



Japanese Economy Monthly Forecast

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Headlines

●Review of data released in October

▶ We have incorporated basic data released up to November 2nd, 2017 and forecasted GDP for 2017Q3. Roughly all basic monthly data covering Q3 GDP has now been released.

▶ In September, the **production index** fell for the first time in two months by 1.1% MoM, but the Q3 average was a slight 0.4% higher than the Q2 average.

▶ **Real consumption expenditure** for September rose by 0.4% MoM for its second consecutive increase, but overall in Q3, it fell by 0.4% QoQ, the first decrease in three quarters. Private Final Consumption Expenditure (PFCE) is forecast to decrease in Q3.

▶ Incorporating September data into calculations, we revised last week's forecasts for Q3 private housing and private capital expenditure downwards. However, we revised our forecast for change in corporate inventory upwards.

▶ Public works in August declined by 2.3% MoM for a third consecutive decrease. The July-August average was 2.8% lower than the Q2 average. It is feared that the effects of the supplementary budget are wearing off in Q3.

▶ Q3 net goods exports improved from Q2 levels in both in volume and real value terms.

●2017Q3 growth forecast update

▶ This week's updated Current Quarter Model **demand-side forecast for real GDP** in 2017Q3 is for +0.1% QoQ and +0.3% QoQ annualized growth. The **production-side principal component model forecast for real GDP** is for 0.0% QoQ annualized growth. As the forecast trend (Figure 1) shows, the average growth rate across both sides is at +0.2% QoQ annualized, a marginal gain.

▶ 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 +0.4%pts QoQ. In Q3, GDP grew by a small margin as net exports made a generous contribution, cancelling out the reactionary drop in domestic demand's contribution that came after last month's gains.

●2017Q3 inflation forecast update

▶ In September, the **Consumer Price Index** (excluding perishable foods and energy) grew 0.2% YoY for a third consecutive increase. In seasonally adjusted terms, it was flat MoM for the first time in two months. With the exception of energy, consumer prices continue to lack upward momentum.

▶ This week, the Current Quarter Model forecasts the **Private Final Consumption Expenditure deflator** to grow by 0.1% QoQ in 2017Q3. As the terms of trade are expected to improve, the **GDP deflator** is forecast to increase by 0.5% QoQ in Q3 (see Figure 2).

Fig 1 CQM Forecast: Real GDP growth rate Jul-Sep (Q3) 2017 (% , QoQ annualized growth)

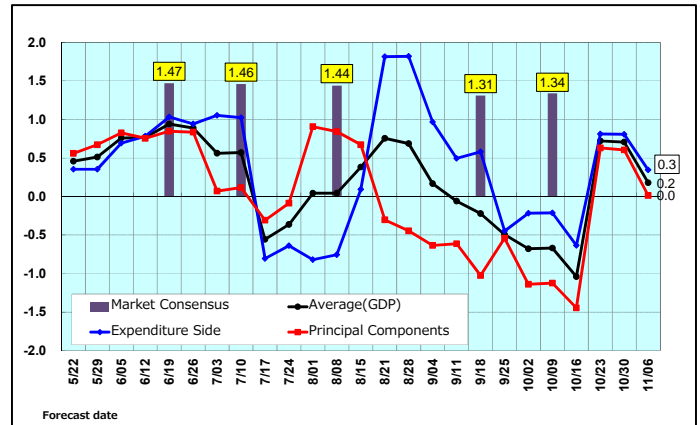
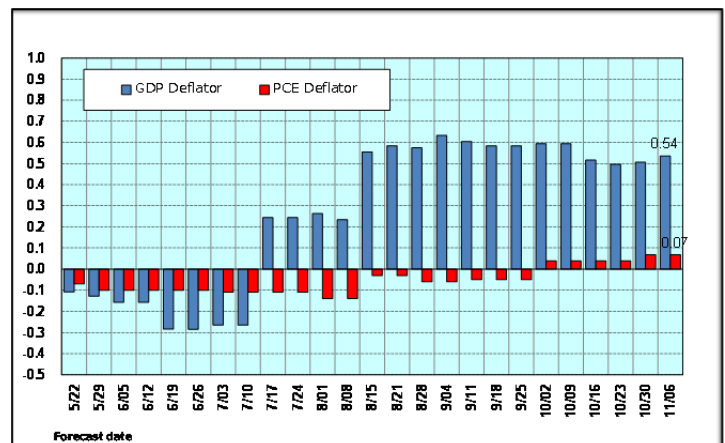


Fig 2 CQM Forecast: Inflation Jul-Sep (Q3) 2017 (% , QoQ growth)



発行日 Release Date	データ 該当月 Data Month	経済指標 Economic Indicator	数値・指標値 Result/ Index Score	動態 Change	
				前月比 MoM	前年比 YoY
11/2	10月 October	食糧安定供給収支戻 (10 億円) Stable Food Supply Payments Balance (billion JPY)	17.7	-	+6.3
	10月 October	消費者態度指数 (前月差) Consumer Confidence Index (SA)	44.5	+0.6	-
11/1	10月 October	新車販売台数 New Car Sales (vehicles)	310,792	-	-1.2%
10/31	9月 September	労働力調査 Labour Force Survey			
		就業者数 (100 万人) Total employment (millions)	65.50	-0.15	-
		失業者数 (100 万人) Total unemployment (millions)	1.88	+0.02	-
		失業率 Unemployment rate (%)	2.8	0.0%pt	-
	9月 September	一般職業紹介状況 General Job Placement Situation			
		有効求人倍率 Job offer ratio	1.52	0.00pt	-
	9月 September	鉱工業指数 (2010 年=100: 速報値) Indices of Industrial Production (official, 2010=100)			
		生産 Production	102.4	-1.1%	-
		出荷 Shipments	99.2	-2.6%	-
		在庫 Inventory	107.3	0.0%	-
	9月 September	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	268,802	+0.4%	+0.6%
		実質 Real consumption expenditure	-	+0.4%	-0.3%
	9月 September	新設住宅着工 New Housing Starts			
		新設住宅着工戸数 New housing starts (SA, Unit)	83,128	+1.0%	-2.9%
		工事費予定額 Planned dwelling construction cost (JPY Billion)	1,306.6	-2.5%	-9.1%
	8月 August	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	106.6		+2.0%
		公共事業 Public works	107.6		+2.2%
10/30	9月 September	商業動態統計 (速報値) Current Survey of Commerce (interim figures)			
		小売業 Retail trade (billion JPY)	11,286.0	+0.8%	+2.2%
	9月 September	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	95.4	-	+7.0%
		産出物価 Output price	98.3	-	+4.0%
10/27	9月 September	全国消費者物価指数 (2015 年=100) National Consumer Price Index (2015=100)			
		コア Core	100.3	0.0%	+0.7%
	10月 October	東京都都区消費者物価指数 (2015 年=100) Tokyo Region Consumer Price Index (2015=100)			
		コア Core	100.0	0.0%	+0.6%
10/26	9月 September	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	103.8	+0.1%	+0.9%
10/23	8月 August	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	107.2	+2.0	-
		一致 Consensus	117.7	+2.0	-
		遅行 Lagging indicator	116.2	+0.3	-
10/20	8月 August	毎月労働統計 (確報値) Monthly Labour Statistics (official)			
		現金給与総額 Total cash salaries (JPY)	370,823	-	+0.7%
		総実労働時間 Total working hours	139.2	-	-0.8%
10/19	8月 August	産業活動指数 (2010 年=100) Industrial Activity Indices (2010=100)			

			全産業 All industries	105.1	+0.1%	-
			建設業 Construction industry	116.8	-2.3%	-
	9月 September	貿易統計 (通関ベース) Trade Statistics (customs clearance)				
			貿易収支 (10 億円) Trade balance (billion JPY)	670.2	-22.0%	+37.7%
			輸出 Exports (billion JPY)	6,811.0	-0.3%	+14.1%
			輸入 Imports (billion JPY)	6,140.8	+0.7%	+12.0%
10/17	8月 August	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)	873.9	-	+14.0%
			公共工事 (10 億円) Public works (billion JPY)	1,711.7	-	+5.3%
10/16	8月 August	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	94.3	-	-0.1%
			稼働率指数 Operation ratio index	103.4	+3.3%	-
			生産 Production	103.5	+2.0%	-
			出荷 Shipments	101.8	+1.8%	-
			在庫 Inventory	107.3	-0.6%	-
10/13	8月 August	消費総合指数 (2011年=100) Synthetic Consumption Index (2011=100)				
				104.4	+0.4%	
	9月 September	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)	1,319.1	-	-10.4%
			請負件数 Number of contracts	29,456	-	-5.2%
10/13	9月 September	国内企業物価指数 (2015年=100) Domestic Corporate Price Index (2010=100)				
			企業物価 Corporate Price	99.0	0.2%	+3.0%
			輸出物価 Export Price	95.6	+1.1%	+9.4%
			輸入物価 Import Price	91.6	+1.8%	+13.5%
	8月 August	第3次産業活動指数 (2010年=100) Tertiary Industry Activity Index (2010=100)				
				104.7	-0.2%	-
10/11	8月 August	民間コア機械受注 (10 億円) Private Core Machinery Orders (billion JPY)				
				882.4	+3.4%	-
	8月 August	情報サービス業売上高 (10 億円) Information Services Industry Sales (billion JPY)				
				768.9	-	-0.2%
10/10	9月 September	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	51.3	+1.6	-
			先行き判断 DI Future Conditions Diffusion Index	51.0	-0.1	-
	8月 August	国際収支 Balance of Payments				
			経常収支 (10 億円) Current account (billion JPY)	2,380.4	+11.5%	+20.8%
			輸出 Exports (billion JPY)	6,165.6	+0.7%	+16.3%
			輸入 Imports (billion JPY)	5,847.0	-0.9%	+15.1%
10/6	8月 August	毎月勤労統計 (速報値) Monthly Labour Statistics (interim figures)				
			現金給与総額 Total cash salaries (JPY)	274,490	-	+0.9%
			総実労働時間 Total working hours	139.3	-	-0.7%
	8月 August	消費活動指数 (2010年=100) Consumption Activity Index				
				103.3	-0.7%	-
	8月 August	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	106.8	+1.6	-
			一致 Consensus	117.6	+1.9	-
			遅行 Lagging indicator	116.5	+0.5	-