



Japanese Economy Monthly Forecast

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Yoshihisa Inada,
Head of Center for Quantitative Economic Analysis, APIR
e-mail: inada-y@apir.or.jp

Headlines

●Review of data released in February

▶ Official 1st preliminary GDP data reports that **2017Q4 real GDP** grew by 0.5% QoQ annualized. This was the eighth consecutive quarterly increase, but the growth rate has slowed from last quarter. The official rate was somewhat lower than market consensus and the final supply-side forecast of APIR's Current Quarter Model.

▶ The **industrial production index** fell by a significant 6.6% MoM, for the first decrease in four months in January. The January level was 4.6% lower than the Q4 average.

▶ The **durable consumer goods index** dropped from the Q4 average by 8.6% in January, while the **non-durable consumer goods index** rose by just 0.2%. It is expected that real **private final consumption expenditure (PFCE)** will be sluggish in 2018Q1.

▶ After January data updates, forecast levels for **real private housing, real private capital expenditure, and change in corporate inventory** all made downward corrections from the previous week.

▶ **Public works contract amounts**, a leading indicator of public works expenditure, fell by 12.8% MoM in January, a second consecutive monthly decrease. The January level was 6.2% lower than the Q4 average. **Public investment** is expected to remain subdued in Q1.

●2018Q1 GDP growth forecast update

▶ This week's Current Quarter Model **demand-side forecast for real GDP** in 2018Q1 is for +1.6% QoQ annualized growth. This was a downward correction from last week.

▶ As the forecast trend (Figure 1) shows, our Current Quarter Model's principle components (production-side) forecast was for -1.5% QoQ annualized real GDP growth. This drop reflects the large depreciation in the industrial production index in January. However, the index is forecast to make a large recovery in February, so it is likely that the production-side GDP growth rate will bounce back.

●2018Q1 inflation forecast update

▶ In January, the core **consumer price index** grew 0.9% YoY for a 13th consecutive monthly increase. In seasonally adjusted terms, it rose 0.2% MoM, the first increase in two months.

▶ This week, the Current Quarter Model forecasts the **private final consumption expenditure deflator** to grow by 0.5% QoQ in 2018Q1, and the **domestic demand deflator** to also grow by 0.3% QoQ. As terms of trade are expected to worsen, the **GDP deflator** is forecast to gain just +0.1% QoQ in Q1 (see Figure 2).

Fig 1 CQM Forecast: Real GDP growth rate Jan-Mar (Q1) 2018 (% , QoQ annualized growth)

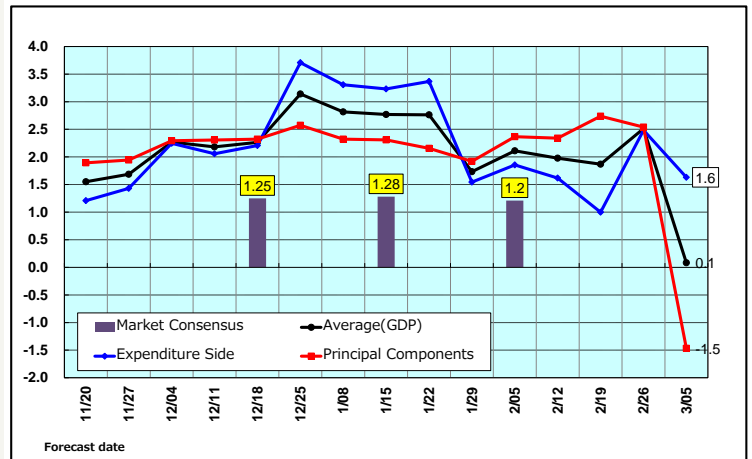
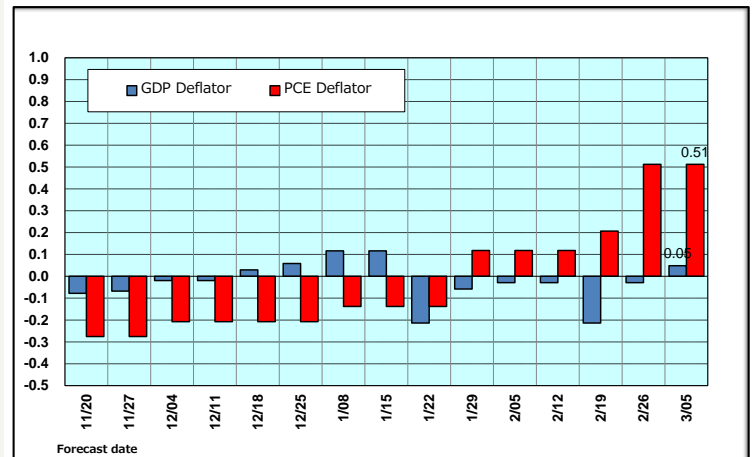


Fig 2 CQM Forecast: Inflation Jan-Mar (Q1) 2018 (% , QoQ growth)



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
3/2	2月 February	食糧安定供給収支戻 (10 億円) Stable Food Supply Payments Balance (billion JPY)	2.49	-	+0.2
	2月 February	労働力調査 Labour Force Survey			
		就業者数 (100 万人) Total employment (millions)	65.95	+0.42	-
		失業者数 (100 万人) Total unemployment (millions)	1.6	-0.23	-
		失業率 Unemployment rate (%)	2.4	-0.3%pt	-
	1月 January	一般職業紹介状況 General Job Placement Situation			
		有効求人倍率 Job offer ratio	1.59	0.00pt	-
	2月 February	東京都都区部消費者物価指数 (2015年=100) Tokyo Region Consumer Price Index (2015=100)			
		コア Core	100.1	+0.1%	+0.9%
3/1	2月 February	乗用車新車販売台数 New Car Sales (vehicles)	401,806	-	-2.8%
	2月 February	消費者態度指数 (前月差) Consumer Confidence Index (SA)	44.3	-0.4	-
2/28	1月 January	鉱工業指数 (2010年=100: 速報値) Indices of Industrial Production (interim figures, 2010=100)			
		生産 Production	99.5	-6.6%	-
		出荷 Shipments	98.3	-5.6%	-
		在庫 Inventory	108.8	-0.6%	-
	1月 January	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)	11,770	-1.8%	+1.6%
	1月 January	新設住宅着工 New Housing Starts			
		新設住宅着工戸数 New housing starts (SA, Unit)	66,358	-8.6%	-13.2%
		工事費予定額 (10 億円) Planned dwelling construction cost (billion JPY)	1,063.8	-8.1%	-28.9%
	12月 December	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	108.9		+3.0%
		公共事業 Public works	110.1		+3.0%
2/27	1月 January	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	98.2	-	+3.9%
		産出物価 Output price	100.0	-	+2.1%
2/26	12月 December	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	107.4	-0.8	-
		一致 Consensus	120.2	+2.3	-
		遅行 Lagging indicator	119.1	+0.4	-
2/23	12月 December	毎月勤労統計調査 (確報値) Monthly Labour Statistics (official)			
		現金給与総額 Total cash salary per capita (JPY)	551,896	-	+0.9%
		総実労働時間 Total working hours	144.2	-	+0.5%
	1月 January	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	103.7	-0.6%	+0.7%
	1月 January	全国消費者物価指数 (2015年=100) National Consumer Price Index (2015=100)			
		コア Core	100.4	+0.2%	+0.9%
2/21	12月 December	産業活動指数 (2010年=100) Industrial Activity Indices (2010=100)			
		全産業 All industries	106.3	+0.5%	-
		建設業 Construction industry	113.7	-0.4%	-

2/19	1月 January	貿易統計 (通関ベース) Trade Statistics (customs clearance level)				
			貿易収支 (10 億円) Trade balance (billion JPY)	-943.4	+311.7%	-13.6%
			輸出 Exports (billion JPY)	6,085.6	-1.1%	+12.2%
			輸入 Imports (billion JPY)	7,029.0	-5.2%	+7.9%
2/16	12月 December	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)	916.1	-	+10.1%
			公共工事 (10 億円) Public works (billion JPY)	2,164.5	-	+4.6%
2/15	12月 December	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	104.9	+2.8%	-
			生産 Production	106.5	+2.9%	-
			出荷 Shipments	104.1	+2.9%	-
			在庫 Inventory	109.5	-0.3%	-
	12月 December	民間コア機械受注 (10 億円) Private Core Machinery Orders (billion JPY)		792.6	-11.9%	-
	1月 January	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)	610.1	-	-12.8%
			請負件数 Number of contracts	12,243	-	-16.7%
2/13	1月 January	国内企業物価指数 (2015年=100) Domestic Corporate Price Index (2010=100)				
			企業物価 Corporate Price	100.3	+0.3%	+2.7%
			輸出物価 Export Price	97.3	-0.4%	+1.8%
			輸入物価 Import Price	96.6	-0.4%	+4.9%
2/9	12月 December	第3次産業活動指数 (2010年=100) Tertiary Industry Activity Index (2010=100)		105.6	-0.2%	-
	12月 December	消費総合指数 (2011年=100) Synthetic Consumption Index (2011=100)		104.6	-0.9%	
2/8	12月 December	情報サービス業売上高 (10 億円) Information Services Industry Sales (billion JPY)		1,123.7	-	+0.8%
	1月 January	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	49.9	-4.0	-
			先行き判断 DI Future Conditions Diffusion Index	52.4	-0.3	-
	12月 December	国際収支 Balance of Payments				
			経常収支 (10 億円) Current account (billion JPY)	797.2	-13.0%	-13.0%
			輸出 Exports (billion JPY)	7,271.5	-1.7%	+8.8%
			輸入 Imports (billion JPY)	6,732.6	+2.5%	+14.6%
2/7	12月 December	毎月勤労統計 (速報値) Monthly Labour Statistics (interim figures)				
			現金給与総額 Total cash salary per capita (JPY)	551,222	-	+0.7%
			総実労働時間 Total working hours	144.1	-	+0.4%
	12月 December	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	107.9	-0.3	-
			一致 Consensus	120.7	+2.8	-
			遅行 Lagging indicator	119.0	+0.2	-
	12月 December	消費活動指数 (2010年=100) Consumption Activity Index		103.4	-0.6%	-
2/2	1月 January	食糧安定供給収支戻 (10 億円) Stable Food Supply Payments Balance (billion JPY)		2.2	-	-15.0
2/1	1月 January	乗用車新車販売台数 New Car Sales (vehicles)		339,581	-	-1.1%