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Forecast Calendar

April 15, 2011

Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

April 18 – April 29, 2011 (Local Times)

18

Corporate Service Prices (Y/Y) (8:50)

Oct	-1.4%	Jan	-1.1%
Nov	-1.2%	Feb	-1.0%
Dec	-1.3%	**Mar (f)**	**-1.0%**

All Industry Activity (SA) (M/M) (13:30)

Sep	-0.8%	Dec	-0.3%
Oct	-0.3%	Jan	2.9%
Nov	-0.1%	**Feb (f)**	**0.3%**

19

20

Merchandise Trade Balance (¥Billion, NSA) (8:50)

	2011	2010
Jan	-479.4	43.1
Feb	653.3	638.3
Mar (f)	**705.0**	931.9

Tertiary Industry Activity (SA) (M/M) (8:50)

Sep	-0.9%	Dec	-0.9%
Oct	0.3%	Jan	2.1%
Nov	0.6%	**Feb (f)**	**-0.5%**

21

BOJ Senior Loan Officer Opinion Survey (8:50) (April)

22

25

Retail Sales (8:50)

Oct	-0.2%	Jan (f)	0.1%
Nov	1.5%	Feb (f)	0.1%
Dec	-2.2%	**Mar (f)**	**-3.0%**

26

27

28

BOJ Monetary Policy Meeting

Tokyo CPI (Y/Y) (8:30)

	Total	Ex-Fresh Food
Feb	-0.1%	-0.4%
Mar	-0.3%	-0.3%
Apr (f)	**-0.3%**	**-0.3%**

Nationwide CPI (Y/Y) (8:30)

	Total	Ex-Fresh Food
Jan	unch	-0.2%
Feb	unch	-0.3%
Mar (f)	**-0.2%**	**-0.2%**

Unemployment Rate (8:50)

Oct	5.1%	Jan	4.9%
Nov	5.1%	Feb	4.6%
Dec	4.9%	**Mar (f)**	**4.7%**

Effective Job Offers to Applicants Ratio (8:30)

Oct	0.56	Jan	0.61
Nov	0.57	Feb	0.62
Dec	0.58	**Mar (f)**	**0.62**

Family Income and Expenditure Survey (Real) (Y/Y) (8:30)

	PCE (All)	PCE (Workers)	Disp. Income
Jan	-1.0%	-1.3%	-3.4%
Feb	-0.2%	-0.7%	1.4%
Mar (f)	**-2.0%**	**-2.0%**	**-2.5%**

Industrial Production (SA) (M/M) (8:50)

Oct	-1.4%	Jan	unch
Nov	1.6%	Feb	1.8%
Dec	2.4%	**Mar (f)**	**-4.0%**

BOJ Semiannual Outlook for Economic Activity and prices (15:00) (April)

BOJ Shirakawa Press Conference (15:30)

MOF FX Intervention Data (19:00) (April)

29

Holiday

M/M=month-over-month f= forecast
Y/Y=year-over-year c=consensus

Recent History-Latest Results

11

BOJ Branch Managers Meeting

Machinery Orders, Core (SA) (14:00)

Sep	-10.3%	Dec	1.7%
Oct	-1.4%	Jan	4.2%
Nov	-3.0%	Feb	-2.3%

BOJ Regional Report (14:30) (April)

12

Bank Lending (Y/Y) (8:50)

Oct	-2.0%	Jan	-1.8%
Nov	-2.0%	Feb	-1.9%
Dec	-2.0%	Mar	-1.7%

Money Supply (M2) (Y/Y) (8:50)

Oct	2.8%	Jan	2.3%
Nov	2.6%	Feb	2.4%
Dec	2.3%	Mar	2.7%

BOJ Monetary Policy Meeting Minutes (8 :50) (March 14)

13

Corporate Goods Price Index (Y/Y) (8:50)

Oct	0.9%	Jan	1.5%
Nov	0.9%	Feb	1.7%
Dec	1.2%	Mar	2.0%

14

15

Industrial Production (Annual Revision) (SA) (M/M) (13:30)

Oct	-1.4%	Jan	unch
Nov	1.6%	Feb (p)	0.4%
Dec	2.4%	Feb	1.8%

Indicator Highlights

Key potential market-moving indicators and events include: the Merchandise Trade Balance (Wed., Apr. 20, 8:50); Tertiary Industry Activity (Wed., Apr. 20, 8:50); Retail Sales (Wed., Apr. 27, 8:50); Tokyo and Nationwide CPI (Thu., Apr. 28, 8:30); Unemployment Rate (Thu., Apr. 28, 8:50); Effective Job Offers to Applicants Ratio (Thu., Apr. 28, 8:30); Family Income and Expenditure Survey (Real) (Thu., Apr. 28, 8:30); and Industrial Production (Thu., Apr. 28, 8:50).

Trade balance figures will show the immediate impact on both exports and imports of the earthquake/tsunami. The more important issue will be how long problems linger. Tertiary industry results will give a pre-disaster reading across a broad swath of the economy.

Retail sales data will give the first reading on earthquake/tsunami damage to broad consumer spending. Car sales numbers for the month have already signaled that the impact was severe. CPI results have lost some urgency since the disaster but will leap back into the forefront if deflation turns much for the worse. Labor market numbers, like all now, will be read for catastrophe effects, as will industrial production results, but the full severity will not be clear until April data are in.

Indicator	Forecast	Consensus	Analysis
Merchandise Trade Balance (NSA)	¥705.0 Billion		Catastrophe damage hits both imports and exports- balance uncertain
Tertiary Industry Activity (SA) (M/M)	-0.5%		Pause, after big January advance.
Corporate Service Prices (Y/Y)	-1.0%		Downward trend easing only slowly.
All Industry Activity (SA) (M/M)	+0.3%		Very modest gain, after January jump.
Retail Sales (Y/Y)	-3.0%		Direct impact from earthquake/tsunami.
Tokyo CPI (Y/Y)			
Total	-0.3%		Steady trends.
Ex-Fresh Food	-0.3%		
Nationwide CPI (Y/Y)			
Total	-0.2%		
Ex-Fresh Food	-0.2%		
Unemployment Rate	4.7%		Gives back some of February gain.
Effective Job Offers to Applicants Ratio	0.62		Disaster impact uncertain.
Family Income and Expenditure Survey (Real)			
PCE (All)	-2.0%		Earthquake/tsunami damage evident.
PCE (Workers)	-2.0%		
Disposable Income	-2.5%		
Industrial Production (SA) (M/M)	-4.0%		Seriously disrupted. For how long?

Post Mortem—Recent Data Results

Orders fall afresh. Surprising to the downside somewhat, core machinery orders (excluding shipping and utilities) fell for the first time in three months in February, dropping 2.3% M/M, thereby unwinding around half of the further 4.2% bounce seen in January. This time around, the overall figure was undermined by fresh weakness purely on the non-manufacturing side.

More cautious BoJ. In it latest regional or Branch mangers' Report the BoJ noted that seven out of the nine regions had lowered their economic assessment in the aftermath of the March 11 earthquake. Specifically, it noted that cautious views about the economy have become widespread in many regions, mainly reflecting setbacks in production following the massive earthquake last month.

Corporate goods prices rise. Coming in above expectations, March corporate good prices rose by 0.6% M/M, a sixth-straight positive reading. On a Y/Y basis, prices increased by 0.3 percentage point to 2.0% from the previous month, still the highest since November 2008 and a fifth consecutive pick-up. The data showed export price pressures falling further to -2.2% Y/Y from 1.6% in February, alongside further increases in import price inflation (9.4% in March from 7.8%).

Economy assessment revised lower. The Japanese Government revised down its assessment of the domestic economy for the first time since October 2010, pointing to weak consumer spending, exports and production caused by the March 11 earthquake and subsequent nuclear crisis. The Cabinet office also noted that, while the economy is clearly headed downward and weakness is expected to persist in the short-term, it was not judged to have entered a downturn phase yet at the present.

Industrial production up further and faster. Coming in over four times the preliminary reading, final data for February industrial output revealed an upward revision of 1.4 percentage points to an increase of 1.8% M/M, up from the, downwardly revised, flat reading in January. The latest result was the fourth successive positive reading and was lead higher mainly by increases in output of passenger cars. The figures reflect annual revisions extending back through 2010.

Decision Economics, Inc.
555 5th Avenue, 15th Floor
New York, New York 10017
Telephone: 212-884-9440
Facsimile: 212-884-9451

Decision Economics, Inc.
288 Bishopsgate, 3rd Floor
London EC2M 4QB
Telephone: 011-44-20-7814-6706
Facsimile: 011-44-20-7959-3344

Decision Economics, Inc.
One Boston Place, 16th Floor
Boston, Massachusetts 02108
Telephone: 617-994-0500
Facsimile: 617-994-0501/0502

Decision Economics, Inc.
2 North La Salle, Suite 1200
Chicago, IL 60602
Telephone: 312-476-7504

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