



Japanese Economy Monthly Forecast

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Headlines

●Review of data released in December

▶ Incorporating basic data released up to January 5th, we have forecast 2017Q4 GDP. As of January 5th, around two-thirds of basic monthly data covering 2017Q4 GDP has been released.

▶ Official **industrial production indices** rose MoM for the second consecutive month in November. METI responded to this by revising up its assessment of production trends from last month. This was the first upward revision since October 2016.

▶ November **real household consumption expenditure** rose for the first time in two months in November, but the October-November average was -0.7% lower than the 2017Q3 average. Decreases in the **durable** and **non-durable consumer goods shipment indices** indicate that there is a high likelihood that the sluggishness seen in household consumption in Q3 will continue in Q4.

▶ After updating input data, our forecast for **real private housing** in November did not change, but forecast levels for **real private capital expenditure** and **change in corporate inventory** both increased from last week.

▶ November **public works contract amounts** showed signs of recovery, but **public works** fell MoM for the fifth consecutive month in October. **Real public fixed capital formation** (that is, government investment) is expected to be subdued in Q4.

▶ The October-November average for **net goods exports** fell from the Q3 average in volume terms, but improved in real value terms.

●2017Q4 GDP growth forecast update

▶ This week's Current Quarter Model **demand-side forecast for real GDP** in 2017Q4 is for +0.4% QoQ and +1.6% QoQ annualized growth.

▶ **Domestic demand** is forecast to make a contribution of -0.3%pts QoQ to real GDP growth, and **net exports** to make a contribution of +0.7%pts QoQ. As the forecast trend (Figure 1) shows, our demand- and production-side real GDP growth forecasts were both higher than market consensus.

●2017Q4 inflation forecast update

▶ In November, the core **Consumer Price Index** (excluding perishable foods and energy) grew 0.3% YoY for a fifth consecutive monthly increase. In seasonally adjusted terms, it grew by 0.1% MoM for a second consecutive increase. With the exception of energy, consumer prices are achieving only moderate growth.

▶ This week, the Current Quarter Model forecasts the **private final consumption expenditure deflator** to grow by 0.3% QoQ in Q4, and the domestic demand deflator to grow by 0.3% QoQ. As terms of trade are expected to worsen, the **GDP deflator** is forecast to be flat at +0.0% QoQ in Q4 (see Figure 2).

Fig 1 CQM Forecast: Real GDP growth rate Oct-Dec (Q4) 2017 (% , QoQ annualized growth)

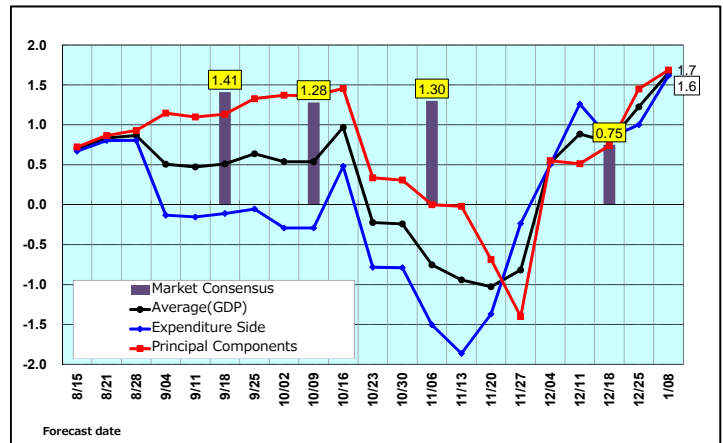
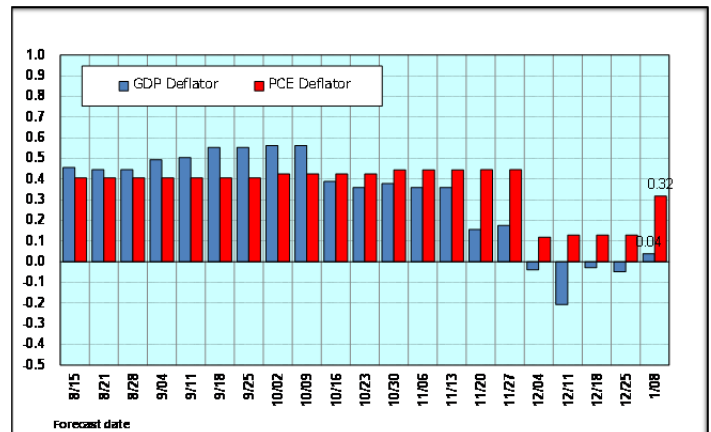


Fig 2 CQM Forecast: Inflation Oct-Dec (Q4) 2017 (% , QoQ growth)



発行日 Release Date	データ 該当月 Data Month	経済指標 Economic Indicator	数値・指標値 Value/ Index Score	動態 Change	
				前月比 MoM	前年比 YoY
1/5	12月 December	食糧安定供給収支尻 (10億円) Stable Food Supply Payments Balance (billion JPY)	64.9	-	+21.5
	12月 December	新車販売台数 New Car Sales (vehicles)	330,300	-	-0.8%
12/28	11月 November	鉱工業指数 (2010年=100: 速報値) Indices of Industrial Production (official, 2010=100)			
		生産 Production	103.6	+0.6%	-
		出荷 Shipments	101.3	+2.4%	-
		在庫 Inventory	109.6	-1.0%	-
	11月 November	商業動態統計 (速報値) Current Survey of Commerce (interim figures)			
		小売業 (10億円) Retail trade (billion JPY)	11,533	1.9%	2.2%
12/27	11月 November	新設住宅着工 New Housing Starts			
		新設住宅着工戸数 New housing starts (SA, Unit)	84,703	+1.9%	-0.4%
		工事費予定額 Planned dwelling construction cost (JPY Billion)	1,362.9	+1.5%	-0.8%
	10月 October	建設工事費デフレーター (2011年=100) Construction Costs Deflator (2011=100)			
		住宅建築 Housing construction	107.0		+2.0%
		公共事業 Public works	108.1		+2.2%
	11月 November	製造業部門別投入・産出物価指数 (2011年=100) Manufacturing Industry Input-Output Price Index (2011=100)			
		投入物価 Input price	97.3	-	+6.6%
		産出物価 Output price	99.4	-	+3.8%
12/26	11月 November	労働力調査 Labour Force Survey			
		就業者数 (100万人) Total employment (millions)	65.58	+0.14	-
		失業者数 (100万人) Total unemployment (millions)	1.85	-0.02	-
		失業率 Unemployment rate (%)	2.7	-0.1%pt	-
	11月 November	一般職業紹介状況 General Job Placement Situation			
		有効求人倍率 Job offer ratio	1.56	+0.01pt	-
	11月 November	家計調査報告 (2人以上世帯:消費支出) Family Income and Expenditure Survey (households with 2 or more people)			
		名目 Nominal consumption expenditure (JPY)	277,361	+3.0%	+2.4%
		実質 Real consumption expenditure	-	+2.1%	+1.7%
	11月 November	全国消費者物価指数 (2015年=100) National Consumer Price Index (2015=100)			
		コア Core	100.7	+0.2%	+0.9%
	12月 December	東京都区部消費者物価指数 (2015年=100) Tokyo Region Consumer Price Index (2015=100)			
		コア Core	100.3	+0.1%	+0.8%
12/25	10月 October	景気動向指数 (2010年=100、改訂値、前月差) Index of Business Conditions (revised, 2010=100)			
		先行 Leading indicator	106.5	0.0	-
		一致 Consensus	116.4	+0.2	-
		遅行 Lagging indicator	118.5	+1.3	-
	10月 October	企業向けサービス価格指数 (2010年=100) Corporate Service Price Index (2010=100)			
		総合指数 Overall index	104.0	+0.2%	+0.8%
12/22	10月 October	毎月勤労統計 (確報値) Monthly Labour Statistics (official)			
		現金給与総額 Total cash salaries (JPY)	267,433	-	+0.2%
		総実労働時間 Total working hours	144.5	-	+0.8%
12/20	10月 October	産業活動指数 (2010年=100) Industrial Activity Indices (2010=100)			
		全産業 All industries	105.0	+0.3%	-

		建設業 Construction industry	113.9	-0.3%	-
12/18	11月 November	貿易統計 (通関ベース) Trade Statistics (customs clearance)			
		貿易収支 (10 億円) Trade balance (billion JPY)	113.4	+4.2%	-22.6%
		輸出 Exports (billion JPY)	6,920.4	+1.6%	+16.2%
		輸入 Imports (billion JPY)	6,807.1	+1.4%	+17.2%
	10月 October	建設総合統計 Overall Construction Statistics			
		民間建築：非居住 (10 億円) Private construction: Non-residential (billion JPY)	914.4	-	+11.2%
		公共工事 (10 億円) Public works (billion JPY)	2,043.9	-	+2.2%
12/15	11月 November	公共工事前払金保証統計 Public Works Advanced Securities Statistics			
		請負金額 (10 億円) Contract amount (billion JPY)	863.3	-	+5.0%
		請負件数 Number of contracts	22,060	-	+2.9%
12/14	10月 October	鉱工業指数 (2010年=100: 確報値) Indices of Industrial Production (official, 2010=100)			
		生産能力指数 Production capacity index	94.6	-	+0.1%
		稼働率指数 Operation ratio index	102.0	+0.2%	-
		生産 Production	103.0	+0.5%	-
		出荷 Shipments	98.9	-0.4%	-
		在庫 Inventory	110.7	+3.2%	-
	10月 October	消費総合指数 (2011年=100) Synthetic Consumption Index (2011=100)	104.4	+0.4%	
12/13	10月 October	民間コア機械受注 (10 億円) Private Core Machinery Orders (billion JPY)	850.9	+5.0%	-
12/12	10月 October	第3次産業活動指数 (2010年=100) Tertiary Industry Activity Index (2010=100)	104.9	+0.3%	-
	11月 November	国内企業物価指数 (2015年=100) Domestic Corporate Price Index (2010=100)			
		企業物価 Corporate Price	99.8	+0.4%	+3.5%
		輸出物価 Export Price	97.4	+0.2%	+6.8%
		輸入物価 Import Price	95.1	+1.0%	+10.2%
12/11	10月 October	情報サービス売上高 (10 億円) Information Services Industry Sales (billion JPY)	768.0	-	+3.7%
12/8	10月 October	毎月勤労統計 (速報値) Monthly Labour Statistics (interim figures)			
		現金給与総額 Total cash salaries (JPY)	268,392	-	+0.6%
		総実労働時間 Total working hours	144.5	-	+0.8%
	11月 November	景気ウォッチャー調査 (前月差) Economy Watchers Survey			
		現状判断 DI Current Conditions Diffusion Index	55.1	+2.9	-
		先行き判断 DI Future Conditions Diffusion Index	53.8	-1.1	-
	10月 October	国際収支 Balance of Payments			
		経常収支 (10 億円) Current account (billion JPY)	2,176.4	+33.0%	+40.7%
		輸出 Exports (billion JPY)	6,573.5	+3.6%	+14.3%
		輸入 Imports (billion JPY)	6,143.3	+2.1%	+18.5%
12/7	10月 October	景気動向指数 (2010年=100: 速報値、前月差) Index of Business Conditions (interim, 2010=100)			
		先行 Leading indicator	106.1	-0.4	-
		一致 Consensus	116.5	+0.3	-
		遅行 Lagging indicator	118.4	+1.1	-
	10月 October	消費活動指数 (2010年=100) Consumption Activity Index	103.4	+0.2%	-
12/4	11月 November	食糧安定供給収支戻 (10 億円) Stable Food Supply Payments Balance (billion JPY)	0.1	-	-1.5
	11月 November	消費者態度指数 (前月差) Consumer Confidence Index (SA)	44.9	+0.4	-