STOCK PRICE INDICES

The Exchange maintains a total of 28 stock price indices, to allow investors to grab both overall market movement and different industrial sectors' performances conveniently. The indices may be grouped into market value indices and price average indices. The former are similar to the Standard & Poor's Index, weighted by the number of outstanding shares, and the latter are similar to the Dow Jones Industrial Average and the Nikkei Stock Average. The TSEC Capitalization Weighted Stock Index (TAIEX) is the most widely quoted of all TSEC indices. The base year value as of 1966 was set at 100. TAIEX is adjusted in the event of new listing, delisting and new shares offering to offset the influence on TAIEX owing to non-trading activities.

TAIEX covers all of the listed stocks excluding preferred stocks, full-delivery stocks and newly listed stocks, which are listed for less than one calendar month. Up to December 2002, 593 issues were selected as component stocks from the 638 companies listed on the Exchange.

TSEC Taiwan 50 Index was launched on October 29, 2002. The first tradable index for the Taiwan market was created under the collaboration of TSEC and FTSE International Limited (FTSE). TSEC Taiwan 50 Index covers the top 50 companies by total market capitalization. FTSE's free float methodology applied throughout the index to ensure the weights within the index reflect the market capitalization available for investment. The Taiwan 50 Index Committee, an independent committee, manages the index. The base date value as of April 30, 2002 was set at 5,000 and the index is reviewed quarterly in January, April, July and October every year, and constituent changes are implemented on the next trading day following the third Friday of the same month.

The other market value indices are calculated and adjusted similarly to that of TAIEX only with different groupings of stocks included for calculation. Non-Finance Sub-Index and Non-Electronics Sub-Index include stocks in non-financial sector and non-electronics sector, out of the TAIEX Component Stocks.

Index	Type of Index	Base (or Date Compilation Started)	Date Published	Stocks Included (End of 2002)
TAIEX	Market value	1966 average =100	1967	593 listed common stocks
TSEC Taiwan 50 Index	Free Float Adjusted Market value	2002.4.30 =5,000	2002.10.29	50 listed common stocks
Non-Finance Sub-Index	Market value	1966 average =100	1987.11	Excluding stocks of finance industry
Non-Electronics Sub-Index	Market value	1999.12.28 =8,448.84	2000.11.16	Excluding stocks of electronics industry
Industrial Sub-Indices	Market value	1986.12.29 =100	1986.12.29	group stocks of 8 industries
Industrial Sub-Indices	Market value	1994.12.31 =100	1995.8.1	group stocks of 14 industries
Composite Stock Price Average	Price value	1987.1.6	1989.1	30 listed common stocks
Industrial Stock Price Average	Price value	1987.1.6	1989.1	20 listed common stocks

The Industrial Sub-Indices are calculated for different industrial sectors. Starting December 1986, eight Industrial Sub-Indices were introduced, i.e. Cement/Glass/Ceramics, Textiles, Foods, Plastics/Chemicals/Rubber, Electric Machinery/Electric Appliance/Cable/Electronics, Paper/Pulp, Construction, Finance. In August 1995, TSEC introduced additional 14 Industrial Sub-Indices, i.e. Cement, Plastics, Electric Machinery, Electric Appliance/Cable, Automobile, Chemicals, Glass/Ceramics, Iron/Steel, Rubbers, Electronics, Transportation, Tourism, Retail and Others. This expansion is to give a broader perspective of industrial performances and a more comprehensive comparison with the overall market trend.

The Industrial Price Average Index and the Composite Price Average Index contain 20 and 30 issues, respectively. The samples are chosen based on their representation in the market as a whole and will be adjusted every year by taking into account profitability, operation efficiency and trading liquidity of the shares so that the indices can mirror the trend of the market.

All of the TSEC indices are constantly computed and broadcasted every minute during the trading hours through the TSEC MIS system and information vendors' networks. The information can be easily accessed on the systems of local and international information vendors, such as Reuters, Bridge, Quick, Bloomberg or Primark, etc. Monthly summary of all the TSEC indices data is also available in TSEC website.

Table 20. Changes in Stock Index by Industrial Group 2001-2002

Industry	Stock Index		Point Change from End of 2001	Percent Change from End of 2001(%)
	End of 2002	End of 2001		
Cement	36.92	28.37	8.55	30.14
Foods*	214.34	212.81	1.53	0.72
Plastics	86.96	61.58	25.38	41.21
Textiles*	182.89	133.21	49.68	37.29
Electric & Machinery	63.5	50.98	12.52	24.56
Ele. Appliance & Cable	34.76	35.89	-1.13	-3.15
Chemicals	49.7	41.73	7.97	19.10
Glass & Ceramics	30.88	28.8	2.08	7.22
Paper & Pulp*	106.44	75.16	31.28	41.62
Steel & Iron	56.36	32.41	23.95	73.90
Rubber	72.37	40.04	32.33	80.74
Automobile	137.99	54.4	83.59	153.66
Electronic	184.3	297.82	-113.52	-38.12
Construction*	69.04	67.39	1.65	2.45
Transportation	55.74	36.62	19.12	52.21
Tourism	34.67	45.3	-10.63	-23.47
Finance*	690.72	719.13	-28.41	-3.95
Wholesale & Retail	60.39	72.03	-11.64	-16.16
Others	79.57	63.68	15.89	24.95
Cement & Ceramics*	172.83	141.54	31.29	22.11
Plastics & Chemicals*	295.02	211.29	83.73	39.63
Electrical*	1,037.19	1,641.65	-604.46	-36.82

Base Day = End of 1986 (Noted by *) or 1994 (others)

Table 21. TSEC Capitalization Weighted Stock Index (TAIEX) Daily Closing 2002

DATE	MONTH					
	JAN.	FEB.	MAR.	APR.	MAY	JUN.
1	-	5,857.93	# 5,680.78	6,186.44	-	-
2	5,600.05	-	-	6,243.46	5,867.83	-
3	5,526.32	-	-	6,294.66	5,910.32	5,571.08
4	5,638.53	5,849.85	5,874.48	6,207.09	-	5,527.80
5	-	5,844.25	5,957.75	-	-	△ 5,599.42
6	-	5,926.08	6,097.57	-	5,642.48	5,591.02
7	5,834.89	-	6,048.15	-	5,663.98	5,433.02
8	5,810.08	-	6,011.65	6,190.83	5,711.53	-
9	5,865.54	-	-	6,069.85	5,739.28	-
10	5,871.28	-	-	# 6,059.21	5,807.30	5,499.33
11	5,687.59	-	6,196.26	6,073.76	-	5,405.42
12	-	-	6,122.54	6,182.59	-	5,399.96
13	-	-	6,088.34	-	5,742.66	5,562.23
14	5,611.86	-	6,070.50	-	5,755.92	5,562.12
15	5,592.74	-	5,951.45	6,196.00	△ 5,910.69	-
16	# 5,488.33	-	-	6,257.73	5,801.47	-
17	5,501.13	-	-	6,390.68	5,789.84	5,537.81
18	5,522.80	△ 5,968.61	5,972.11	6,387.21	-	5,536.42
19	-	5,861.66	5,906.73	6,448.12	-	5,399.50
20	-	5,692.18	6,059.06	-	5,574.71	5,445.77
21	5,798.05	5,656.10	6,046.52	-	# 5,443.18	5,460.53
22	5,804.10	5,609.83	6,140.42	△ 6,462.30	5,541.64	-
23	5,769.78	-	-	6,390.62	5,549.96	-
24	5,801.92	-	-	6,455.39	5,706.40	5,384.89
25	5,950.64	5,510.71	6,219.17	6,355.59	-	5,316.04
26	-	# 5,499.79	△ 6,242.64	6,306.93	-	5,123.04
27	-	5,696.11	6,147.75	-	5,729.90	# 5,071.76
28	△ 6,007.33		6,209.92	-	5,669.53	5,153.71
29	5,846.19		6,167.47	6,205.09	5,623.23	
30	5,812.67			6,065.73	5,736.19	
31	5,872.14				5,675.65	
Monthly Average	5,737.00	5,747.76	6,057.68	6,258.54	5,708.80	5,429.04

Remark: 「△」Highest Index of the Month；「#」Lowest Index of the Month。

MONTH					
JUL.	AUG.	SEP.	OCT.	NOV.	DEC.
4,969.32	4,916.59	-	4,162.77	# 4,500.55	-
4,995.08	4,920.89	4,644.58	4,171.76	-	4,683.18
5,047.82	-	4,588.06	4,075.98	-	4,793.93
5,130.80	-	4,534.15	4,067.79	4,583.68	4,727.49
5,255.23	4,636.67	4,459.37	-	4,566.10	4,755.40
-	# 4,572.35	-	-	4,725.34	4,738.98
-	4,720.73	-	3,924.04	4,757.98	-
5,377.86	4,700.23	-	3,964.28	4,811.01	-
5,388.52	4,851.44	4,533.27	3,947.61	-	△ 4,823.67
5,262.01	-	△ 4,668.01	-	-	4,755.01
5,202.59	-	4,660.53	# 3,850.04	4,664.65	4,699.41
△ 5,416.50	4,852.07	4,647.37	-	4,676.47	4,669.70
-	4,817.93	4,580.17	-	4,671.77	4,588.14
-	4,887.43	-	3,910.98	4,665.56	-
5,393.01	4,931.47	-	4,131.47	△ 4,813.53	-
5,318.01	4,919.02	4,457.16	4,223.32	-	4,582.05
5,250.82	-	4,633.86	4,280.81	-	4,545.62
5,242.11	-	4,482.65	4,458.17	4,790.61	4,535.93
5,161.92	4,888.00	4,491.31	-	4,726.50	4,549.23
-	4,919.26	4,429.25	-	4,653.50	4,595.67
-	4,887.79	-	4,463.52	4,579.45	-
5,043.50	4,956.49	-	4,386.46	4,707.61	-
5,159.23	△ 4,968.85	4,328.40	4,589.88	-	4,572.77
5,039.48	-	4,286.94	4,574.80	-	4,544.50
5,045.07	-	# 4,185.95	4,564.06	4,723.16	4,484.43
# 4,855.34	4,935.92	4,222.22	-	4,677.89	4,567.37
-	4,878.85	4,208.80	-	4,633.03	4,547.32
-	4,789.63	-	△ 4,601.37	4,612.60	-
4,858.44	4,800.63	-	4,554.13	4,646.69	-
5,005.04	4,764.94	4,191.81	4,498.73		4,457.75
4,940.38			4,579.14		# 4,452.45
5,146.00	4,841.69	4,461.69	4,271.87	4,675.60	4,621.36