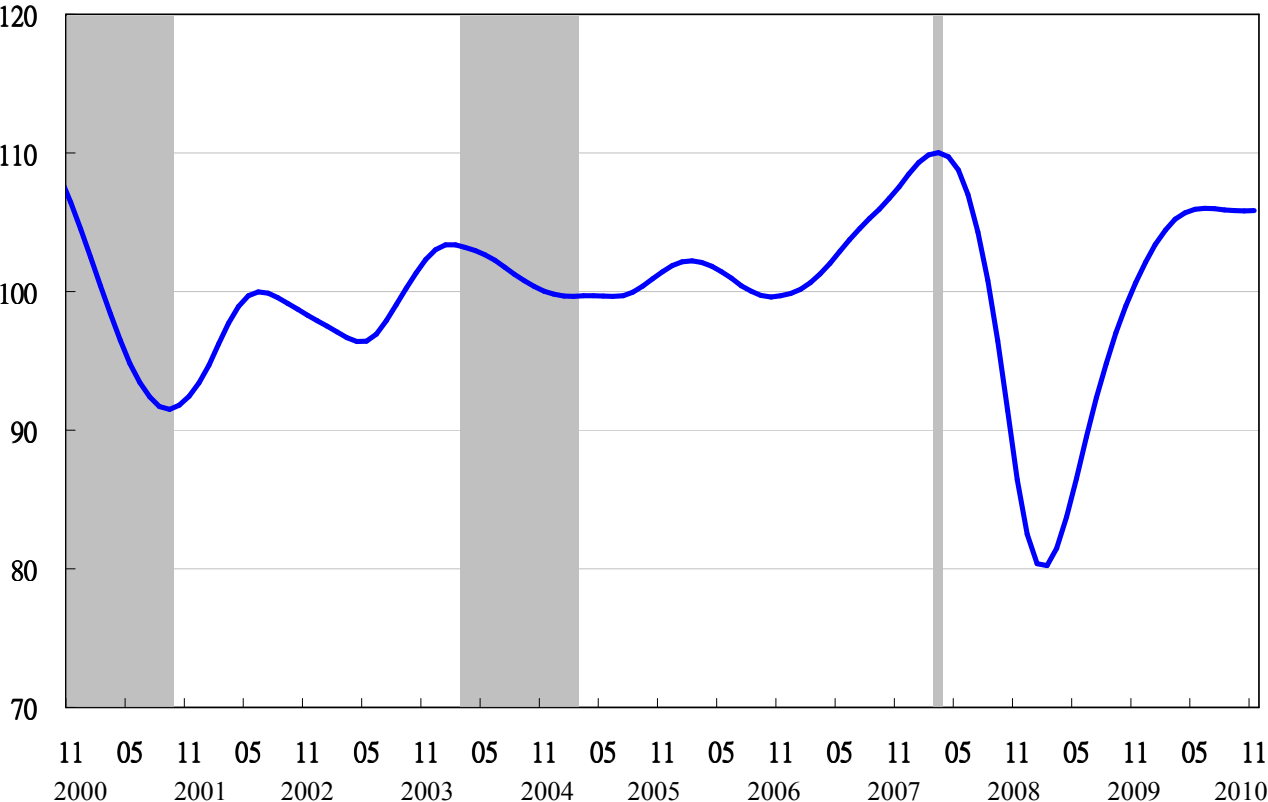


Shaded areas represent recessions.

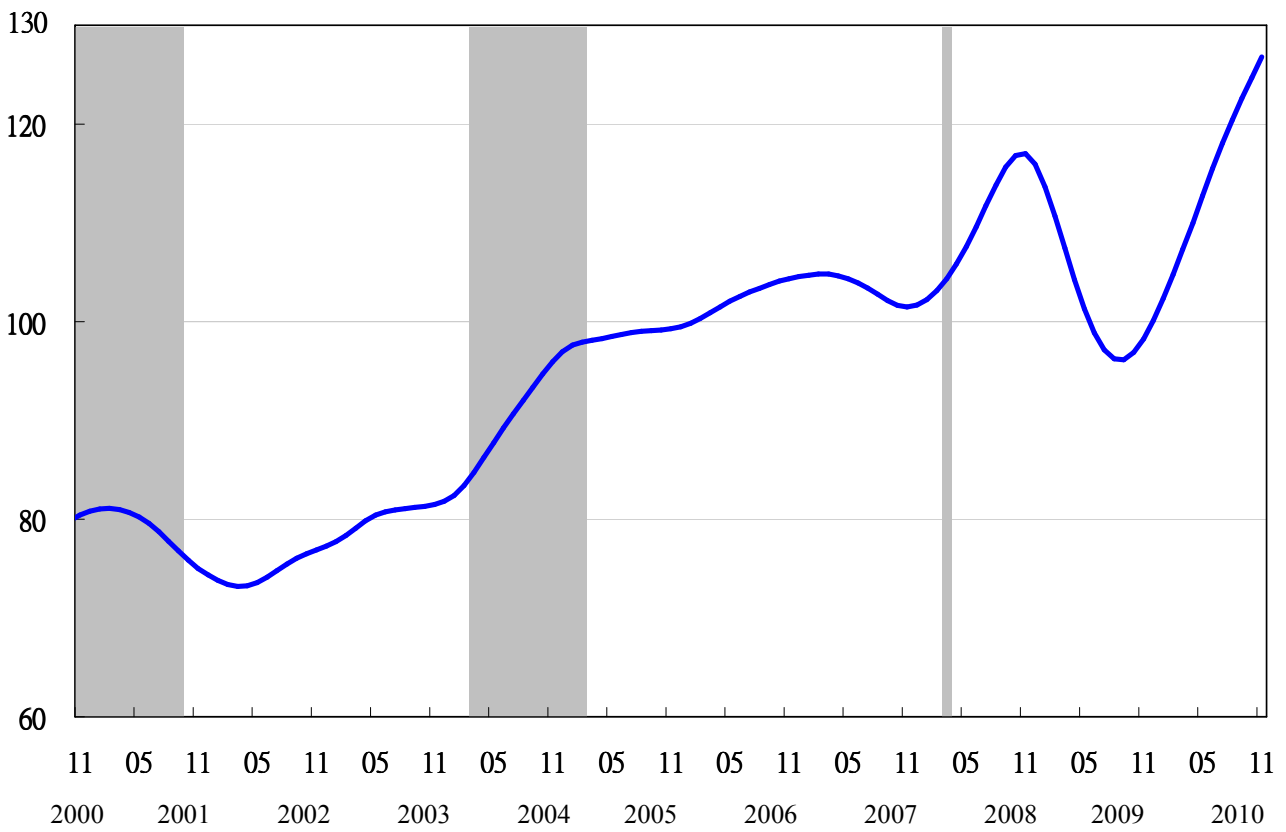
Composite Coincident Index



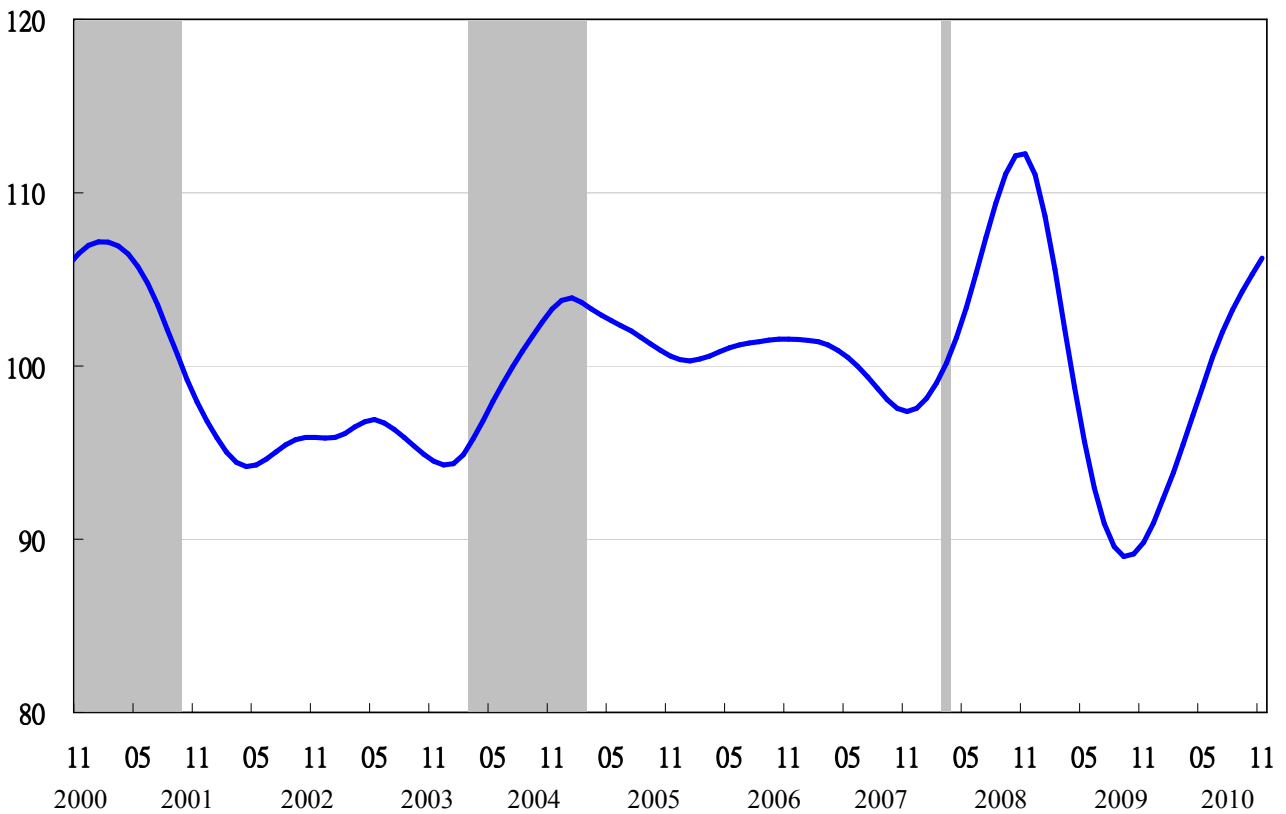
Trend-adjusted composite coincident index



Composite Lagging Index



Trend-adjusted composite lagging index



Monitoring Indicators

	2009		2010											
	11	12	1	2	3	4	5	6	7	8	9	10	11	
Total	Light Score													
		37	37	38	38	39	39	37	37	38	38	37	34	32
Monetary Aggregates M1B														9.1
Direct and Indirect Finance														4.6
Stock Price Index														9.7
Industrial Production Index														17.1
Nonagricultural Employment														2.4
Exports														14.66
Imports of Machinery and Electrical Equipment														14.75
Manufacturing Sales														14.5 ₂
Wholesale, Retail and Food Services Sales														2.7

● 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.