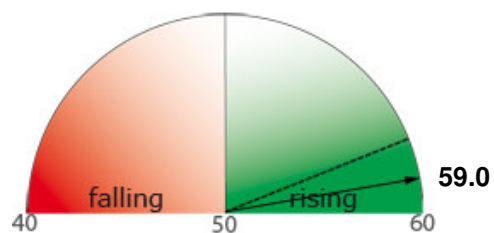


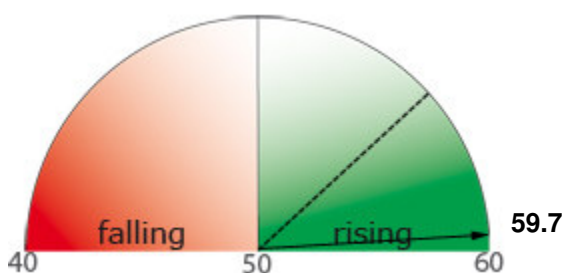
# Monthly Economy Dashboard February 2010

## Business Indicators 50=no change



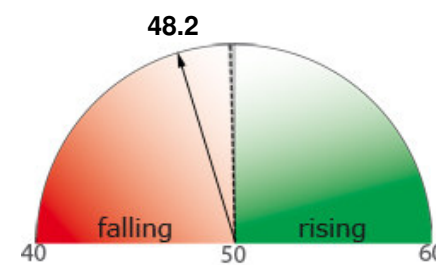
**New Orders**

RDA PMI, February 2010, Jan → Feb change



**Business Activity**

RDA PMI, February 2010, Jan → Feb change



**Employment**

RDA PMI, February 2010, Jan → Feb change

## Labour Market

### Finance & Investment (<0 = decrease ; >0 = increase)



**6.1**

Net score

**Cost of finance**

FSB Survey, November 2009

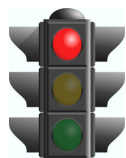


**26**

Net score

**Planned Investment**

Business Snapshot January 2010\*



**3,650**

**Redundancy  
notifications**

BIS/JC+, February 2010



**28,191**

**Vacancies**

JC+, January 2010

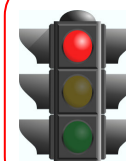


**162,600**

**Unemployment**

Claimant count, ONS, January 2010

### Other Indicators



**65%**

**Firms with output  
below capacity**

Business Snapshot January 2010\*



**49**

Net score

**House prices**

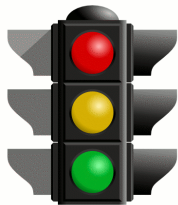
RICS, January 2010



Shows 'overall' conditions:  
 Red – conditions are currently difficult  
 Green – conditions have improved

**Thresholds for change to green (red)**

*Cost of finance, planned investment, house prices:*  
 Net score positive (negative) for three months in a row  
*Redundancy notifications, vacancies, unemployment:*  
 Conditions have been improving (deteriorating) for three months in a row.  
*Output below capacity:*  
 Percentage of firms falls below (rises above) 50%



Red – Worse score or absolute number than in the previous survey  
 Amber – Similar score / number  
 Green – Better score or absolute number than in the previous survey

**Purchasing Managers' Index (PMI) scores:**

Less than 50 – falling activity compared to previous month  
 50 – no change on previous month  
 More than 50 – rising activity compared to previous month

Used for: **Business Activity, New orders, Employment intentions**

**Net scores:** determined by subtracting the percentage of companies reporting decreases in a factor from the percentage of companies reporting increases.

Less than 0 – more firms reporting decreases than increases  
 0 – similar numbers of firms reporting decreases and increases  
 More than 0 – more firms reporting increases than decreases

Used for: **Cost of finance, Planned investment, house prices**

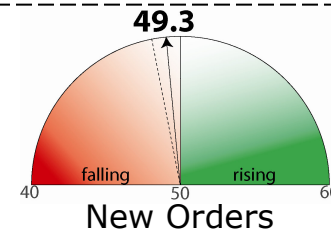
NB – negative score can be good e.g. decrease in cost of finance

**Example 1:**



- The red outline indicates that conditions are currently difficult – investment intentions are low.
- The red traffic light indicates that the net score is worse (lower) than the previous period, i.e. in the last survey investment intentions were higher.
- The net score (-2) shows the scale of the deterioration of conditions – here this is relatively close to zero, showing that the proportion of firms planning decreases in investment is higher than (though broadly similar to) the proportion planning increases.

**Example 2:**



RBS PMI, May 2009, April → May change

- With the PMI, a score of 50 signifies no change in activity on the previous month. Here, a score of 49.3 for May indicates that firms are reporting fewer new orders than in April.
- The dotted line indicates the PMI score for the previous month. Here this is lower than 49.3, indicating that the fall in new orders between March and April was larger than the fall in orders between April and May.
- The size of the gap indicates the magnitude of the change between last month and this month.
- This chart therefore indicates a “slower decline” in May.

**Sources:**

Business Snapshot Survey (\*slight changes in methodology between October 2009-January 2010)  
 FSB – Federation of Small Businesses  
 RICS – Royal Institute of Chartered Surveyors  
 ONS – Office for National Statistics  
 BIS – Department for Business, Innovation & Skills  
 JC+ - Jobcentre Plus  
 RBS PMI – Royal Bank of Scotland Purchasing Managers' Index  
 Unemployment and house price figures are seasonally adjusted, vacancy and redundancy figures are not. Cost of finance relates to *existing* finance (e.g. loans, overdrafts, etc.)