



Japan

Economic Indicators—Schedule and Forecasts
May 30 – June 10, 2011 (Local Times)

Ellis/Wroblewski

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<p>Unemployment Rate (SA) (8:30)</p> <p>Nov 5.1% Feb 4.6%</p> <p>Dec 4.9% Mar 4.6%</p> <p>Jan 4.9% Apr (f) 4.8%</p> <p>Effective Job Offers to Applicants Ratio (8:30)</p> <p>Nov 0.57 Feb 0.62</p> <p>Dec 0.58 Mar 0.63</p> <p>Jan 0.61 Apr (f) 0.61</p> <p>Family Income and Expenditure Survey (Real) (Y/Y) (8:30)</p> <table border="1"> <thead> <tr> <th></th> <th>PCE (All)</th> <th>PCE (Workers)</th> <th>Disp. Income</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>-0.2%</td> <td>-0.7%</td> <td>1.4%</td> </tr> <tr> <td>Mar</td> <td>-8.5%</td> <td>-11.0%</td> <td>-3.2%</td> </tr> <tr> <td>Apr (f)</td> <td>-5.0%</td> <td>-6.0%</td> <td>-1.5%</td> </tr> </tbody> </table> <p>Industrial Production (SA) (M/M) (8:50)</p> <p>Nov 1.6% Feb 1.8%</p> <p>Dec 2.4% Mar -15.5%</p> <p>Jan unch Apr (f) unch</p> <p>Housing Starts (Y/Y) (14:00)</p> <p>Nov % Feb 10.1%</p> <p>Dec 7.5% Mar -2.4%</p> <p>Jan 2.7% Apr (f) -2.0%</p> <p>MOF FX Intervention Data (19:00) (May)</p>		PCE (All)	PCE (Workers)	Disp. Income	Feb	-0.2%	-0.7%	1.4%	Mar	-8.5%	-11.0%	-3.2%	Apr (f)	-5.0%	-6.0%	-1.5%	<p>Shirakawa Speech (9:30)</p> <p>BOJ International Conference</p> <p>Vehicle Sales (Y/Y) (14:00)</p> <p>Dec -28.3% Mar -37.0%</p> <p>Jan -21.5% Apr -51.0%</p> <p>Feb -14.3% May (f) -50.0%</p>																																				
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<p>Business Conditions Composite Indexes (Prelim.) (14:00)</p> <table border="1"> <thead> <tr> <th></th> <th>Leading</th> <th>Coincident</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>104.0</td> <td>106.8</td> </tr> <tr> <td>Mar</td> <td>100.1</td> <td>103.5</td> </tr> <tr> <td>Apr (f)</td> <td>97.0</td> <td>101.0</td> </tr> </tbody> </table>		Leading	Coincident	Feb	104.0	106.8	Mar	100.1	103.5	Apr (f)	97.0	101.0	<p>Bank Lending (Y/Y) (8:50)</p> <p>Dec -2.0% Mar -1.7%</p> <p>Jan -1.8% Apr -0.9%</p> <p>Feb -1.9% May (f) -1.0%</p> <p>Money Supply (M2) (Y/Y) (8:50)</p> <p>Dec 2.3% Mar 2.6%</p> <p>Jan 2.3% Apr 2.7%</p> <p>Feb 2.4% May (f) 2.7%</p> <p>Current Account Balance (¥Billion, NSA) (8:50)</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>1641.0</td> <td>1593.3</td> </tr> <tr> <td>Mar</td> <td>1679.1</td> <td>2556.4</td> </tr> <tr> <td>Apr (f)</td> <td>105.0</td> <td>1331.2</td> </tr> </tbody> </table> <p>Current Account Visible Trade (¥Billion, NSA) (8:50)</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>723.3</td> <td>785.3</td> </tr> <tr> <td>Mar</td> <td>240.3</td> <td>1089.0</td> </tr> <tr> <td>Apr (f)</td> <td>-345.0</td> <td>871.1</td> </tr> </tbody> </table>		2011	2010	Feb	1641.0	1593.3	Mar	1679.1	2556.4	Apr (f)	105.0	1331.2		2011	2010	Feb	723.3	785.3	Mar	240.3	1089.0	Apr (f)	-345.0	871.1	<p>Real GDP (Revised) (SA) (Q/Q) (8:50)</p> <table border="1"> <thead> <tr> <th></th> <th>10:Q1</th> <th>10:Q2</th> <th>10:Q3</th> <th>10:Q4</th> <th>11:Q1 (p)</th> <th>11:Q1 (f)</th> </tr> </thead> <tbody> <tr> <td></td> <td>2.2%</td> <td>0.1%</td> <td>0.9%</td> <td>-0.8%</td> <td>-0.9%</td> <td>-0.9%</td> </tr> </tbody> </table>		10:Q1	10:Q2	10:Q3	10:Q4	11:Q1 (p)	11:Q1 (f)		2.2%	0.1%	0.9%	-0.8%	-0.9%	-0.9%	<p>Corporate Goods Price Index (Y/Y) (8:50)</p> <p>Dec 1.2% Mar 2.0%</p> <p>Jan 1.5% Apr 2.5%</p> <p>Feb 1.7% May (f) 2.5%</p> <p>Tertiary Industry Activity (SA) (M/M) (8:50)</p> <p>Nov 0.6% Feb 1.0%</p> <p>Dec -0.2% Mar -6.0%</p> <p>Jan -0.1% Apr (f) 2.0%</p>
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Recent History-Latest Results

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

23	24	25	26	27																																				
<p>BOJ Monthly Report (14:00) (May)</p>	<p>BOJ Monetary Policy Meeting Minutes (8:50) (April 28)</p> <p>Merchandise Trade Balance (¥Billion, NSA) (8:50)</p> <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2010</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>650.3</td> <td>638.3</td> </tr> <tr> <td>Mar</td> <td>189.4</td> <td>931.9</td> </tr> <tr> <td>Apr</td> <td>-463.7</td> <td>729.2</td> </tr> </tbody> </table> <p>Shirakawa Speech (13:30) (Naigai Josei Chousa Kai Meeting)</p>		2011	2010	Feb	650.3	638.3	Mar	189.4	931.9	Apr	-463.7	729.2	<p>Corporate Service Prices (Y/Y) (8:50)</p> <p>Nov -1.3% Feb -1.1%</p> <p>Dec -1.4% Mar -1.2%</p> <p>Jan -1.2% Apr -0.8%</p>	<p>Corporate Service Prices (Y/Y) (8:50)</p> <p>Nov -1.3% Feb -1.1%</p> <p>Dec -1.4% Mar -1.2%</p> <p>Jan -1.2% Apr -0.8%</p>	<p>Tokyo CPI (Y/Y) (8:30)</p> <table border="1"> <thead> <tr> <th></th> <th>Total</th> <th>Ex-Fresh Food</th> </tr> </thead> <tbody> <tr> <td>Mar</td> <td>-0.2%</td> <td>-0.3%</td> </tr> <tr> <td>Apr</td> <td>-0.1%</td> <td>0.2%</td> </tr> <tr> <td>May</td> <td>-0.1%</td> <td>-0.1%</td> </tr> </tbody> </table> <p>Nationwide CPI (Y/Y) (8:30)</p> <table border="1"> <thead> <tr> <th></th> <th>Total</th> <th>Ex-Fresh Food</th> </tr> </thead> <tbody> <tr> <td>Feb</td> <td>unch</td> <td>-0.3%</td> </tr> <tr> <td>Mar</td> <td>unch</td> <td>-0.1%</td> </tr> <tr> <td>Apr</td> <td>0.3%</td> <td>0.6%</td> </tr> </tbody> </table> <p>Retail Sales (Y/Y) (8:50)</p> <p>Nov 1.5% Feb 0.1%</p> <p>Dec -2.1% Mar -8.3%</p> <p>Jan 0.1% Apr -4.8%</p>		Total	Ex-Fresh Food	Mar	-0.2%	-0.3%	Apr	-0.1%	0.2%	May	-0.1%	-0.1%		Total	Ex-Fresh Food	Feb	unch	-0.3%	Mar	unch	-0.1%	Apr	0.3%	0.6%
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Indicator Highlights

Key potential market-moving indicators and events include: Unemployment Rate (Tue., May 31, 8:30); Effective Job Offers to Applicants Ratio (Tue., May 31, 8:30); Industrial Production (Tue., May 31, 8:50); Housing Starts (Tue., May 31, 14:00); Bank Lending (Wed., Jun. 8, 8:50); Real GDP (Revised) (Thu., Jun. 9, 8:50); and Tertiary Industry Activity (Fri., Jun. 10, 8:50).

Labor market and industrial production results will give a first approximation to the full supply-side impact of the March natural disasters. Coming months may see more damage, as supply-chain problems and electricity shortages bite, but they will also show some offsetting positive effects of company adjustments to the circumstances. Housing starts have taken some catastrophe hit already but will surely rebound soon, as reconstruction proceeds.

Bank lending results will be watched for new hints of investment activity prompted by disaster reconstruction. GDP numbers will give a more-refined picture of conditions on the eve of the earth quake/tsunami, while tertiary industry results may hint at the beginning of a rebound.

Indicator	Forecast	Consensus	Analysis
Unemployment Rate (SA)	4.8%		Effects of the disasters become evident in labor-market conditions.
Effective Job Offers to Applicants Ratio	0.61		Demand-side weakens.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	-5.0%		Ongoing hit from earthquake/tsunami.
PCE (Workers)	-6.0%		
Disposable Income	-1.5%		
Industrial Production (SA) (M/M)	unch		Post-disaster bottom approaching?
Housing Starts (Y/Y)	-2.0%		Starts rebound likely soon.
Vehicle Sales (Y/Y)	-50.0%		No recovery yet.
Business Conditions Composite Indexes (Prelim.)			
Leading	97.0		Still falling.
Coincident	101.0		
Bank Lending	-1.0%		Little indication of firming activity.
Money Supply (M2) (Y/Y)	+2.7%		Accelerated growth pace carries on.
Current Account Balance (NSA)	¥105.0 Billion		Very poor goods-trade performance.
Current Account Visible Trade (NSA)	-¥345.0 Billion		
Real GDP (Revised) (Q/Q)	-0.9%		Little or no revision.
Corporate Goods Price Index (Y/Y)	+2.5%		Continues firm, on global prices.
Tertiary Industry Activity (SA) (M/M)	+2.0%		A partial rebound from catastrophic-driven decline.

Post Mortem—Recent Data Results

Leading index slumps. The final leading index for March, as computed by the Cabinet Office, slumped 3.9 points to 100.1, the first fall in five months, but revised up by 0.6 point from the preliminary reading. Moreover, the coincident index also decreased afresh this time around, sliding a record 3.3 points, also the first drop in five months and actually a touch more severe than originally estimated.

Exports hurt further by earthquake. Coming in below expectations, and still clearly distorted by the March earthquake, the April (unadjusted) trade balance deteriorated significantly to a shortfall of ¥ 463.72 bln from a surplus of ¥ 734.9 bln in the same month of the previous year. The seasonally adjusted trade gap also worsened clearly to a deficit of ¥ 496.4 bln. The latest adjusted result was a reflection of a further, sharp drop in exports of 5.5% M/M, as the earthquake continued to disrupt activity. Imports, meanwhile, recovered 3.8% M/M.

Corporate service prices slip back. April corporate service prices fell 0.1% M/M, the first fall in three months (prices rose by 0.4% in March). However, the Y/Y rate of change turned slightly less negative at -0.8% from the 1.2% drop seen in the preceding month.

Increasing price pressures? In line with expectations, national core CPI inflation (ex fresh food) rose for the first time in over two years in April, jumping 0.6% Y/Y following a 0.1% drop in the preceding month. Headline CPI inflation, however, rose less clearly, but with the 0.3% gain still in stark contrast to the flat readings seen since December last year, while the rate excluding food and energy fell by 0.1%, the smallest drop since February 2009. However, the headline Tokyo CPI reading (for May) remained negative at -0.1% Y/Y, ie unchanged from the April reading, while the core (ex-fresh food) CPI inflation eased back 0.1 percentage point to 0.1% Y/Y, in spite of ex food and energy price pressures rising from a flat reading to 0.1%.

Sales rebound. Retail sales rose by 4.1% M/M in April, offsetting more than half the 7.6% drop in March (the latter number clearly affected by the earth-quake). As a result, Y/Y growth turned much less negative, improving from -8.3% to -4.8%.