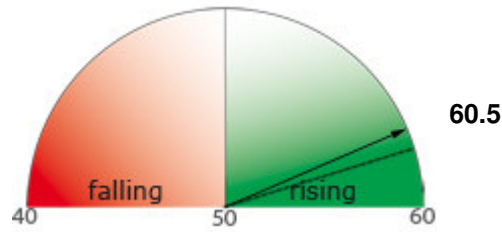


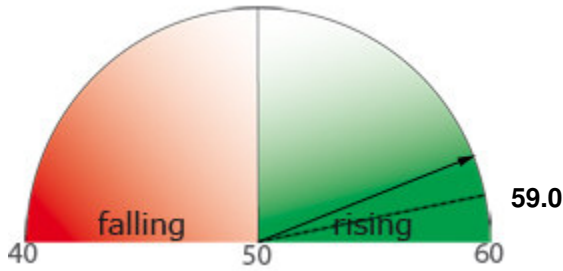
Monthly Economy Dashboard March 2010

Business Indicators 50=no change



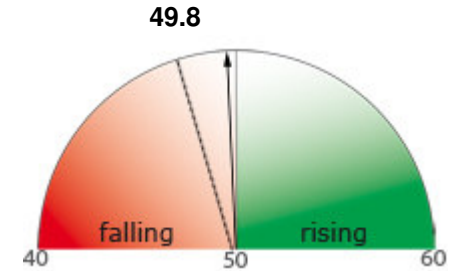
New Orders

RDA PMI, March 2010, Feb → Mar change



Business Activity

RDA PMI, March 2010, Feb → Mar change

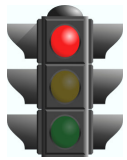


Employment

RDA PMI, March 2010, Feb → Mar change

Labour Market

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

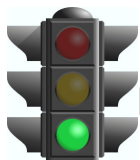


6.1

Net score

Cost of finance

FSB Survey, November 2009



26

Net score

Planned Investment

Business Snapshot January 2010*



1,885

Redundancy
notifications

BIS/JC+, March 2010



36,215

Vacancies

JC+, February 2010

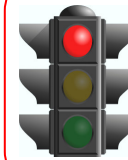


153,000

Unemployment

Claimant count, ONS, February 2010

Other Indicators



65%

Firms with output
below capacity

Business Snapshot January 2010*



37

Net score

House prices

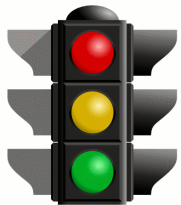
RICS, February 2010



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

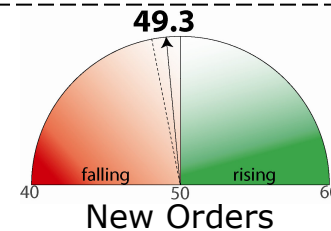
Example 1:



RDA NBS, December 2009

- 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.)