



# Japanese Economy Monthly Forecast

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## Headlines

### ●Review of data released in December

▶ In the 2<sup>nd</sup> release of official Quick Estimates (QE), the Cabinet Office revised real GDP growth for 2016Q3 down from the 1<sup>st</sup> release level to 1.3% QoQ annualized growth. It also revised the standards and method of calculating the System of National Accounts. Further, it revised FY2015 nominal GDP up from the 1<sup>st</sup> release to JPY 532.2 trillion. Japan's goal of reaching a nominal GDP of 600 trillion by FY2020 is now more achievable.

▶ Core monthly data released up to the end of December covers about two-thirds of 2016Q4 GDP figures.

▶ The Production Index for November had its first increase in two months, rising 1.5% MoM. The Average Production Index in October-November was 1.6% higher than the average in Q3. Production has thus started recovering at a faster pace. METI increased its overall assessment of production in November for the first time in 4 months.

▶ Regarding Real Household Expenditure, demand side consumption indices remained sluggish in November but supply side indices made strong gains.

▶ New Housing Starts fell MoM for the second consecutive month in November, while the Capital Goods Index had its fourth straight gain MoM. Private housing investment has stalled, but private capital investment made a relatively large recovery.

▶ Growth in Public Works fell MoM for the second consecutive month in October. The expansion in public works has stalled temporarily.

▶ Average October-November net exports increased from Q3 both in volume and real value terms.

### ●2016Q4 growth forecast update

▶ This week's Current Quarter Model expenditure side forecast for real GDP in 2016Q4 is for +0.8% QoQ growth and +3.3% annual growth. The contribution of internal demand declined by a marginal 0.1% QoQ, while that of net exports increased by a large 0.9% QoQ.

▶ The production side principle component model forecast is for real GDP to achieve 1.2% QoQ annualized growth in Q4. As Fig. 1 shows, the average of our Current Quarterly Model expenditure and production side GDP forecasts is for 2.2% growth. This is a higher forecast than that of market consensus.

### ●2016Q4 inflation forecast update

▶ In November, the National Core Consumer Price Index fell 0.4% YoY, the ninth consecutive monthly decrease. Energy price decreases brought the total consumer price index down by 0.5%.

▶ This week, the Current Quarter Model forecasts the Private Final Consumption Expenditure deflator to rise by 0.6% QoQ in Q4. Since terms of trade will also decline in this quarter, the GDP deflator in this period is forecast to increase by 0.2% QoQ, as shown in Fig. 2.

Fig. 1 CQM Forecast: Real GDP growth rate Oct-Dec 2016 (% , QoQ annualized growth)

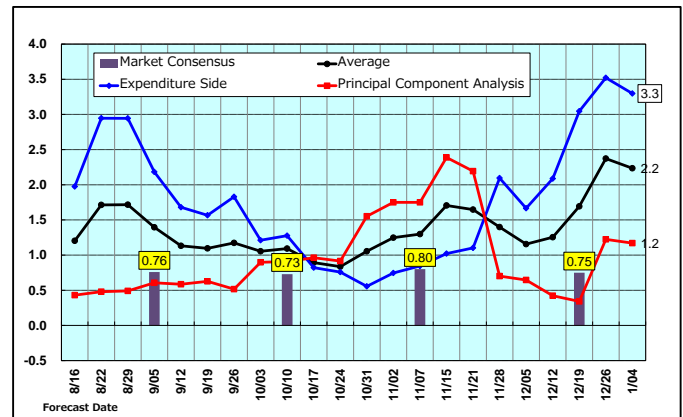
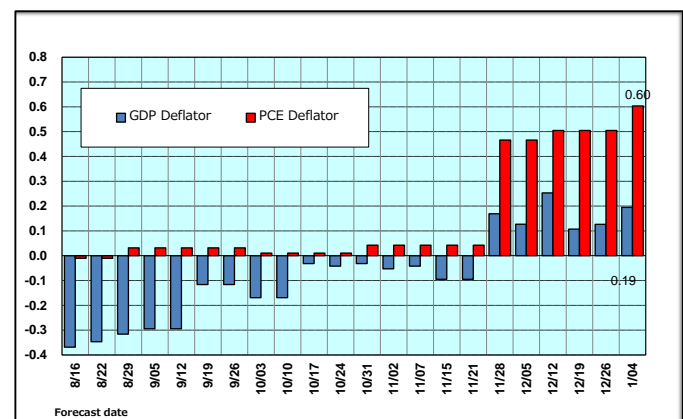


Fig. 2 CQM Forecast: Inflation Oct-Dec 2016 (% , QoQ annualized growth)



発行日 Release Date	データ 該当月 Data Month	経済指標 Economic Indicator	数値・指標値 Result/ Index Score	動態 Change		
				前月比 MoM	前年比 YoY	
12/28	11月 November	<b>鉱工業指数 (2010年=100:速報値)</b> <b>Indices of Industrial Production (2010=100, preliminary figures)</b>				
		生産 Production	99.9	+1.5%	-	
		出荷 Shipments	99.2	+0.9%	-	
		在庫 Inventory	107.0	-1.5%	-	
12/28	11月 November	<b>商業動態統計 (速報値)</b> <b>Current Survey of Commerce (preliminary figures)</b>				
		小売業 Retail trade	-	+0.2%	+1.7%	
12/28	11月 November	<b>製造業部門別投入・産出物価指数 (2011年=100)</b> <b>Manufacturing Industry Input-Output Price Index (2011=100)</b>				
		投入物価 Input price	-	-	-3.2%	
		産出物価 Output price	-	-	-3.0%	
12/27	11月 November	<b>労働力調査</b> <b>Labour Force Survey</b>				
		就業者数 (100万人) Total employment (millions)	64.44	-0.11	-	
		失業者数 (100万人) Total unemployment (millions)	2.05	+0.08	-	
		失業率 Unemployment rate (%)	3.1	0.1%pt	-	
12/27	11月 November	<b>一般職業紹介状況</b> <b>General Job Placement Situation</b>				
		有効求人倍率 Job offer ratio	1.41	0.01%pt	-	
12/27	11月 November	<b>家計調査報告 (2人以上世帯:消費支出)</b> <b>Family Income and Expenditure Survey (households with 2 or more people)</b>				
		名目 Nominal consumption expenditure	-	-0.3%	-0.9%	
		実質 Real consumption expenditure	-	-0.6%	-1.5%	
12/27	11月 November	<b>新設住宅着工</b> <b>New Housing Starts</b>				
		新設住宅着工戸数 New housing starts	-	-0.1%	+6.7%	
		工事費予定額 Planned construction costs	-	+1.7%	+6.6%	
12/27	11月 November	<b>全国消費者物価指数 (2015年=100)</b> <b>National Consumer Price Index (2015=100)</b>				
		コア Core	99.8	+0.1%	-0.4%	
12/27	12月 December	<b>東京都区部消費者物価指数 (2015年=100)</b> <b>Tokyo Region Consumer Price Index (2015=100)</b>				
		コア Core	99.5	+0.0%	-0.6%	
12/27	10月 October	<b>建設工事費デフレーター (2005年=100)</b> <b>Construction Costs Deflator (2005=100)</b>				
		住宅建築 Housing construction	-	+0.5%	-	
		公共事業 Public works	-	-	+0.3%	
12/26	11月 November	<b>企業向けサービス価格指数 (2010年=100)</b> <b>Corporate Service Price Index (2010=100)</b>				
		総合指数 Overall index	103.3	+0.1%	+0.3%	
12/26	10月 October	<b>景気動向指数 (2010年=100、改訂値、前月差)</b> <b>Index of Business Conditions (revised, 2010=100)</b>				
		先行 Leading indicator	100.8	+0.8	-	
		一致 Consensus	113.5	+1.0	-	
		遅行 Lagging indicator	113.2	-0.7	-	
12/22	10月 October	<b>毎月勤労統計 (確報値)</b> <b>Monthly Labour Statistics (official)</b>				
		現金給与総額 Total cash salaries	-	-	+0.1%	
		総実労働時間 Total working hours	-	-	-0.9%	
12/21	10月 October	<b>産業活動指数 (2010年=100)</b> <b>Industrial Activity Indices (2010=100)</b>				
		全産業 All industries	103.5	+0.2%	-	
		建設業 Construction industry	113.7	-0.3%	-	
12/19	11月 November	<b>貿易統計 (通関ベース)</b> <b>Trade Statistics (customs clearance)</b>				
		貿易収支 (10億円) Trade balance (billion JPY)	152.5	+14.8%	-	

			輸出 Exports	-	+4.3%	-0.4%
			輸入 Imports	-	+3.4%	-8.8%
12/16	10月 October	<b>建設総合統計</b> <b>Overall Construction Statistics</b>				
			民間建築：非居住（10億円） Private construction: Non-residential (billion JPY)	836.1	-	+35.4%
			公共工事（10億円） Public works (billion JPY)	1,980.6	-	-4.2%
12/15	11月 November	<b>公共工事前払金保証統計</b> <b>Public Works Advanced Securities Statistics</b>				
			請負金額 Contract amount	-	-	-5.7%
			請負件数 Number of contracts	-	-	-4.0%
12/14	10月 October	<b>鉱工業指数（2010年=100：確報値）</b> <b>Indices of Industrial Production (official, 2010=100)</b>				
			生産能力指数 Production capacity index	94.5	-	-0.6%
			稼働率指数 Operation ratio index	98.1	+1.4%	-
12/12	11月 November	<b>国内企業物価指数（2010年=100）</b> <b>Domestic Corporate Price Index (2010=100)</b>				
			企業物価 Corporate Price	99.1	+0.4%	-2.2%
			輸出物価 Export Price	101.0	+3.1%	-7.8%
			輸入物価 Import Price	97.3	+5.4%	-10.2%
12/12	10月 October	<b>第3次産業活動指数（2010年=100）</b> <b>Tertiary Industry Activity Index (2010=100)</b>				
				-	+0.2%	-
12/11	10月 October	<b>民間コア機械受注（10億円）</b> <b>Private Core Machinery Orders (billion JPY)</b>				
				878.3	+4.1%	-
12/9	10月 October	<b>情報サービス業売上高（10億円）</b> <b>Information Services Industry Sales (billion JPY)</b>				
				735.0	-	+2.7%
12/8	11月 November	<b>景気ウォッチャー調査（前月差）</b> <b>Economy Watchers Survey</b>				
			現状判断 DI Current Conditions Diffusion Index	52.5	+3.2	-
			先行き判断 DI Future Conditions Diffusion Index	53.0	+1.6	-
12/8	10月 October	<b>国際収支</b> <b>Balance of Payments</b>				
			経常収支（10億円） Current account (billion JPY)	1,719.9	+30.6%	+22.7%
			輸出 Exports	-	+4.0%	-9.4%
			輸入 Imports	-	+3.3%	-15.9%
12/7	10月 October	<b>景気動向指数（2010年=100：速報値、前月差）</b> <b>Index of Business Conditions (preliminary, 2010=100)</b>				
			先行 Leading indicator	101.0	+1.0	-
			一致 Consensus	113.9	+1.4	-
			遅行 Lagging indicator	113.3	-0.7	-
12/6	10月 October	<b>毎月勤労統計（速報値）</b> <b>Monthly Labour Statistics (preliminary figures)</b>				
			現金給与総額 Total cash salaries	-	-	+0.1%
			総実労働時間 Total working hours	-	-	-0.9%
12/5	11月 November	<b>消費者態度指数（前月差）</b> <b>Consumer Confidence Index</b>				
				40.9	-1.4	-
12/1	11月 November	<b>食糧安定供給収支戻（10億円）</b> <b>Stable Food Supply Payments Balance (billion JPY)</b>				
				1.6	-	+2.9
12/1	11月 November	<b>新車販売台数</b> <b>New Car Sales (vehicles)</b>				
				341,833	-	+8.8%