



# Japan

Economic Indicators—Schedule and Forecasts  
December 24, 2012 – January 4, 2013 (Local Times)

Ellis/Wroblewski

Holiday <b>24</b>	<b>25</b> Corporate Service Prices (Y/Y) (8:50) Jun -0.3% Sep -0.5% Jul -0.3% Oct -0.7% Aug -0.3% Nov (f) <b>-0.7%</b>	<b>26</b> BOJ Monetary Policy Meeting Minutes (8:50) (November 19, 20)	<b>27</b> Housing Starts (Y/Y) (14:00) Jun -0.2% Sep 15.5% Jul -9.6% Oct 25.2% Aug -5.5% Nov (f) <b>15.0%</b>	<b>28</b> Tokyo CPI (Y/Y) (8:30) Total Ex-Fresh Food Oct -0.8% -0.4% Nov -0.5% -0.5% Dec (f) <b>-0.5%</b> <b>-0.5%</b>  Nationwide CPI (Y/Y) (8:30) Total Ex-Fresh Food Sep -0.3% -0.1% Oct -0.4% unch Nov (f) <b>-0.1%</b> <b>-0.1%</b>  Unemployment Rate (SA) (8:30) Aug 4.2% Oct 4.2% Sep 4.2% Nov (f) <b>4.2%</b>  Effective Job Offers to Applicants Ratio (8:30) Aug 0.83 Oct 0.80 Sep 0.81 Nov (f) <b>0.79</b>  Family Income and Expenditure Survey (Real) (Y/Y) (8:30) PCE PCE Disp. (All)(Workers) Income Sep -0.9% 0.6% -0.1% Oct -0.1% 0.7% -0.1% Nov (f) <b>unch</b> <b>0.5%</b> <b>unch</b>  Industrial Production (SA) (M/M) (8:50) Aug -1.6% Oct 1.6% Sep -4.1% Nov (f) <b>unch</b>  Retail Sales (Y/Y) (8:50) Aug 1.7% Oct -1.2% Sep 0.4% Nov (f) <b>2.5%</b>  MOF FX Intervention Report (19:00) (December)
Holiday <b>31</b>	Holiday <b>1</b>	Holiday <b>2</b>	Holiday <b>3</b>	Holiday <b>4</b>

Recent History-Latest Results

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

<b>17</b>	<b>18</b>	<b>19</b> BOJ Monetary Policy Meeting  Merchandise Trade Balance (¥Billion, NSA) (8:50) 2012 2011 Sep -564.9 288.8 Oct -551.1 -283.0 Nov -953.4 -691.2  All Industry Activity (SA) (M/M) (13:30) May -0.2% Aug unch. Jun 0.3% Sep -0.4% Jul -0.5% Oct 0.2%	<b>20</b> BOJ Monetary Policy Meeting  BOJ Shirakawa Press Conference (15:30)	<b>21</b> BOJ Monthly Report (14:00) (December)
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**Indicator Highlights**

Key potential market-moving indicators and events include: Housing Starts (Thu., Dec. 27, 14:00); Tokyo CPI and Nationwide CPI (Fri., Dec. 28, 8:30); Unemployment Rate (Fri., Dec., 28, 8:30); Effective Job Offers to Applicants Ratio (Fri., Dec. 28, 8:30); Industrial Production (Fri., Dec. 28, 8:50); Retail Sales (Fri., Dec. 28, 8:50).

Housing starts numbers track one of the few areas of strong growth in the economy—and more of that is needed. CPI results operate as a monthly prod to further BOJ easing. Labor market results, relatively steady in recent month, are being watched for any serious deterioration as the economy weakens. Industrial production surprised to the upside last month, and results this time will tell whether the gain is being sustained. Retail sales will show any effects of the weak economy on consumer spending.

Indicator	Forecast	Consensus	Analysis
Corporate Service Prices (Y/Y)	-0.7%		No relief from deflationary trend.
Housing Starts (Y/Y)	+15.0%		Running pace eases a bit, after October surge.
Tokyo CPI (Y/Y)			
Total	-0.5%		Downward pull continues.
Ex-Fresh Food	-0.5%		
Nationwide CPI (Y/Y)			
Total	-0.1%		Food prices have little net impact.
Ex-Fresh Food	-0.1%		
Unemployment Rate (SA)	4.2%		Stagnant market, or worse.
Effective Job Offers to Applicants Ratio	0.79		Demand side fades a bit further.
Family Income and Expenditure Survey (Real) (Y/Y)			
PCE (All)	unch		A broadly stable picture.
PCE (Workers)	+0.5%		
Disposable Income	unch		
Industrial Production (SA) (M/M)	unch		Prior-month gain in retained.
Retail Sales (Y/Y)	+2.5%		Favorable base effect boosts comparison of a basically flat number.

**Post Mortem—Recent Data Results**

**Exports Steady?** Coming in narrower than expected, the November (unadjusted) trade balance still swung into deeper deficit to the tune of -¥953.4 bln from a ¥690.4 bln shortfall in the same month of 2011. The seasonally adjusted trade gap also widened but to a shortfall of ¥868.5 bln from ¥619.4 bln in October, as a roughly flat reading for exports (of -0.1% M/M) came alongside a clear bounce in imports (of 4.3%).

**Output Rises Back.** The all industries index increased 0.2% M/M in October, this coming after a downwardly-revised 0.4% drop in the previous month. The October figure is the first positive reading since June and allowed the Y/Y rate to turn positive at 0.1%.

**BoJ Boost Asset Purchases, Will Review Policy Goal.** Surprising few, the BoJ Board voted unanimously to continue the target for the overnight call loan rate at zero to 0.1%. More notably, and after the pause seen at the November meeting, it stepped up afresh its Asset Purchase Program, enlarging it by ¥10 tn to around ¥101 tn. The BoJ also said it will review at its next policy meeting (currently slated for Jan. 21-22) its interim price stability goal of achieving 1% inflation, up from the current near zero price gains, measured by the year-on-year rise in consumer prices. Board members are expected to discuss the pros and cons of adopting a more explicit price target for inflation, probably around 2%, with Governor Shirakawa admitting that that the request from new PM Abe was one reason for the review. As for the economy, the BoJ was a little more open in suggesting that it will remain weak for the time being.