



# Japanese Economy Monthly Forecast

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## Headlines

▶ The official Quick Estimate reported that the **Q1 real GDP growth rate** was 2.2% QoQ (annualized), making Q1 the fifth consecutive quarter of positive growth. The real growth rate once again exceeded the potential growth rate. The official estimate was higher than market consensus, lower than the expenditure-side forecast of our Current Quarter Model (CQM), and roughly in line with the average between the CQM's demand- and expenditure-side forecasts.

▶ Basic monthly data released up to June 2<sup>nd</sup> covers approximately one-third of Q2 GDP.

▶ In April, the index of industrial **production** rose 4.0% MoM, and 3.8% from the January-March average. As a result, the production level rose above the January 2014 level, when production was boosted by surging demand prior to the consumption tax increase.

▶ The **Index of Producers' Inventories** rose for the fifth consecutive month in April. The rate of the increase in inventories is exceeding expectations.

▶ **Public works contract amounts**, a leading indicator of public works, grew significantly in April, increasing by 10% from the Q1 average. This indicates that there will be further increases in public works in Q2, following on from the growth seen in Q1.

▶ The **export volume index** fell by 3.2% from the Q1 average in April, and the **real export index** also fell by 1.5%. The **import volume index** fell by 2.2%, while the **real import index** increased by 2.9%. **Net exports** thus decreased both in volume and real value terms.

### ●2017Q2 GDP growth forecast update

▶ Reflecting updated data, this week's Current Quarter Model **expenditure-side forecast for real GDP** in 2017Q2 is for +0.6% QoQ, with an annualized growth rate of +2.6%. The **production-side principle component model forecast** predicts +1.3% annualized GDP growth in Q1. The average annualized growth rate across both sides of the forecast model is thus +1.9%.

▶ **Domestic demand** contributed 0.6%pts to the real GDP growth rate. Within domestic demand, a strong increase in **real private firm inventory levels** alone contributed 0.4%pts to total real GDP growth. However, **net exports** contributed 0.0%pts to GDP growth.

### ●2017Q2 inflation forecast update

▶ In April, the **Consumer Price Index** (excluding perishable foods and energy) remained flat in YoY terms for the third consecutive month. With the exception of energy prices, consumer prices lack momentum.

▶ This week, the CQM forecasts the **Private Final Consumption Expenditure (PCE) deflator** to fall by 0.2% QoQ in 2017Q2. The CQM forecast for the Q2 **GDP deflator** is for -0.0% QoQ growth, as shown in Figure 2.

Fig 1 CQM Forecast: Real GDP growth rate Apr-Jun 2017 (% , QoQ annualized growth)

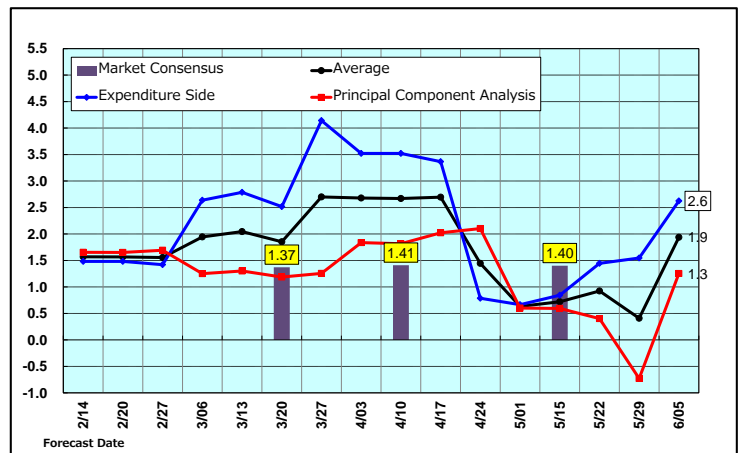
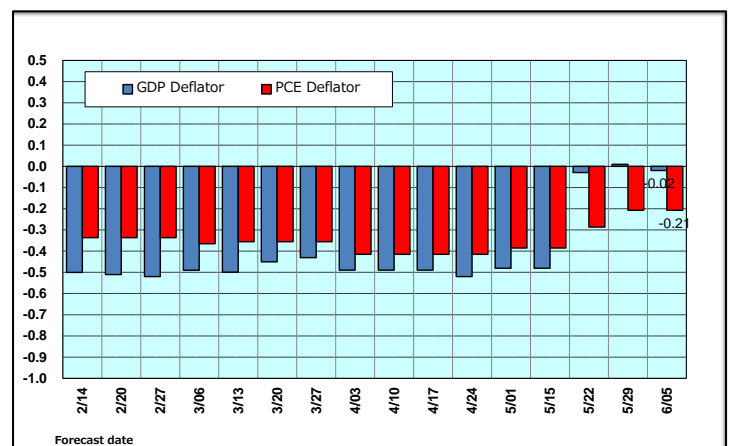


Fig 2 CQM Forecast: Inflation Apr-Jun 2017 (% , QoQ growth)



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
6/2	5月 May	消費者態度指数 (前月差) Consumer Confidence Index (SA)	43.6	+0.4	-
	5月 May	食糧安定供給収支尻 (10 億円) Stable Food Supply Payments Balance (billion JPY)	-5.3	-	+2.2
6/1	4月 April	新車販売台数 New Car Sales (vehicles)	312,391	-	+13.4%
5/31	4月 April	鉱工業指数 (2010年=100:速報値) Indices of Industrial Production (2010=100, preliminary figures)			
		生産 Production	103.8	+4.0%	-
		出荷 Shipments	101.1	+2.7%	-
		在庫 Inventory	111.3	+1.5%	-
	4月 April	新設住宅着工 New Housing Starts			
		新設住宅着工戸数 New housing starts (SA, Unit)	83,979	+2.0%	+1.9%
		工事費予定額 Planned dwelling construction cost (JPY Billion)	1,436.9	+10.6%	+8.4%
	3月 March	建設工事費デフレーター (2005年=100) Construction Costs Deflator (2005=100)			
		住宅建築 Housing construction	109.5		+1.9%
		公共事業 Public works	111.9		+2.6%
5/30	4月 April	労働力調査 Labour Force Survey			
		就業者数 (100万人) Total employment (millions)	65.22	+0.26	-
		失業者数 (100万人) Total unemployment (millions)	1.86	+0.02	-
		失業率 Unemployment rate (%)	2.8	0.0%pt	-
	4月 April	一般職業紹介状況 General Job Placement Situation			
		有効求人倍率 Job offer ratio	1.48	+0.03pt	-
	4月 April	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	295,929	+2.5%	-0.9%
		実質 Real consumption expenditure	-	+0.5%	-1.4%
	4月 April	商業動態統計 (速報値) Current Survey of Commerce (preliminary figures)			
		小売業 Retail trade (billion JPY)	11,811.0	+1.4%	+3.2%
	4月 April	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	94.9	-	+5.9%
		産出物価 Output price	97.8	-	+2.6%
5/26	4月 April	全国消費者物価指数 (2015年=100) National Consumer Price Index (2015=100)			
		コア Core	100.1	0.0%	+0.3%
	4月 April	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	100.0	+0.1%	+0.1%
	4月 April	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	-0.2%	+0.7%
5/24	3月 March	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	105.5	+0.8	-
		一致 Consensus	114.4	-0.8	-
		遅行 Lagging indicator	116.9	+0.9	-
5/23	3月 March	毎月勤労統計 (確報値) Monthly Labour Statistics (official)			
		現金給与総額 Total cash salaries (thousand JPY)	278,677	-	0.0%
		総実労働時間 Total working hours	144.7	-	-1.7%
	3月 March	産業活動指数 (2010年=100) Industrial Activity Indices (2010=100)			

			全産業 All industries	103.4	-0.6%	-
			建設業 Construction industry	111.0	-0.5%	-
5/22	4月 April	<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)	481.7	-8.2%	-40.6%
			輸出 Exports (billion JPY)	6,329.2	-0.2%	+7.5%
			輸入 Imports (billion JPY)	5,847.5	-0.1%	+15.1%
5/19	3月 March	<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)	787.6	-	+14.8%
			公共工事 (10 億円) Public works (billion JPY)	1,987.0	-	-0.8%
5/17	3月 March	<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	94.1	-	-0.7%
			稼働率指数 Operation ratio index	99.8	-1.6%	-
			生産 Production	99.8	-1.9%	-
			出荷 Shipments	98.4	-0.8%	-
			在庫 Inventory	109.7	+1.5%	-
	3月 March	<b>民間コア機械受注 (10 億円)</b> <b>Private Core Machinery Orders (billion JPY)</b>				
				850.5	+1.5%	-
5/16	3月 March	<b>第3次産業活動指数 (2010年=100)</b> <b>Tertiary Industry Activity Index (2010=100)</b>				
				103.8	-0.2%	-
5/15	3月 March	<b>消費総合指数</b> <b>Synthetic Consumption Index</b>				
				105.5	0.0%	
	3月 March	<b>情報サービス業売上高 (10 億円)</b> <b>Information Services Industry Sales (billion JPY)</b>				
				1,701.8	-	0.0%
	4月 April	<b>公共工事前払金保証統計</b> <b>Public Works Advanced Securities Statistics</b>				
			請負金額 (10 億円) Contract amount (billion JPY)	2,064.6	-	+1.7%
			請負件数 Number of contracts	17,073	-	+4.0%
	4月 April	<b>国内企業物価指数 (2015年=100)</b> <b>Domestic Corporate Price Index (2010=100)</b>				
			企業物価 Corporate Price	98.4	+0.2%	+2.1%
			輸出物価 Export Price	93.7	-1.9%	+3.0%
			輸入物価 Import Price	91.4	-2.2%	+10.9%
5/11	4月 April	<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	48.1	+0.7	-
			先行き判断 DI Future Conditions Diffusion Index	48.3	+0.7	-
	3月 March	<b>国際収支</b> <b>Balance of Payments</b>				
			経常収支 (10 億円) Current account (billion JPY)	2,907.7	-24.5%	-2.22%
			輸出 Exports (billion JPY)	7,165.9	-3.0%	+13.1%
			輸入 Imports (billion JPY)	6,300.4	+5.2%	+15.4%
5/10	4月 March	<b>消費活動指数 (2010年=100)</b> <b>Consumption Activity Index</b>				
				103.3	-0.2%	-
	3月 March	<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	105.5	+0.8	-
			一致 Consensus	114.6	-0.6	-
			遅行 Lagging indicator	117.7	+1.8	-
5/9	3月 March	<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 (JPY)	277,512	-	-0.4%
			総実労働時間 Total working hours	144.4	-	-1.9%