CUSHMAN & WAKEFIELD

DATA INTO ACTION

JAPANESE
ECONOMIC UPDATE
KEY ECONOMIC INDICATORS

Q1 2020

ECONOMIC SNAPSHOT

The following table provides details of key economic indicators for Japan as at 22 May 2020. The table includes an indicator of recent trends in the data.

INDICATOR	FREQ	RELEASE MONTH		PREVIOUS PERIOD	12MONTH CHANGE 2020	12MONTH CHANGE 2019	COMMENT
ECONOMIC TRENDS							
Real GDP (tril. JPY)*1	Q	Jan-Mar	524.9	529.4	-3.4% ↓	+2.6% ↑	GDP growth dropped annualized 3.4% (q-o-q) , a second consecutive quarter of negative growth.
Nominal GDP (tril. JPY)*1	Q	Jan-Mar	545.2	549.5	-3.1% ↓	+4.6% ↑	
Core CPI*2	M	Apr-20	101.6	101.9	-0.2% ↓	+0.9% ↑	Core CPI decreased by 0.2% y-o-y, turned negative for the first time in 3 years and 4 months.
Core Core CPI*2	M	Apr-20	101.8	101.9	+0.2% ↑	+0.6% ↑	
Trade Statistics of Japan (bil. JPY)							Trade balance fell to a deficit at JPY 930.4 billion. Export declined by 20% y-o-y, and extent of decline has been largest since Global Financial Crisis in October 2009.
Export	M	Apr-20	5,202	6,358	-21.9% ↓	-2.3% ↓	
Import	M	Apr-20	6,133	6,353	-7.2% ↓	+6.5% ↑	
Trade Balance	M	Apr-20	-930	5	-989.4↓	-562 ↓	
BoJ TANKAN/Business Conditions (Diffusion Index)							Large manufacturers' DI slipped 8pt from the previous survey, and has deteriorated for a fifth consecutive term. It is now at the lowest level in 7 years. Large non-manufactures' DI fell by 12pt from previous survey to +8, largest decrease decrease since March 2009.
Large Enterprises Manufacturing – Actual Result	Q	Mar-20	-8	0	-20pt ↓	-12pt ↓	
Large Enterprises Manufacturing – Forecast	Q	Jun-20	-11	0	-19pt ↓	-12pt ↓	
Large Enterprises Non-manufacturing – Actual Result	Q	Mar-20	8	20	-13pt ↓	-2pt ↓	
Large Enterprises Non-manufacturing – Forecast	Q	Jun-20	-1	18	-21pt ↓	0pt -	
Business Conditions Composite Indexes							CI decreased by 5.2pt from previous month, the lowest level since March 2011. Government's assessment continued to be "worsening" for eighth straight months.
Leading Index	M	Mar-20	84.7	91.9	-11.7pt ↓	-4.3pt ↓	
Coincident Index	M	Mar-20	90.2	95.4	-11.2pt ↓	-1.8pt ↓	
Nikkei 225	M	Apr-20	20,193.7	18,917.0	-9.3% ↓	-0.9% ↓	Stock prices at the end of April rose by 6.7% from end of March, recovering to 20,000 yen level.
TOPIX	M	Apr-20	1,464.0	1,435.5	-9.5% ↓	-9% ↓	
USD/JPY (TTM)	M	Apr-20	106.9	108.8	-4.5% ↓	+2.3% ↑	JPY stayed within a narrow range of $106-109.
WTI Crude Oil (USD/bbl)	M	Apr-20	16.8	29.9	-73.7% ↓	-3.7% ↓	Price slumped to $16.8, the lowest since March 1999.
LABOR MARKET							
Population Estimates (mil.)	M	Apr-20	126	126	-0.2% ↓	-0.2% ↓	On a gradual downward trend in long term.
Unemployment Rate (%)	M	Mar-20	2.5	2.4	0pt -	0pt -	Increased by 0.1pt from previous month.
Job-to-Applicant Ratio (times)	M	Mar-20	1.39	1.45	-0.24pt ↓	+0.04pt ↑	Deteriorated for 3 consecutive months. Low level since sep-16.
Construction Skill Labors Shortage Ratio (%)	M	Mar-20	1.1	1.0	-0.3pt ↓	+0.6pt ↑	Improved by 0.3pt y-o-y.

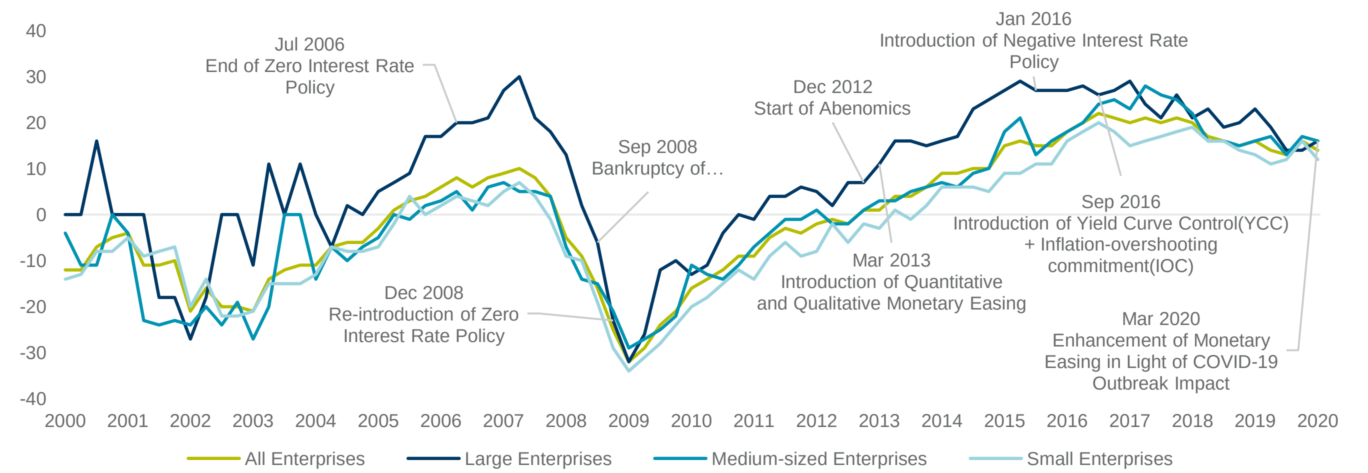
*1 Annualized GDP growth based on quarter figures

*2 Core CPI : excl. fresh food / Core Core CPI : excl. fresh food and energy

INDICATOR	FREQ	RELEASE MONTH		PREVIOUS PERIOD	12MONTH CHANGE		COMMENT
					2020	2019	
PUBLIC FINANCE							
10-year Government Bonds (%)	M	Apr-20	-0.036	0.031	+0.9bp ↑	-10bp ↓	Down by 6.7bp from previous month.
Unsecured Overnight Call Rate (%)	M	Apr-20	-0.06	-0.070	+0.013pt ↑	-0.006pt ↓	Up by 1bp from the previous month.
Banks' Lendings Outstanding (tril. JPY)	M	Apr-20	482.9	476.1	+3.1% ↑	+2.5% ↑	Increased by 3.1% y-o-y, growth remained positive since October 2011.
REAL ESTATE INDUSTRY							
Building Cost Deflator	M	Feb-20	114.0	114.2	+2.9 %↑	+2.3 %↑	Sustained high level while negative growth recorded for a second consecutive month.
Construction Orders Received by Leading Contractors (bil. JPY)	M	Mar-20	3,235	1,214	-14.3% ↓	+66.1% ↑	Private construction orders decreased by 22.9% while public orders increased by 7.2% y-o-y.
BoJ TANKAN Survey: Lending Attitude to Real Estate Firms	Q	Mar-20	16	14	-7pt ↓	+2pt ↑	Up by 2pt from previous quarter but down by 7pt y-o-y.
Retail Sales (bil. JPY)	M	Mar-20	12,828	11,217	+0.2% ↑	+1% ↑	Grew positively by 14% m-o-m.
Number of Inbound visitors (thou.)	M	Apr-20	3	194	-99.9% ↓	+0.9% ↑	Significant drop due to weak global travel demand.
J-REIT Index	M	Apr-20	3,313.3	3,343.6	-13.3% ↓	+13.8% ↑	REIT dropped due to concerns over real estate performance.
Iron ore (China CIF) (USD/MT)	M	Apr-20	83.8	88.7	-11.4% ↓	+42.5% ↑	Crude steel production in April reduced by 13% y-o-y, but recovery trend in China enlarged by 0.2% y-o-y. Coking coal went up by 2.8% q-o-q due to disruption in supply in Australia and Canada.
Coking Coal(FOB/Benchmark) (USD/MT)	Q	Jan-Mar	147.0	143.0	-30% ↓	-11.4% ↓	

Source : IMF, Government Statistics, Japan Exchange Group, Bank of Japan

BoJ's Tankan Survey: Lending Attitude of Financial Institutes for Real Estate Companies



Source : Bank of Japan

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