

July 31, 1998
Bank of Japan

**Monthly Report of
Recent Economic and Financial Developments**
July 1998

(English translation prepared by the Bank staff based on the Japanese original
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Monthly Report of Recent Economic and Financial Developments¹

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The Bank's View²

Final demand remains weak and production has declined significantly. Employment and income conditions continue to deteriorate, and corporate sentiment is weakening further. As a whole, Japan's economic conditions have deteriorated.

With respect to final demand, public-sector investment seems to have bottomed out. Net exports, which decreased temporarily in the first quarter of 1998, have resumed to increase mainly due to a sharp decline in imports. Business fixed investment, however, has decreased significantly, and housing investment remains weak. Private consumption has shown little sign of recovery, although the deterioration has stopped. Against the background of weak final demand, the level of inventories remains high, and the decline in industrial production is accelerating. As a result, corporate profits have further decreased, and employment and income conditions have deteriorated conspicuously as seen in the fall in wages below the previous year's level.

Although the above indicates negative interactions of production, income, and expenditure, a further deterioration in the economy is expected to cease as the effects of the comprehensive economic stimulus package, including additional public works and the special income tax reduction, become full scale. However, given the current considerably low level of economic activities, the positive influence of the package on private demand will likely be limited, and the economy's immediate transition to a self-sustained recovery is hardly expected. In these circumstances, measures to rebuild the stability of the financial system have been devised, and the reform of the taxation system is expected to be discussed actively. The materialization of these policies

¹ This report was written based on data and information available when the Bank of Japan Monetary Policy Meeting was held on July 16, 1998.

² The Bank's view on recent economic and financial developments, determined by the Policy Board at the Monetary Policy Meeting held on July 16, as the basis of monetary policy decisions.

along with the effects on corporate and household sentiment should be carefully monitored.

With regard to prices, wholesale prices continue to fall, and consumer prices (excluding the effects of institutional changes) have declined slightly below the previous year's level. With respect to the factors affecting the outlook, the downward pressure on domestic prices induced by the decline in import prices is weakening. In addition, the expansion in the output gap in the economy is expected to slow in line with the implementation of the comprehensive economic stimulus package. Nevertheless, reflecting the present large output gap, the downward pressure from domestic factors is unlikely to weaken considerably, and hence, prices are likely to be weak for some time.

As for financial markets, stock prices and yields on long-term government bonds have rebounded since mid-June 1998. This may be attributed to a slight recovery in market sentiment, although still weak, responding to the announcement of the Comprehensive Plan for Financial Revitalization, the so-called Total Plan, and to the emergence of expectations for permanent tax cut.

In money markets, with the heightened awareness toward financial problems at a bank, concerns over credit risks of financial institutions strengthened once again, and upward pressure on interest rates suddenly mounted toward the end of June. However, with the ample provision of funds by the Bank of Japan and the announcement of the Total Plan, market anxieties settled down, and the upward pressure on interest rates gradually eased.

With respect to monetary aggregates, growth in M_2+CDs has been slowing, reflecting the sluggish private bank lending. These developments appear to strongly reflect the further decline in credit demand of private firms with the worsening of overall economic activities, and the continued cautious attitudes of private banks in extending loans.

Meanwhile, some firms, especially small and medium-sized firms, have been facing difficult financing conditions in terms of both funds availability and fund-raising costs. This influence on the overall economy continues to warrant careful monitoring.

The Background

1. Japan's Economy

With regard to public-sector investment (Chart 2), the value of public works contracted, which reflects orders, has bottomed out along with the implementation of works under the supplementary budget for fiscal 1997. With the passage of the supplementary budget for fiscal 1998, public-sector investment should turn towards an increase gradually.

As for real exports (Charts 3 to 6), exports to the United States and Europe remain firm. Exports to Asia, however, are declining sharply, owing to the substantial decreases in domestic demand under the tight macroeconomic policies and credit crunch taking place in some Asian countries. As a result, in April-May, real exports overall stayed at almost the same level as that of the first quarter of 1998. As for the future environment for foreign trade, the real effective exchange rate of the yen (Chart 7(1)) has dropped to the levels that prevailed around the spring of 1997, and the United States and Europe are expected to maintain good economic performance overall (Chart 7(2)). Basically, these factors facilitate an increase in exports, and in fact, some firms seem to be taking an active stance toward exporting. Some Asian countries, however, are likely to continue economic adjustments for some time. Furthermore, the worsening of Japan's domestic demand may delay an export-driven economic recovery in Asian countries, and this will have a secondary effect on Japan's exports. Consequently, the future increase in real exports is likely to be gradual.

Real imports is declining for a wide range of items, reflecting the stagnation of domestic demand in Japan and the severe cutbacks in industrial production. The decline in imports is accelerating, especially for raw materials, intermediate goods, and consumer goods. Given the present weak domestic demand and the foreign exchange rate levels, real imports will continue to decrease for the time being.

As a result of these export and import developments, net exports turned to an increase in April-May compared to the first quarter of 1998 in terms of the real trade

balance³ (Chart 3), mainly due to the rapid decrease in imports, after the decline in the first quarter. Net exports are expected to increase further in the future. The nominal current account surplus (Chart 8) decreased slightly in April-May, after the successive expansion through the first quarter of 1998⁴ due to the cumulative reductions in import prices of raw materials such as crude oil. This is because the income surplus declined in April due to the reduction in profits of Japanese financial institutions from overseas branches. Since the effect seems to be only temporary, the current account surplus is likely to return to an increase in the future.

Turning to the domestic private sector, according to the Bank of Japan's *Tankan -- Short-term Economic Survey of Enterprises* of June 1998 (Chart 9), corporate profits for the second half of fiscal year 1997 decreased sharply in both the manufacturing and nonmanufacturing sectors, reflecting the stagnation of domestic demand since the autumn of 1997 and the weakened exports. This results in a year-to-year decline in profits for all of fiscal 1997. Although some firms project an increase in profits for fiscal 1998 from the increase in exports and the effects of the comprehensive economic stimulus package, compared with the previous (March) *Tankan*, most firms are revising their profit projections downwards, especially for the first half of fiscal 1998, and expect profits for all of fiscal 1998 to remain around or decline below the reduced levels recorded for fiscal 1997. Business conditions for firms are becoming more severe, and especially small firms anticipate conditions to deteriorate further until September (Chart 10).⁵

³ It should be noted that the real trade balance presented in Chart 3(2) differs from net exports on a GDP basis, but the changes in the real trade balance are basically equivalent to those of net exports. (The real trade balance is on a customs-clearance basis and does not include the trade in services, while net exports are on an ownership-transfer basis and include the trade in services).

⁴ The ratio of the nominal current account surplus to GDP was 2.3 percent in the second quarter of 1997, 2.4 percent in the third quarter, 2.8 percent in the fourth quarter, and 2.9 percent in the first quarter of 1998.

⁵ According to the business conditions DI in the June *Tankan*, all firms other than principal nonmanufacturing firms believe that business conditions are presently worsening. There is, however, a difference in corporate sentiment between principal and small firms in that (1) the principal firms project that business conditions will pick up in the future, while small firms project a deterioration, and (2) among principal firms the DI level is not as low as it was during the 1992-1993 recession, but it has already surpassed this level among small firms.

Against the background of these profit developments and corporate sentiment, business fixed investment is declining sharply. During the first quarter of 1998, business fixed investment recorded a large drop on a GDP basis,⁶ and shipments of general capital goods, which reflect the trend of business fixed investment, continued to decline thereafter.⁷ As for the outlook, leading indicators, such as machinery orders and construction starts (Chart 11), continue to decline in both the manufacturing and nonmanufacturing sectors. Moreover, according to the June *Tankan*, principal firms in the manufacturing sector plan to reduce business fixed investment for fiscal 1998 for the first time in four years and those in the nonmanufacturing sector for the second consecutive year (Chart 12). For small firms in particular, the upward revisions for this year are quite small, indicating an extremely cautious investment stance although they usually make a sharp upward revision of their investment plans at this time of year as they reach firm investment decisions. Thus, business fixed investment is presently in an adjustment phase.

As for the future developments, the following factors are relevant. (1) Corporate profit conditions continue to be severe, primarily due to the stagnation of domestic demand and inventory adjustments. (2) Operating ratios are declining rapidly due to the stagnation of domestic demand and inventory adjustments, resulting in a growing perception of excess equipment among firms, although there has not yet been a large accumulation of equipment itself from the viewpoint of the capital stock cycle (Chart 13). (3) According to the June *Tankan* (Chart 14), tight corporate financing conditions among principal firms have eased somewhat, but small firms perceive that the conditions are becoming more severe both for fund-raising and the lending attitude of financial institutions. If profits of small firms decline further, the fund-raising environment may become more severe due to a reduction in cash flow and

⁶ For the first quarter of 1998, business fixed investment on a GDP basis declined by a seasonally adjusted 5.1 percent compared to the previous quarter, posting the largest drop since the second quarter of 1965. Also, taking the Ministry of Finance's Financial Statements Statistics of Corporations by Industry, Quarterly for the first quarter into account, this decline may be attributed to the major reduction in business fixed investment by small firms.

⁷ On a seasonally adjusted basis, shipments of general capital goods declined by a quarter-to-quarter 2.6 percent in the fourth quarter of 1997 and 0.6 percent in the first quarter of 1998, and by 9.7 percent in April-May compared to the first quarter.

an increase in credit risk. (4) If the sluggish business conditions are prolonged and firms revise their mid-term expectations of growth downwards, there is a risk of a deeper overall adjustment in business fixed investment, including revisions by large firms that are not considering any major adjustments. In light of these factors, business fixed investment is not expected to recover immediately from the present adjustment phase. In these circumstances, the implementation of the comprehensive economic stimulus package will become full-scale, measures to rebuild the stability of the financial system have been devised, and tax reform is expected to be discussed. The effects of these factors on corporate sentiment should be carefully monitored.

In the household sector, employment and income conditions have deteriorated substantially due to the stagnation of final domestic demand and the decrease in industrial production described below. In the labor market (Chart 15), the number of new job offers is still declining rapidly, especially in the manufacturing, construction, wholesale, and retail industries. In May, the ratio of job offers to applications fell to 0.53, the lowest level since February 1978, and the unemployment rate remained at 4.1 percent, the same record-high posted in April. The following factors explain this worsening of the labor market (Chart 16). (1) The number of corporate bankruptcies continues to rise. (2) There is a rapid increase in perceptions of excess employment, especially at small firms. (3) The recent growth rate of the number of employees has decelerated substantially in the construction, wholesale, and retail industries, which created new jobs during the employment adjustment phase in the early 1990s. As regards employee income (Chart 17), while overtime compensation remains well below the previous year's level, the growth of regular compensation is slowing down, and bonus payments are also basically below the previous year's level. The growth in the number of employees is also slowing. As a result, employee income has fallen below the previous year's level for two consecutive months (April and May).

In these circumstances, there has been no distinct recovery in household sentiment, and the propensity to consume, which dropped greatly at the beginning of the year, has not yet shown any signs of a full-scale improvement (Chart 18). As for private consumption (Chart 19), the indicators continue to move back and forth overall.

Sales at department stores and chain stores have been lackluster since April. Sales of passenger cars recovered slightly in May, but this momentum did not continue into June. Sales of household appliances, especially air conditions and televisions, appear to be picking up, but outlays for travel and other services remain weak. These figures suggest that a further deterioration in private consumption is being prevented, but the overall recovery is weak and has not yet rebounded from the ongoing sluggish tone.

Regarding the outlook for private consumption, the special income tax reduction incorporated into the supplementary budget for fiscal 1998 is expected to underpin household income to some extent. However, the employment and income environment is worsening increasingly, and consumer sentiment may weaken further depending on future employment conditions. Therefore, the future recovery in private consumption will continue to warrant careful monitoring, including the upcoming discussions on tax reform.

As for housing investment (Chart 20), housing starts (in terms of the seasonally adjusted annual rate) had remained at a low level of around 1.3 million units since the summer of 1997, but fell further since April and are now at around 1.24-1.25 million units. The number of applications for loans on the construction of private homes accepted by the Housing Loan Corporation for its first offering for fiscal 1998 – which is closely related to the number of housing starts for owner-occupied homes in the near future – ended as low a level as the number for the previous offer. Additionally, household income conditions has worsened, and condominium developers are taking a cautious stance toward the acquisition of land for construction. These developments suggest that it is unlikely for the time being that overall housing investment will recover significantly from the present level.

Reflecting these developments in final demand, industrial production is decreasing at an accelerated pace (Chart 21). After declining for two consecutive quarters (the fourth quarter of 1997 and the first quarter of 1998), the decrease in industrial production continued into April and May due to the substantial production cutbacks in transportation equipment and steel as well as the reduced production of

general machinery, which reflects the slump in business fixed investment. Thus, based on the production forecast indices for June, an extremely large decline in industrial production is projected for the second quarter of 1998. As for inventories in the manufacturing industry (Chart 22), inventories of durable consumer goods, such as automobiles, have begun to decline, but there is a large accumulation remaining for many goods such as production goods.

As for the outlook, if the effects of the comprehensive economic stimulus package become full-scale, inventory adjustment will progress somewhat, and this should alleviate the pressures for production cutbacks. For the time being, it is likely that the present high inventory level may absorb the effects from the comprehensive economic stimulus package to a substantial extent. Moreover, as operating ratios are declining sharply and the level of economic activity is significantly lowered, it is hard to expect any rapid recovery in private-sector demand in response to the economic package. Consequently, a distinct recovery in industrial production is unlikely for the time being.

2. Prices⁸

With regard to price developments, import prices (Chart 24(1)) remained steady on a contracted currency basis, since international market commodity prices bottomed out in April-May, but rose slightly on a yen basis, reflecting the depreciation of the yen. Domestic wholesale prices overall (adjusted to exclude the effects of seasonal changes in electricity rates; Chart 24(3)), remain on a declining trend. This is because although import prices rose on a yen basis and price cuts are slowing down in goods closely related to international commodity market prices, the prices of steel and construction-related materials are dropping due to domestic inventory adjustment, and the prices of machinery are falling in line with intensifying sales competition. Compared to the previous quarter, domestic wholesale prices dropped 0.5 percent in the fourth quarter

⁸ The price data presented herein are adjusted to exclude the effects of the rise in the consumption tax rate from three to five percent in April 1997 (calculations by the Bank of Japan).

of 1997, 0.5 percent in the first quarter of 1998, and 0.8 percent in the second quarter of 1998.

Corporate service prices (Chart 25(1)) are slightly weakening at present and the year-to-year decline during April-May was somewhat larger than that of the first quarter of 1998 due to the price reductions for leasing, rentals, construction services, and advertising in May. (The year-to-year changes in corporate service prices were 0.0 percent in the fourth quarter of 1997, -0.1 percent in the first quarter of 1998, and -0.2 percent in April-May). With respect to consumer prices (excluding perishables) on a year-to-year basis (Chart 25(2)), in addition to the gradual expansion in the decline of commodity prices, the increase in service-related prices has also begun to slow down. The year-to-year increase for April-May narrowed further due to the decline in price increases for clothing and rent in May. (The year-to-year increase in consumer prices was 0.8 percent in the fourth quarter of 1997, 0.5 percent in the first quarter of 1998, and 0.1 percent in April-May). As a result, excluding the effects of the rise in medical service charges due to the medical insurance system reform of September 1997, the fundamental year-to-year rate of increase dropped from about 0.1 percent in the first quarter of 1998 to around -0.3 percent in April-May, falling below the previous year's level.

As for land prices (Chart 26), commercial and residential land prices are both on a declining trend, reflecting the stagnant demand.

Regarding the environment for prices overall, along with the effects from the depreciation of the yen, the downward pressure on domestic prices from import prices has weakened, and the full-scale implementation of the comprehensive economic stimulus package is expected to stop the expansion of the output gap gradually. Considering the present level of the output gap (Chart 27), however, even after accounting for the effects of the economic package, any substantial easing of the downward pressure on prices from domestic factors is unlikely, and hence overall prices are likely to be weak for some time.

3. Financial Developments

(1) Financial Markets

Interest rate developments in short-term money markets (Charts 28(1) and 29 to 31) show that with the heightened awareness toward financial problems at a certain bank, concerns over the credit risks of financial institutions strengthened once again, and upward interest rate pressures suddenly mounted toward the end of June. Thereafter, however, with the ample provision of funds by the Bank of Japan in accordance with the guidance for money market operations at that time and the announcement of the Comprehensive Plan for Financial Revitalization (the so-called “Total Plan”), the market anxieties settled down, and the upward pressure on interest rates gradually eased.

Although there was brief upward pressure on interest rates, with the above-mentioned money market operations by the Bank of Japan the overnight call rate (uncollateralized) generally held slightly below the official discount rate of 0.5 percent.

Meanwhile, Euro-yen interest rates and the Japan premium (three-month contracts) rose from prior levels by about 0.25 percent at the end of June but fell back thereafter, and are presently at a level around 0.1 percent higher than that prevailing in mid-June.

Yields on ten-year government bonds (benchmark) (Chart 28(2)) recorded a historical low of 1.13 percent at the beginning of June, but rebounded thereafter mainly due to growing expectations for the implementation of permanent tax cuts following coordinated intervention by Japan and the United States. The yields are presently moving around 1.4 percent. Analyses of long-term interest rates show that one-year implied forward rates (calculated from yen-yen swap rates; Chart 32) have risen for almost all maturities.

Yields on private bonds – bank debentures and corporate bonds – (Charts 33 and 34) have been picking up since mid-June. While the yield differential between bonds issued by the private sector and by the government has remained basically steady,

the yield differential between bank debentures and government bonds is widening. This development suggests growing concerns on the capital market regarding the credit risk of financial institutions.

Stock prices (Chart 35(1)) briefly dipped below the 15,000-yen level in mid-June, but then rebounded (along with long-term interest rates) to above 16,000 yen with the announcement of the Total Plan and growing expectations for the implementation of permanent tax cuts. The yield spread (the government bond yield minus the expected earnings on stocks; Chart 35(2)) is still at a low level. These developments suggest that while the market sentiment on the economy remains weak, there are some expectations of a slight recovery.

On the foreign exchange market (Chart 36), the yen depreciated to over 146 yen to the U.S. dollar in mid-June. Thereafter, with the coordinated intervention by Japan and the United States the yen began to recover and temporarily reached about 135 yen to the U.S. dollar. Recently, the exchange rate has been fluctuating around 140 yen to the U.S. dollar.

(2) Monetary Aggregates and Corporate Finance

The year-on-year growth in money stock (Charts 37 and 38) in terms of $M_2 +$ CDs had been rising sharply from the end of last year through the beginning of 1998 but then slowed, and was around 3.5 percent for the second quarter of 1998. (The year-on-year growth in $M_2 +$ CDs was 3.3 percent for the fourth quarter of 1997, 4.7 percent for the first quarter of 1998, and 3.6 percent for the second quarter). The growth rate for the third quarter is expected to remain between 3.0 and 4.0 percent.

The growth in broadly-defined liquidity has generally been decelerating since the middle of 1997.

Lending by private banks (monthly average outstanding balance basis; Chart 39), such as city banks, long-term credit banks, trust banks, regional banks, and

regional banks II, has been declining by over 2.0 percent year-on-year ever since April. (The lending declined by 0.2 percent in the fourth quarter of 1997, 0.8 percent in the first quarter of 1998, and 2.3 percent in the second quarter).

Looking at the background to these monetary aggregate developments in some detail, as for the lending attitude of private financial institutions, financial institutions remain cautious in extending loans with a view to improving profitability and financial soundness from a middle-term perspective, and are trying to set interest rates in accordance with the borrower's creditworthiness. According to the survey results in the June *Tankan* (Chart 14), the net number of principal enterprises that perceive the lending attitude of private financial institutions to be "severe" (minus those that consider the attitude to be "accommodative") decreased compared to the previous survey, while the net number remained at the same level from the previous survey among small enterprises. Thus, a difference has been emerging in the perceptions of the lending attitude of private financial institutions between principal enterprises and small enterprises.⁹

Meanwhile, the credit demand of private firms is becoming still more depressed with the worsening of overall economic activities. As for the fund-raising conditions, borrowing from private banks continues to decline and the growth rates in CP issuance¹⁰ and borrowing from life-insurance firms have also recently slowed (Charts 40 and 41).

Based on all these developments, it appears that the recent dull movement of monetary aggregates reflects the slump in corporate funds demand as well as the cautious lending attitude of private financial institutions. Also, the slower year-on-year growth rate of money stock ($M_2 + \text{CDs}$) was influenced by the lull in the shift of

⁹ Selectivity toward credit risk continues to be strong on the capital market, and it remains difficult for corporations with relatively low credit ratings to issue corporate bonds.

¹⁰ CP issuance increased sharply from the end of 1997 through the spring of 1998, reflecting the rush for on-hand liquidity at large corporations at the end of the fiscal year, and then declined somewhat in the second quarter of 1998, reflecting the reduced short-term funding needs at large corporations.

funds away from investment trusts, which occurred from the end of 1997 through the beginning of this year.

Turning to the fund-raising cost for firms, the average contracted interest rates on loans and discounts (Chart 42) remained level until May for both short and long-term contracts.¹¹ As more institutions are setting interest rates in accordance with the creditworthiness of particular borrowers, however, substantial differences in the interest rates paid by individual firms may be emerging.

Thus certain firms, especially small and medium-sized enterprises, continue to face a severe environment in terms of both funds availability and fund-raising costs. These developments and their influence on the economy continue to warrant careful monitoring.¹²

¹¹ In July, the long-term prime rate was increased by 0.2 percent to 2.5 percent.

¹² The rate of increase in the number of corporate bankruptcies is accelerating recently (Chart 43).

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Main Economic Indicators (1)

y/y % chg.

	97/Q4	98/Q1	Q2	98/Mar.	Apr.	May	June
Index of expenditure level (all households)	-2.3	-4.7	n.a.	-5.8	-1.6	p -0.3	n.a.
Sales of department stores	-3.0	-9.8	n.a.	-18.4	8.1	p -0.7	n.a.
Sales of chain stores ¹	-5.3	-7.0	n.a.	-10.7	1.8	0.9	n.a.
New passenger-car registrations ²	-13.7	-21.5	-2.1	-19.8	-4.1	0.1	-2.2
Sales of electric appliances (NEBA)	-4.5	-14.1	n.a.	-25.3	0.6	7.4	n.a.
Outlays for travel (50 major travel agencies)	1.2	-6.2	n.a.	-8.4	0.0	-3.5	n.a.
Housing starts <s.a., ann. 10,000 units>	130	132	n.a.	131	124	125	n.a.
Machinery orders (from private sector ³)	-13.4	-5.8	n.a.	1.4	-17.8	-28.6	n.a.
Mining & manufacturing	-2.9	-7.6	n.a.	4.2	-17.1	-31.7	n.a.
Nonmanufacturing ³	-20.4	-4.2	n.a.	-0.9	-18.1	-26.3	n.a.
Construction Starts (private, nonresidential use)	-8.0	-7.8	n.a.	-3.4	-10.5	-3.1	n.a.
Manufacturing	-1.4	-7.2	n.a.	-9.0	-27.4	-20.0	n.a.
Nonmanufacturing ⁴	-10.5	-8.0	n.a.	-1.2	-3.2	3.7	n.a.
Value of public works contracts	-9.1	-2.2	-6.2	-5.8	2.7	-24.4	0.8
Real exports <s.a. quarterly (monthly) change>	1.3	-4.9	n.a.	-5.6	4.8	2.7	n.a.
Real imports <s.a. quarterly (monthly) change>	-3.7	-1.5	n.a.	3.2	-5.1	-6.4	n.a.
Industrial production <s.a. quarterly (monthly) change>	-2.5	-1.3	n.a.	-2.3	-1.6	-2.0	n.a.
Shipments <s.a. quarterly (monthly) change>	-2.6	-1.1	n.a.	-1.4	-2.9	-0.1	n.a.
Inventories <s.a. quarterly (monthly) change>	1.6	0.7	n.a.	-0.4	0.1	-1.7	n.a.
Inventories/shipments <s.a. 1995=100>	107.0	112.9	n.a.	112.9	116.0	114.4	n.a.

Main Economic Indicators (2)

	y/y % chg.						
	97/Q4	98/Q1	Q2	98/Mar.	Apr.	May	June
Ratio of job offers to applications <s.a., times>	0.69	0.61	n.a.	0.58	0.55	0.53	n.a.
Unemployment rate <s.a., %>	3.46	3.65	n.a.	3.87	4.13	4.14	n.a.
Overtime working hours ⁵	-2.5	-5.4	n.a.	-7.2	-9.9	-8.1	n.a.
Number of employees	1.0	0.0	n.a.	-0.1	-0.6	-0.5	n.a.
Number of regularly employed ⁵	0.8	0.6	n.a.	0.5	0.2	0.1	n.a.
Nominal wage per person ⁵	0.7	-0.1	n.a.	0.6	-0.7	-0.7	n.a.
Domestic wholesale prices index ⁶	-1.0	-1.6	-2.3	-2.0	-2.3	-2.3	-2.1
Consumer prices index (nationwide) ⁶	0.7	0.5	n.a.	0.7	0.4	0.5	n.a.
Excluding perishables	0.8	0.5	n.a.	0.4	0.2	0.0	n.a.
Corporate service prices index ⁶	0.0	-0.1	n.a.	-0.1	-0.1	-0.3	n.a.
Monetary aggregates (M2+CDs) <average outstanding, y/y % chg>	3.3	4.7	p 3.6	4.5	3.6	3.6	p 3.5
Number of suspension of transaction with banks	19.0	20.8	n.a.	27.2	26.3	37.3	n.a.

Notes: 1. Adjusted to exclude consumption tax.

2. Excludes small cars with engine size of 660cc or less.

3. Excludes ships and demand from electric power companies.

4. Nonmanufacturing=commerce+services+agriculture & fisheries+public utilities industries etc.

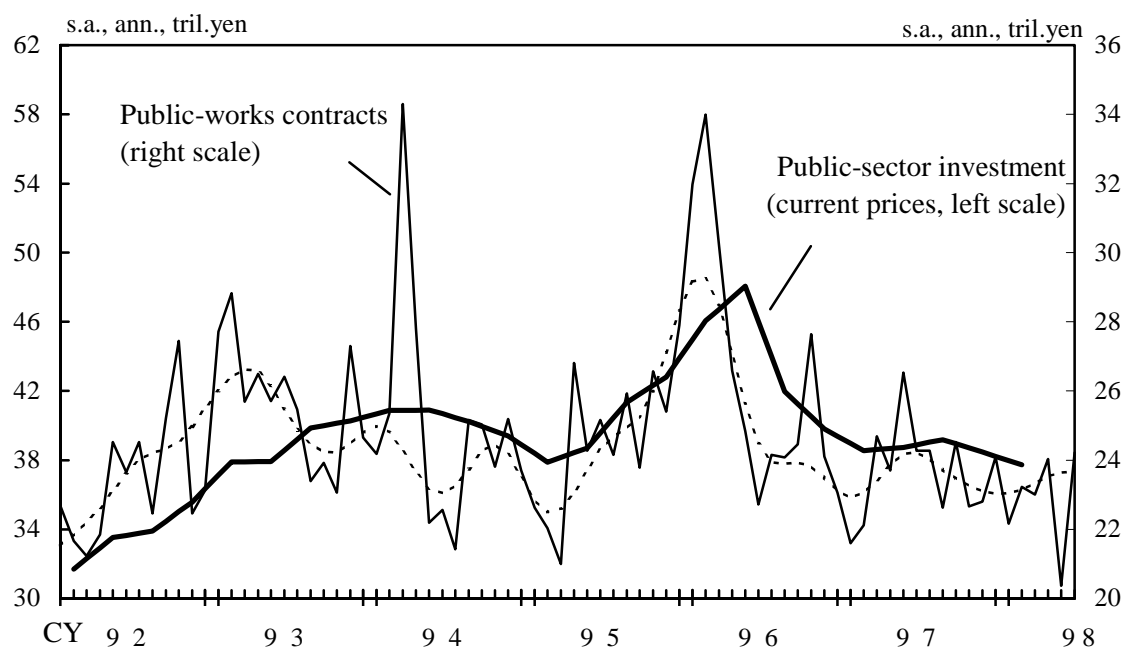
5. Data for firms with 5 regular employees or more.

6. Adjusted by the Research and Statistics Dept., Bank of Japan to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods and services fully reflect the rise of tax rate.

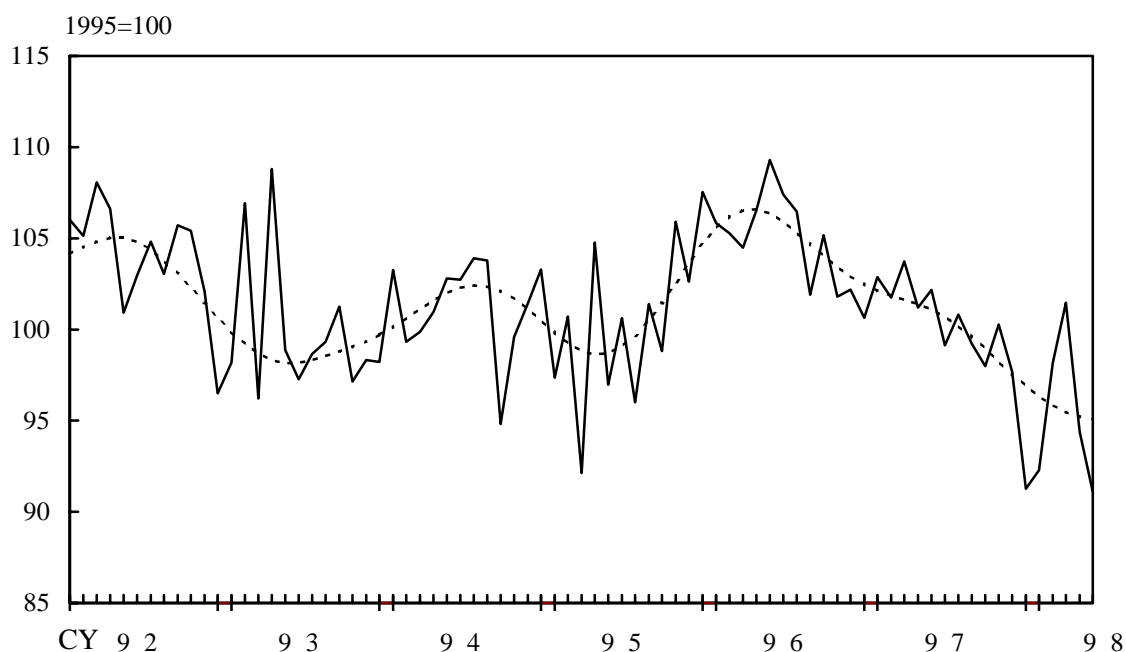
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 Surety Association for Construction Companies, "Public Works Prepayment Surety Statistics";
 Ministry of Finance, "Summary Report on Trade of Japan"; Ministry of Labor, "Report on Employment Service",
 "Monthly Labor Survey"; Bank of Japan, "Wholesale Price Indexes", "Corporate Service Price Index",
 "Economic Statistics Monthly"; Federation of Bankers Associations of Japan, "Suspension of Transaction with Banks."

Public-sector Investment

(1) Public-works Contracts



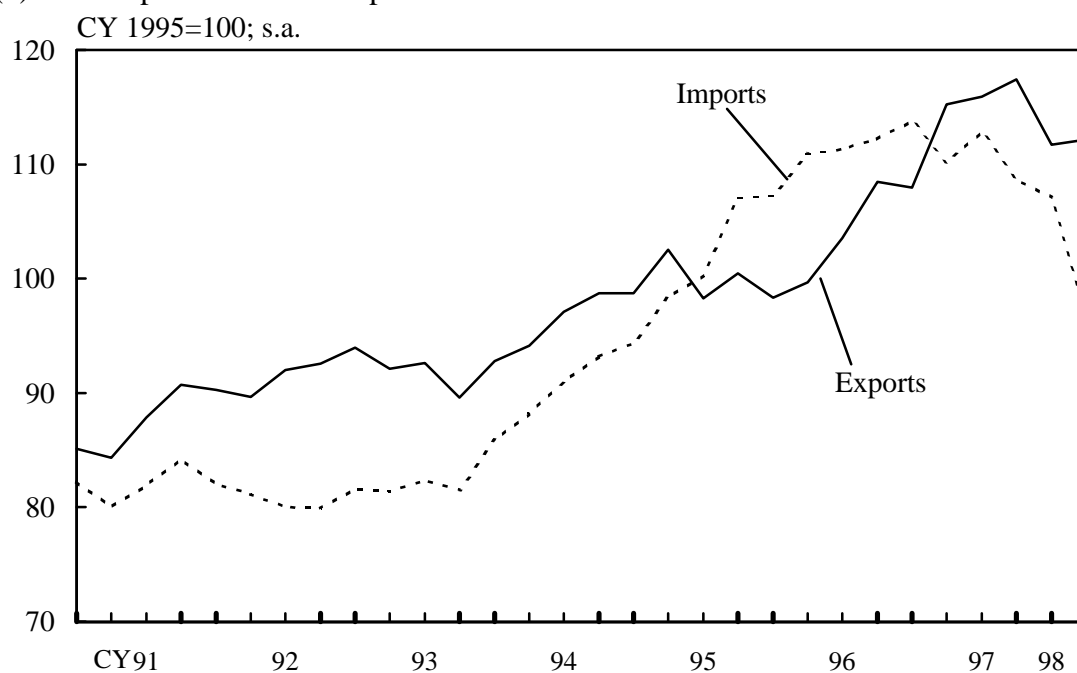
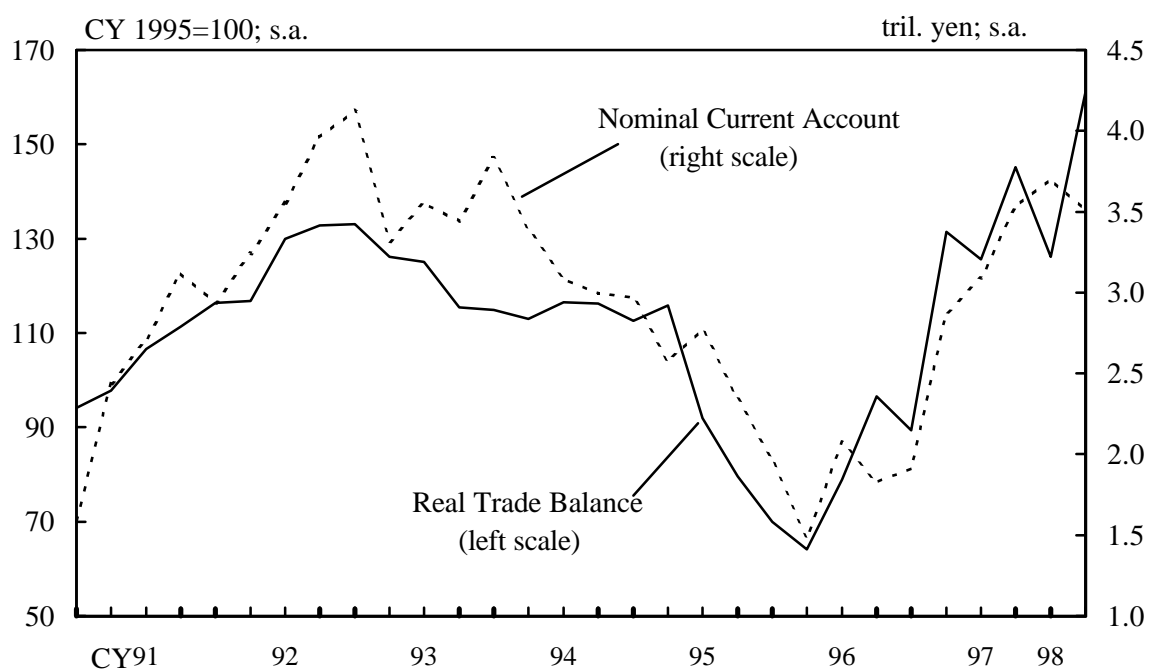
(2) Shipments of Public Works-related Goods



- Notes: 1. Quarterly basis public-sector investment is plotted at the middle month of each quarter.
 2. "Public works-related goods" = asphalt, concrete products for roads, bridges, and cement.
 3. "Public-works Contracts" and "Public Works-related Goods" are seasonally adjusted by X-12-ARIMA (β version). The dotted line is the trend cycle factor.

Sources: Economic Planning Agency, "National Income Statistics";
 Surely Association for Construction Companies, "Public Works Prepayment Surely Statistics";
 Ministry of International Trade and Industry, "Indices of Industrial Production."

External Balance

(1) Real Exports and Real Imports**(2) Real Trade Balance and Nominal Current Account**

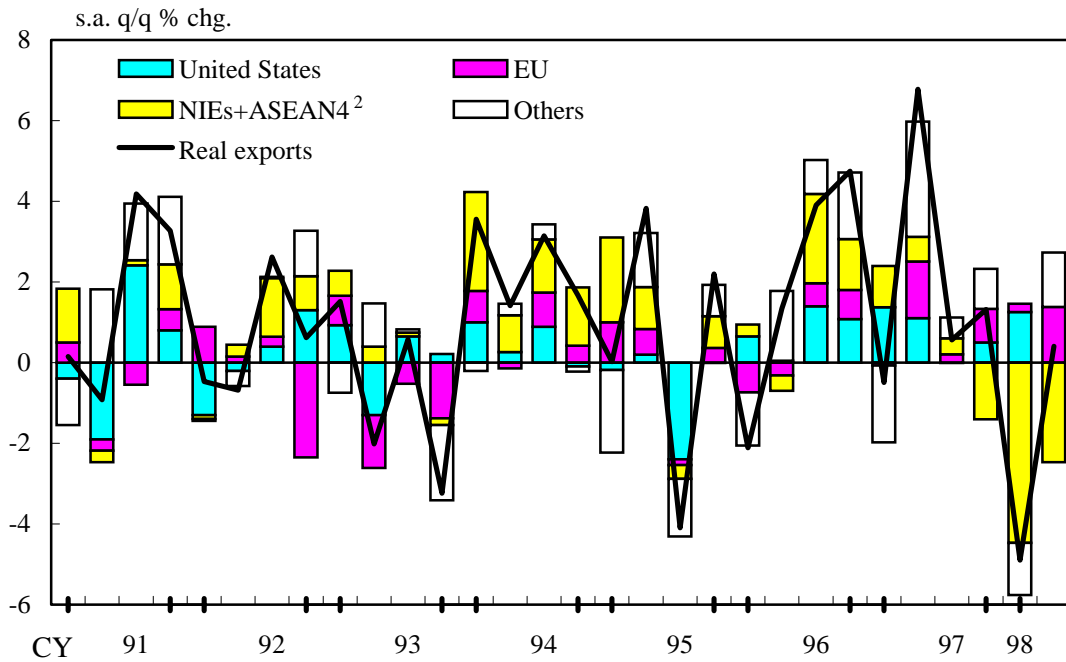
Notes: 1. 1998/Q2 figures are Apr-May averages in terms of quarterly amount.

2. Real exports and imports are seasonally adjusted by X-11.

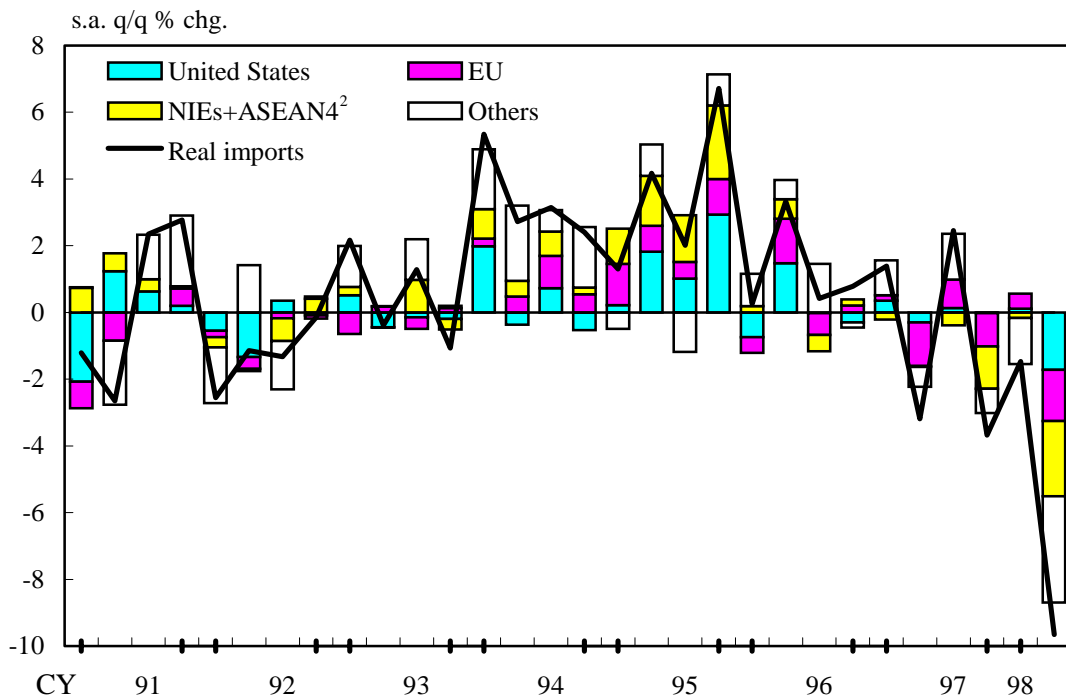
Sources: Ministry of Finance, "The Summary Report on Trade of Japan";
Bank of Japan, "Balance of Payments Monthly", "Wholesale Price Indexes."

Exports and Imports ¹

(1) Real Exports



(2) Real Imports



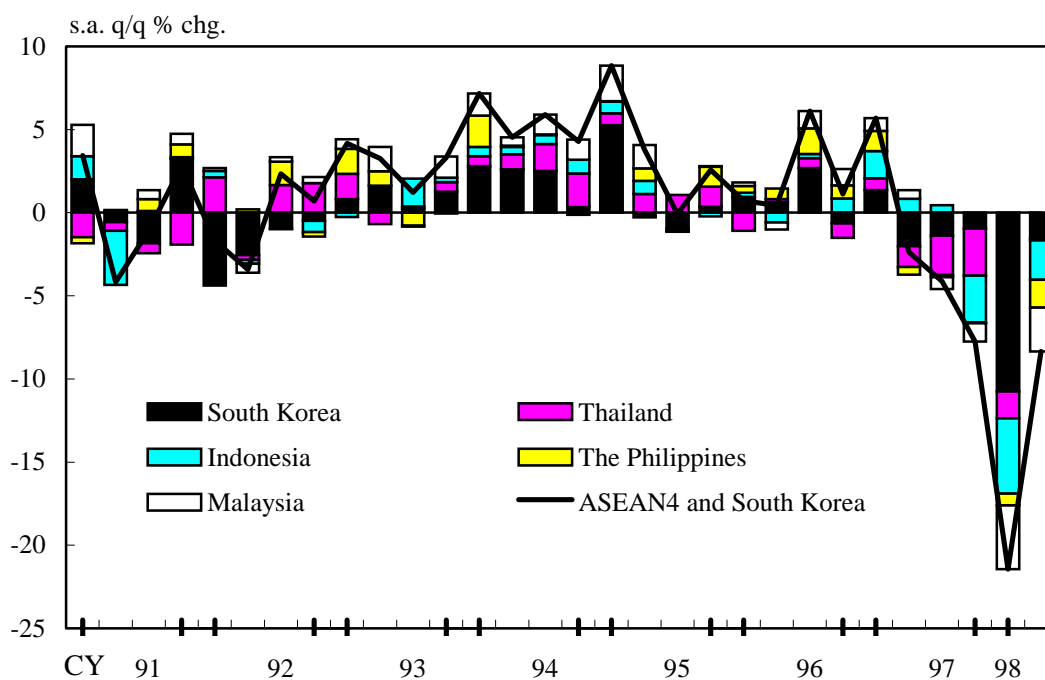
Notes: 1. The sum of the contributing factors is not equal to total real exports (imports) due to differences in seasonal adjustment etc. Seasonally adjusted by X-11. 1998/Q2 are Apr-May averages in terms of quarterly amount.

2. Data for four members: Thailand, Malaysia, the Philippines, and Indonesia.

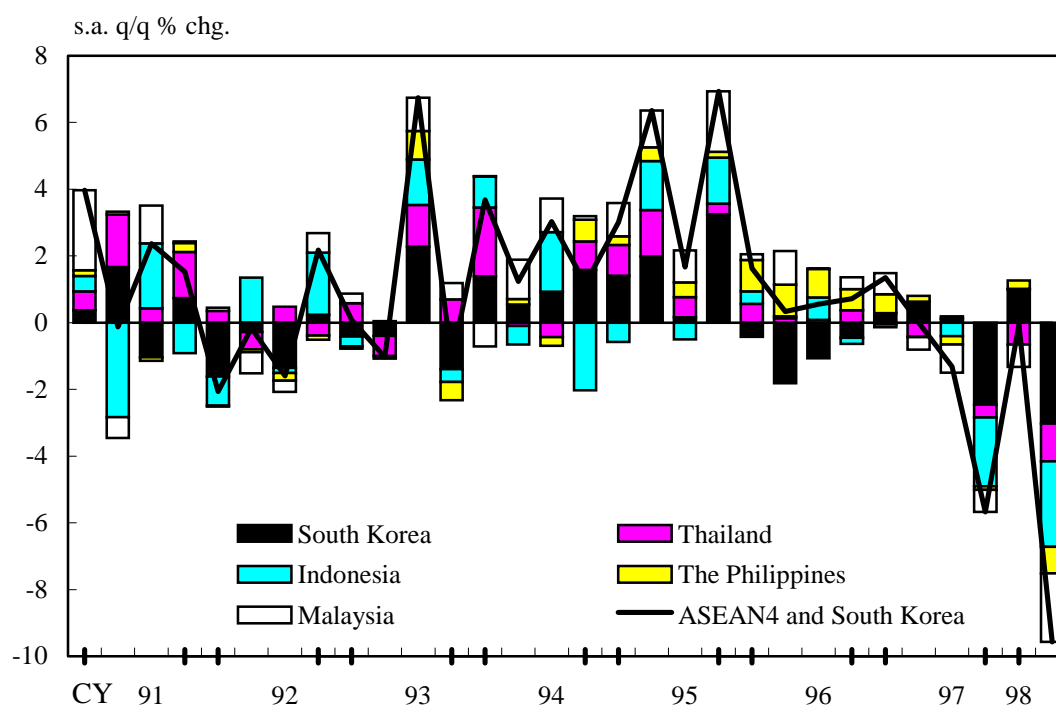
Sources: Ministry of Finance, "The Summary Report on Trade of Japan";
Bank of Japan, "Wholesale Price Indexes."

Trade with ASEAN4 and South Korea ¹

(1) Real Exports



(2) Real Imports

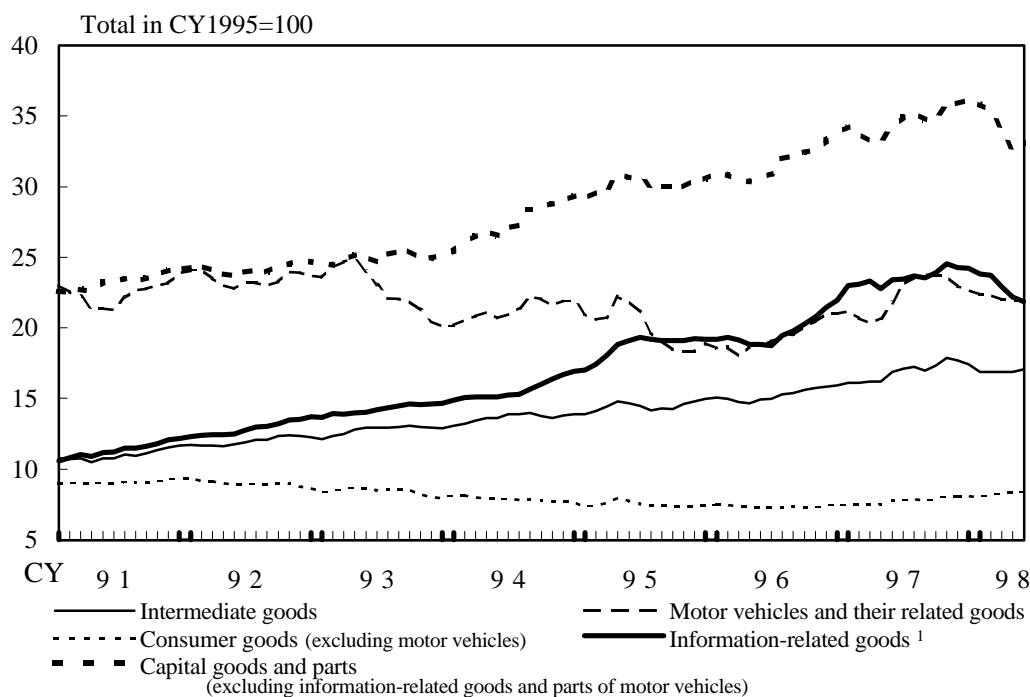


Note: 1. Seasonally adjusted by X-11. 1998/Q2 figures are Apr-May averages in terms of quarterly amount.

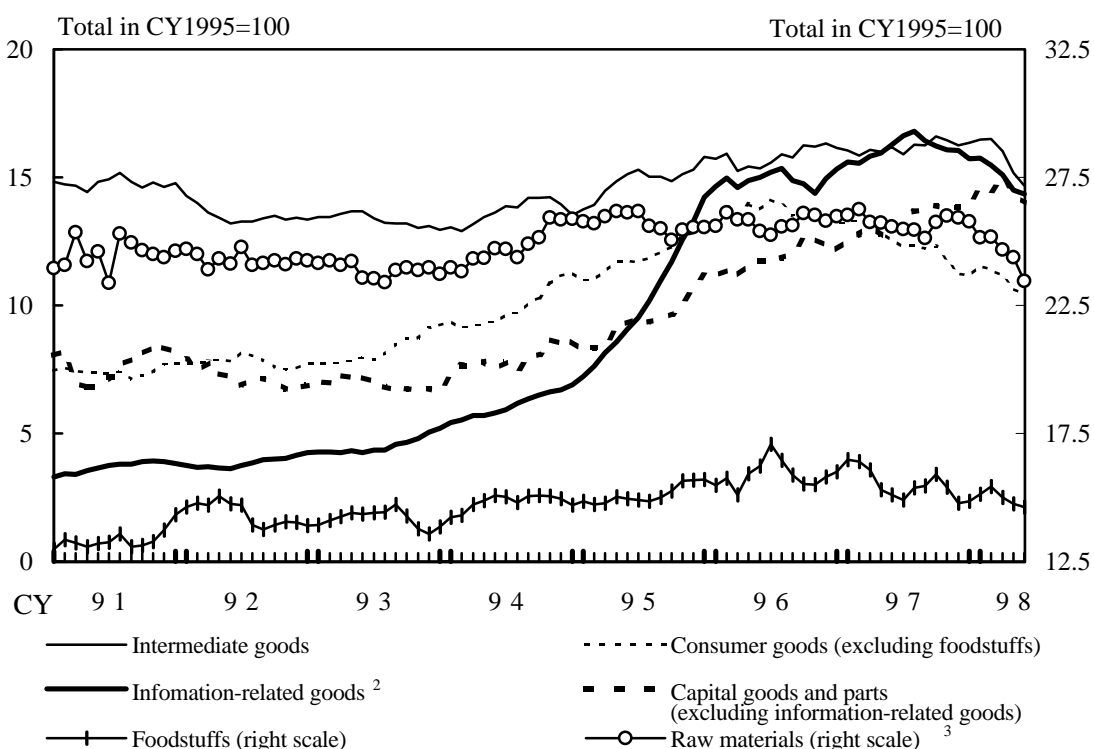
Sources: Ministry of Finance, "The Summary Report on Trade of Japan";
Bank of Japan, "Wholesale Price Indexes."

Exports and Imports (Breakdown by types of goods)¹

(1) Real Exports



(2) Real Imports



Notes: 1. Seasonally adjusted by X-11. 3-month moving averages.

2. Information-related exports = automatic data processing machinery + Telecommunication machinery + ICs + scientific, medical and optical instruments.

Information-related imports = office machinery + Telecommunication machinery + ICs + scientific, medical and optical instruments.

3. Raw materials = woods + ores + mineral fuel, etc.

Sources: Ministry of Finance, "Summary Report on Trade of Japan";
 Bank of Japan, "Wholesale Price Indexes."

 Overseas Economic Conditions and Real Effective Exchange Rate

(1) Real Effective Exchange Rate ¹

Note: 1. Monthly average. The figure for July 1998 is July 1-15 average. Calculated by Bank of Japan.

Figures are index of weighted average of yen's real exchange rates versus 24 major currencies which are calculated from exchange rates and price indexes of the respective countries.

(2) Real GDP Growth Rates in Overseas Economies

		CY96	97	98	97 Jul.-Sep.	97 Oct.-Dec.	98 Jan.-Mar.	98 Apr.-Jun.
United States ¹		2.8	3.8	(2.7)	3.1	3.7	5.4	n.a.
European Union ¹		1.8	2.6	(2.7)	3.3	2.2	n.a.	n.a.
Germany		1.4	2.2	(2.7)	2.9	1.2	3.9	n.a.
France		1.6	2.3	(2.9)	3.7	3.2	2.3	n.a.
United Kingdom		2.5	3.1	(1.7)	3.6	2.5	2.2	n.a.
China		9.7	8.8	(7.2)	(Jan-Sep) 9.0	(Jan-Dec) 8.8	7.2	(Jan-Jun) n.a.
East Asia ²	Korea	7.1	5.5	(-0.2)	6.1	3.9	-3.8	n.a.
	NIEs Taiwan	5.7	6.8	(5.9)	6.9	7.1	5.9	n.a.
	Hong Kong	5.0	5.3	(0.9)	6.0	2.7	-2.0	n.a.
	Singapore	6.9	7.8	(3.2)	10.7	7.6	5.6	1.9
	4 Countries of ASEAN	Thailand	5.5	(-0.4)	(-1.5)	n.a.	n.a.	n.a.
	Indonesia	8.0	4.6	(-8.5)	2.5	1.3	-7.9	-16.5
	Malaysia	8.6	7.8	(1.4)	7.4	6.9	-1.8	n.a.
	Philippines	5.7	5.1	(1.8)	4.9	4.7	1.7	n.a.

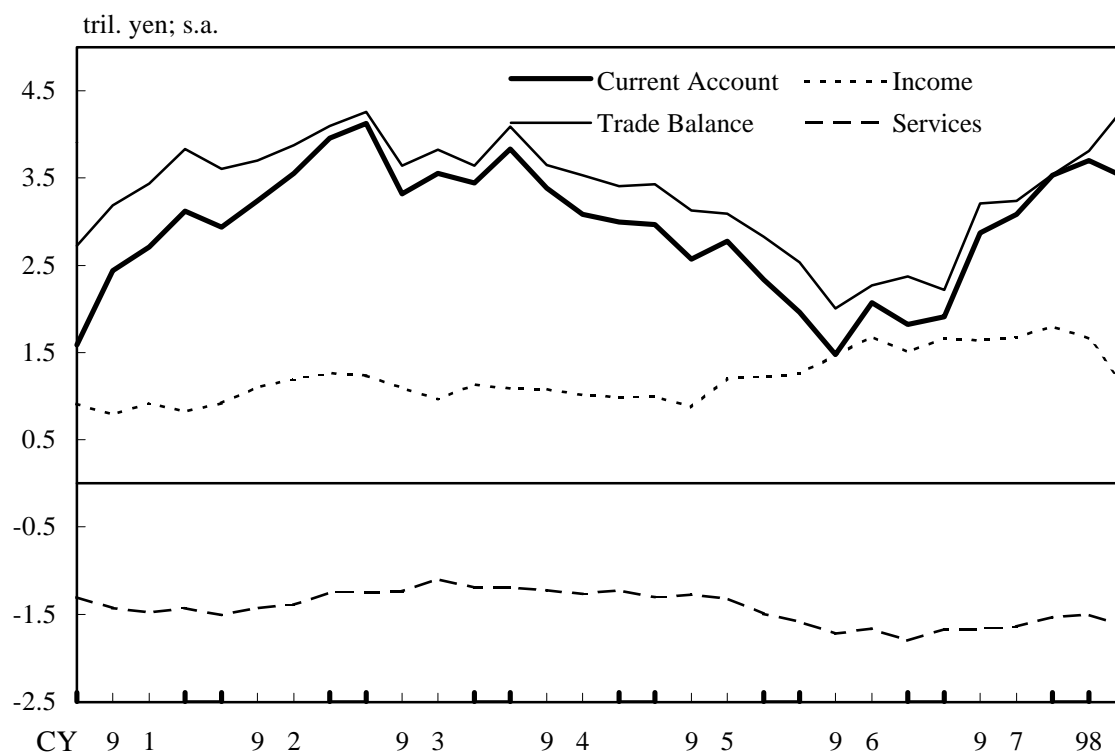
Notes: 1. Quarterly data are quarter-to-quarter percent changes.

2. Quarterly data are percent changes from a year earlier.

3. Forecasts by OECD are shown in brackets.

Sources: Government and central bank statistics of each country, OECD, "Main Economic Indicators."

Nominal Current Account

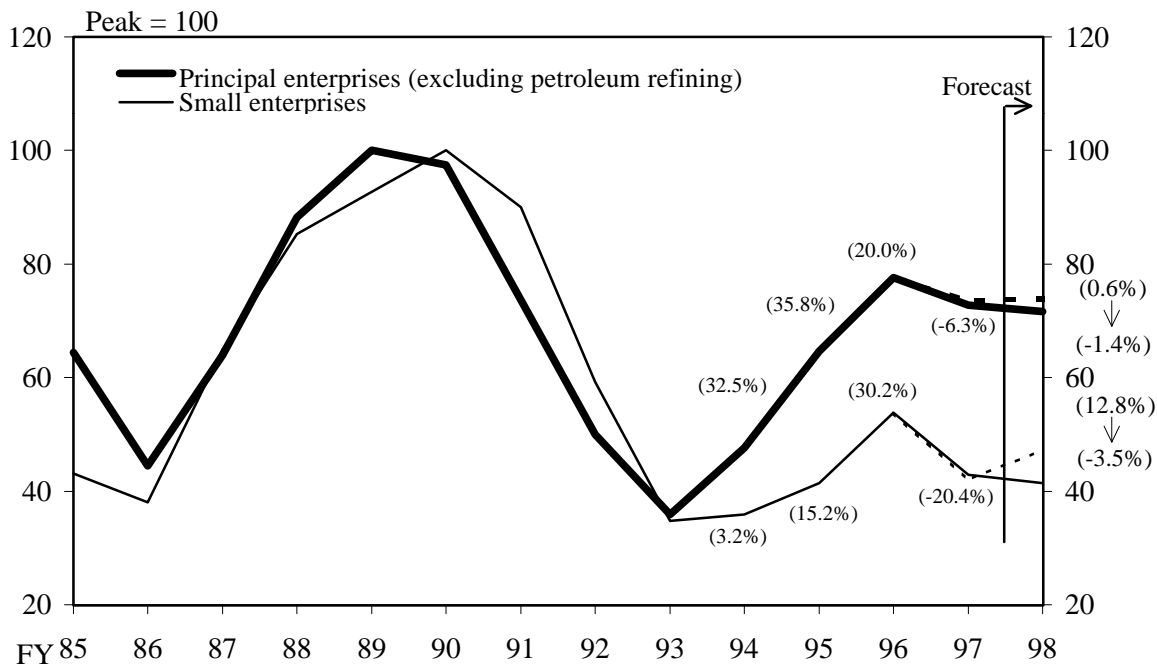


Note: 1. 1998/Q2 figures are Apr-May figures in terms of quarterly amount.

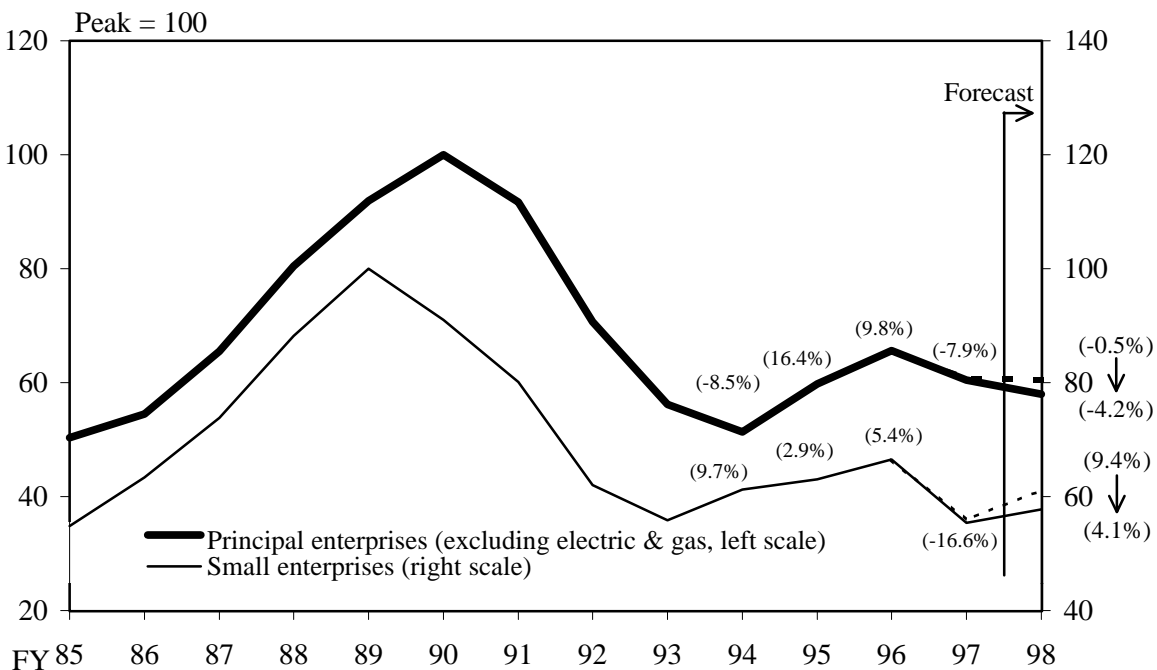
Source: Bank of Japan, "Balance of Payments Monthly."

Current Profits as Surveyed in *Tankan*

(1) Manufacturing



(2) Nonmanufacturing



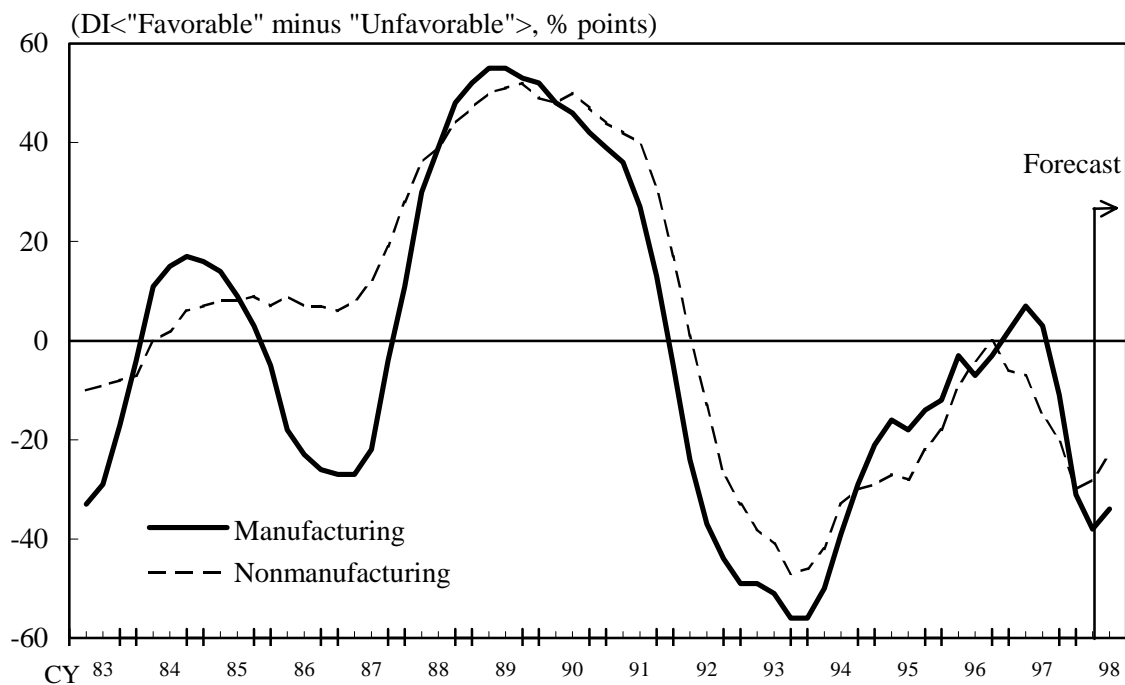
Notes: 1. Figures in parentheses are percent changes from a year earlier.

2. The dotted lines are projections in March 1998.

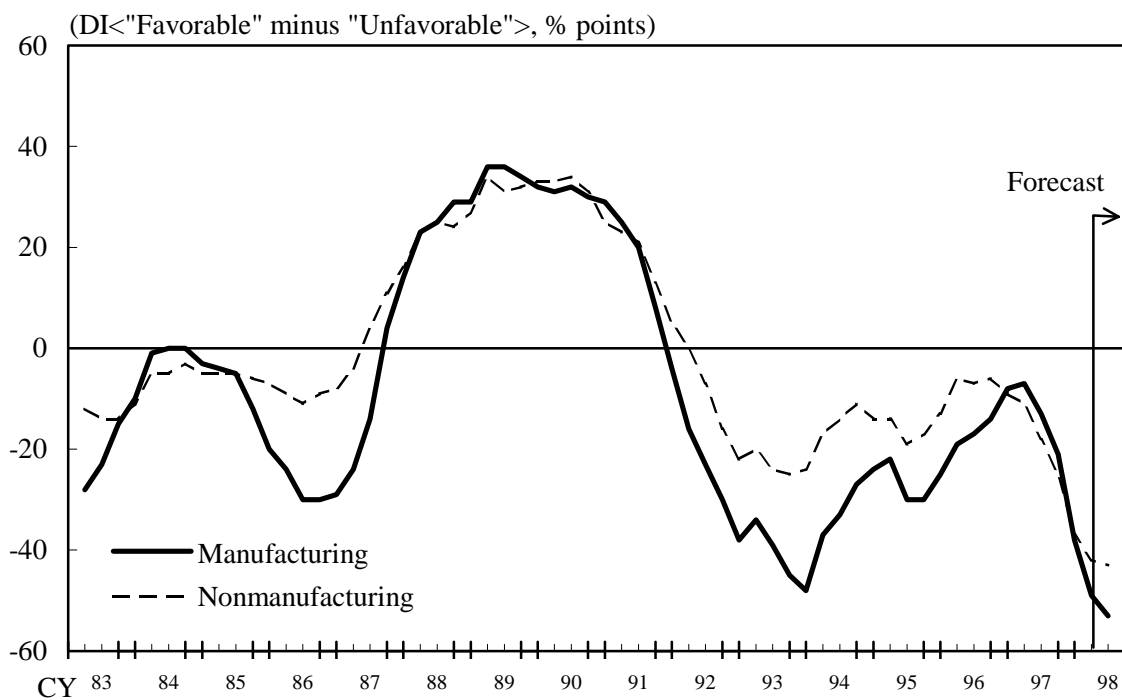
Source: Bank of Japan, "Tankan - Short-Term Economic Survey of Enterprises in Japan."

Business Conditions in *Tankan* (June 1998)

(1) Principal Enterprises

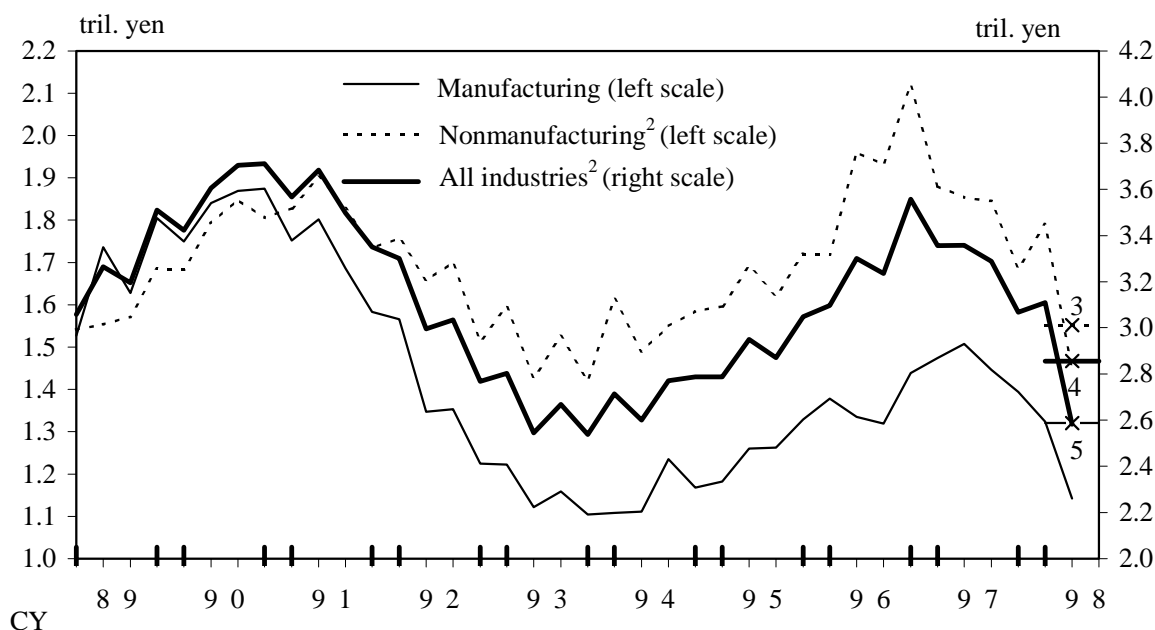


(2) Small Enterprises



Source: Bank of Japan, "*Tankan* - Short-Term Economic Survey of Enterprises in Japan."

Major Indexes of Business Fixed Investment

(1) Machinery Orders¹

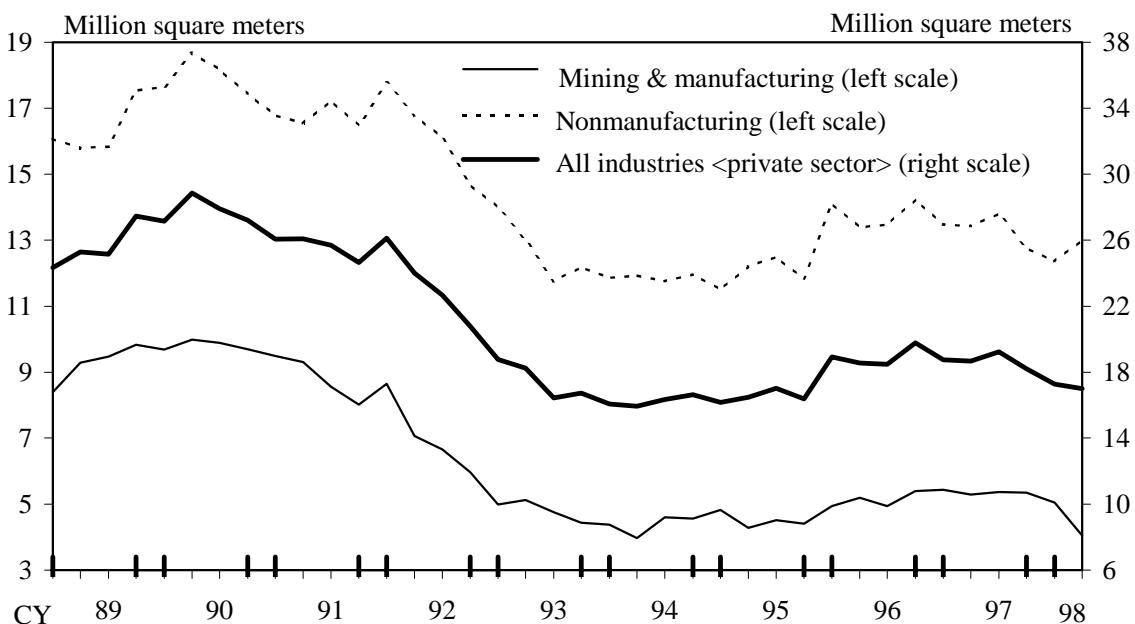
Notes: 1. Seasonally adjusted data. Figures for 1998/Q2 are averages of April and May in terms of quarterly amount.

2. Excludes orders from electric power companies, and shipbuilding orders.

3. Forecast of nonmanufacturing industries for 1998/Q2.

4. Forecast of all industries for 1998/Q2.

5. Forecast of manufacturing industries for 1998/Q2.

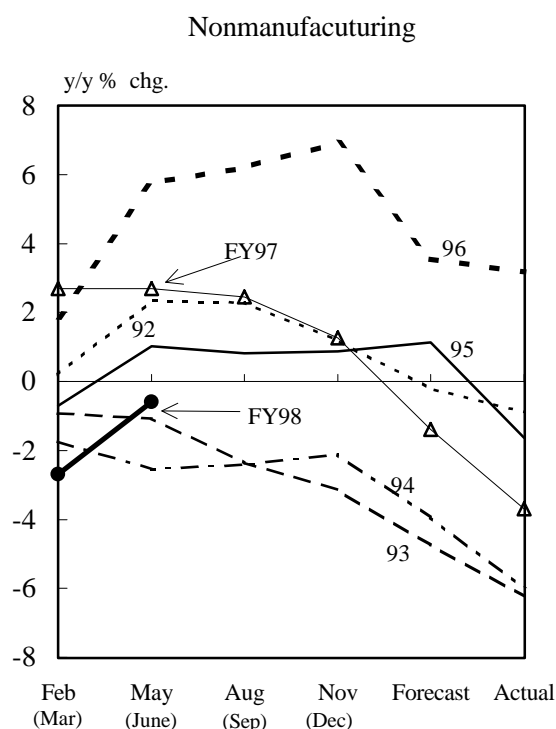
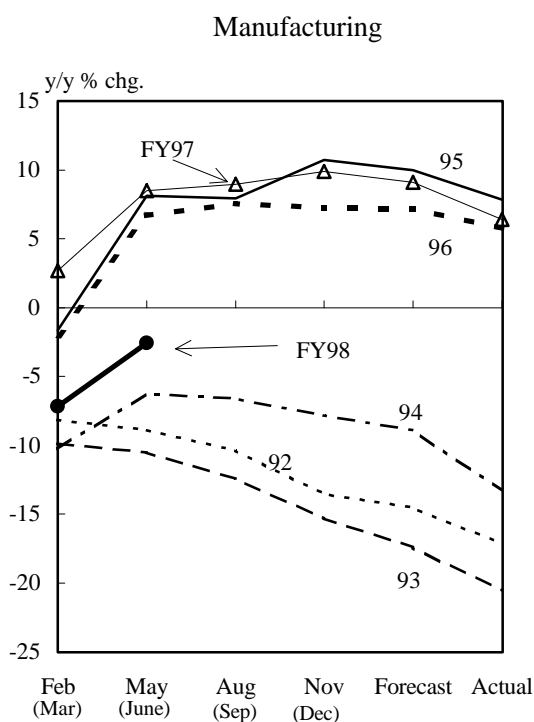
(2) Construction Starts (Nonresidential)¹

Note: 1. Seasonally adjusted data. Figures for 1998/Q2 are averages of April and May in terms of quarterly amount.

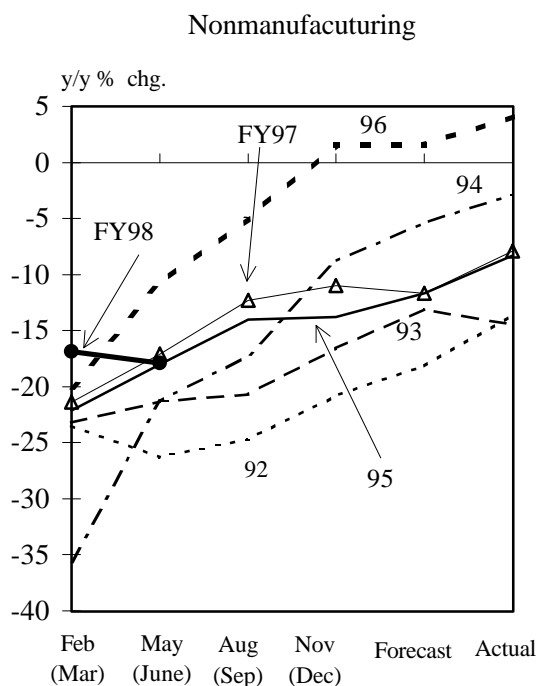
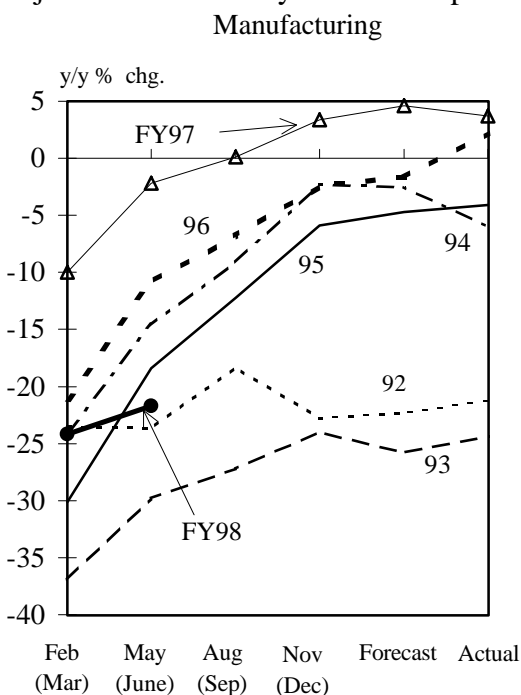
Sources: Economic Planning Agency, "Machinery Orders Statistics";
Ministry of Construction, "Construction Statistics Monthly."

Business Fixed Investment Plans as Surveyed in *Tankan* (June 1998)

(1) Adjustment of Plans by Principal Enterprises



(2) Adjustment of Plans by Small Enterprises

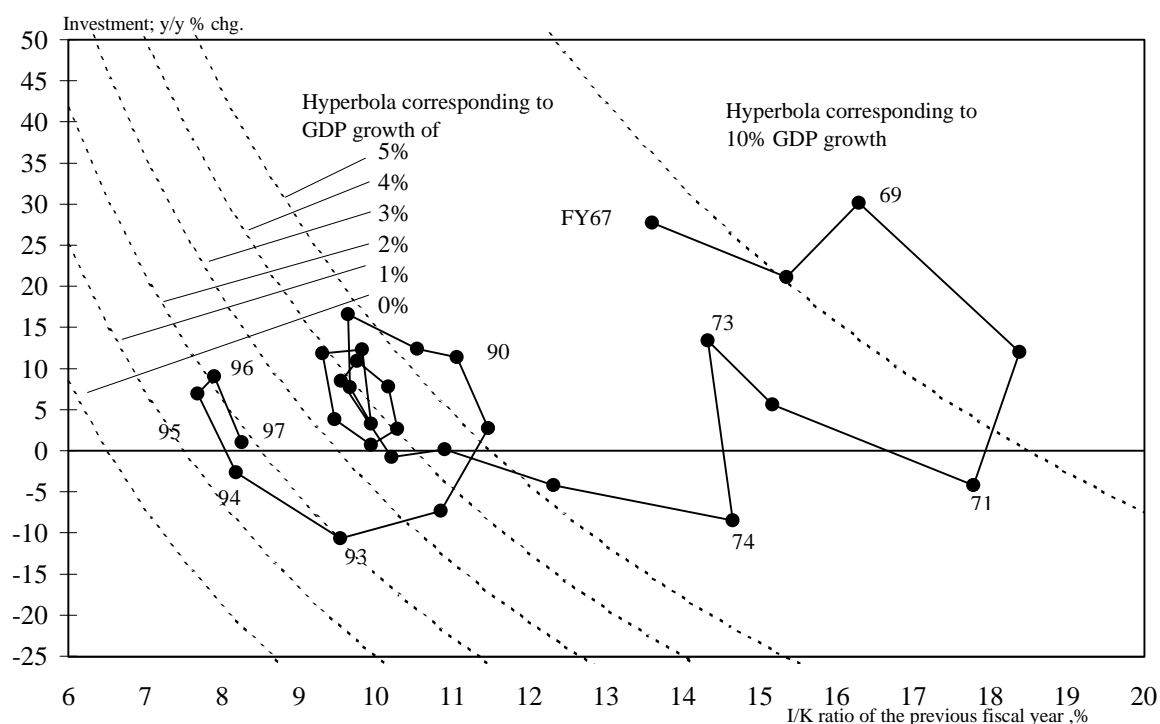


Note: Surveys are conducted in March, June, September and December from March 1997, instead of February, May, August and November.

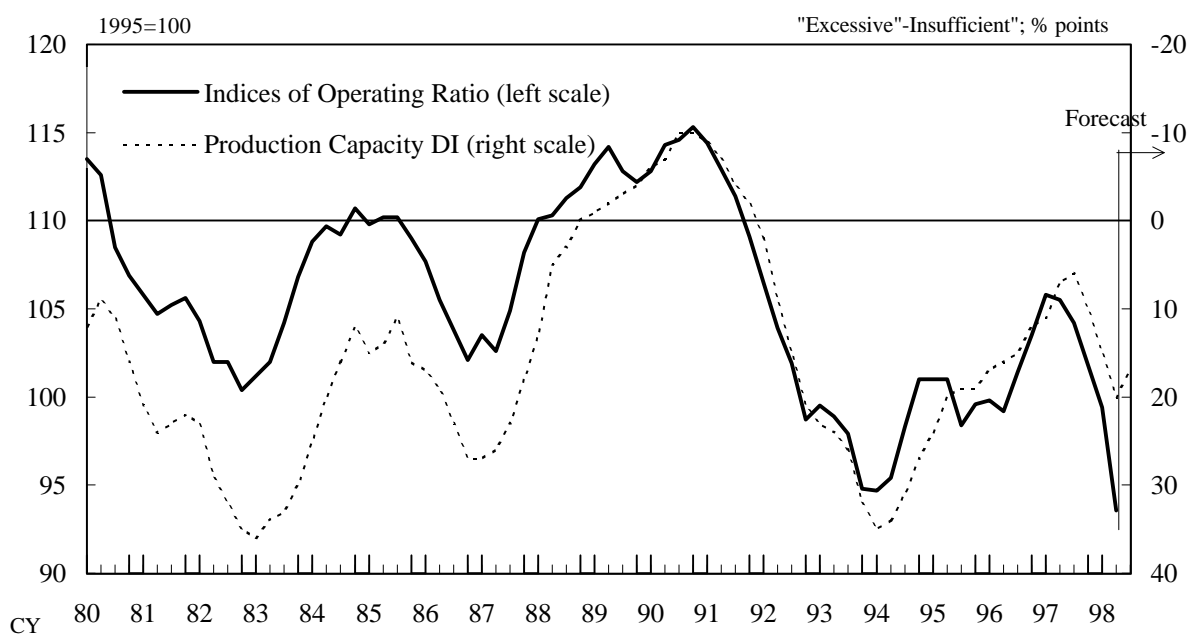
Source: Bank of Japan, "Tankan - Short-Term Economic Survey of Enterprises."

Production Capacity and Capital Stock Adjustment

(1) Capital Stock Cycle (All Industries)



(2) Indices of Operating Ratio and Production Capacity DI (Principal Enterprises, Manufacturing Industries)

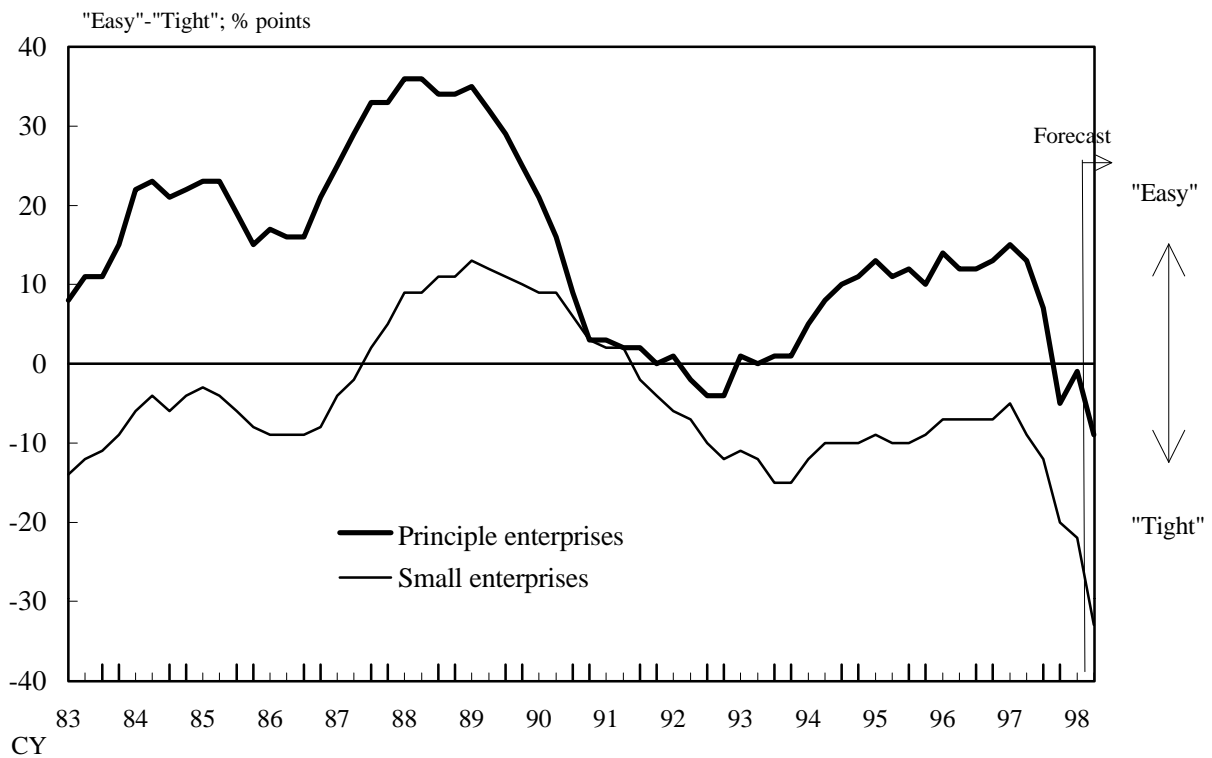


Note: Seasonally adjusted data. Index of Operating Ratios for 1998/Q2 is the average of April and May in terms of quarterly amount.

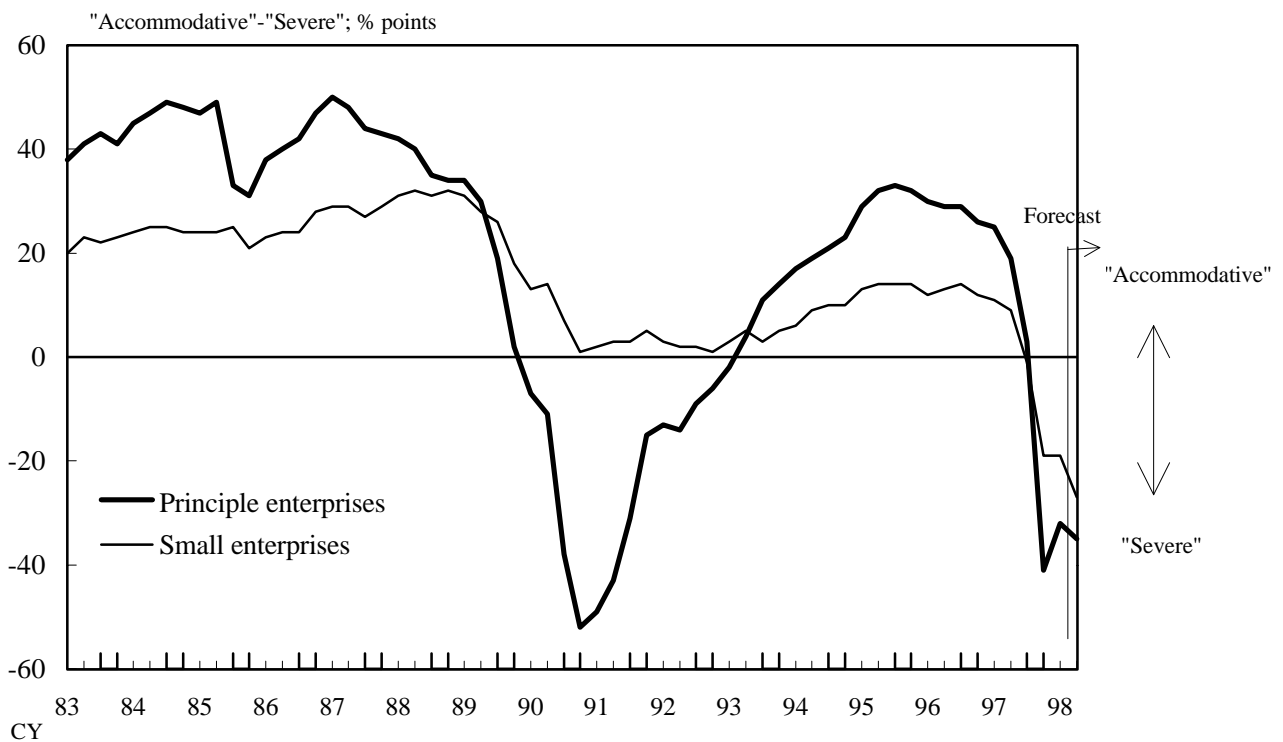
Sources: Economic Planning Agency, "Gross Capital Stock of Private Enterprises";
Bank of Japan, "Tankan -Short-Term Economic Survey of Enterprises";
Ministry of International Trade and Industry, "Indices of Industrial Production."

Corporate Finance-Related Indicators

(1) Financial Position DI



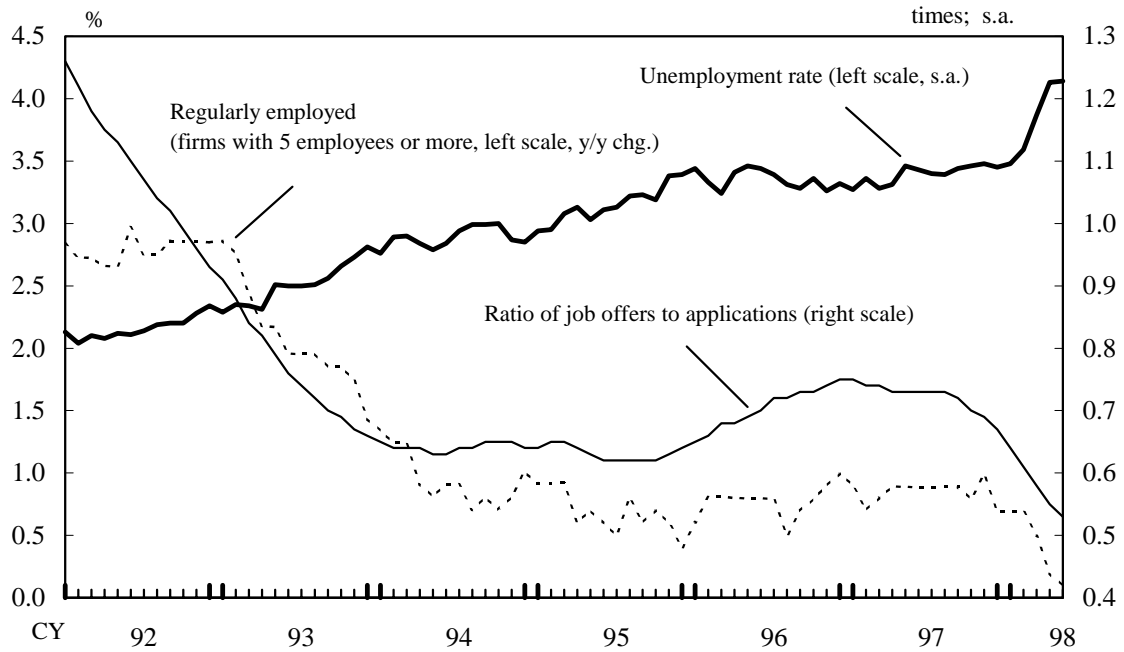
(2) Lending Attitude of Financial Institutions DI



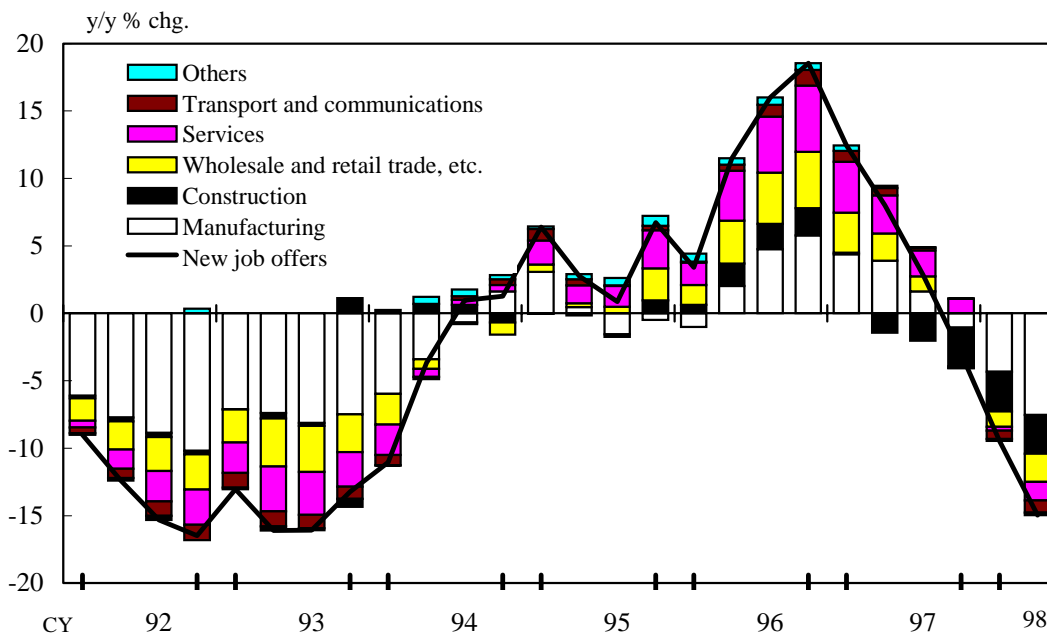
Source: Bank of Japan, "Tankan -Short-Term Economic Survey of Enterprises."

Labor

(1) Monthly



(2) New Job Offers¹

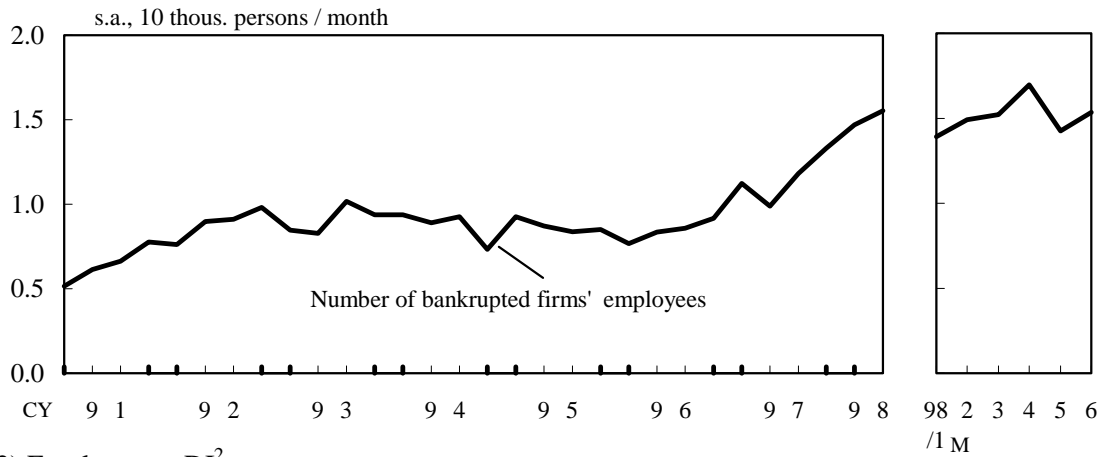


Note: 1. Excludes jobs offered to new graduates.
The data in 98/Q2 are those of April-May 98.

Sources: Ministry of Labor, "Monthly Labor Survey", "Report on Employment Service";
Management and Coordination Agency, "Labor Force Survey."

Employment Conditions

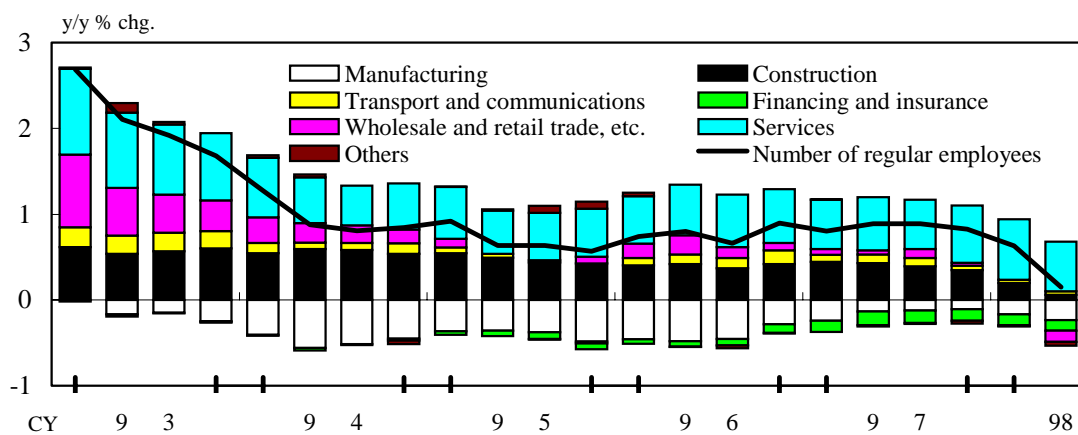
(1) Number of Bankrupted Firms' Employees¹



(2) Employment DI²



(3) Number of Regular Employees³



Notes: 1. Bankruptcies with a liability of ten million yen or more.

The data are based on a survey conducted by *Teikoku Databank Ltd.*

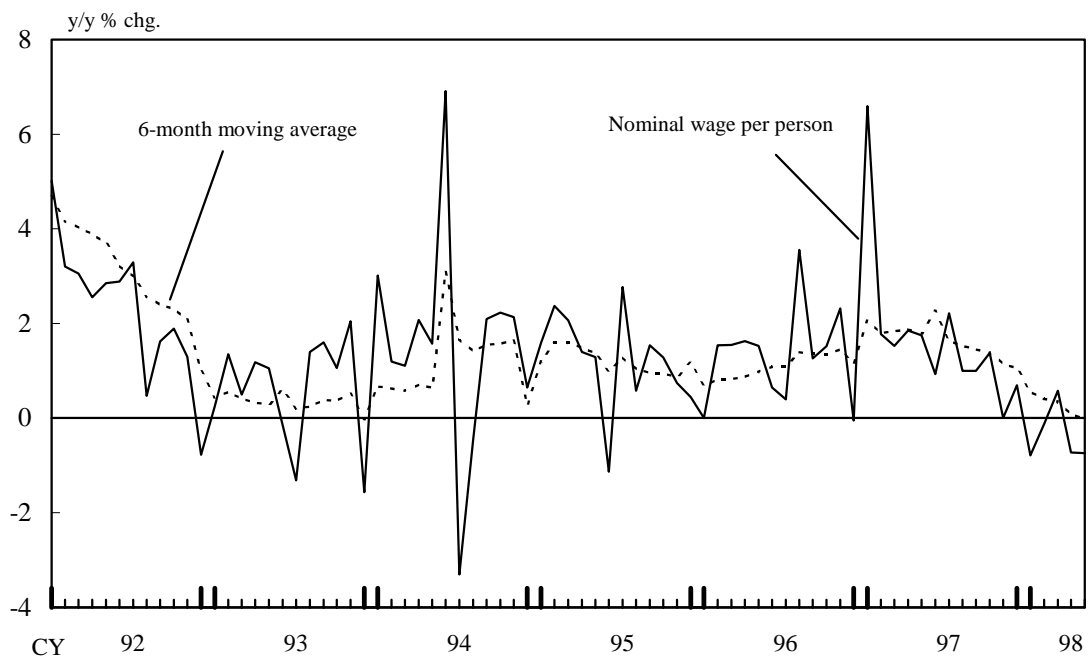
2. Employment DI = "Excessive" - "Insufficient".

3. The data in 98/Q2 are those of April to May 98.

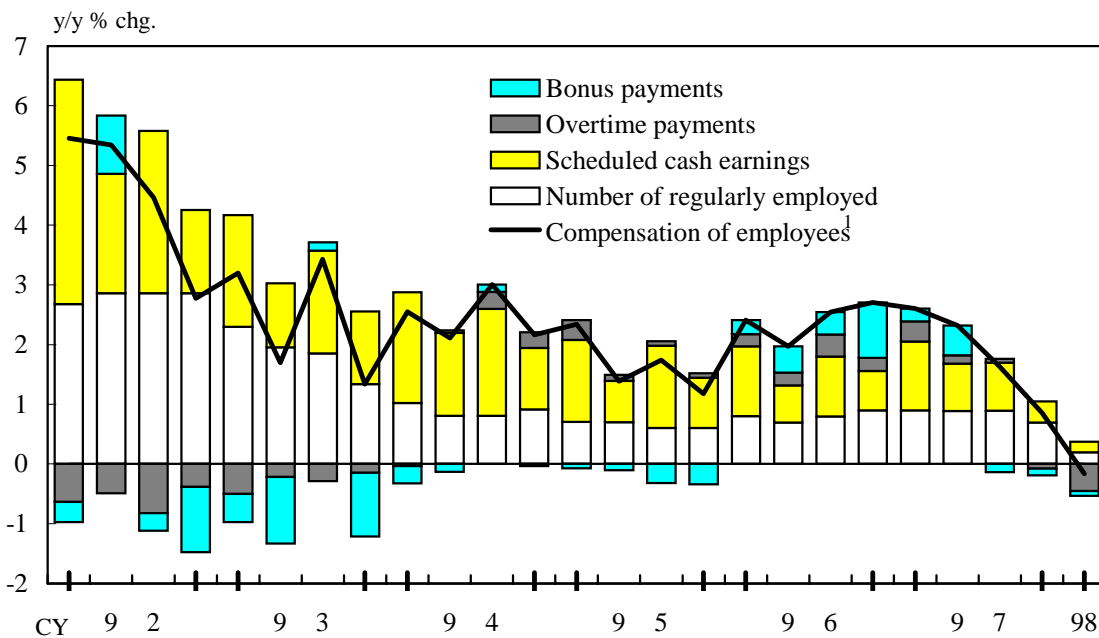
Sources: Teikoku Databank Ltd., "Japan's Business Failure"; Ministry of Labor, "Monthly Labor Survey"; Bank of Japan, "*Tankan* Short-Term Economic Survey of Enterprises."

Compensation of Employees

(1) Nominal Wage per Person¹



(2) Breakdown of Compensation²



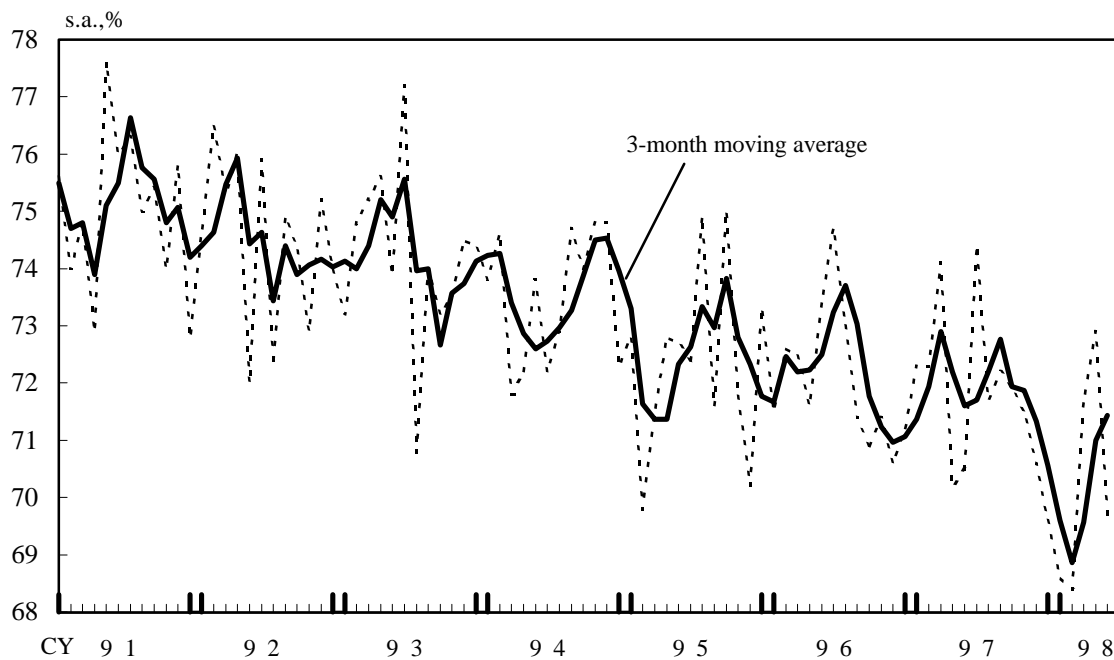
Notes: 1. Data for firms with 5 employees or more.

2. Q1= Mar-May, Q2= Jun-Aug, Q3=Sep-Nov, Q4= Dec-Feb.

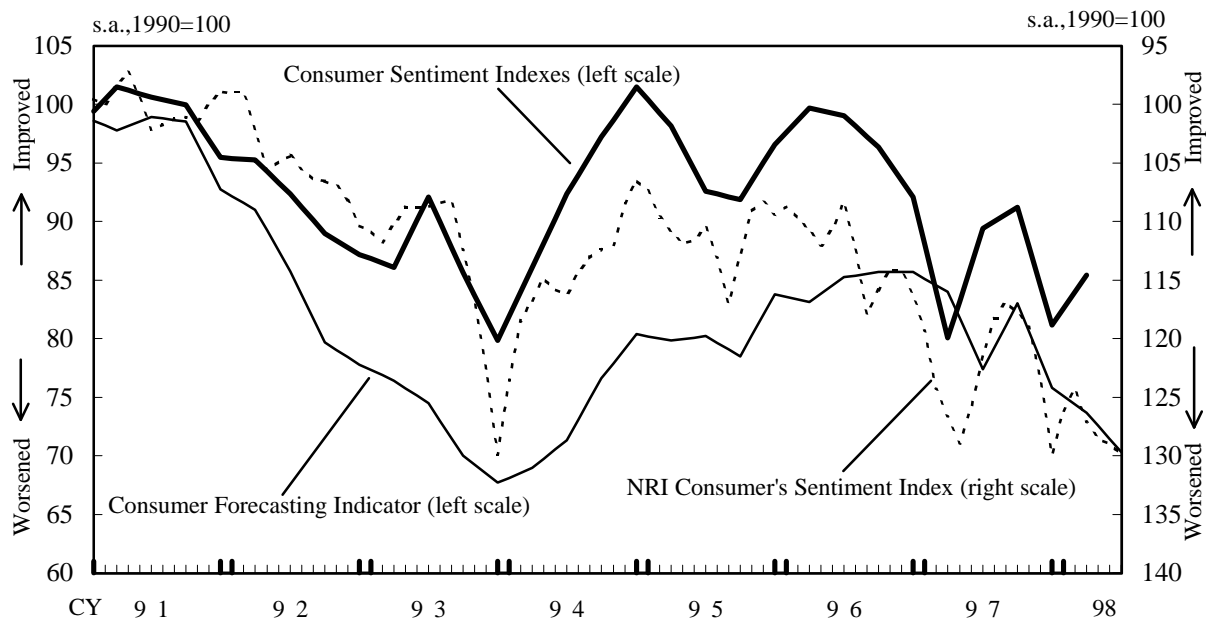
Source: Ministry of Labor, "Monthly Labor Survey."

Propensity to Consume and Consumer Confidence

(1) Propensity to Consume (Family Income and Expenditure Survey)



(2) Surveys on Consumer Confidence



Notes: 1. Consumer Sentiment Indexes, Consumer Forecasting Indicator, and NRI Consumer's Sentiment Index are based on surveys on consumer confidence.

2. Data are plotted at the months of each survey.

3. "Consumer Sentiment Indexes" is surveyed by Economic Planning Agency, "Consumer Forecasting Indicator" by NIKKEI RIM, "NRI Consumer's Sentiment Index" by NRI.

Sources: Economic Planning Agency, "Consumer Behavior Survey";

Nikkei Research Institute of Industry and Markets (Nikkei RIM), "Consumption Forecasting Indicator";

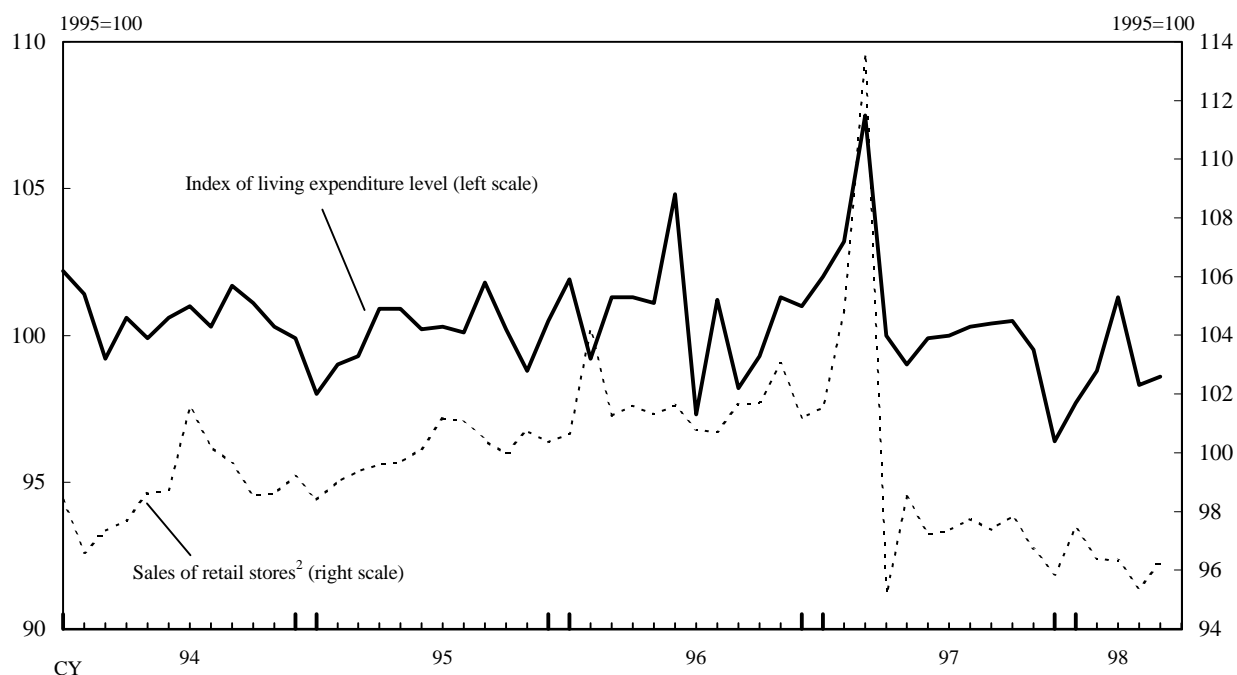
Management and Coordination Agency, "Monthly Report on the Family Income and

Expenditure Survey";

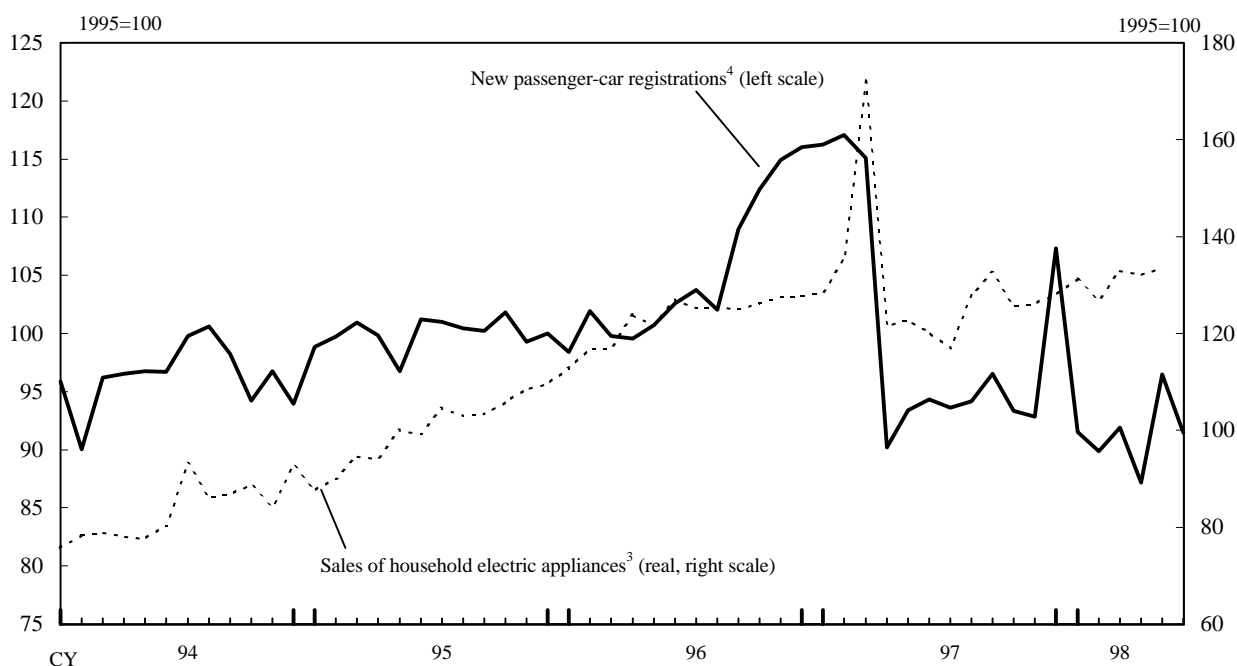
Nippon Research Institute (NRI), "Consumer's Sentiment Survey."

Private Consumption¹(1)

(1) Household Spending



(2) Sales of Durable Goods



Notes: 1. Seasonally adjusted by X-12-ARIMA (β version).

Index of living expenditure level is seasonally adjusted by X-11.

2. Sales of retail stores is deflated by the Consumer Price Index for commodities.

3. Sales of household electric appliances is deflated by Wholesale Price Index (for personal computers) and Consumer Price Index (other electric appliances).

4. Excluding small cars with engine size of 660 cc or less.

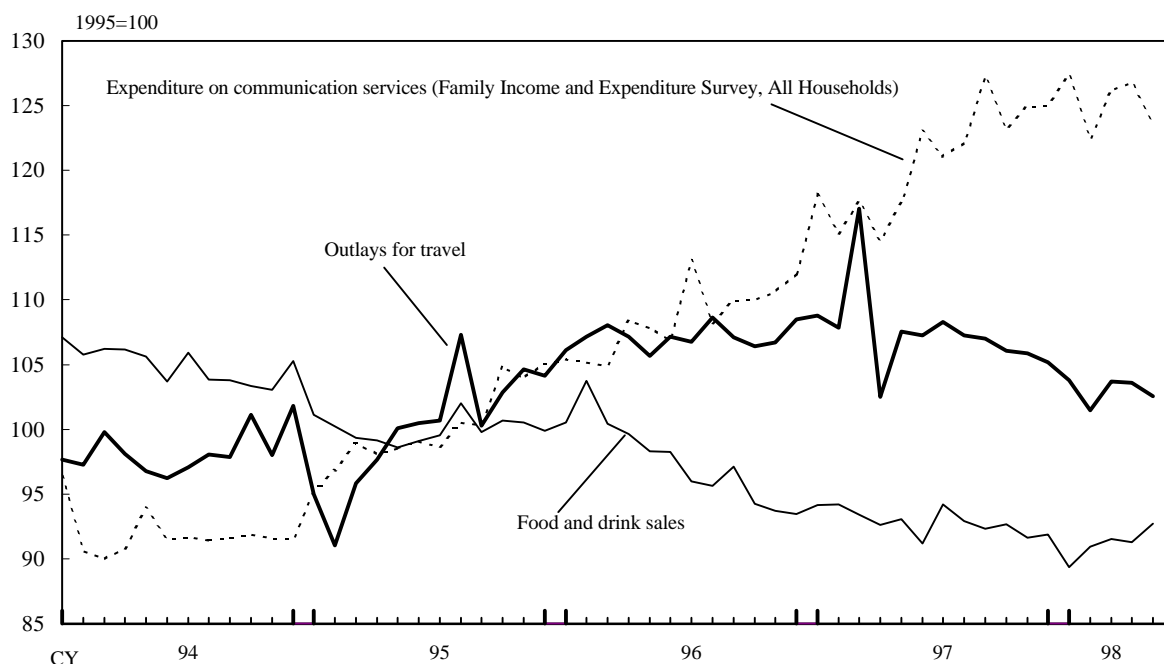
Sources: Management and Coordination Agency, "Monthly Report on the Family Income and Expenditure Survey", "Consumer Price Index";

Ministry of International Trade and Industry, "Current Survey of Commerce";

Japan Automobile Dealers association, "Domestic Sales of Automobiles";

Nippon Electric Big-Stores Association (NEBA), "Sales of Electric Appliance";

Bank of Japan, "Wholesale Price Indexes."

Private Consumption¹(2)(3) Sales of retail stores²(4) Consumption of service³

Notes: 1. Seasonally adjusted by X-12-ARIMA (β version).

2. Adjusted to exclude the effect of the increase in the number of stores (except convenience stores).

Sales of department stores and sales of chain stores are adjusted to exclude the effect of the rise of the consumption tax rate.

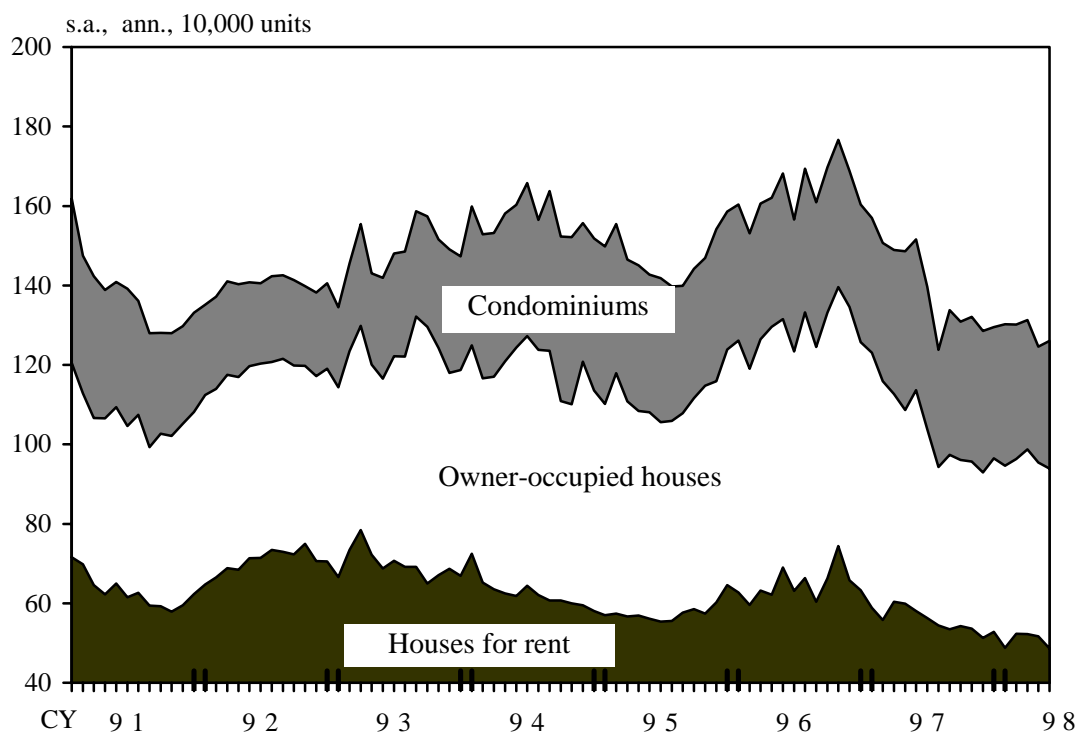
3. Outlays for travel and Food and drink sales are adjusted to exclude the effect of the rise of the consumption tax rate.

4. Sales of convenience stores is surveyed by Bank of Japan.

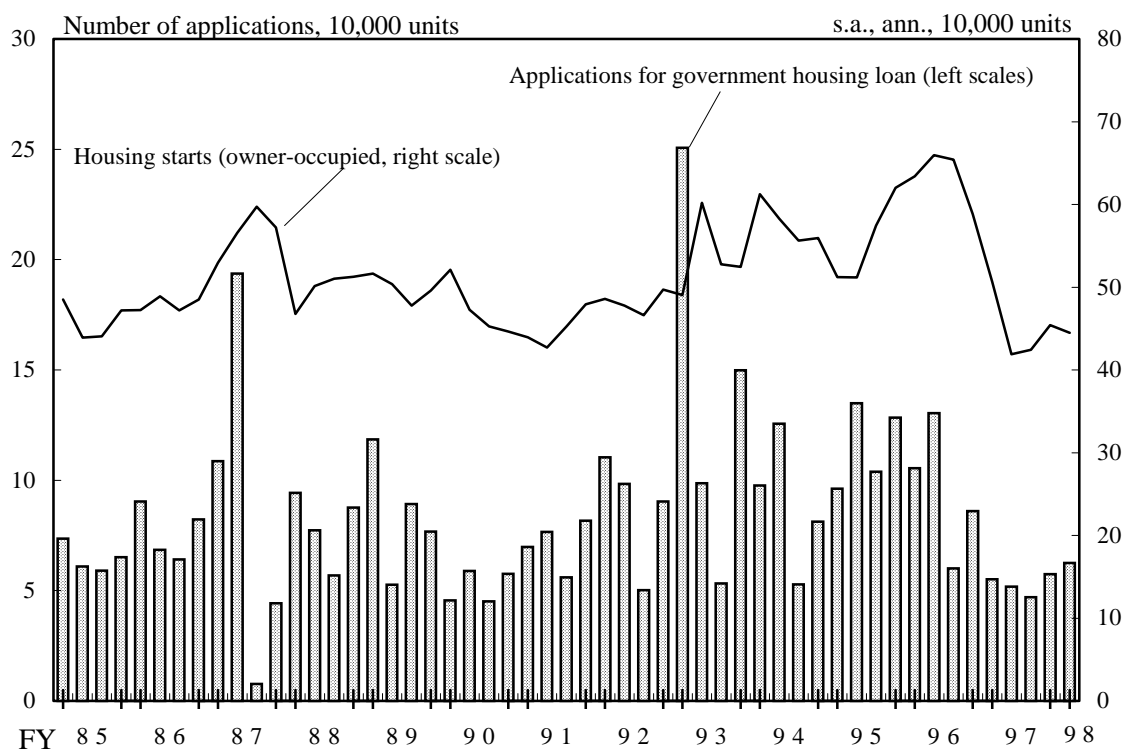
Sources: Management and Coordination Agency, "Monthly Report on the Family Income and Expenditure Survey";
 Ministry of International Trade and Industry, "Current Survey of Commerce";
 Japan Chain Stores Association, "Sales of Chain Stores";
 Ministry of Transport, "Major Travel Agents' Revenue";
 Foodservice Industry Survey & Research Center, "Monthly Survey of Food and Drink Sales."

Housing Starts¹

(1) Housing starts (monthly)



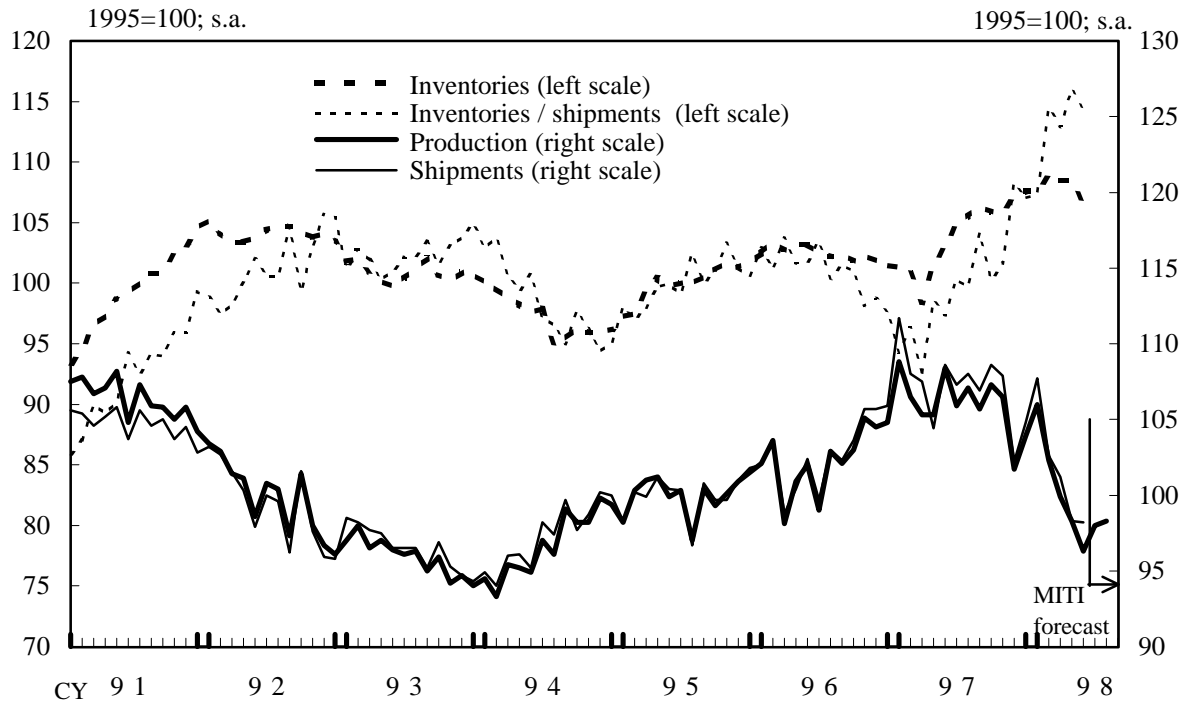
(2) Number of applications for government housing loan (for new owner-occupied homes)



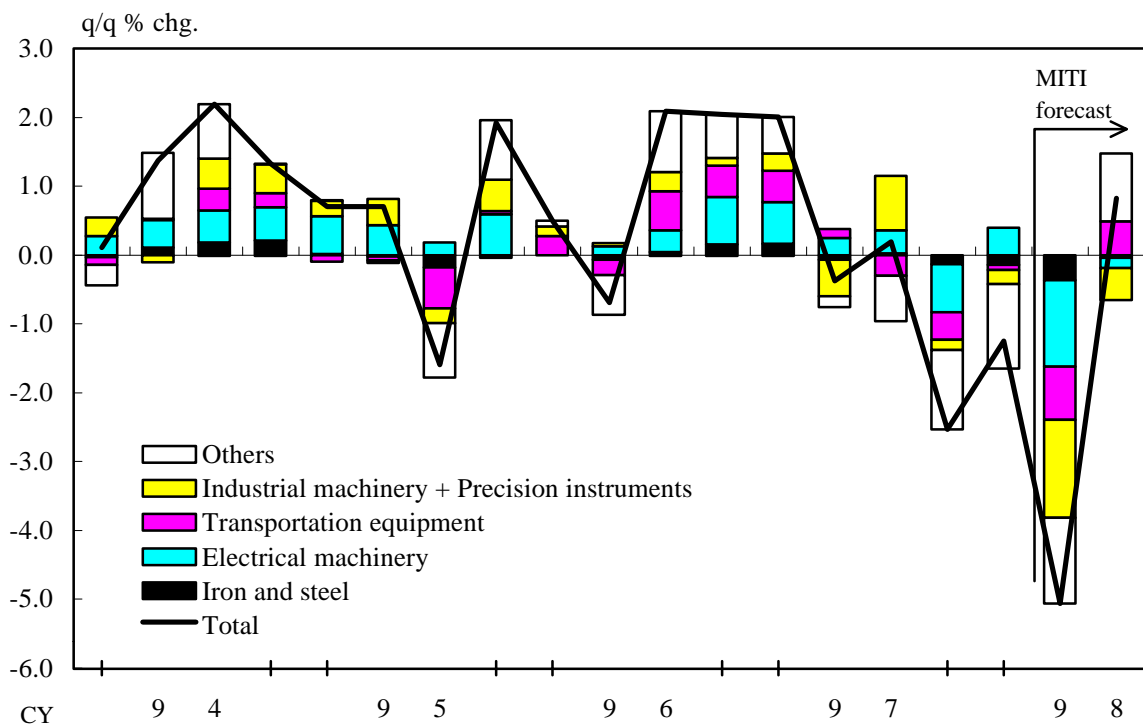
Note: 1. The data for 98/Q2 are April-March averages converted into an annual equivalent.
 Source: Ministry of Construction, "Monthly of Construction Statistics", etc.

Production, Shipments, and Inventories

(1) Production, Shipments, and Inventories



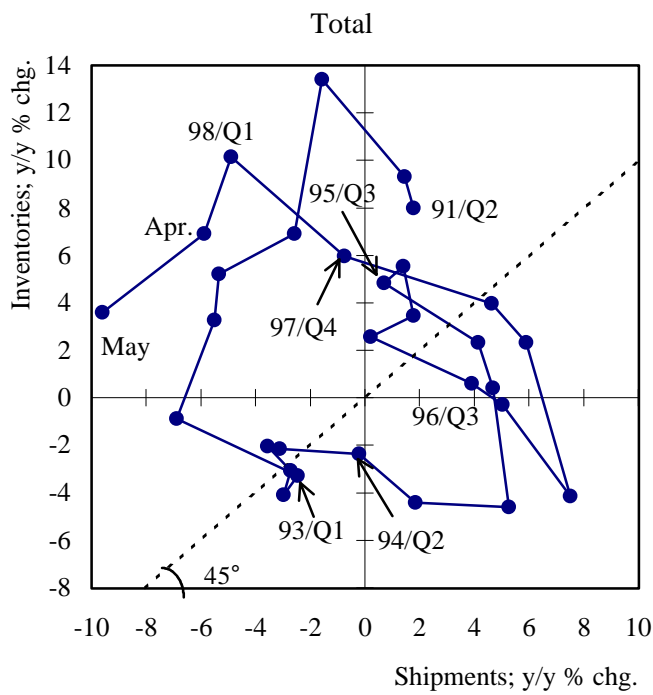
(2) Production by Industries



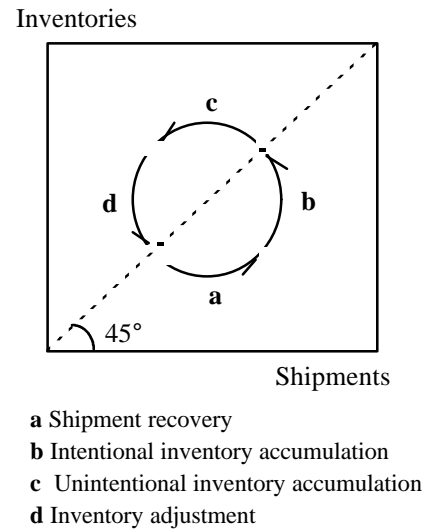
Note: Transportation equipment excludes ships and rolling stock.

Source: Ministry of International Trade and Industry, "Indices of Industrial Production."

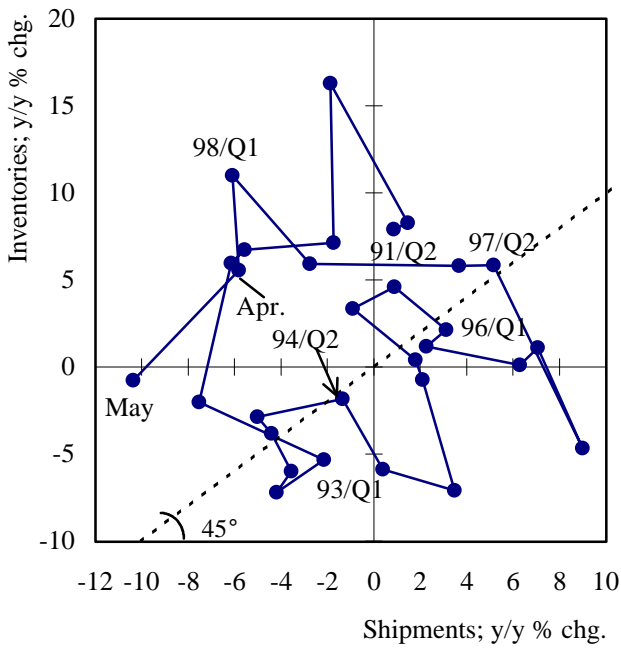
Inventory Cycle



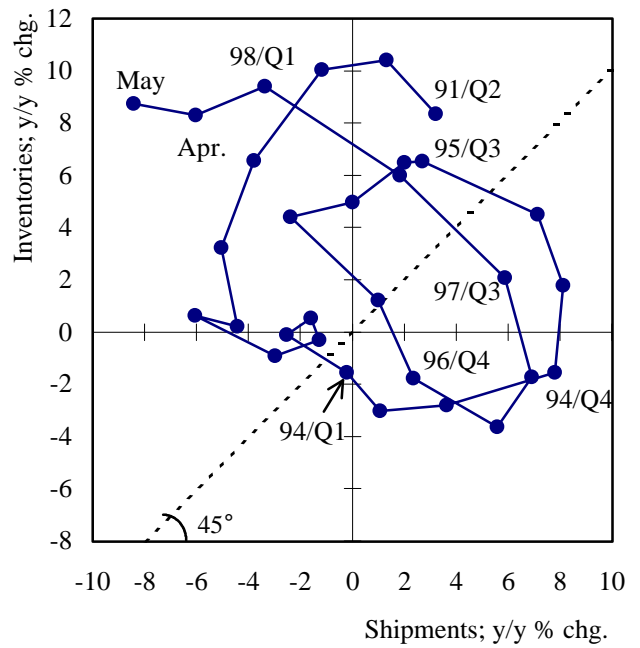
Phases in the Inventory Cycle



Final Demand Goods



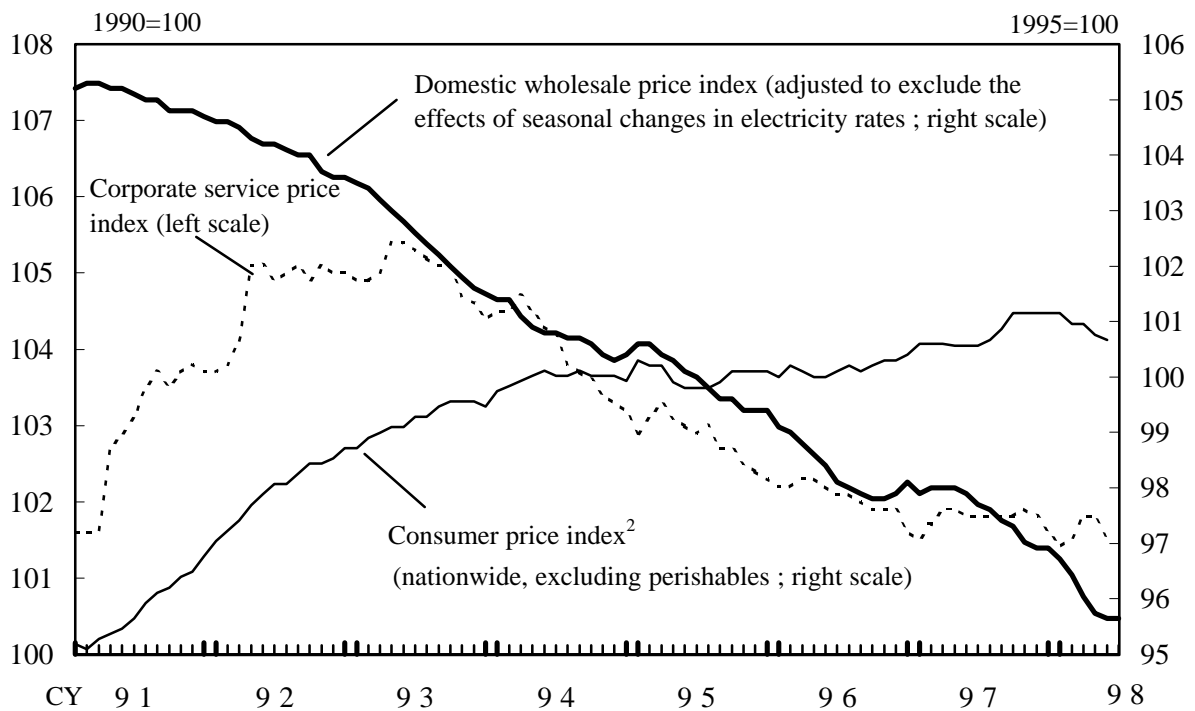
Production Goods



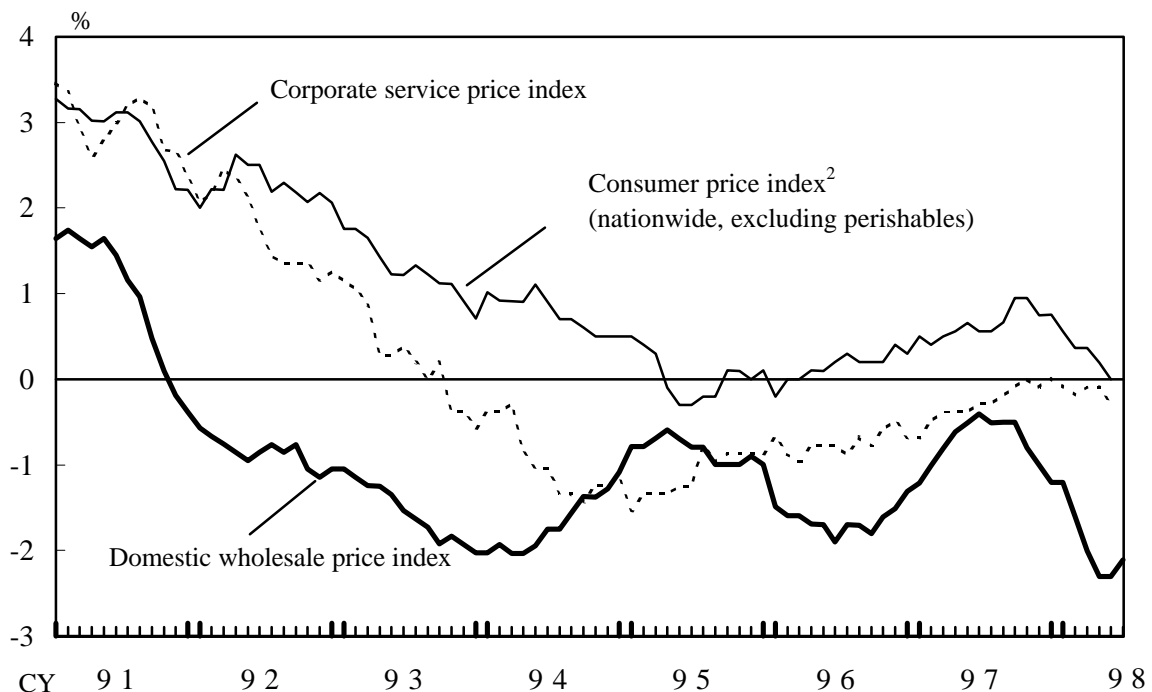
Source: Ministry of International Trade and Industry, "Indices of Industrial Production."

Prices¹

(1) Level



(2) Changes from a year earlier



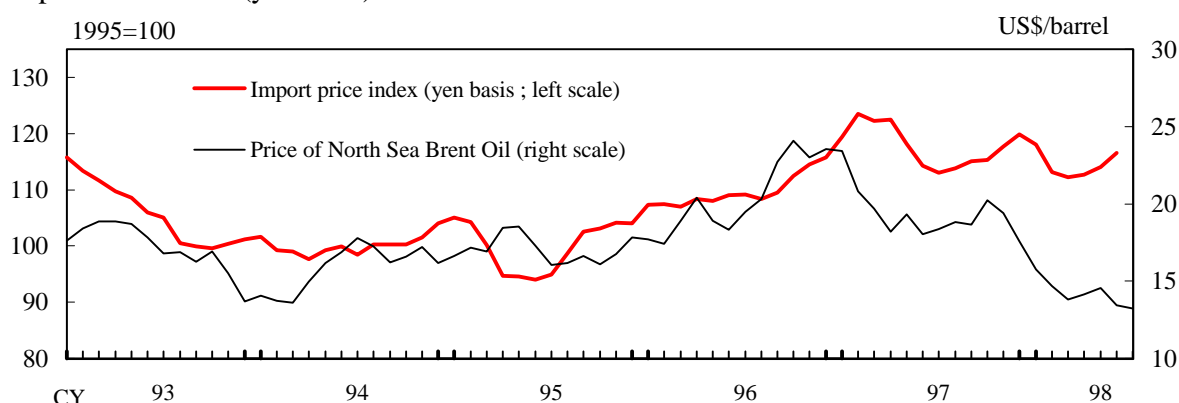
Notes: 1. Excluding the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise of tax rate.

2. Based on seasonally adjusted data of CPI whose base period is 1995, although the figures before January 1995 are calculated from CPI whose base period is 1990.

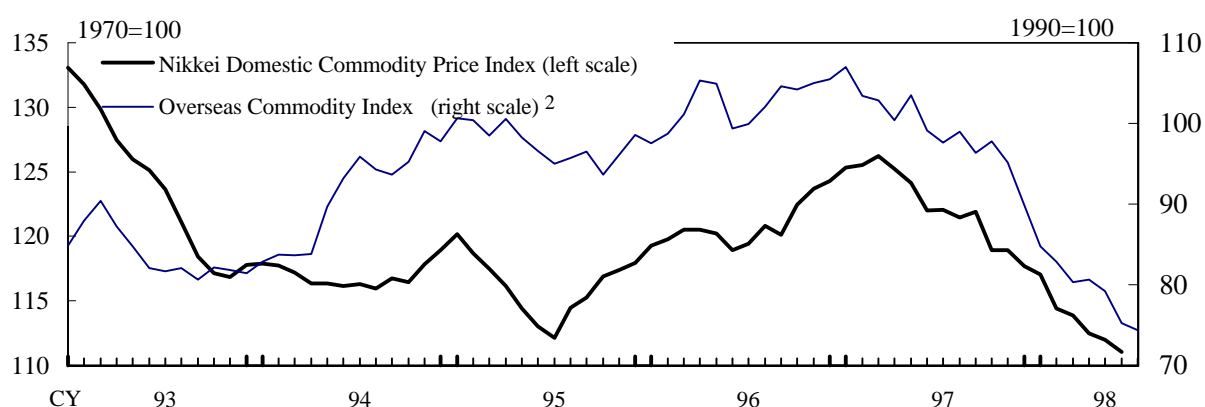
Sources: Management and Coordination Agency, "Consumer Price Index";
Bank of Japan, "Wholesale Price Indexes", "Corporate Service Price Index."

Import Prices and Domestic Wholesale Prices

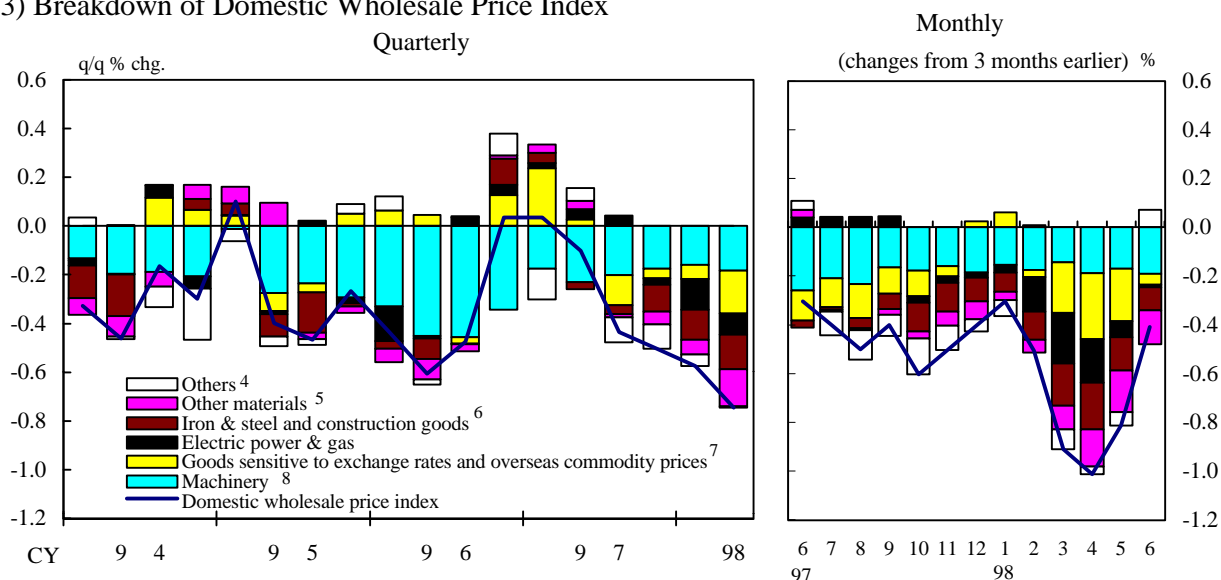
(1) Import Price Index (yen basis) and Crude Oil Price¹



(2) Domestic Commodity Market



(3) Breakdown of Domestic Wholesale Price Index³



Notes: 1. Data for July 1998 are July 1-15 average.

2. Calculated by the Research and Statistics Department, Bank of Japan. Data for July 1998 are July 1-15 average.

3. Adjusted to exclude the effects of seasonal changes of electricity rates, and of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise of tax rate.

4. Others = processed foodstuffs + other manufacturing industry products + edible agricultural, livestock & aquatic products + inedible agricultural & forestry products + mining products + water.

5. Other materials = chemicals + plastic products + textile products + pulp, paper & related products.

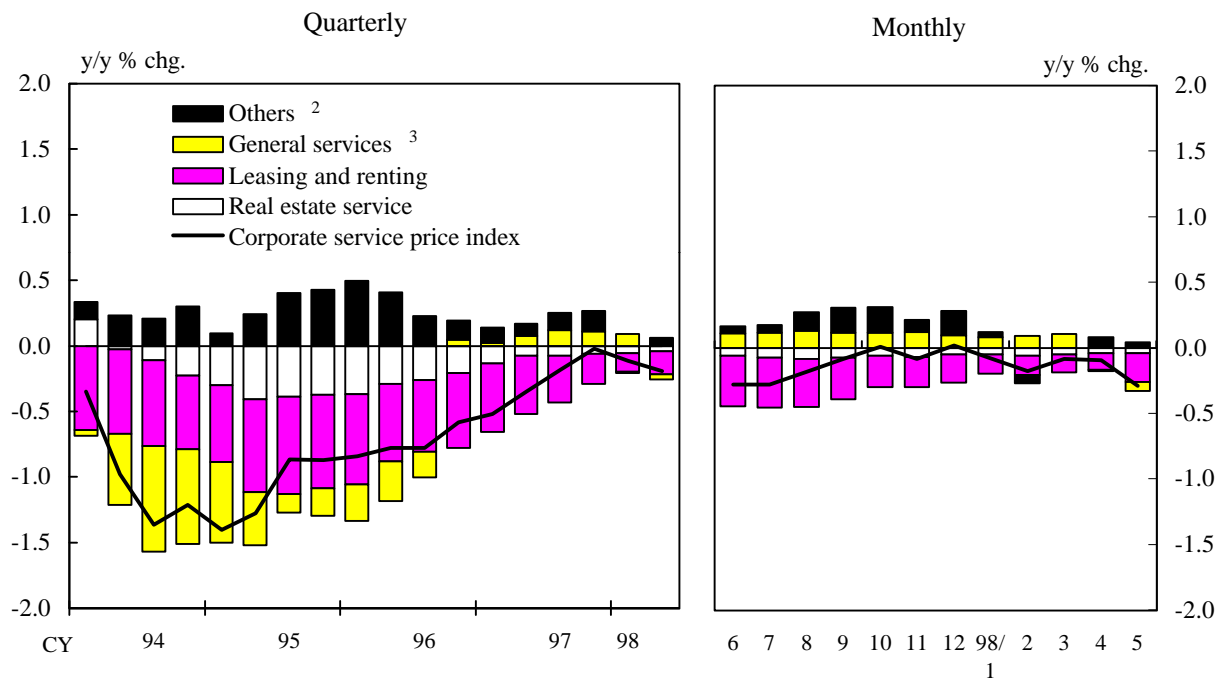
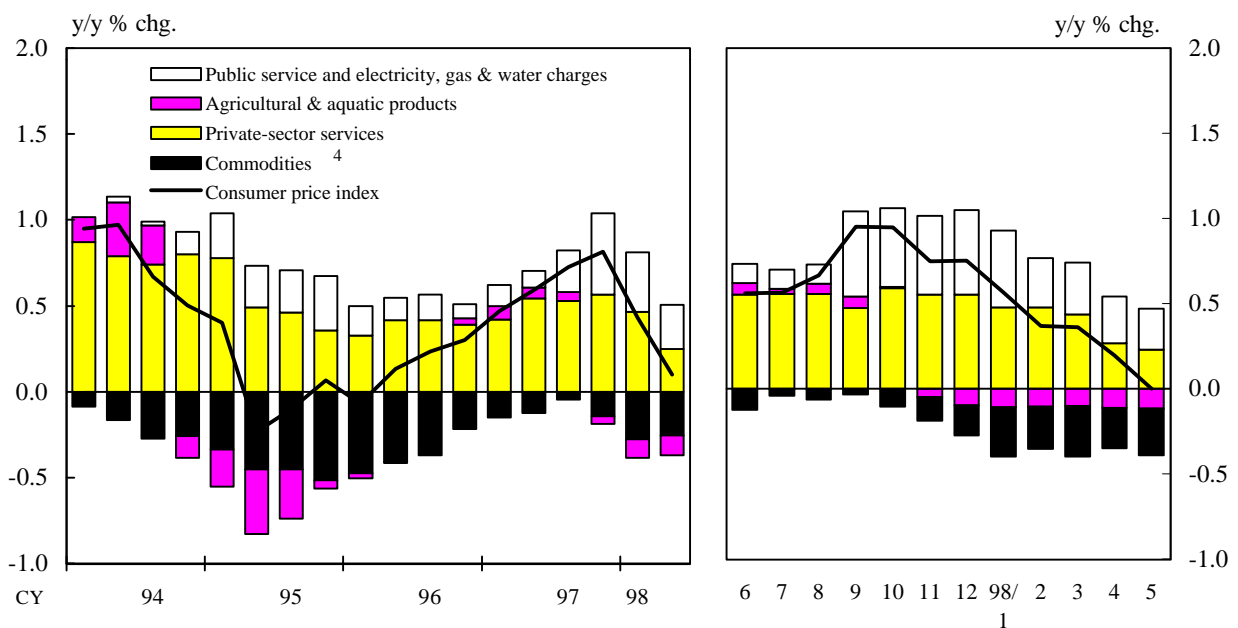
6. Iron & steel and construction goods = iron & steel + metal products + ceramics, stone & clay products + lumber & wooden products + scrap & waste.

7. Goods sensitive to exchange rates and overseas commodity prices = petroleum & coal products + nonferrous metal.

8. Machinery = electrical machinery + general machinery + transportation equipment + precision instruments.

Sources: Bank of Japan, "Wholesale Price Indexes", "Economic Statistics Monthly", "Nippon Ginko Chousa Geppo (Bank of Japan Monthly Bulletin)"; Nihon Keizai Shimbun Inc., "Nikkei Domestic Commodity Price Index."

Corporate Service Prices and Consumer Prices

(1) Breakdown of Corporate Service Price Index¹(2) Breakdown of Consumer Price Index (excluding perishables)¹

Notes: 1. Adjusted to exclude the effects of the consumption tax hike in April 1997 on the assumption that prices of all taxable goods fully reflect the rise of tax rate.

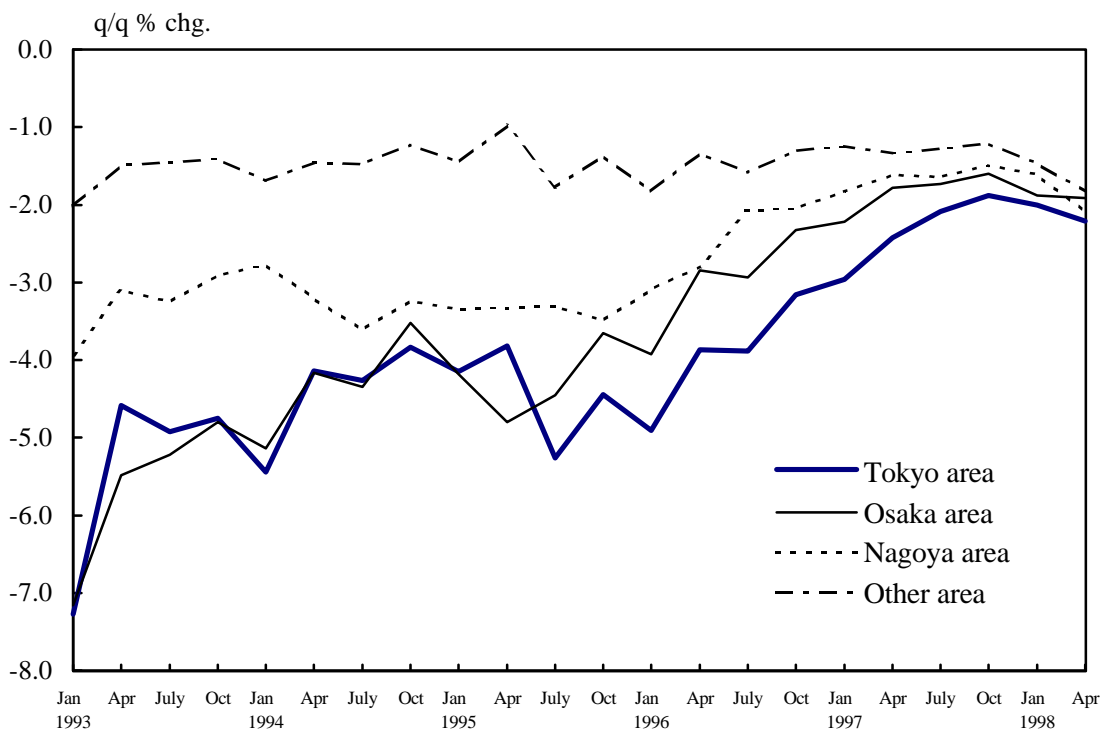
Data for 98/Q2 are April to May average.

2. Others = automobile insurance + fire insurance + railroad fares + bus fares + domestic air fares + tolls + postal services + sewerage disposal + ocean freight + international air freight + international air fares.
3. General services = finance & insurance + transportation + information services + communications + advertisement + building maintenance & construction planning + temporary worker services + machinery maintenance etc. (excluding items in "others").
4. Excludes agricultural and aquatic products.

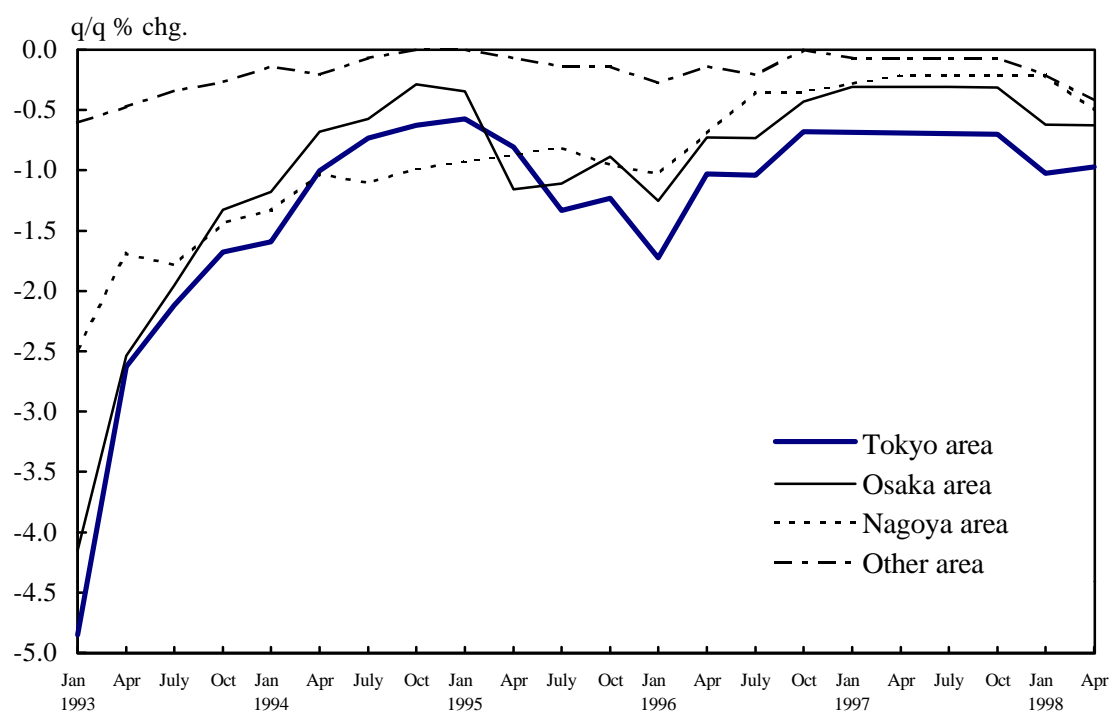
Sources: Management and Coordination Agency, "Consumer Price Index";
 Bank of Japan, "Corporate Service Price Index."

Quarterly Land Price Index

(1) Commercial land



(2) Residential land

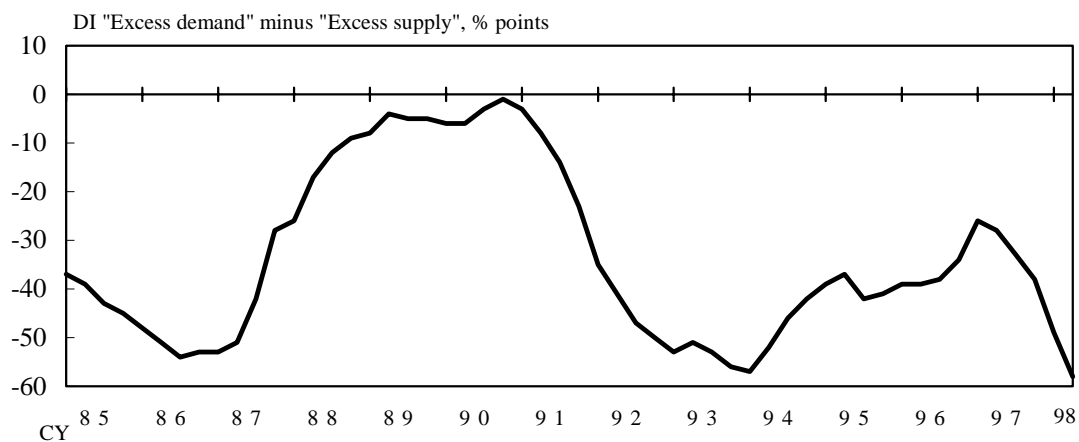
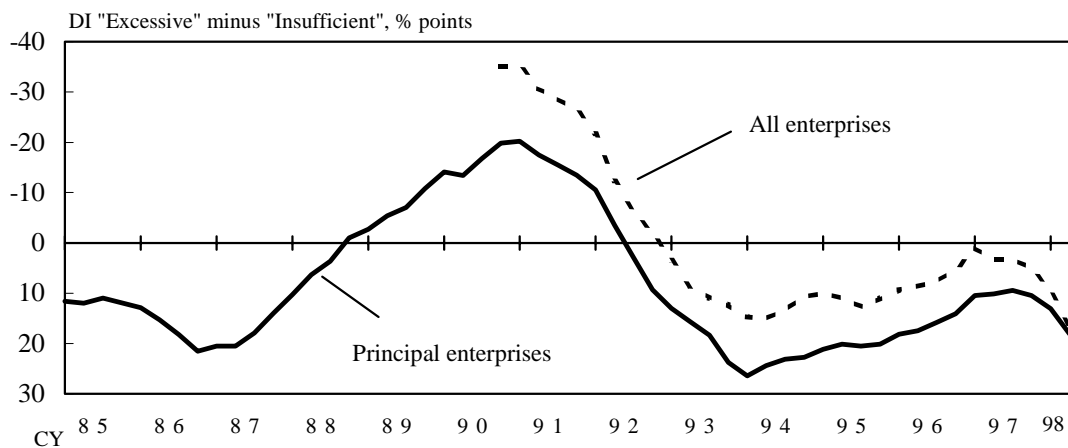


Note: The data for Apr. 98 are preliminary.

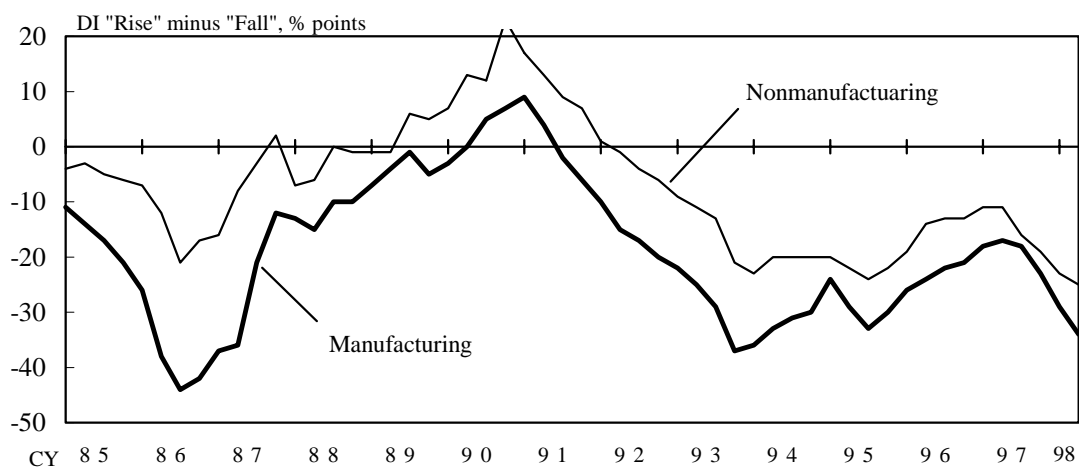
Source: The Land Institute of Japan, "A Quarterly Land Price Index."

Factors Contributing to the Change in Prices

(1) Supply and Demand Conditions for Products (All Enterprises, Manufacturing)

(2) Utilization of Capital and Labor¹

(3) Change in Output Prices (All Enterprises)



Note: 1. Figures are calculated by adding Production Capacity DI and Employment DI which are weighted by the relative share of capital and labor based on 1975-96 average.

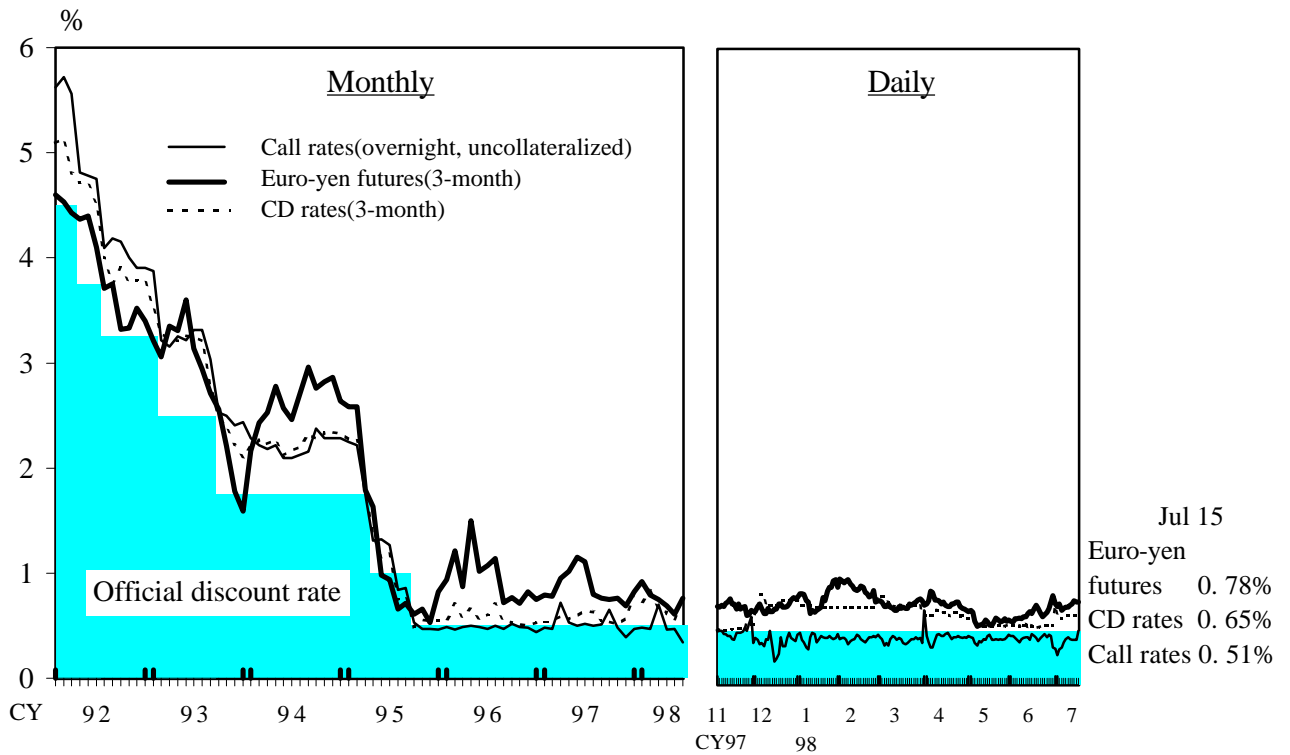
Production Capacity DI and Employment DI are calculated as "excessive" minus "insufficient".

Sources: Economic Planning Agency, "National Income Statistics";

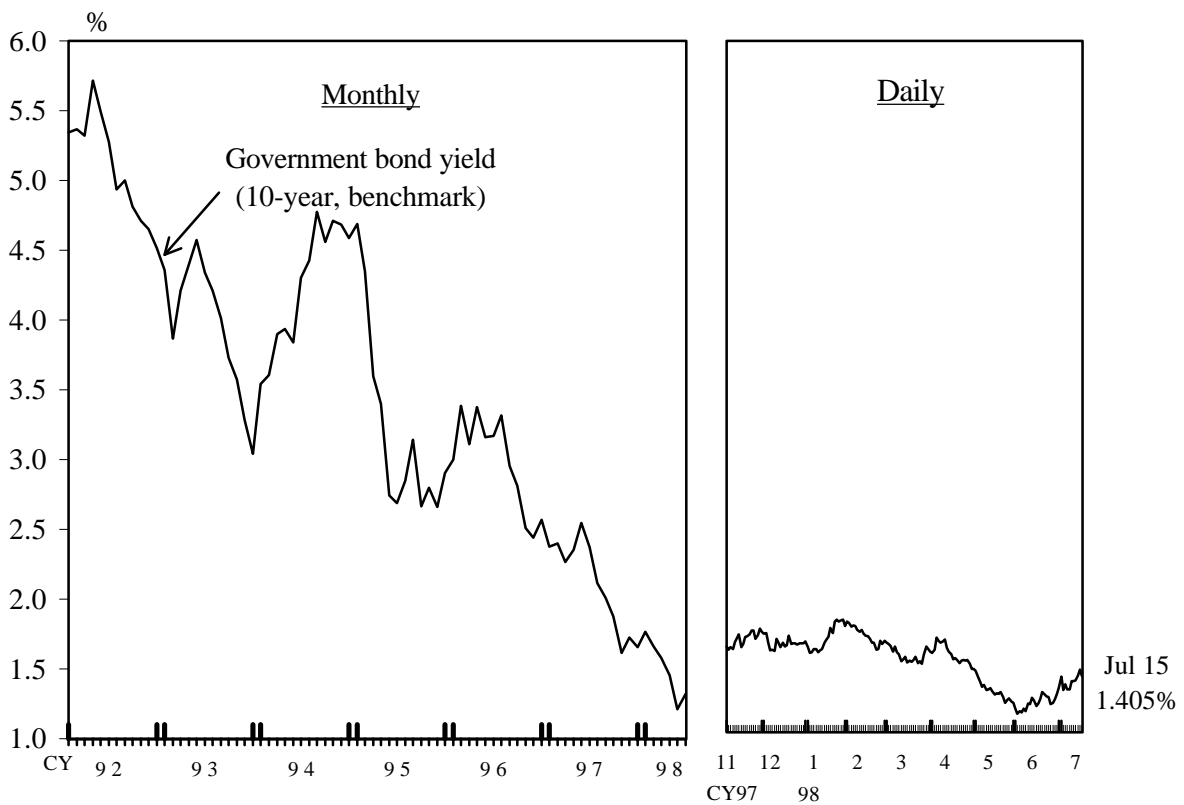
Bank of Japan, "Tankan Short-Term Economic Survey of Enterprises in Japan."

Interest Rates

(1) Short-Term



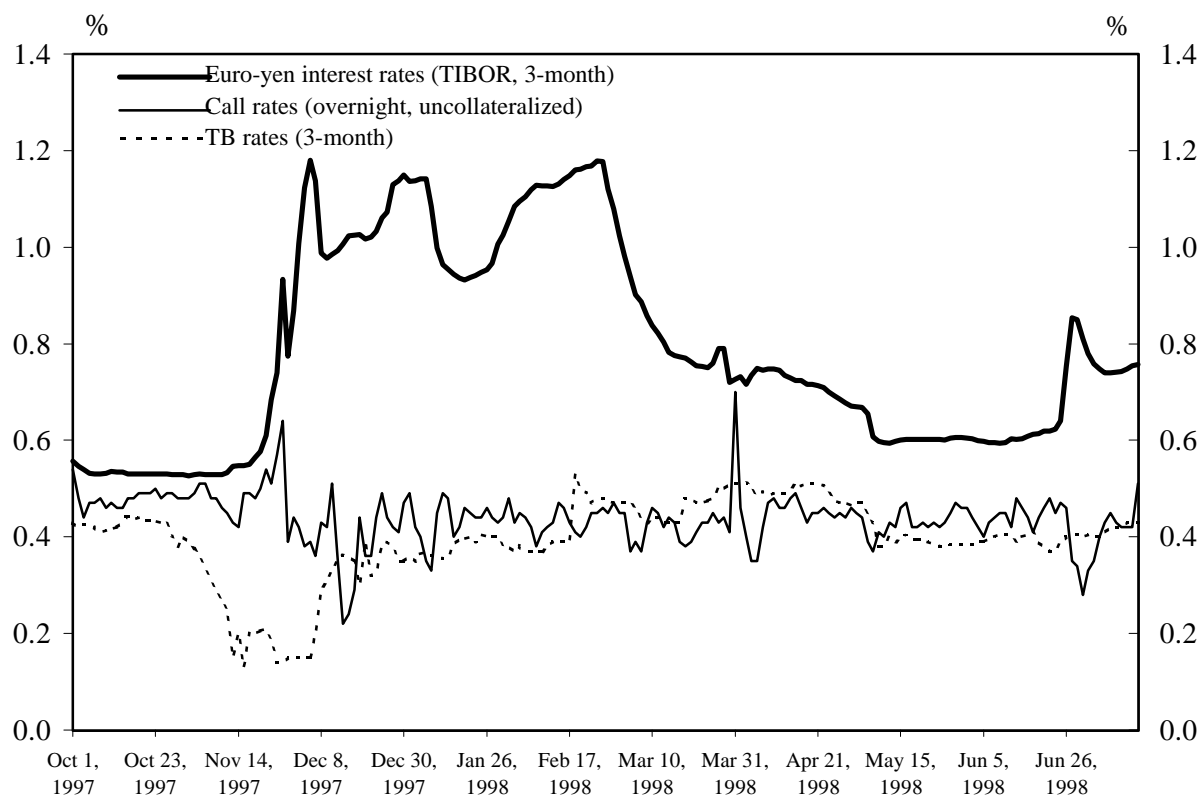
(2) Long-Term



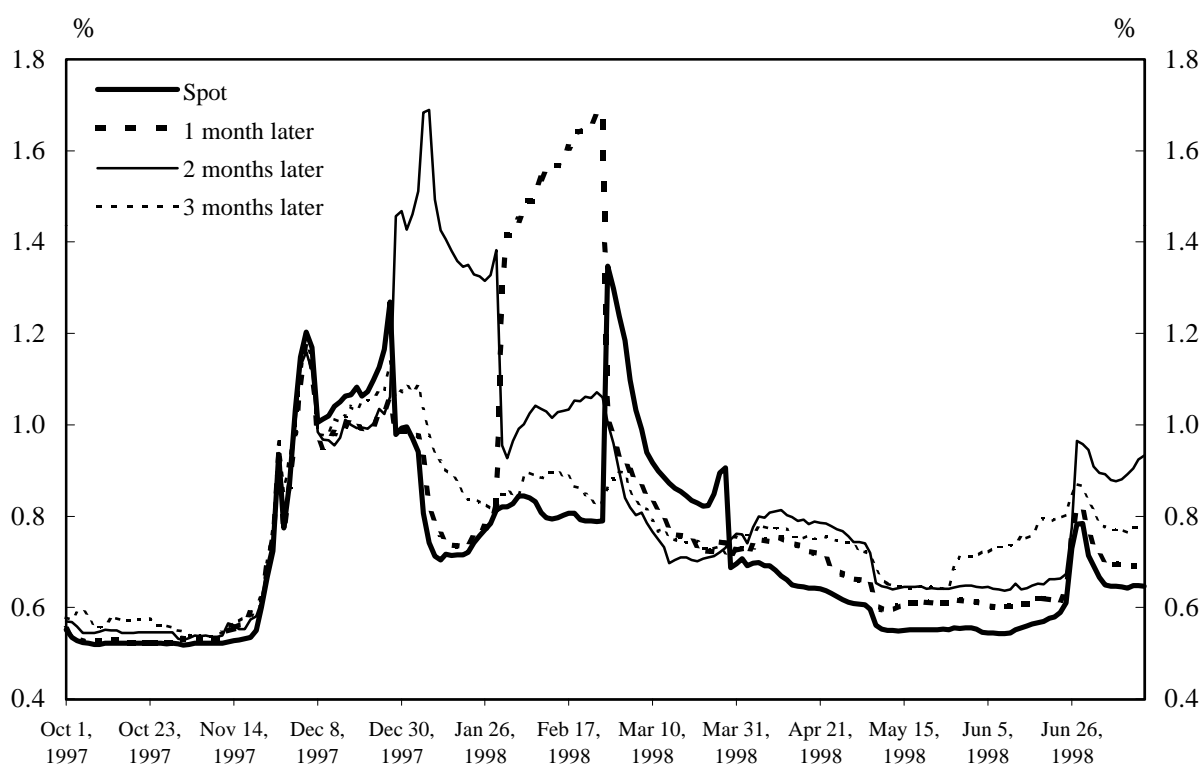
Source: Bank of Japan, "Economic Statistics Monthly."

Short-Term Money Market Rates

(1) Interest Rates on Term Instruments

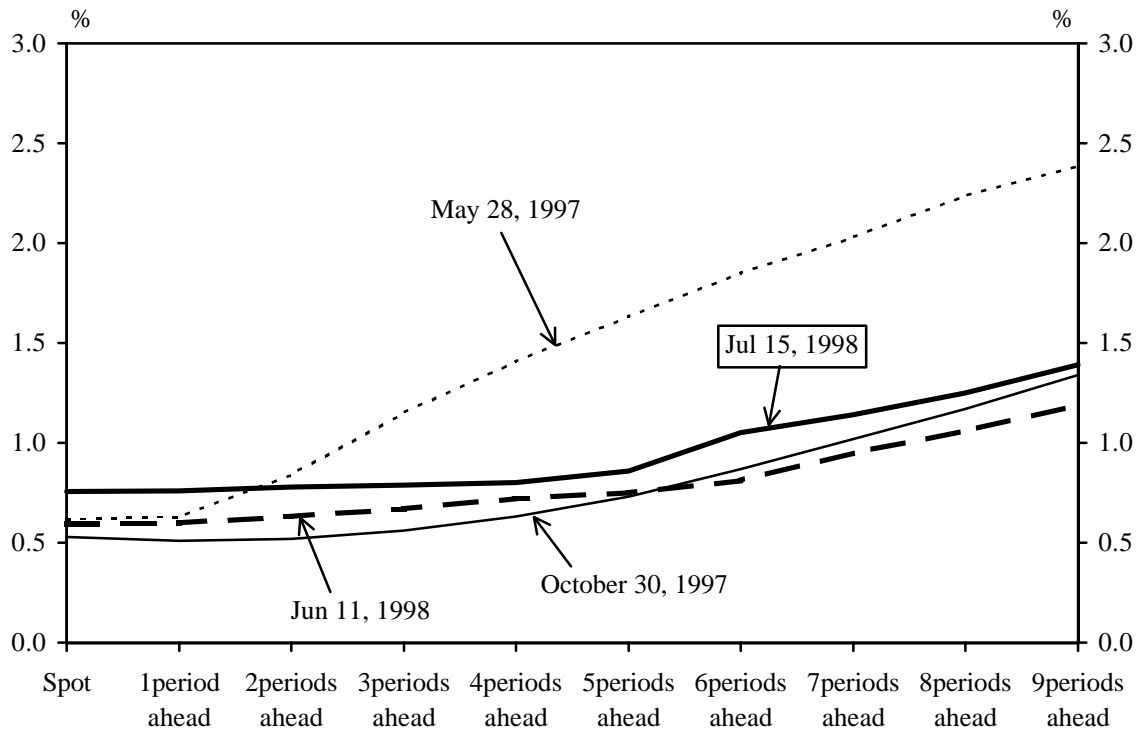


(2) Implied Forward Rate (1-Month Forward Rates Calculated from Euro-yen Interest Rates)



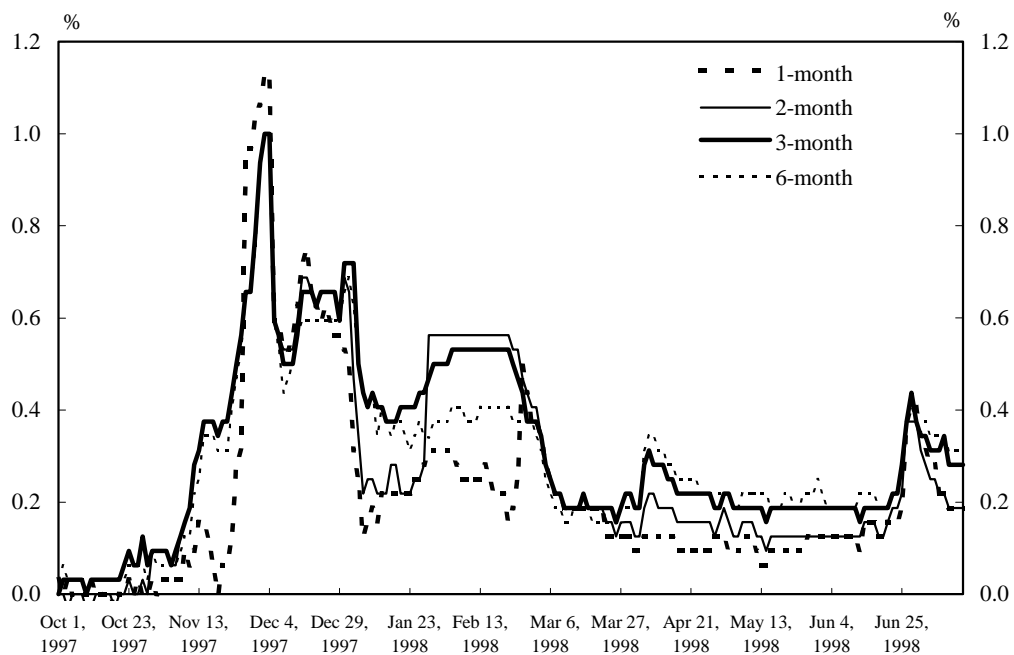
Sources: Bank of Japan, "Economic Statistics Monthly" ; *The Nikkei Financial Daily*.

Euro-Yen Interest Rates Futures (3-Month)



Source: *The Nikkei Financial Daily*.

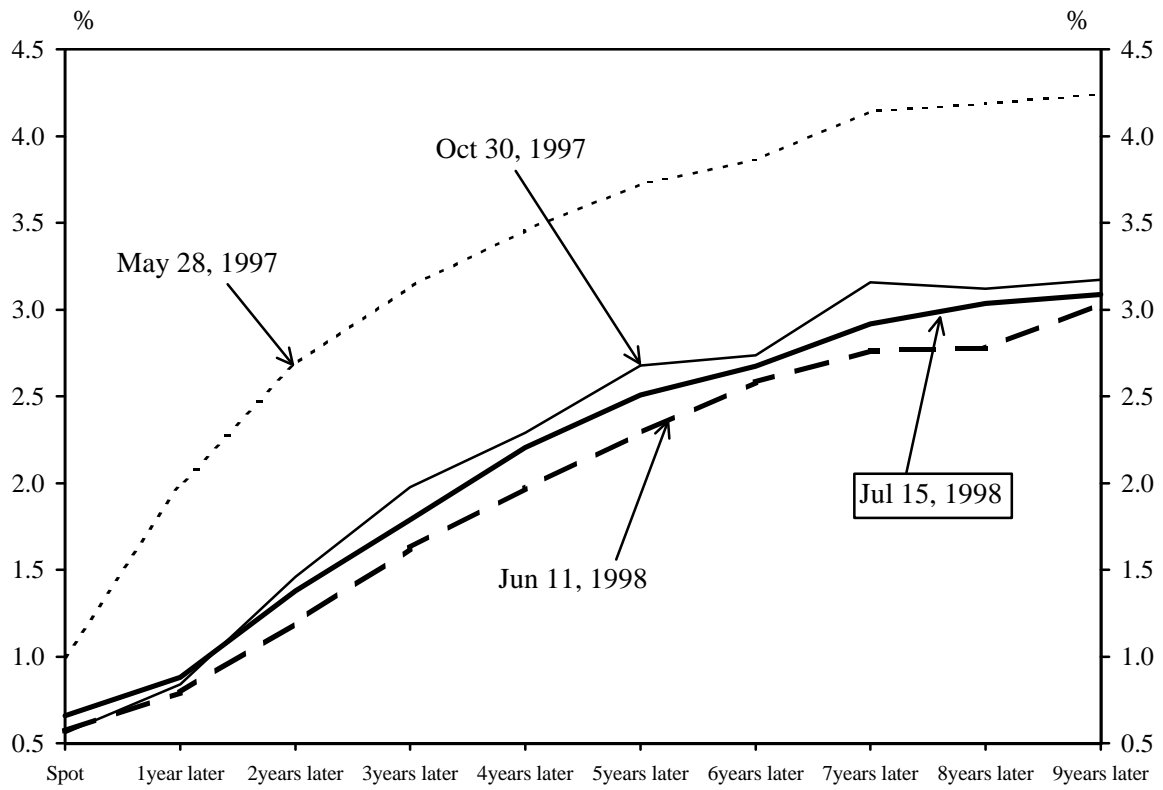
Japan Premium in the Eurodollar Market



Note: Japan premium is an extra expense Japanese banks must pay for raising funds in overseas financial markets. Japan premium in this chart is calculated as follows:
 Japan premium = interest rate quoted by Bank of Tokyo-Mitsubishi - interest rate quoted by Barclays Bank in the Eurodollar market (London).

Source: *British Bankers' Association (BBA)*.

Implied Forward Rates (1-year)

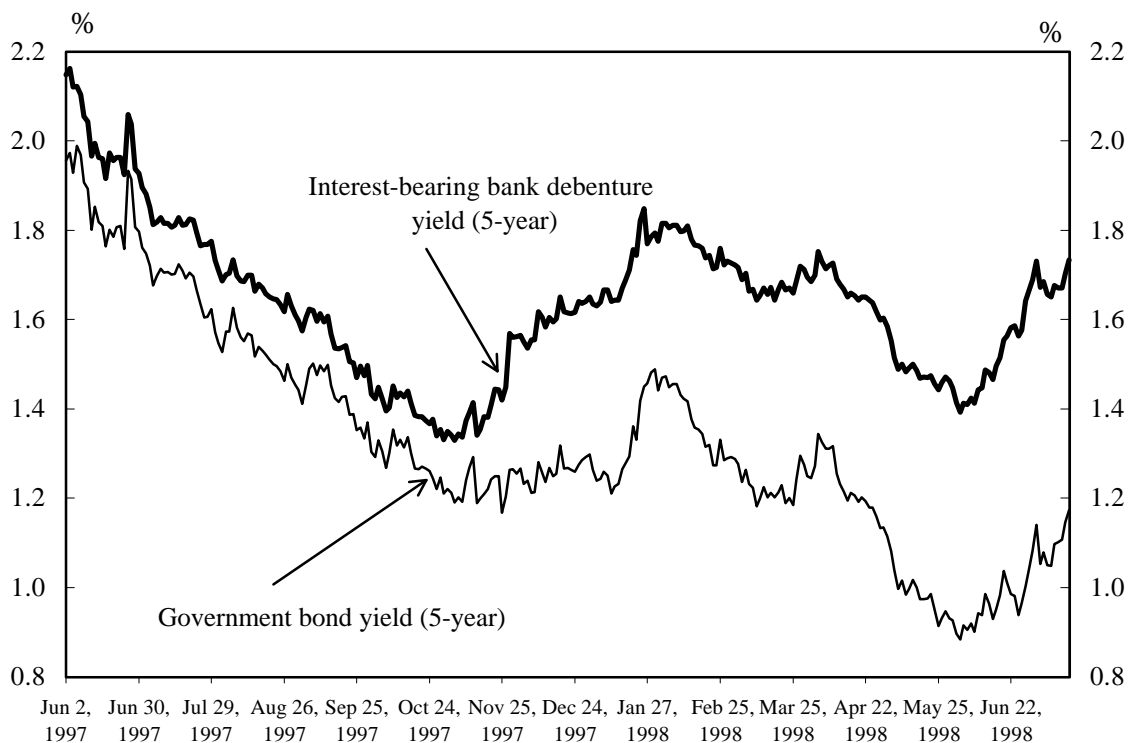


Note: Calculated from yen-yen swap rates.

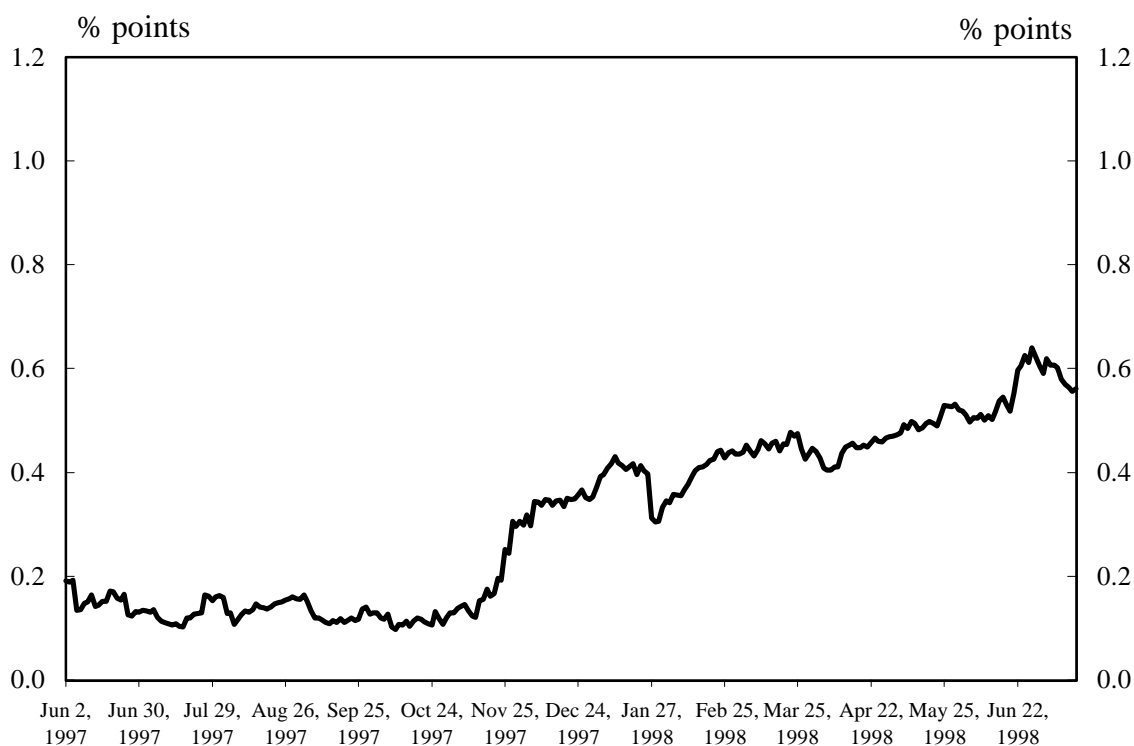
Source: *The Nikkei Financial Daily*.

Yields of Bank Debentures

(1) Bond Yields



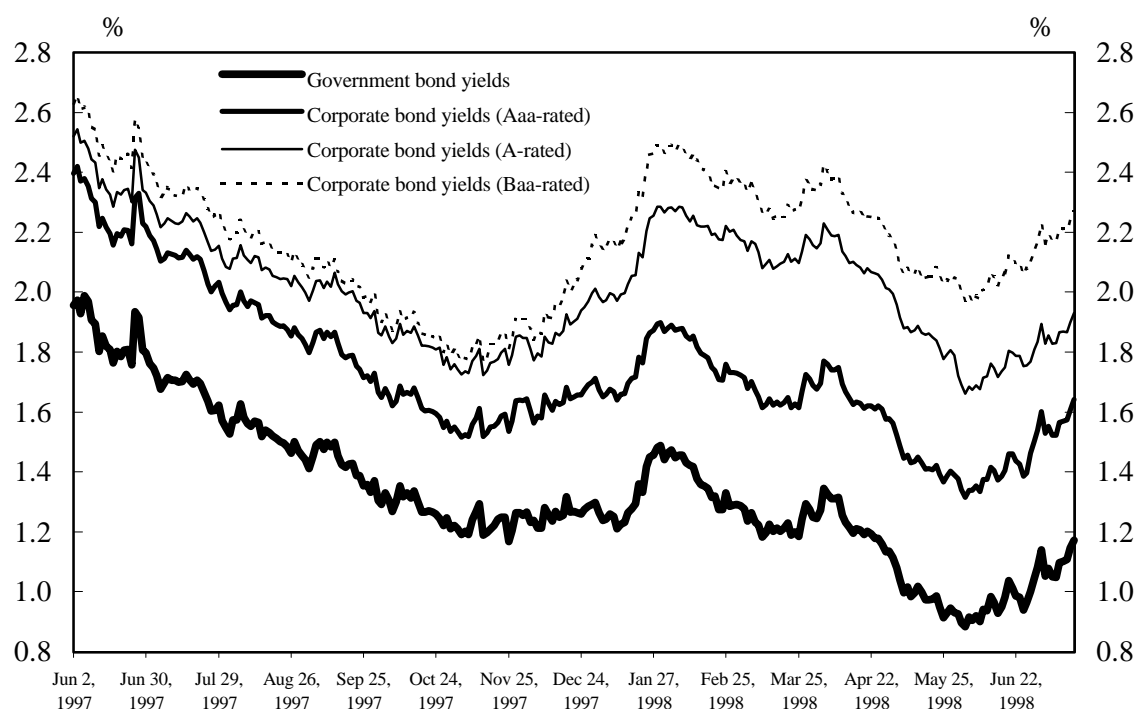
(2) Spread of Bank Debenture and Government Bond Yield



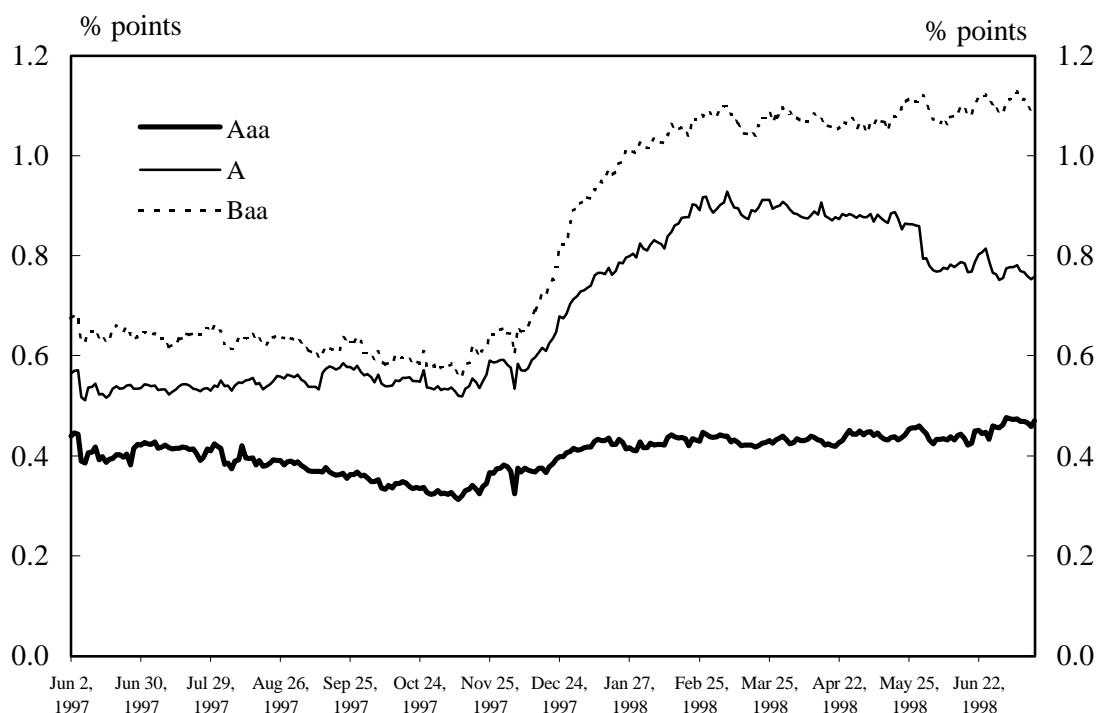
Source: Securities Dealers Association of Japan, "Over-the-Counter Standard Bond Quotations."

Corporate Bond Yields

(1) Yields of Government and Corporate Bonds by Rating ^{1,2}



(2) Yield Spreads of Public and Corporate Bonds



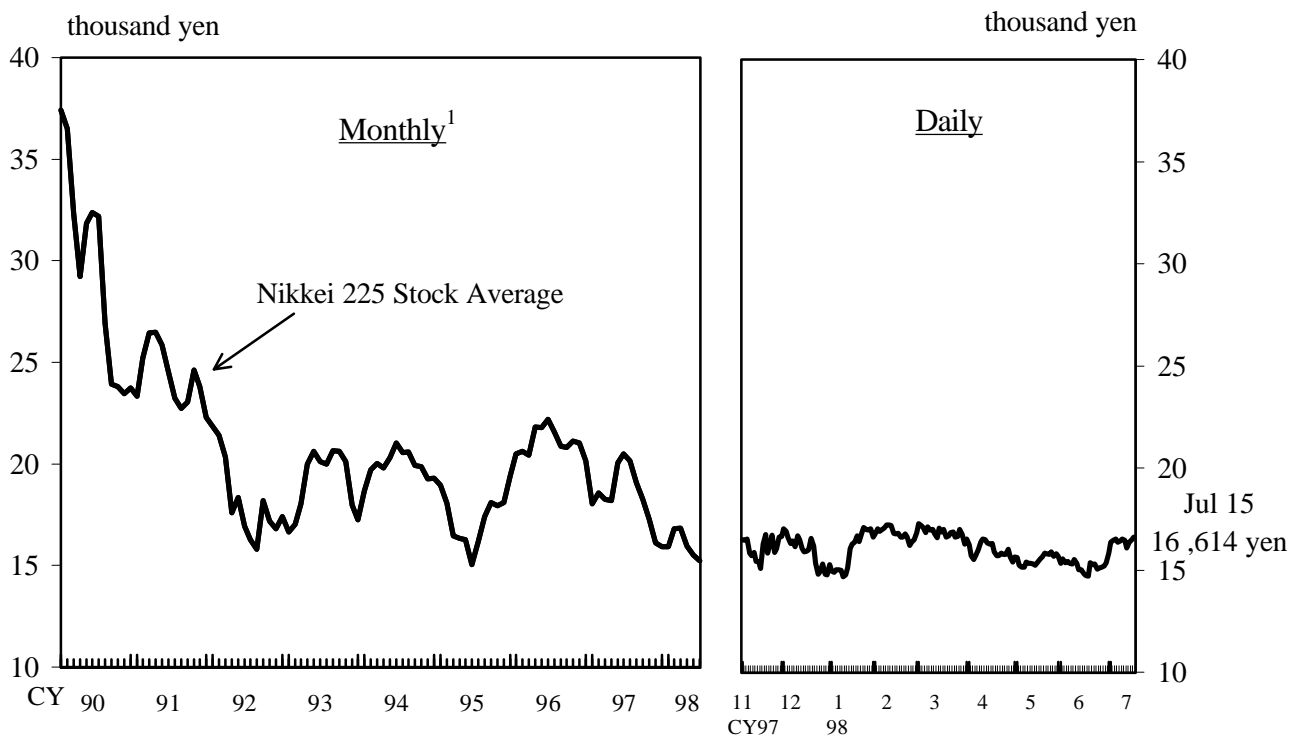
Notes: 1. Yields on bonds with 5-year maturity.

2. The indicated ratings are of Moody's Japan K.K.

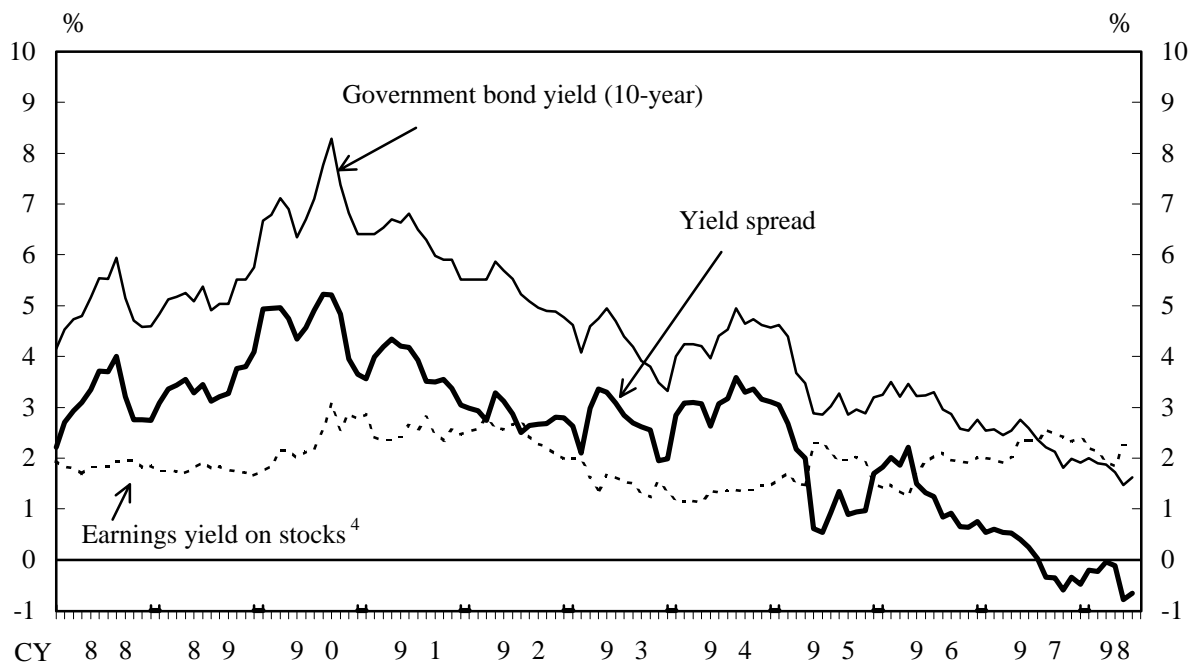
Source: Securities Dealers Association of Japan, "Over-the-Counter Standard Bond Quotations."

Stock Prices

(1) Stock prices



(2) Yield Spread^{2,3}



Notes: 1. Data are monthly averages.

2. Data are at end of period.

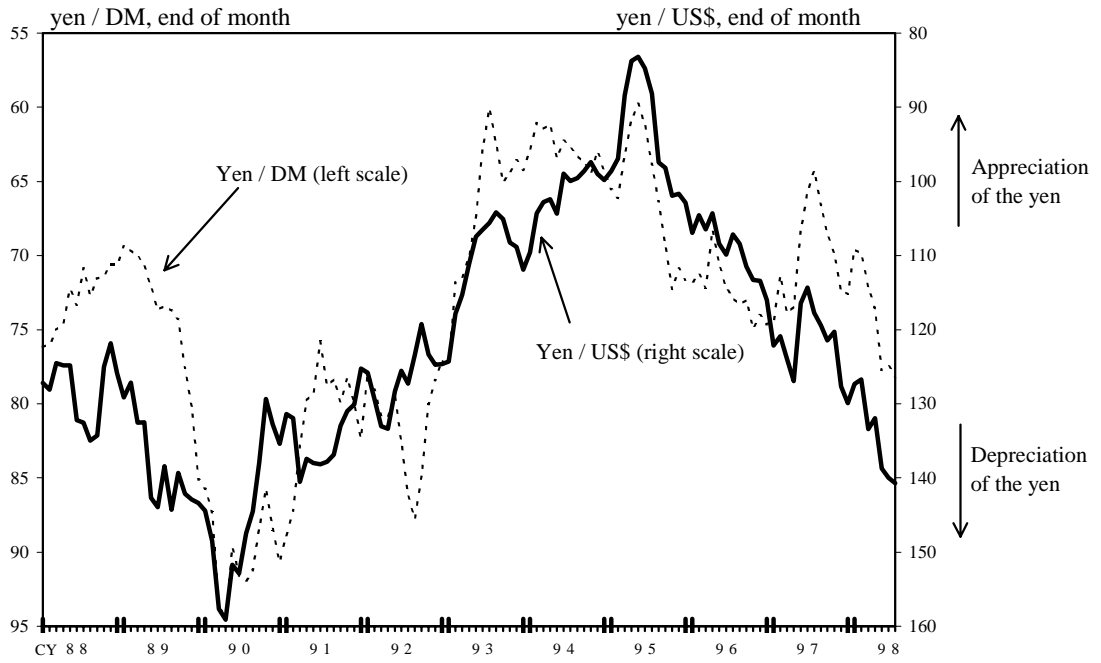
3. Yield spread = government bond yields - earnings yield on stocks, where, earning yield on stocks = 1/expected price earnings ratio.

4. Based on stocks listed on the TSE First Section. Excludes bank stocks.

Data are calculated by the Daiwa Research Institute.

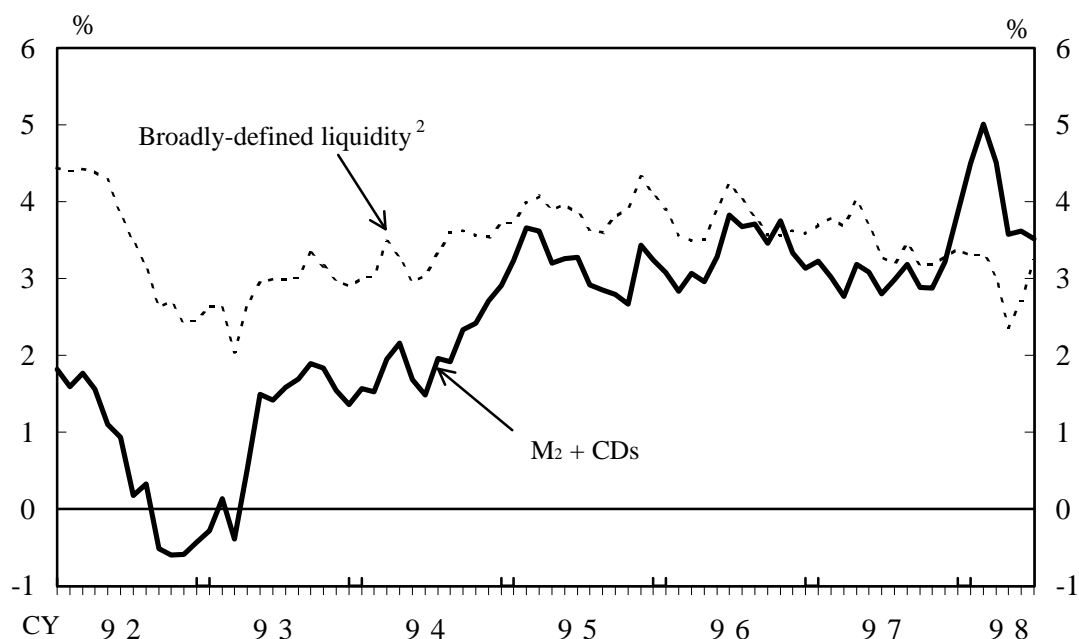
Sources: *The Nihon Keizai Shimbun* ; Daiwa Research Institute, "*Daiwa Toushi Shiryou* (Daiwa Investment Information)."

Exchange Rates

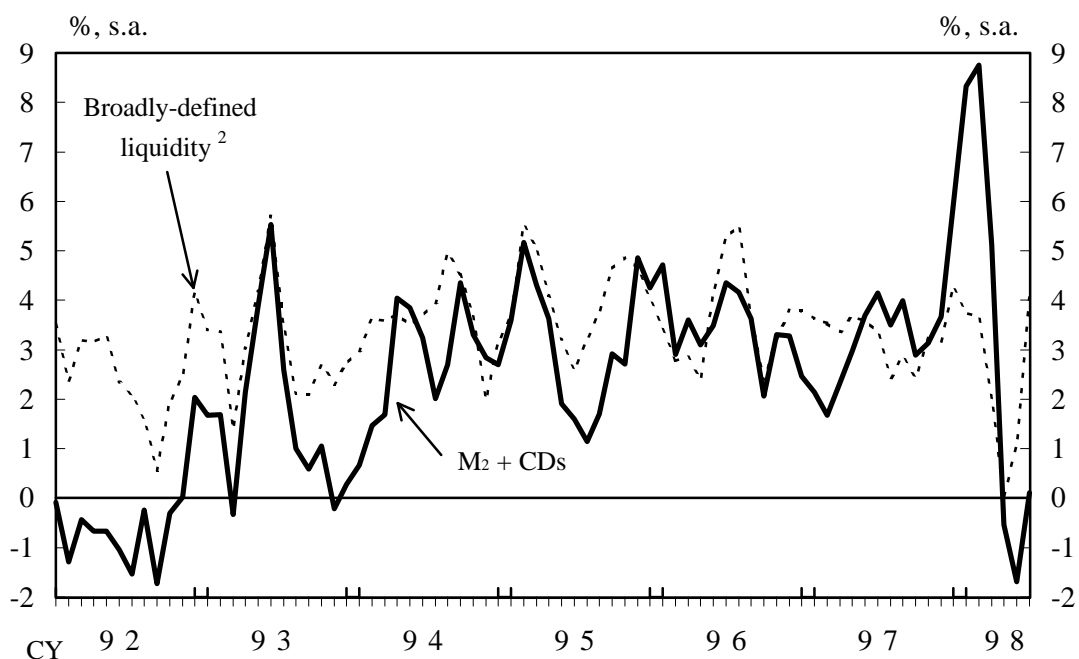


Note: Data for Jul 1998 are as of Jul 15, 1998.
 Source: Bank of Japan, "Economic Statistics Monthly."

 Money Stock (M_2 +CDs, Broadly-Defined Liquidity)

(1) Changes from a Year Earlier ¹

(2) Changes from Three Months Earlier (Annualized)



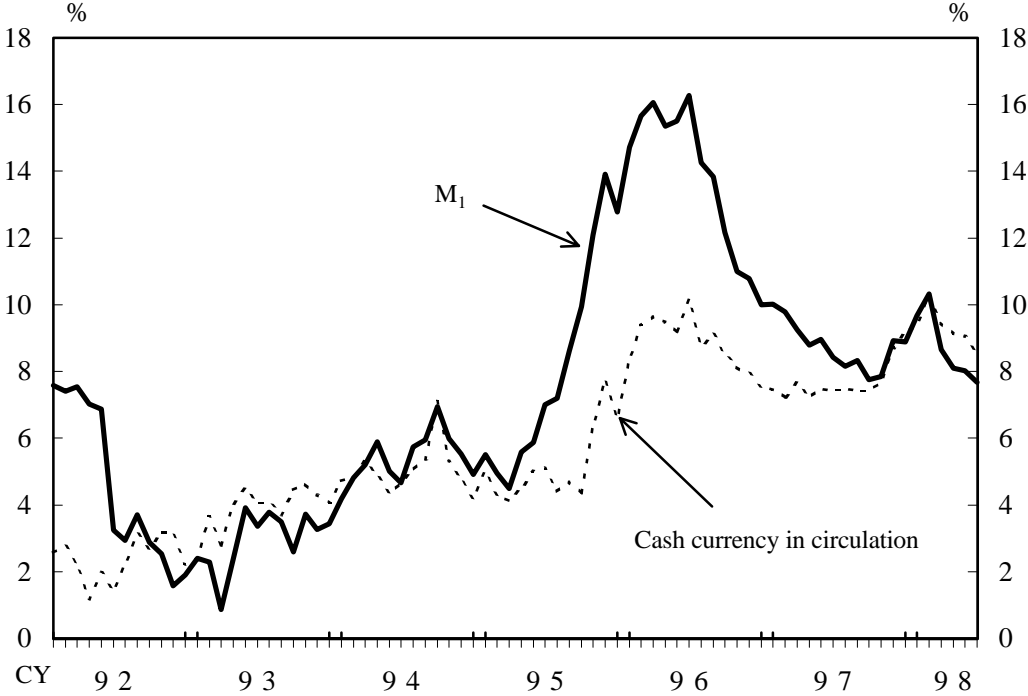
Notes: 1. Percent changes in average amounts outstanding.

2. Broadly-defined liquidity = M_2 +CDs + deposits (including CDs) of post offices, agricultural cooperatives, fishery cooperatives, credit cooperatives, and labor credit associations + money trusts and loan trusts of Domestically Licensed Banks (excluding foreign trust banks) + bonds with repurchase agreement + bank debentures + government bonds + investment trusts + money deposited other than money in trust (money trust with returns in the form of investment assets) + foreign bonds. Domestically Licensed Banks are the banks which are established and licensed under Japanese legislation.

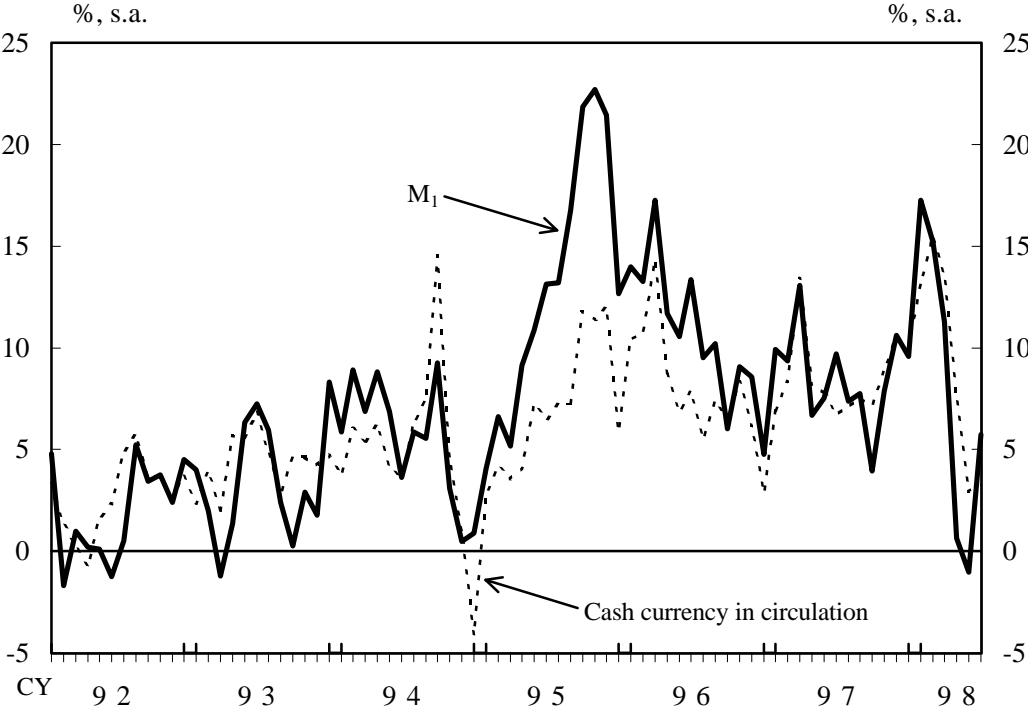
Source: Bank of Japan, "Economic Statistics Monthly."

Money Stock (M_1 , Cash Currency in Circulation)

(1) Changes from a Year Earlier

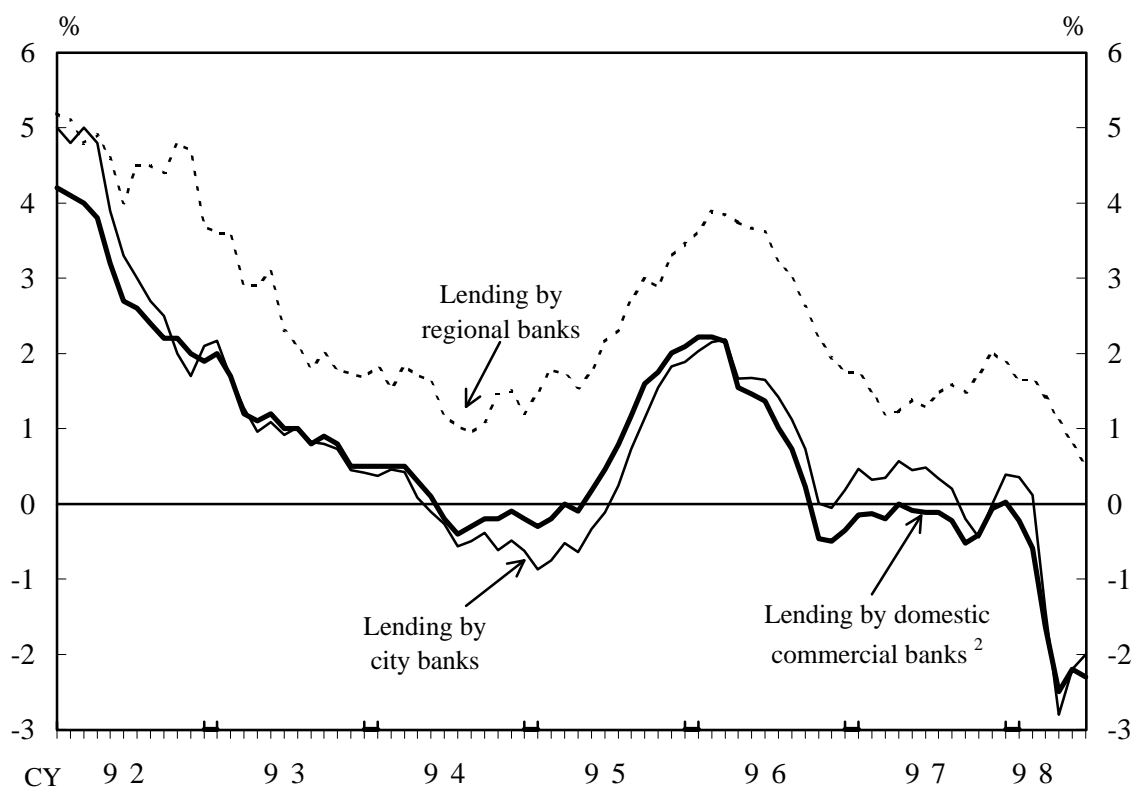


(2) Changes from Three Months Earlier (Annualized)



Note: Percent changes in average amounts outstanding.
Source: Bank of Japan, "Economic Statistics Monthly."

Lending by Domestic Commercial Banks



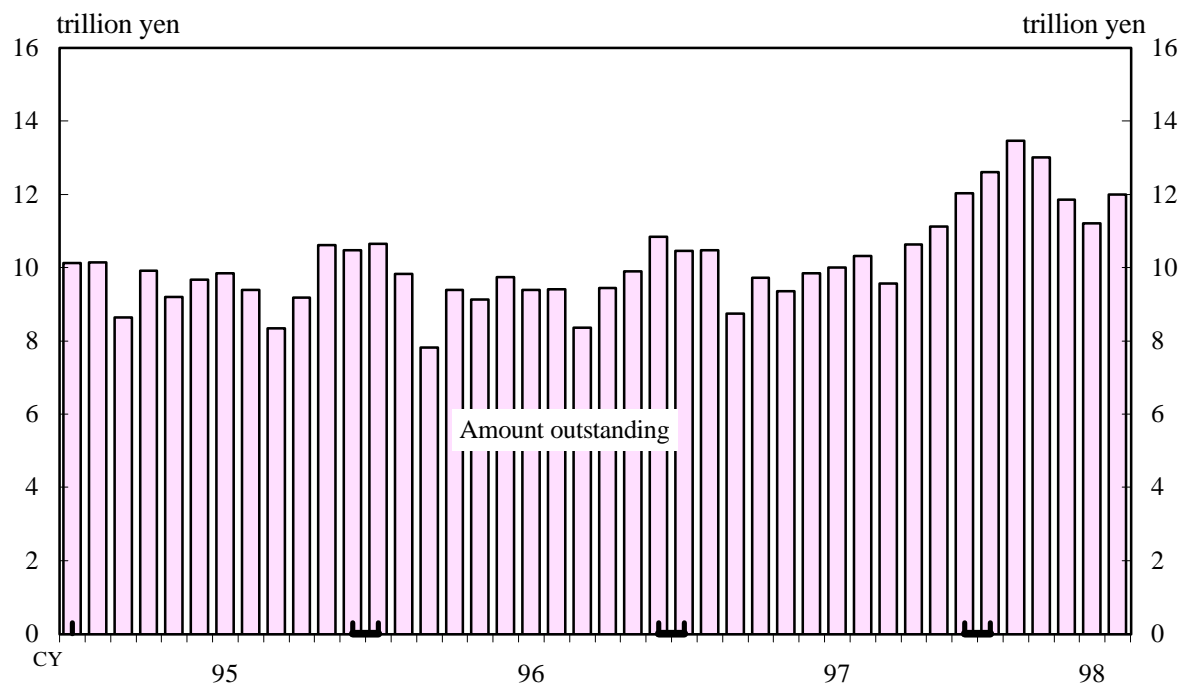
Notes: 1. Percent changes in average amounts outstanding from a year earlier.

2. Domestic commercial banks refers to member banks of the Federation of Bankers Associations of Japan which consists of city banks, long-term credit banks, trust banks (excluding foreign-owned trust banks and trust banks that started business after October 1993), the member banks of the Regional banks Association of Japan, and the member banks of the Second Association of Regional Banks.

Source: Bank of Japan, "Principal Figures of Financial Institutions."

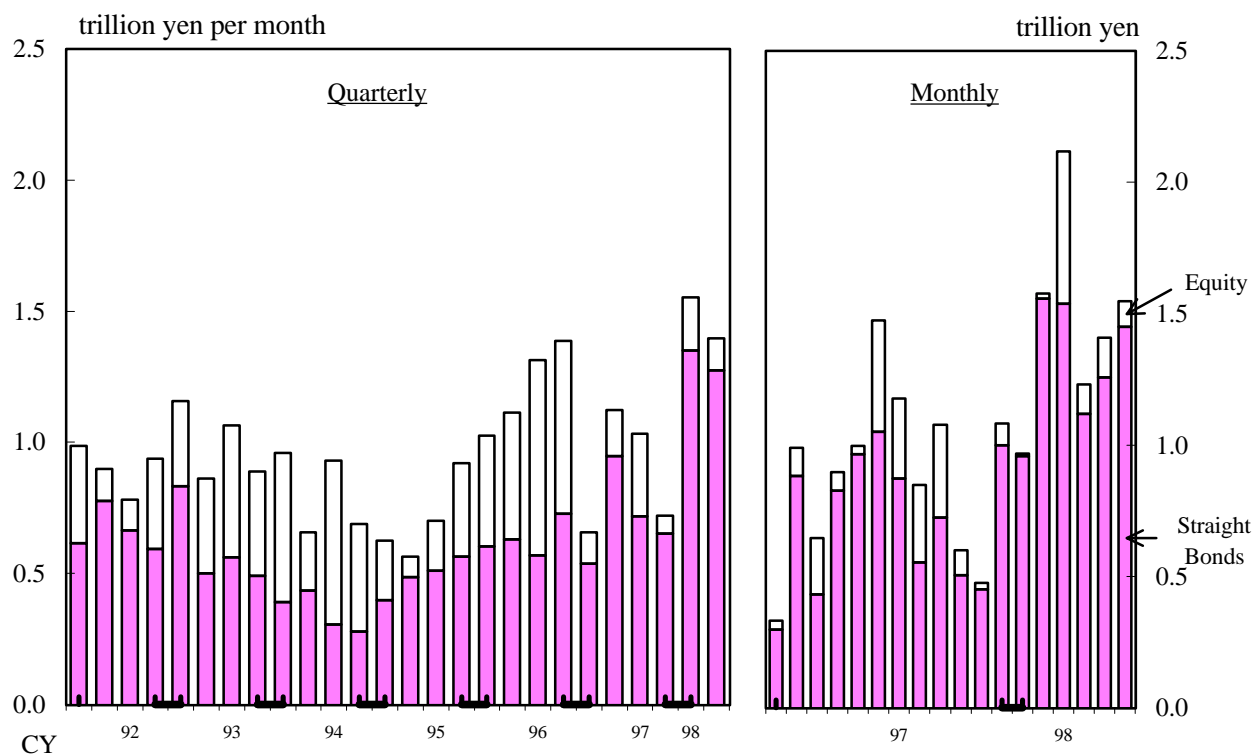
Private-Sector Fund Raising in the Capital Markets

(1) C P



Note: Figures are those of the client financial institutions of Bank of Japan.

(2) Bond and Equity

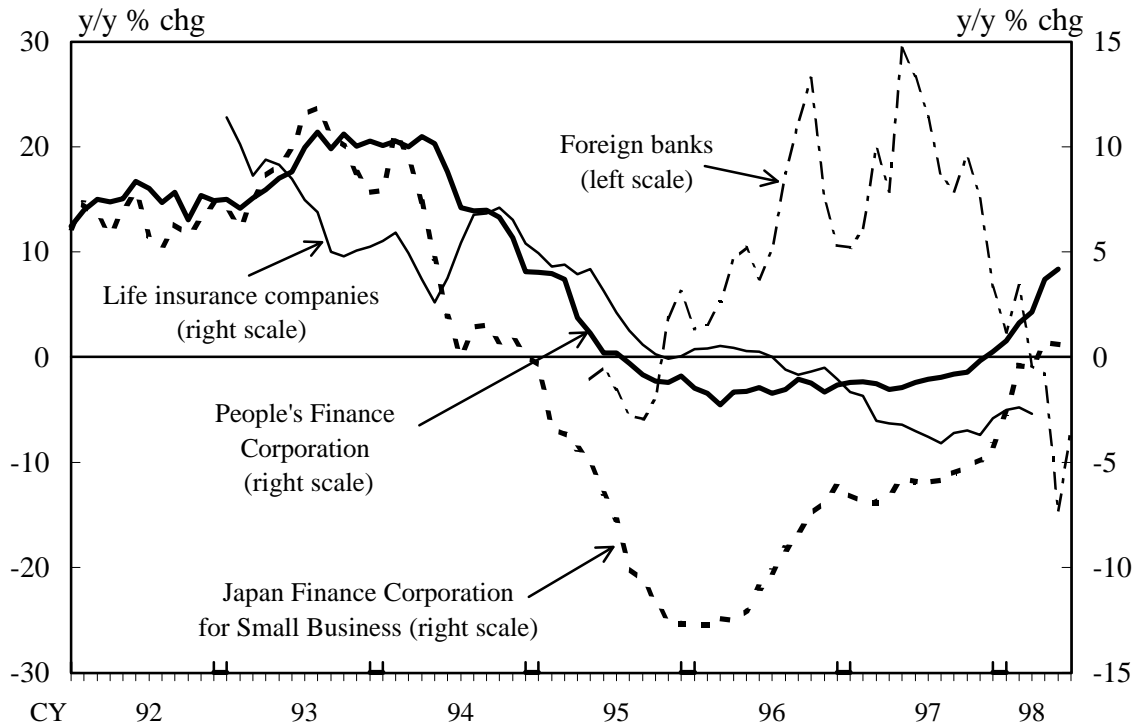


Note: Data for equity include convertible bonds, bonds with warrants, and new equity issues.

Sources: Bank of Japan, "Principal Figures of Financial Institutions"; The Bond Underwriters Association of Japan, "Bond Review."

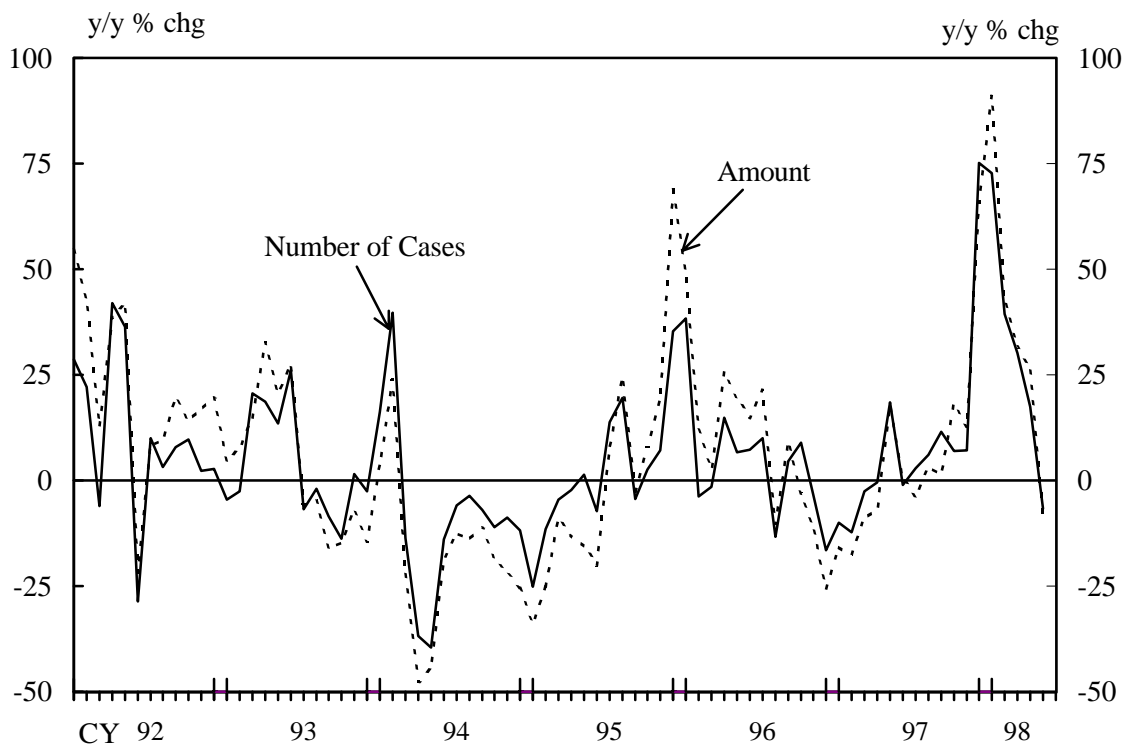
Lending by Other Financial Institutions

(1) Lending Outstanding



Note: Data are based on amounts outstanding at end of period except for those of foreign banks.

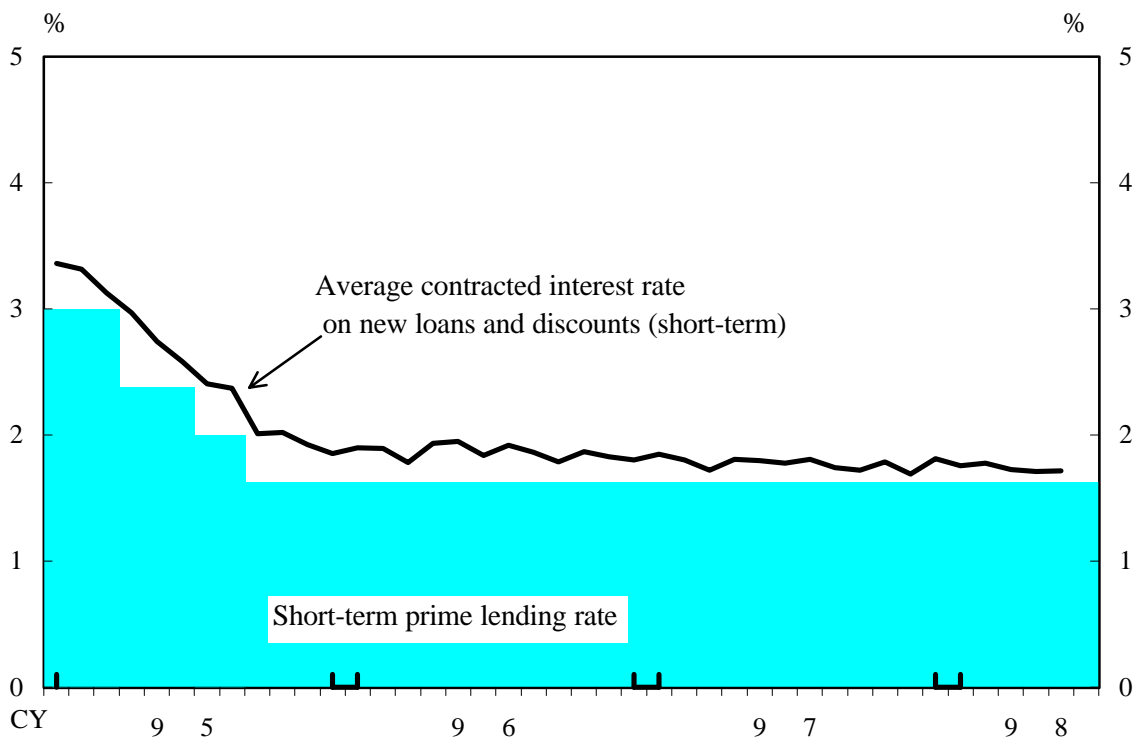
(2) Application for a Loan from Japan Finance Corporation for Small Business



Sources: Bank of Japan, "Economic Statistics Monthly"; Japan Finance Corporation for Small Business, "Gyoumu Gaikyo (Business Outline)."

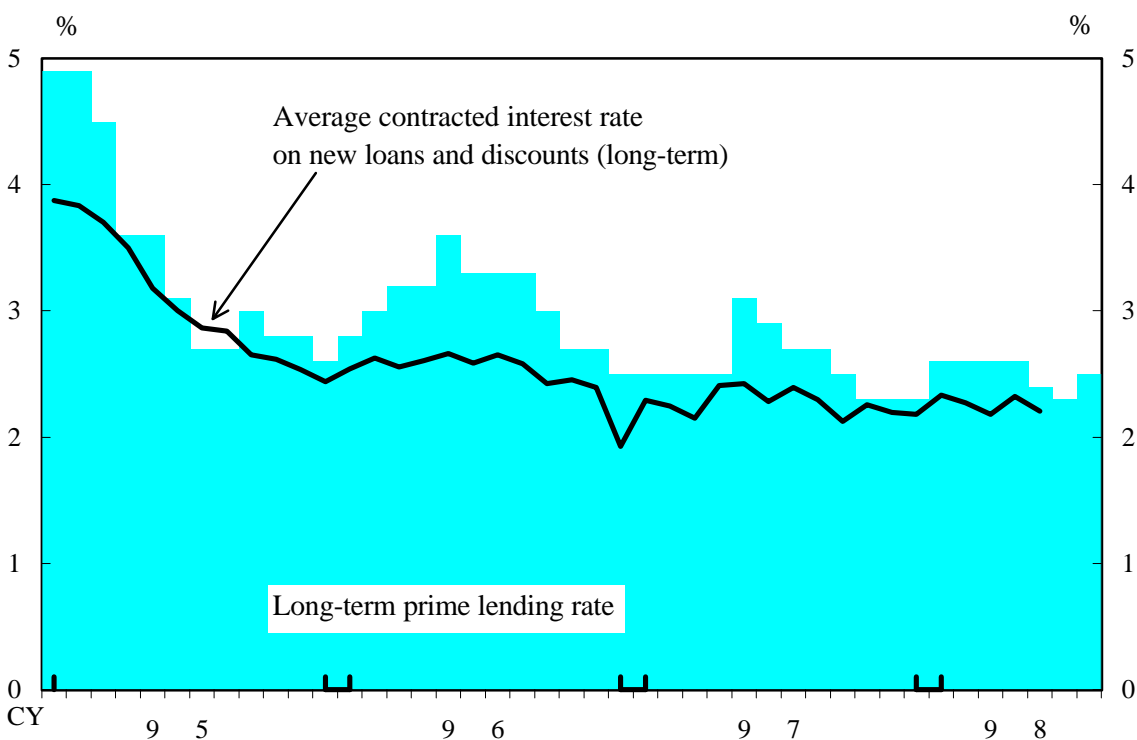
Lending Rates

(1) Short-Term



Note: Data for short-term prime lending rate are at end of period.

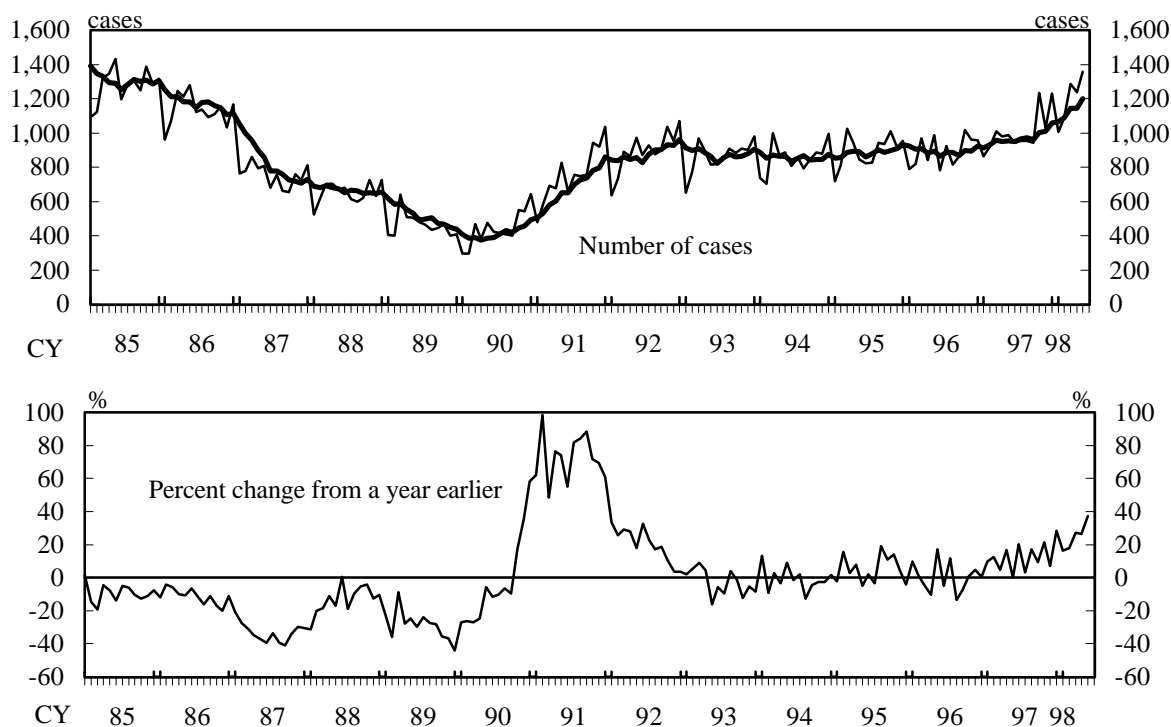
(2) Long-Term



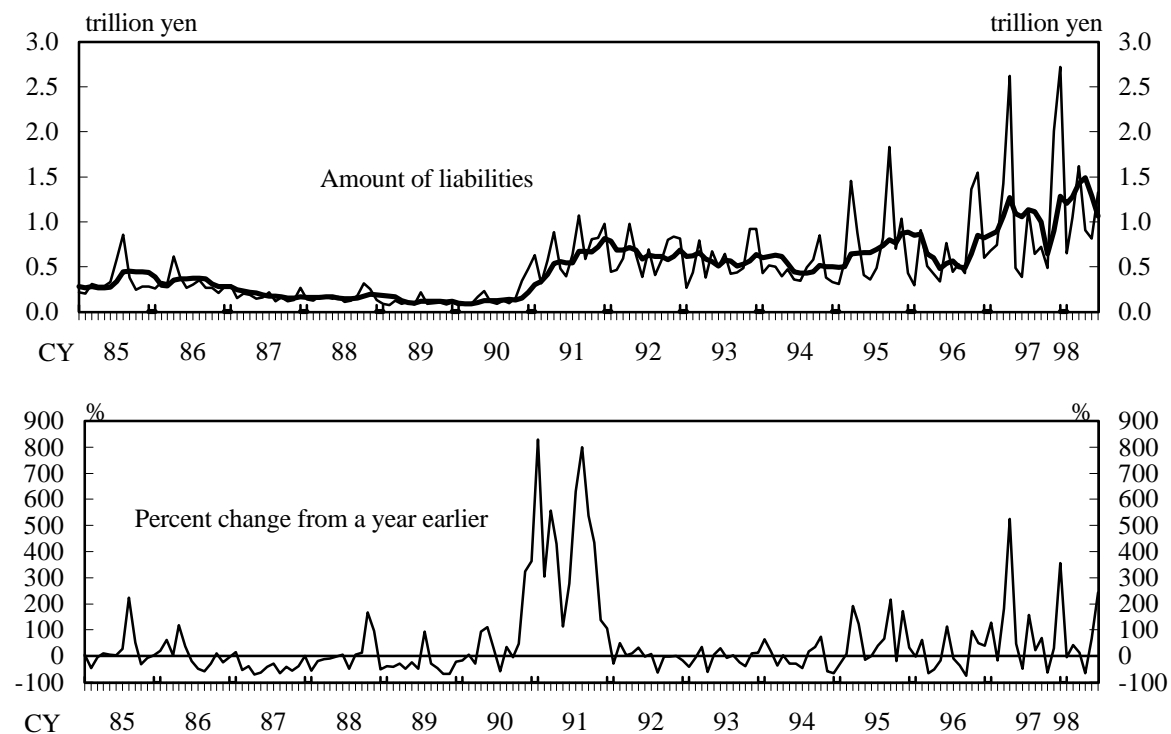
Source: Bank of Japan, "Economic Statistics Monthly."

Corporate Bankruptcies

(1) Number of Cases



(2) Amount of Liabilities



Notes: 1. Data for the number of cases exclude types of bankruptcies other than suspension of business transaction with banks.

2. The bold line is six-month moving average.

Sources: Federation of Bankers Associations of Japan, "Suspension of Business Transaction with Banks"; Tokyo Shoko Research Ltd., "Tosan Geppo (Monthly Review of Corporate Bankruptcies)."