



Japan

Economic Indicators—Schedule and Forecasts

Ellis/Wroblewski

May 21 – June 1, 2012 (Local Times)

| 21 | 22 | 23 | 24 | 25 |
|---|--|---|--|---|
| All Industry Activity (SA) (M/M) (13:30) Oct 0.6% Jan -1.0% Nov -0.9% Feb -0.1% Dec 1.7% Mar (f) unch | BOJ Monetary Policy Meeting | BOJ Monetary Policy Meeting Merchandise Trade Balance (¥Billion, NSA) (8:50) 2012 2011 Feb 29.4 637.0 Mar -82.6 170.9 Apr (f) -350.0 -477.7 BOJ Shirakawa Press Conference (15:30) | BOJ Monthly Report (14:00) (May) | Tokyo CPI (Y/Y) (8:30) TotalEx-Fresh Food Mar -0.1% -0.3% Apr -0.3% -0.5% May (f) -0.3% -0.5% Nationwide CPI (Y/Y) (8:30) TotalEx-Fresh Food Feb 0.3% 0.1% Mar 0.5% 0.2% Apr (f) 0.3% unch |
| 28 | 29 | 30 | 31 | 1 |
| BOJ Monetary Policy Meeting Minutes (8:50) (April 27) Corporate Service Prices (Y/Y) (8:50) Nov -0.4% Feb -0.6% Dec -0.1% Mar -0.3% Jan -0.4% Apr (f) -0.3% | Unemployment Rate (SA) (8:30) Nov 4.5% Feb 4.5% Dec 4.5% Mar 4.5% Jan 4.6% Apr (f) 4.5% Effective Job Offers to Applicants Ratio (8:30) Nov 0.69 Feb 0.75 Dec 0.71 Mar 0.76 Jan 0.73 Apr (f) 0.77 Family Income and Expenditure Survey (Real) (Y/Y) (8:30) PCE PCE Disp. (All)(Workers) Income Feb 2.3% 2.9% 1.8% Mar 3.4% 4.3% 3.7% Apr (f) 1.0% 1.2% 1.5% Retail Sales (Y/Y) (8:50) Nov -2.2% Feb 3.4% Dec 2.5% Mar 10.3% Jan 1.8% Apr (f) 7.0% | | Industrial Production (SA) (M/M) (8:50) Nov -1.7% Feb -1.6% Dec 2.3% Mar 1.3% Jan 0.9% Apr (f) 0.5% Housing Starts (Y/Y) (14:00) Nov Feb 7.5% Dec -7.3% Mar 5.0% Jan -1.1% Apr (f) 5.3% MOF FX Intervention Data (19:00) (May) | MOF Corporate Financial Data (8:50) (First Quarter) |

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

Recent History-Latest Results

| 14 | 15 | 16 | 17 | 18 |
|---|----|---|---|----|
| Corporate Goods Price Index (Y/Y) (8:50) Nov 1.6% Feb 0.6% Dec 1.1% Mar 0.5% Jan 0.5% Apr -0.2% | | Tertiary Industry Activity (SA) (M/M) (8:50) Oct 0.6% Jan -0.6% Nov -0.8% Feb unch Dec 1.6% Mar -0.6% Industrial Production (Revised) (SA) (M/M) (13:30) Nov -1.7% Feb -1.6% Dec 2.3% Mar (p) 1.0% Jan 0.9% Mar 1.3% Machinery Orders, Core (SA) (14:00) Oct -0.6% Jan 0.7% Nov 3.1% Feb 2.8% Dec -2.5% Mar -2.8% | Real GDP (SA) (Q/Q) (8:50) 10:Q4 unch 11:Q3 1.9% 11:Q1 -2.0% 11:Q4 unch 11:Q2 -0.3% 12:Q1 1.0% | |

Indicator Highlights

Japan

Key potential market-moving indicators and events include: Merchandise Trade Balance (Wed., May 23, 8:50); the Tokyo and Nationwide CPI (Fri., May 25, 8:30); Unemployment Rate (Tue., May 29, 8:30); Effective Job Offers to Applicants Ratio (Tue., May 29, 8:30); Retail Sales (Tue., May 29, 8:50); Industrial Production (Thu., May 31, 8:50); and Housing Starts (Thu., May 31, 14:00).

Merchandise trade results are never unimportant, and will get even more serious attention now as new concerns have sprung up about China's growth. Consumer price numbers will tell whether hints of renewed disinflation are substantive.

Labor market data will hint at the extent to which employer sentiment is being affected by the uncertain economic outlook. Retail sales numbers are watched now for the extent of any setback after the first-quarter surge. Industrial production and housing starts results are readings on the supply-side of the economy, important now for initial second-quarter indications.

| Indicator | Forecast | Consensus | Analysis |
|---|--------------------|-----------|---|
| All Industry Activity (SA) (M/M) | unch | | Tertiary sector weakness holds total down. |
| Merchandise Trade Balance (NSA) | -¥350.0 Billion | | Mild improvement, as both exports and imports spring back from depressed year-ago levels. |
| Tokyo CPI (Y/Y) | | | |
| Total | -0.3% | | Weakening core-inflation moves. |
| Ex-Fresh Food | -0.5% | | |
| Nationwide CPI (Y/Y) | | | |
| Total | +0.3% | | |
| Ex-Fresh Food | unch | | |
| Corporate Service Prices (Y/Y) | -0.3% | | Steady declining trend. |
| Unemployment Rate (SA) | 4.5% | | Stable market, for the moment. |
| Effective Job Offers to Applicants Ratio | 0.77 | | Mildly increasing labor demand. |
| Family Income and Expenditure Survey (Real) (Y/Y) | | | |
| PCE (All) | +1.0% | | Year-on-year comparisons become more difficult—but running trend steady. |
| PCE (Workers) | +1.2% | | |
| Disposable Income | +1.5% | | |
| Retail Sales (Y/Y) | +7.0% | | Another strong gain—but easy comparison with earthquake-aftermath month |
| Industrial Production (SA) (M/M) | +0.5% | | Mild increase. |
| Housing Starts (Y/Y) | +5.3% | | Steady running trend. |

Post Mortem—Recent Data Results

Corporate goods prices rise further. Coming in higher than expected, corporate good prices increased 0.3 % M/M in April, a third successive rise. Y/Y growth, however, fell back to the negative at -0.2%. The data showed export price pressures turning negative (at -2.8% Y/Y), alongside a moderation in import price inflation (to 1.6%).

Less upbeat consumer. Showing a fresh fall, April consumer confidence decreased 0.3 point to 40.0, easing back from a one-year high. The Cabinet Office maintained its assessment, still saying that consumer confidence is continuing to pick up.

Industrial production jump confirmed. Coming in 0.3 percentage point above the preliminary figure, final data for March showed industrial production bouncing, albeit with the 1.3% M/M rise still failing to unwind the 1.6% drop posted in February. As a result, the data seemingly continued the volatility in the series. Elsewhere, the revised data also showed a further bounce in shipments in March (0.5% M/M vs 0.3%), while inventories jumped an unrevised 4.3%.

Orders correct back. Surprising few, core machinery orders (excluding shipping and utilities) corrected back in March, with the 2.8% M/M drop exactly unwinding the rise seen in the previous month. Notably, the drop came on both the manufacturing side and also in non-manufacturing.

GDP bounces. Surprising a little to the upside, the Q1 preliminary estimate showed GDP expanding again, rising 1.0% Q/Q (4.1% annualized) following an upwardly-revised flat reading the previous quarter. As a result, the Y/Y rate turned positive, swinging from -0.5% in Q4 to a five-quarter high of 2.7%. The Q/Q break-down showed that the recovery in GDP was broad-based save for capex. Meanwhile, the Q1 GDP deflator fell by 1.2% Y/Y, a less steep drop than the 1.9% fall in Q4.

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