May 26, 2015
Bank of Japan

Monthly Report of
Recent Economic and Financial Developments
May 2015

(English translation prepared by the Bank's staff based on the Japanese original released on May 25, 2015)

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Summary

Japan's economy has continued to recover moderately.

Overseas economies -- mainly advanced economies -- have been recovering, albeit with a lackluster performance still seen in part. In this situation, exports have been picking up. Business fixed investment has been on a moderate increasing trend as corporate profits have improved. Public investment has entered a moderate declining trend, although at a high level. Private consumption has been resilient against the background of steady improvement in the employment and income situation. Housing investment has bottomed out and shown some signs of picking up. Reflecting these developments in demand both at home and abroad, industrial production has been picking up.

With regard to the outlook, Japan's economy is expected to continue recovering moderately.

Exports are expected to increase moderately mainly against the background of the recovery in overseas economies. As for domestic demand, public investment is expected to continue its moderate declining trend, albeit maintaining a somewhat high level. Business fixed investment is projected to continue a moderate increasing trend as corporate profits follow their improving trend. Private consumption is expected to remain resilient with the employment and income situation continuing to improve steadily. Housing investment is projected to pick up. Reflecting these developments in demand both at home and abroad, industrial production is expected to increase moderately.

Meanwhile, risks to the outlook include developments in the emerging and commodity-exporting economies, the prospects regarding the debt problem and the

[1] This report is based on data and information available at the time of the Bank of Japan Monetary Policy Meeting held on May 21 and 22, 2015.

momentum of economic activity and prices in Europe, and the pace of recovery in the U.S. economy.

On the price front, excluding the direct effects of the consumption tax hike, producer prices have stopped declining relative to three months earlier, reflecting movements in international commodity prices, and the year-on-year rate of increase in consumer prices (all items less fresh food) is about 0 percent. Inflation expectations appear to be rising on the whole from a somewhat longer-term perspective.

With regard to the outlook, excluding the direct effects of the consumption tax hike, producer prices are expected to rise moderately for the time being, reflecting movements in international commodity prices, and the year-on-year rate of increase in consumer prices is likely to be about 0 percent for the time being, due to the effects of the decline in energy prices.

Financial conditions are accommodative.

The monetary base has increased significantly as asset purchases by the Bank of Japan have progressed, and the year-on-year rate of growth has been at around 35 percent.

Firms' funding costs have been hovering at low levels. With regard to credit supply, firms have continued to see financial institutions' lending attitudes as being on an improving trend. Issuing conditions for CP and corporate bonds have continued to be favorable. Firms' credit demand has been increasing moderately, mainly for working capital and funds related to mergers and acquisitions. Against this backdrop, the year-on-year rate of increase in the amount outstanding of bank lending has been in the range of 2.5-3.0 percent. The year-on-year rate of change in the amount outstanding of CP and corporate bonds has been negative. Firms' financial positions have been favorable. Meanwhile, the year-on-year rate of growth in the money stock has been at around 3.5 percent.

The weighted average of the overnight call rate has been below the 0.1 percent level, and interest rates on term instruments have been more or less unchanged.

Meanwhile, the value of the yen against the U.S. dollar, long-term interest rates, and stock prices have remained at more or less the same levels as last month.

1. Economic Developments

Public investment has entered a moderate declining trend, although at a high level. The amount of public construction completed—which reflects the progress of public works—was roughly flat in the fourth quarter last year on a quarter-on-quarter basis, after it rose in the second quarter mainly due to the effects of the supplementary budget for fiscal 2013 and continued to do so in the third quarter. It then fell slightly in the first quarter (Chart 5). The value of public works contracted—a measure that reflects public orders—declined for three quarters in a row from the third quarter, followed by a somewhat sharp increase in April relative to the first quarter.

Public investment is expected to continue its moderate declining trend, albeit maintaining a somewhat high level.[2]

Real exports have been picking up (Charts 6[1] and 7). They turned upward in the third quarter last year, after declining slightly for two quarters in a row through the second quarter, and rose noticeably in the fourth quarter. Since the start of the year, monthly movements were quite different, partly due to the effects of the Lunar New Year holidays (in China and other countries), as exports fell back in February from the upsurge in January and were almost flat in March. Export growth in the first quarter on average, however, remained positive following its high growth in the previous quarter. Looking at movements in exports by region (Chart 7[1]), exports to the United States—which decreased in the second quarter last year but started rising in the third quarter—continued to increase markedly in both the fourth and first quarters. With the pick-up in motor vehicles and their related goods, exports to the United States have moved moderately upward overall, since capital goods and parts have recently increased, reflecting the recovery in business fixed investment in the United States. Exports to the EU—which dropped in the fourth quarter, after being flat in the third quarter—turned upward in the first quarter. Exports to China—which kept increasing moderately in the third and fourth quarters, mainly in IT-related goods—moved downward in the first quarter, primarily due to movements in motor vehicles as a reflection of lackluster sales in China, although they showed

[2] Public construction, included in the "Emergency Economic Measures" based on the supplementary budget for fiscal 2014, is expected to underpin public investment in the future to a certain degree.

large monthly fluctuations, due to the aforementioned effects of the Lunar New Year holidays. Exports to NIEs also seem to have been affected by the Lunar New Year holidays since the turn of the year, but they have been picking up since last fall with the fluctuations smoothed out, mainly in IT-related goods and in capital goods and parts. Exports to ASEAN—which had remained somewhat sluggish—have recently bottomed out and shown some signs of picking up as they rose markedly in the first quarter. Meanwhile, exports to Others—which had continued to trend moderately upward since the second quarter, supported in part by movements in foreign exchange rates—registered a slight decline in the first quarter, mainly in those bound for the Middle East, affected in part by the fall in commodity prices. By goods (Chart 7[2]), exports of motor vehicles and their related goods have continued to be more or less flat with the fluctuations smoothed out. Exports of IT-related goods increased for five quarters in a row mainly in parts for smartphone products, supported partly by movements in foreign exchange rates, but the increasing trend has recently come to a pause. Exports of capital goods and parts have trended moderately upward as a whole with the fluctuations smoothed out, against the backdrop of the recovery in business fixed investment in the United States and of the firmness in global IT-related demand, although sluggishness has been observed mainly in construction machinery bound for commodity-exporting countries. Exports of intermediate goods, including chemicals as well as iron and steel products, had been somewhat weak until early last fall, mainly in those bound for East Asia, but they have recently moved upward, supported in part by movements in foreign exchange rates.

Real imports have continued their moderate increasing trend mainly as a reflection of movements in domestic demand (Charts 6[1] and 9). Real imports fell back sharply in the second quarter last year in response to various declines in demand following the front-loaded increases, but they have continued to increase slightly since the third quarter. On a monthly basis, fluctuations have become larger, affected by the Lunar New Year holidays since the start of the year as imports rose in January and exhibited relatively high growth in February, but fell back sharply in March. Looking at movements in imports by goods (Chart 9[2]), those of raw materials—which had continued to be relatively weak since last spring with the fluctuations smoothed out—increased somewhat sharply in the first quarter. Imports of consumer goods have been picking up since the third quarter with the fluctuations smoothed out, after declining noticeably in the second quarter, due mainly to the effects of the decline in demand following the front-loaded increase prior to the consumption tax hike. Imports of IT-related goods—which surged in the fourth quarter, partly due to the increase in imports of new smartphone products, after the subsequent decline in demand until the summer following the front-loaded increase in line with the ending of support for some software (operating system)—fell back again in the first quarter. Imports of capital goods and parts have continued to pick up as a trend, albeit with fluctuations, mainly as a reflection of developments in business fixed investment at home. Meanwhile, imports of intermediate goods declined, affected in part by movements in foreign exchange rates, for two consecutive quarters since the second quarter and remained flat in the fourth quarter, but they turned upward in the first quarter, as a reflection of the pick-up in production activity at home.

Net exports—in terms of the real trade balance—have continued to improve, after bottoming in the first quarter last year (Chart 6[1]). Looking at movements in the nominal current account balance on a quarterly basis (Chart 6[2] and [3]), the surplus of the current account balance has continued its clear expanding trend since the fourth quarter of last year onward, due to (i) the ongoing surplus in primary income balance, (ii) the improvement in travel balance, and (iii) the improvement in trade balance as a result of the pick-up in exports and the decline in crude oil prices.

Regarding the environment surrounding exports, overseas economies—mainly advanced economies—have been recovering, albeit with a lackluster performance still seen in part (Chart 8[2]). Looking at movements by major region, the U.S. economy has continued to recover, assisted by household spending, although adjustments have been seen in the industrial production sector mainly on the back of the decline in crude oil prices and the appreciation of the U.S. dollar. The European economy has been on a moderate recovery trend. The Chinese economy has maintained its stable growth as a trend; however, its growth rate has been lowered slightly, with downward pressure from an overhang in supply in the manufacturing sector and from adjustments in the real estate market. Emerging economies apart from China and the commodity-exporting economies have continued to lose pace as a whole. As for the exchange rate, the yen has remained significantly depreciated mainly against the U.S.

dollar compared to a while ago; in terms of the real effective exchange rate, the yen has depreciated to the level last recorded in 1973, below that of around 2007 (Chart 8[1]).

Overseas economies, mainly advanced economies, are expected to continue recovering moderately. The aforementioned movements in foreign exchange rates are also projected to continue underpinning exports, including those of services such as travel. By major region, the U.S. economy is expected to continue its recovery centered on the household sector. The European economy is projected to continue its moderate recovery trend, but attention should continue to be paid to such issues as the outcome of its debt problem, including the developments in Greece, and the effects of the slowdown in the Russian economy. As for the Chinese economy, stable growth is likely to continue, as the authorities are expected to take account of both the promotion of structural adjustments and the support of economic activity. The growth rate, however, is projected to continue trending moderately downward. Growth in emerging economies apart from China and the commodity-exporting economies might lose pace for a protracted period, mainly due to the weakness in commodity prices and to the effects of geopolitical risks, although the recovery in advanced economies is basically expected to exert positive effects gradually.

Taking the above into consideration, exports are expected to increase moderately mainly against the background of the recovery in overseas economies. Imports are projected to continue their moderate increasing trend, largely as a reflection of movements in domestic demand, although movements in foreign exchange rates are expected to exert downward pressure on imports. Considering these developments in exports and imports, net exports are projected to be on a moderate improving trend, albeit with fluctuations.

<u>Business fixed investment</u> has been on a moderate increasing trend as corporate profits have improved. The aggregate supply of capital goods—a coincident indicator of machinery investment—on a basis excluding transport equipment has been trending moderately upward, albeit with fluctuations (Chart 10[1]). As for leading indicators, machinery orders (private sector, excluding orders for ships and those from electric power companies)—a leading indicator of machinery

investment—have been on a moderate uptrend, notably in manufacturing; they have been increasing for three consecutive quarters since the third quarter last year (Chart 11[1]). Machinery orders of nonmanufacturing—which had continued to be relatively weak since last spring—registered clear positive growth in the first quarter. Construction starts (floor area, private, nondwelling use)—a leading indicator of construction investment—had shown some weakness since the start of last year, mainly in nonmanufacturing, but they have been more or less flat since the end of last year with the fluctuations smoothed out (Chart 11[2]).

Regarding the environment surrounding business fixed investment, corporate profits have continued to improve. As for the outlook, corporate profits are projected to continue an improving trend, supported by the increase in domestic and foreign demand as well as by the decline in crude oil prices and movements in foreign exchange rates.

Taking the above into consideration, business fixed investment is projected to continue a moderate increasing trend as corporate profits follow their improving trend.

Private consumption has been resilient against the background of steady improvement in the employment and income situation (Chart 12). Looking at consumption of goods—as seen through sales at retail stores in real terms (Chart 13[1])—it fell substantially in the second quarter last year on a quarter-on-quarter basis due to the effects of the decline in demand following the front-loaded increase, but continued to move upward in both the third and fourth quarters as the effects of the subsequent decline in demand dissipated. In the first quarter, it dropped slightly, mainly as a reflection of movements in automobiles. Meanwhile, looking at consumption of durable consumer goods (Chart 13[2]), the number of new passenger-car registrations registered a somewhat large decline in the first quarter and in April, after increasing for two straight quarters in the third and fourth quarters last year, reflecting movements in small cars.[3] On a basis excluding small cars, it

[3] Sales of small cars with engine sizes of 660cc or less registered somewhat high growth until the fourth quarter mainly due to aggressive sales promotions by the automobile industry, but they have fallen back sharply since the turn of the year in response to prior increases. The upsurge in

dropped sharply in the second quarter last year and has remained more or less flat since then. Sales of household electrical appliances in real terms decreased significantly in the second quarter last year, due to the decline following (i) the front-loaded demand in line with the consumption tax hike and (ii) the renewal demand for PCs in line with the ending of support for some software, but sales have continued to grow moderately since the third quarter, due in part to increased sales of smartphone products and those to foreign visitors to Japan. Sales at department stores have continued to improve, supported by the pick-up in demand following the subsequent decline and the wealth effects as a result of the rise in stock prices as well as in part by increased sales to foreign visitors to Japan and by the pick-up in consumer sentiment; they have registered a quarter-on-quarter increase for three consecutive quarters since the third quarter last year (Chart 14[1]). Sales at supermarkets—which had continued to show relatively weak movements since fall last year—turned upward in the first quarter on a quarter-on-quarter basis for the first time in two quarters, supported by the pick-up in consumer sentiment and a success in sales promotions by supermarkets to some extent. Sales at convenience stores have continued to show their moderate increasing trend. Meanwhile, as for consumption of services (Chart 14[2]), outlays for travel have been steady on the whole, aided by the firmness in domestic travel, despite the slump in overseas travel that was affected mainly by movements in foreign exchange rates. Sales in the food service industry have remained steady as a trend, disregarding the effects of issues related to contamination of some food items and other factors.

As for statistics on the demand side, consumption expenditure in the *Family Income and Expenditure Survey* (in real terms; two-or-more-person households) shows that the index on an "excluding housing, purchase of vehicles, money gifts and remittance" basis (Chart 13[1])—which is compiled so as to make it similar to items used for estimating GDP—has tended to pick up moderately since the third quarter last year, after falling back sharply in the second quarter from the front-loaded increase in demand. The total expenditure in the *Survey of Household Economy* (in real terms; two-or-more-person households)—which had continued to be more or less flat since the summer last year, after decreasing significantly in the second quarter in

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demand followed by the subsequent decline as a result of the tax hike on small cars in April also seem to have caused large fluctuations in sales of small cars during this period.

response to the front-loaded increase in demand, notably in durable consumer goods—declined somewhat sharply in the first quarter.

Looking at indicators related to consumer confidence, the pick-up in the consumer confidence index has started to become evident, as it has continued to improve since December last year with the level surpassing that of around last summer (Chart 15).

Private consumption is expected to remain resilient with the employment and income situation continuing to improve steadily.

Housing investment has bottomed out and shown some signs of picking up. The number of housing starts—a leading indicator of housing investment—continued to fall back since the first quarter last year due to the decline in demand following the front-loaded increase, mainly in owner-occupied houses, but it has recently started to pick up, after staying more or less flat since the middle of last year (Chart 16[1]).

Housing investment is projected to pick up with the employment and income situation continuing to improve steadily, also supported by accommodative financial conditions.

Industrial production has been picking up, as a reflection of the moderate increase in demand both at home and abroad (Chart 17). Industrial production—which had continued to decrease in the third quarter last year on a quarter-on-quarter basis, after falling back noticeably in the second quarter from the front-loaded increase in demand—turned upward in the fourth quarter. Although monthly fluctuations have become large since the start of the year due to the effects of the Lunar New Year holidays in East Asia, production increased firmly in the first quarter on average. Firms' production activity has continued to pick up, supported by the increase in exports and business fixed investment and also in part by the recent improvement in private consumption. Looking at quarterly movements by industry, production of transport equipment was almost flat in the fourth quarter last year, following noticeable decreases for two quarters in a row in the second and third quarters in light of continued inventory adjustments in line with the decline in demand following the front-loaded increase; it rose markedly in the first quarter. This pick-up in production is attributable to the progress in inventory adjustments, mainly in large passenger cars, amid the recent increase in shipments to North America. Production of electrical machinery and of information and communication electronics equipment—which continued to register a sizeable decline since last spring, mainly due to the effects of the decline in household electrical appliances (air conditioners and PCs) in response to prior increases—has recently started to pick up. Production of general-purpose, production and business oriented machinery has continued a moderate increasing trend, albeit with fluctuations, in light of developments in business fixed investment at home and abroad. Production of electronic parts and devices has also continued to increase, albeit at a subdued pace, primarily in parts for smartphone products produced in Asia, supported by movements in foreign exchange rates. Meanwhile, production of chemicals has been increasing moderately since last summer, as a reflection of movements in domestic demand.

Shipments, like production, continued to decline in the second and third quarters last year on a quarter-on-quarter basis, but they turned upward in the fourth quarter and continued to increase in the first quarter (Chart 17[1]). By goods, although the improvement in shipments of construction goods has remained sluggish, shipments of consumer goods have picked up; those of producer goods (mainly electronic parts and devices) and capital goods have trended moderately upward, albeit with fluctuations.

Inventories have stayed at a somewhat high level (Chart 17[1]). Recent movements show that the level itself registered a quarter-on-quarter increase for five quarters in a row through the end of March, but at a reduced pace; the inventory ratio, however, shows that they have peaked out due to the pick-up in shipments. Inventories have continued to increase slightly as a whole, with those of capital goods recently posting a relatively large increase, although inventory adjustments have made progress in durable consumer goods, including large passenger cars and household electrical appliances since the end of last year. As for the shipment-inventory balance (year-on-year rate of change in shipments less that in inventories), growth in inventories has marginally outpaced that in shipments on the whole, partly in response to the increase in demand prior to the consumption tax hike in the previous year

(Chart 18[2]).[4] By goods, growth in inventories of capital goods, consumer goods, and construction goods has outpaced that in shipments, whereas growth in inventories of producer goods has been generally balanced with that in shipments.

Reflecting these developments in demand both at home and abroad, industrial production is expected to increase moderately. Based on anecdotes by firms and on other information, industrial production in the second quarter is forecasted to tentatively become more or less flat, after increasing for two quarters in a row. By industry, transport equipment is likely to cut its production, mainly in small cars, as a reflection of recent developments in domestic sales. Production of iron and steel is also expected to decline, against the background of the spillover of the production cutbacks in transport equipment and the deterioration of supply and demand conditions in Asia. Meanwhile, production of general-purpose, production and business oriented machinery is expected to keep moving moderately upward overall, as a reflection of developments in business fixed investment at home and abroad. Production of electronic parts and devices is expected to maintain a relatively high production level, assisted mainly by firm final demand notably for smartphones.

As for the employment and income situation, supply and demand conditions in the labor market have continued to improve steadily, and employee income has increased moderately.

As for supply and demand conditions in the labor market, the unemployment rate fell again to 3.4 percent in March, a level last seen in August 1997; it has been on a moderate improving trend with the fluctuations smoothed out (Chart 19). The improvement in new job openings had come to a pause as a reflection of economic activity during the first half of fiscal 2014, but they have trended upward since the fourth quarter, albeit with fluctuations. Amid these developments, the ratio of new job openings has recently shown large monthly fluctuations, but it has been on a clear uptrend on average. As for the active job openings-to-applicants ratio, the pace of improvement turned tentatively sluggish up until early fall last year, but the improving

[4] As for the shipment-inventory balance, growth in shipments on a year-on-year basis tends to be somewhat low and that in inventories to be somewhat high in the second half of fiscal 2014, due to the front-loaded increase in demand prior to the consumption tax hike in the second half of fiscal 2013.

trend has recently become evident again; it recorded 1.15 in both February and March, a high level on par with that in March 1992. Non-scheduled hours worked—which had been more or less flat since last spring as a reflection of economic activity—have recently started to pick up. Looking at recent movements by industry, manufacturing has increased again, as a reflection of the pick-up in production activity; nonmanufacturing—which had continued to be somewhat weak through the end of last year—has bottomed out and started to show some signs of picking up.

In terms of employment, the year-on-year rate of increase in the number of employees in the *Labour Force Survey* has been moving in the range of 0.5 percent to around 1.0 percent, with the fluctuations smoothed out (Chart 21[1]). The number of regular employees in the *Monthly Labour Survey* has continued to register somewhat high growth at about 2 percent.

Total cash earnings per employee have risen moderately, albeit with fluctuations (Chart 21[2]).[5] Hourly cash earnings of overall employees have also been on a moderate improving trend as a whole (Chart 20[1]). Taking a closer look, both monthly cash earnings of full-time employees per employee and hourly cash earnings of part-time employees have accelerated their year-on-year rates of increase at a moderate pace, albeit with fluctuations (Chart 20[2]). Scheduled cash earnings on a year-on-year basis have turned slightly positive as a whole with the rate of increase in scheduled cash earnings of full-time employees having accelerated at a moderate pace, mainly due to the effects of the rise in base wages last spring, although the increase in the ratio of part-time workers has continued to weigh down on earnings (Chart 20[3]). The year-on-year rate of increase of non-scheduled cash earnings had been diminishing since last spring, as a reflection of movements in the number of hours worked, but they have recently shown signs of picking up.

<u>Employee income</u> has risen moderately, as a reflection of the aforementioned developments in employment and wages (Chart 21[3]).

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[5] In the *Monthly Labour Survey*, samples for establishments with 30 or more employees—subject to replacement every few years—were replaced from the January 2015 final report. Replacements are carried out in terms of wages and hours worked by revising the current gap between the old and new survey results retroactively to the time of the previous replacement. As a result, the year-on-year growth of total cash earnings from February 2012 onward was revised downward by about 0.3 percentage points on average.

As for the outlook, employee income is expected to continue increasing moderately, in line with the recovery in economic activity and business performance.

2. Prices

International commodity prices stayed more or less flat, after continuing to fall significantly from the summer last year through the start of this year, but they have recently turned slightly upward (Chart 23[1] and [3]). Prices of crude oil—which had fluctuated since the start of the year, after declining sharply on the back of the slack in supply and demand conditions worldwide—have recently moved slightly upward in view of upward pressure mainly from the decline in the number of oil drilling rigs and the reduced pace of increase in inventories of crude oil in the United States, as well as from geopolitical risks in the Middle East. Prices of nonferrous metals—which had been soft, mainly in view of subdued growth in emerging economies including China—have bounced back up modestly of late, mainly in copper, assisted in part by the effects of additional monetary easing in China. Meanwhile, prices of grains had been rising toward the year-end, but they have been weakening slightly since then, due in part to a good harvest forecast in the United States.

Import prices (on a yen basis) have reduced their pace of decline relative to three months earlier, as a reflection of movements in international commodity prices (Chart 23[2]).

Producer prices (adjusted to exclude the effects of seasonal changes in electricity rates, same hereafter), on a basis excluding the direct effects of the consumption tax hike, have stopped declining relative to three months earlier, reflecting movements in international commodity prices (Chart 24[2]).[6] Excluding the direct effects of the consumption tax hike, the three-month rate of change in producer prices stood at 0.3 percent in April, posting an increase—although

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[6] Figures are adjusted to exclude large seasonal fluctuations in electric power charges to observe the underlying changes in producer prices. Industrial and commercial electric power charges are set relatively high during July-September, when electric power consumption increases substantially.

slight—for the first time in eight months. Looking in detail at producer price movements relative to three months earlier, prices of "goods sensitive to exchange rates and overseas commodity prices" had continued to fall mainly in petroleum products such as gasoline and naphtha—which is a reflection of movements in crude oil prices—but they turned slightly upward in April. Prices of "other materials"—which had continued to decline, chiefly in chemicals & related products—almost bottomed out in April. Prices of "iron & steel and construction goods"—which had continued to decline, mainly in iron & steel, and scrap & waste—also stopped declining in April as a whole, assisted in part by the increase in prices of metal products (steelworks). Prices of "others" were positive in April due to the increase in food prices (such as *kamaboko*, boiled fish paste) on the back of a pass-through of costs and supported in part by the seasonal hike in agricultural, forestry & fishery products (meat products). Meanwhile, prices of "machinery" have continued to be more or less flat, albeit with fluctuations.

The year-on-year rate of increase in services producer prices (excluding international transportation; year-on-year basis, same hereafter), on a basis excluding the direct effects of the consumption tax hike, has been moving around 0.5 percent (Chart 25). Looking in detail at recent services producer price movements, the year-on-year rate of change in prices related to "selling, general and administrative expenses" had risen slightly as a whole, since (i) temporary employment agency services continued to be positive on the back of tightening supply and demand conditions in the labor market and (ii) hotel services registered a relatively large increase in light of firm demand from business and sightseeing. The rate of change, however, was flat in March on a year-on-year basis, as advertising services have recently been somewhat weak in response to the previous year's increase. The rates of change in prices related to "fixed investment," mainly in civil engineering and architectural services and to "domestic transportation," mainly in overland freight transportation and in warehousing and other transportation services, have been somewhat elevated. Prices of "others" have continued to register somewhat high growth with finance and insurance (mainly motor vehicle insurance) continuing to show relatively strong movements, although the rate of increase in domestic air passenger transportation has narrowed in response to the previous year's increase. Meanwhile, prices of "real estate services" including office space rental—which had been slightly positive since July last year—have more or less leveled off recently, partly in response to the previous year's price increase.

The year-on-year rate of increase in consumer prices (all items less fresh food; year-on-year basis, same hereafter), on a basis excluding the direct effects of the consumption tax hike, is about 0 percent (Chart 26[1]).[7] Consumer prices for March, on a basis excluding the direct effects of the consumption tax hike, somewhat expanded their rate of growth to 0.2 percent from 0.0 percent in February on a less fresh food basis. On a basis excluding food and energy, the rate of increase also expanded marginally to 0.4 percent from 0.3 percent in February. Regarded as a method for capturing trend changes, the year-on-year rate of increase in the trimmed mean had been on a diminishing trend after the peak in June last year, but it has recently improved marginally (Chart 27[2]).[8]

Looking at recent year-on-year growth in consumer prices, prices for goods (excluding agricultural, aquatic & livestock products) have continued to reduce their rate of increase since the summer last year and have been negative since January; the rate of decline, however, narrowed slightly in March. Looking in detail, prices of petroleum products—which had continued to expand their rate of decline since November last year as a reflection of movements in crude oil prices—fell at a slightly reduced pace in March. Prices of food products have recently narrowed their rate of increase marginally compared to a while ago partly in response to the previous year's increase, despite upward pressure from past cost increases in the form of higher prices. Prices of agricultural, aquatic & livestock products (less fresh food) have also narrowed their rate of increase marginally, in response to the rise in prices of

[7] As for the direct effects of the consumption tax hike on the year-on-year rate of change in the CPI, an estimate—based on the assumption that the tax hike in April 2014 is basically passed on in full to all current taxable items—shows that the rates of change are pushed up by about 2.0 percentage points for all items less fresh food and by about 1.7 percentage points for those excluding food and energy. Although these effects will wear off from this April onward, upward pressure on the year-on-year rates of change is expected to remain for April due to transitional measures in the previous year, resulting in an increase of about 0.3 percentage points on a less fresh food basis and about 0.2 percentage points on a basis excluding food and energy. For details, see the BOX in the *Monthly Report of Recent Economic and Financial Developments*, March 2014.

[8] The trimmed mean is obtained by systematically discarding a certain percentage of the highest and lowest marks of the price fluctuation distribution by item to eliminate large relative price fluctuations.

meats in the previous year. Prices of durable goods have continued to show somewhat weak movements in recent months, mainly in air conditioners, partly in response to the previous year's increase, with lingering effects of movements in private consumption after the consumption tax hike, but the rate of decline narrowed marginally in March. Meanwhile, prices of clothes have expanded their rate of increase marginally of late, mainly due to price increases of spring apparel. Prices of general services have more or less leveled off since June last year on a year-on-year basis. Looking in detail, prices of hotel charges and of package tours to overseas have been on a positive trend, albeit with fluctuations; in addition, prices of various services—including those related to housing construction—have expanded their rate of increase moderately on the back of the rise in wages. Prices of meals outside the home have also somewhat expanded their rate of increase since January this year, assisted in part by the effects of some price increases. Nevertheless, the introduction of new price plans for mobile telephone charges since June last year and the reduction in some prices of meals outside the home last spring have been exerting downward pressure on a year-on-year basis. Meanwhile, the year-on-year rate of decline in prices of rent—which accounts for a large share of general services—has tended to narrow, albeit very moderately, from a somewhat longer-term perspective. As for fees for public services, the rate of increase in electricity prices has recently been on an expanding trend, mainly in response to the previous year's increase and to another round of price increases by one electric power company. As a result, the year-on-year rate of increase of fees for public services as a whole has accelerated marginally compared to around last fall.

With regard to the outlook, excluding the direct effects of the consumption tax hike, producer prices are expected to rise moderately for the time being, reflecting movements in international commodity prices, and the year-on-year rate of increase in consumer prices is likely to be about 0 percent for the time being, due to the effects of the decline in energy prices.

Meanwhile, inflation expectations appear to be rising on the whole from a somewhat longer-term perspective (Chart 28).

3. Financial Developments

(1) Corporate Finance and Monetary Aggregates

The monetary base (average amounts outstanding) has increased significantly as asset purchases by the Bank of Japan have progressed, and the year-on-year rate of growth has been at around 35 percent (Chart 29).

Firms' funding costs have been hovering at low levels. Issuance rates on CP and those on corporate bonds have been at low levels. The average contract interest rates on new loans and discounts have also been low (Chart 31).

With regard to credit supply, firms have continued to see financial institutions' lending attitudes as being on an improving trend (Chart 30). Issuing conditions for CP and corporate bonds have continued to be favorable. In these circumstances, as for funding of the private sector, the year-on-year rate of increase in the amount outstanding of bank lending has been in the range of 2.5-3.0 percent, mainly in demand for working capital and funds related to mergers and acquisitions (Chart 32). The year-on-year rate of change in the amount outstanding of CP and corporate bonds has been negative (Chart 33).

Firms' financial positions have been favorable (Chart 30). The number of corporate bankruptcies has remained at a low level (Chart 35).

Meanwhile, the year-on-year rate of growth in the money stock (M2) has been at around 3.5 percent. Its April reading was 3.6 percent on a year-on-year basis, following 3.6 percent in March (Chart 34).[9]

(2) Financial Markets

In Japan's money markets, interest rates have been stable at low levels, including those for longer term rates. The overnight call rate (uncollateralized) has been below the 0.1 percent level. Regarding interest rates on term instruments, the T-Bill rate (3-month), the Euroyen interest rate (3-month), and interest rates on

[9] On an M3 basis, which includes the Japan Post Bank, the year-on-year rate of growth has been at around 3 percent; its April reading was 3.0 percent, following 3.0 percent in March. The year-on-year rate of growth in broadly-defined liquidity (L) has recently been at around 3 percent; it increased by 3.1 percent in April, following an increase of 3.3 percent in March.

Euroyen futures have all been virtually level (Chart 36). In U.S. dollar funding, the LIBOR-OIS spread for the dollar has basically been flat (Chart 37).

Yields on 10-year government bonds (newly issued 10-year JGB) have increased somewhat, mainly as a reflection of the rise in overseas long-term interest rates; they are recently moving in the range of 0.40-0.45 percent (Chart 38).

Yield spreads between corporate bonds and government bonds have been more or less flat at low levels (Chart 39).

Stock prices have increased somewhat mainly against the background of the rise in U.S. stock prices, although they fell primarily due to profit-taking sales by investors. The Nikkei 225 Stock Average is recently moving at around 20,000 yen (Chart 40).

In the foreign exchange market, the yen's exchange rate against the U.S. dollar has been more or less flat; the yen is currently moving at around 121 yen against the U.S. dollar. The yen's exchange rate against the euro has depreciated, primarily in response to the rise in European long-term interest rates; the yen is recently moving in the range of 134-135 yen against the euro (Chart 41).

Charts

Main Economic Indicators (1)

s.a., q/q (m/m) % chg.[1]

	2014/Q3	Q4	2015/Q1	2015/Jan.	Feb.	Mar.	Apr.
Index of consumption expenditure level (two-or-more-person households)	0.3	1.3	0.5	-0.2	0.2	2.3	n.a.
Sales at department stores	5.3	1.3	2.1	-0.7	3.8	-1.5	n.a.
Sales at supermarkets	2.3	-0.3	0.6	-0.9	1.1	1.7	n.a.
New passenger-car registrations[3] <s.a., ann. 10,000 units>	< 271>	< 271>	< 268>	< 263>	< 268>	< 273>	< 270>
Sales of household electrical appliances (real, "Current Survey of Commerce")	4.2	5.0	3.6	2.4	3.9	1.3	n.a.
Outlays for travel	1.9	-0.2	n.a.	1.3	-0.9	n.a.	n.a.
Housing starts <s.a., ann. 10,000 units>	< 87>	< 87>	< 90>	< 86>	< 90>	< 92>	<n.a.>
Machinery orders[4] (Private sector, exc. volatile orders)	3.8	0.7	6.3	2.5	-1.4	2.9	n.a.
Manufacturing	10.7	2.4	2.3	-3.2	-0.6	0.3	n.a.
Nonmanufacturing[4] (exc. volatile orders)	-3.4	-1.1	8.5	8.0	-5.0	4.7	n.a.
Construction starts (private, nondwelling use)	-2.7	5.5	-3.8	12.6	20.3	-30.5	n.a.
Mining & manufacturing	5.8	2.8	7.6	15.1	16.2	-14.4	n.a.
Nonmanufacturing[5]	-3.8	6.4	-6.6	10.9	20.2	-34.8	n.a.
Value of public works contracted	-10.8	-2.4	-1.2	-0.4	0.7	-8.1	24.2
Real exports	1.8	3.8	1.0	4.1	-6.4	0.2	n.a.
Real imports	0.7	1.1	0.7	1.0	3.7	-10.2	n.a.
Industrial production	-1.4	0.8	1.5	4.1	-3.1	-0.8	n.a.
Shipments	-0.5	0.9	1.7	5.5	-4.4	-0.6	n.a.
Inventories	1.1	0.9	1.0	-0.4	1.1	0.4	n.a.
Inventory ratio <s.a., CY 2010 = 100>	< 111.5>	< 112.7>	< 114.4>	< 109.0>	< 113.4>	< 114.4>	<n.a.>
Real GDP	-0.5	0.3	0.6	n.a.	n.a.	n.a.	n.a.
Index of all industry activity	0.4	1.0	0.3	0.4	0.2	-1.3	n.a.

Main Economic Indicators (2)

y/y % chg.[1]

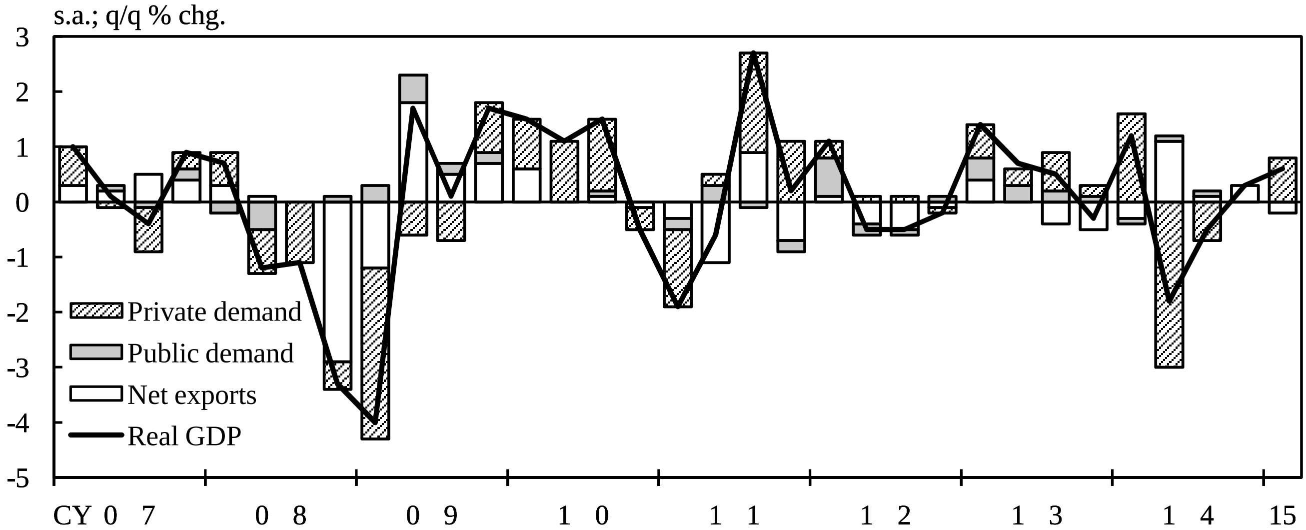
	2014/Q3	Q4	2015/Q1	2015/Jan.	Feb.	Mar.	Apr.
Active job openings-to-applicants ratio <s.a., times>	< 1.10>	< 1.12>	< 1.15>	< 1.14>	< 1.15>	< 1.15>	<n.a.>
Unemployment rate <s.a., %>	< 3.6>	< 3.5>	< 3.5>	< 3.6>	< 3.5>	< 3.4>	<n.a.>
Non-scheduled hours worked[6]	2.6	0.9	-0.6	1.3	-0.7	-2.4	n.a.
Number of employees	0.9	0.7	0.9	1.1	0.9	0.7	n.a.
Number of regular employees[6]	1.7	1.6	2.0	2.0	2.1	1.9	n.a.
Nominal wages per person[6]	1.1	0.4	0.2	0.6	0.1	0.0	n.a.
Producer price index	4.0	2.4	0.4	0.3	0.4	0.7	p -2.1
<excluding consumption tax, y/y % chg.>	< 1.1>	<-0.4>	<-2.4>	<-2.5>	<-2.4>	<-2.1>	<p -2.2>
<excluding consumption tax, q/q % chg., 3-month rate of change>[7]	< 0.2>	<-1.1>	<-1.8>	<-2.0>	<-2.0>	<-1.2>	<p 0.3>
Consumer price index[8]	3.2	2.7	2.1	2.2	2.0	2.2	n.a.
<consumption tax adjusted, y/y % chg.>	< 1.2>	< 0.7>	< 0.1>	< 0.2>	< 0.0>	< 0.2>	<n.a.>
Services producer price index[9]	3.6	3.6	p 3.3	3.5	3.3	p 3.2	n.a.
<excluding consumption tax, y/y % chg.>	< 0.8>	< 0.9>	<p 0.6>	< 0.8>	< 0.6>	<p 0.5>	<n.a.>
Money stock (M2) <average outstanding, y/y % chg.>	3.0	3.5	3.5	3.4	3.5	3.6	p 3.6
Number of corporate bankruptcies <cases per month>	<812>	<741>	<757>	<721>	<692>	<859>	<748>

Notes: 1. All figures in Chart 1 except figures in angle brackets are quarter-on-quarter (month-on-month) changes of seasonally adjusted data. All figures in Chart 2 except figures in angle brackets are year-on-year changes. For details on seasonal adjustments and data processing/compilation conducted by the Bank of Japan, see notes of respective charts.
2. Figures with "p" indicate preliminary data.
3. Excludes small cars with engine sizes of 660 cc or less.
4. Volatile orders: Orders for ships and those from electric power companies.
5. Nonmanufacturing is mainly composed of commerce, services, agriculture & fisheries, and public utilities industries.
6. Data for establishments with at least five regular employees.
7. Adjusted to exclude a hike in electric power charges during the summer season.
8. All items, less fresh food.
9. Excludes international transportation.

Sources: Ministry of Internal Affairs and Communications, "Labour Force Survey," "Monthly Report on the Family Income and Expenditure Survey," "Consumer Price Index";
Ministry of Economy, Trade and Industry, "Current Survey of Commerce," "Indices of Industrial Production," "Indices of All Industry Activity";
Japan Automobile Dealers Association, "Domestic Sales of Automobiles";
Japan Tourism Agency, "Major Travel Agents' Revenue";
Ministry of Land, Infrastructure, Transport and Tourism, "Statistics on Building Construction Starts";
Ministry of Finance, "Trade Statistics";
Cabinet Office, "Orders Received for Machinery," "National Accounts";
East Japan Construction Surety etc., "Public Works Prepayment Surety Statistics";
Ministry of Health, Labour and Welfare, "Report on Employment Service," "Monthly Labour Survey";
Bank of Japan, "Corporate Goods Price Index," "Services Producer Price Index," "Money Stock";
Tokyo Shoko Research Ltd., "*Tosan Geppo* (Monthly review of corporate bankruptcies)."

Real GDP and Indexes of Business Conditions

(1) Real GDP



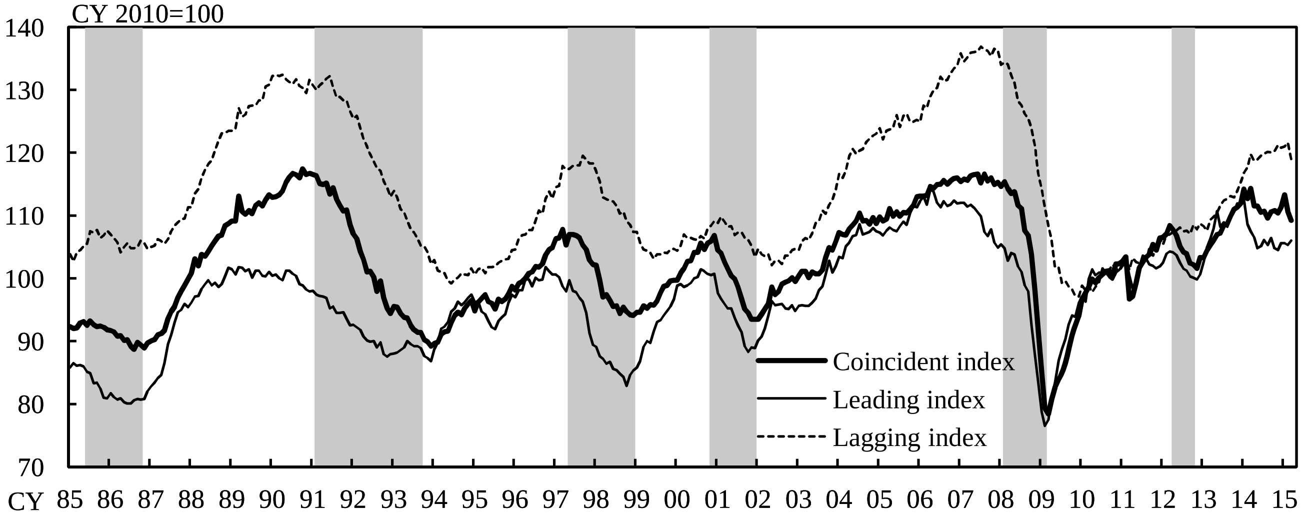
(2) Components

s.a.; q/q % chg.

	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1
Real GDP	1.2	-1.8	-0.5	0.3	0.6
[Annual rate]	[4.9]	[-6.9]	[-2.1]	[1.1]	[2.4]
Domestic demand	1.5	-2.8	-0.6	0.0	0.8
Private demand	1.6	-3.0	-0.7	-0.0	0.8
Private consumption	1.3	-3.2	0.2	0.2	0.2
Non-Resi. investment	0.8	-0.8	-0.0	-0.0	0.1
Residential investment	0.1	-0.4	-0.2	-0.0	0.1
Private inventory	-0.5	1.3	-0.7	-0.2	0.5
Public demand	-0.1	0.1	0.1	0.0	-0.0
Public investment	-0.0	0.0	0.1	0.0	-0.1
Net exports of goods and services	-0.3	1.1	0.1	0.3	-0.2
Exports	1.0	-0.0	0.3	0.6	0.4
Imports	-1.3	1.1	-0.2	-0.3	-0.6
Nominal GDP	1.5	-0.0	-0.6	0.7	1.9

Note: Figures of components in real GDP indicate contributions to changes in GDP.

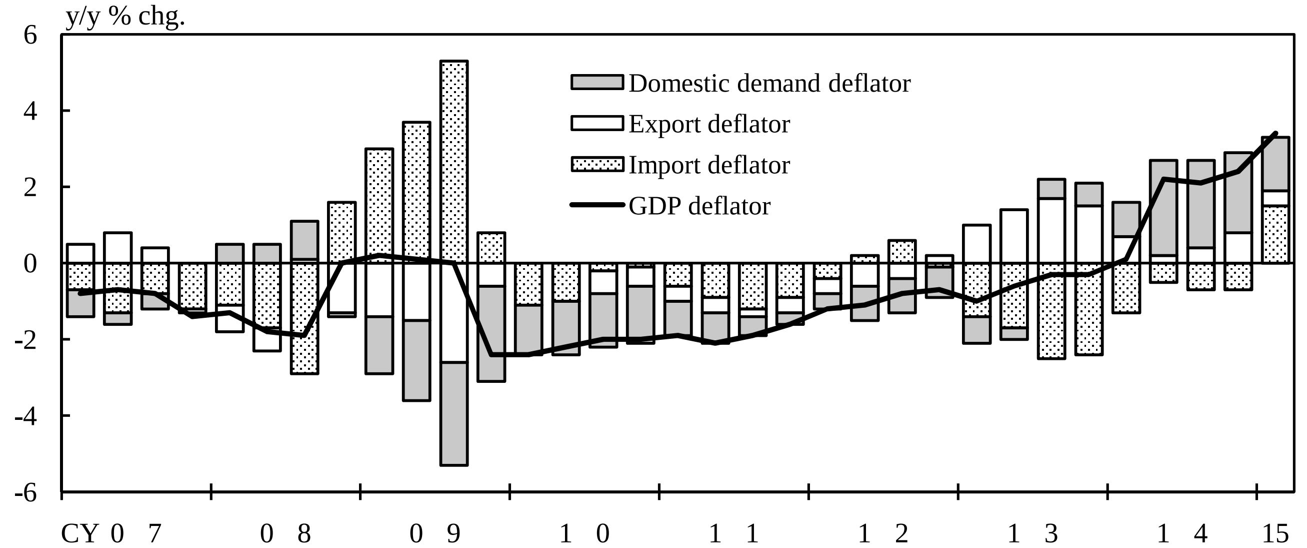
(3) Indexes of Business Conditions (Composite Indexes)



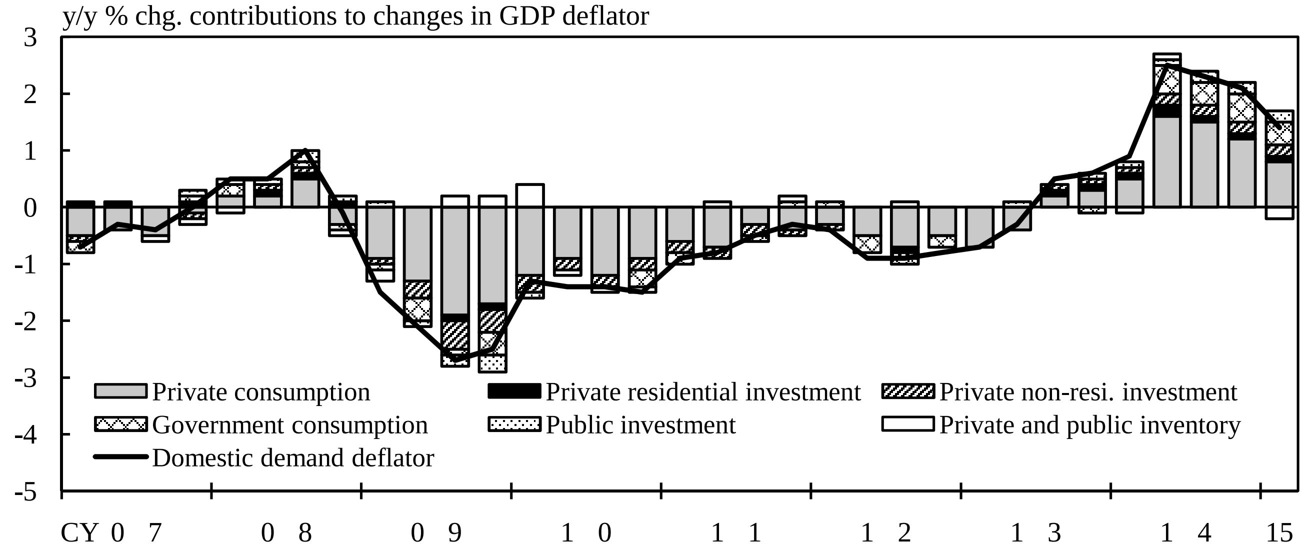
Note: Shaded areas indicate recession periods.
Source: Cabinet Office, "National Accounts," "Indexes of Business Conditions."

GDP Deflator and Income Formation

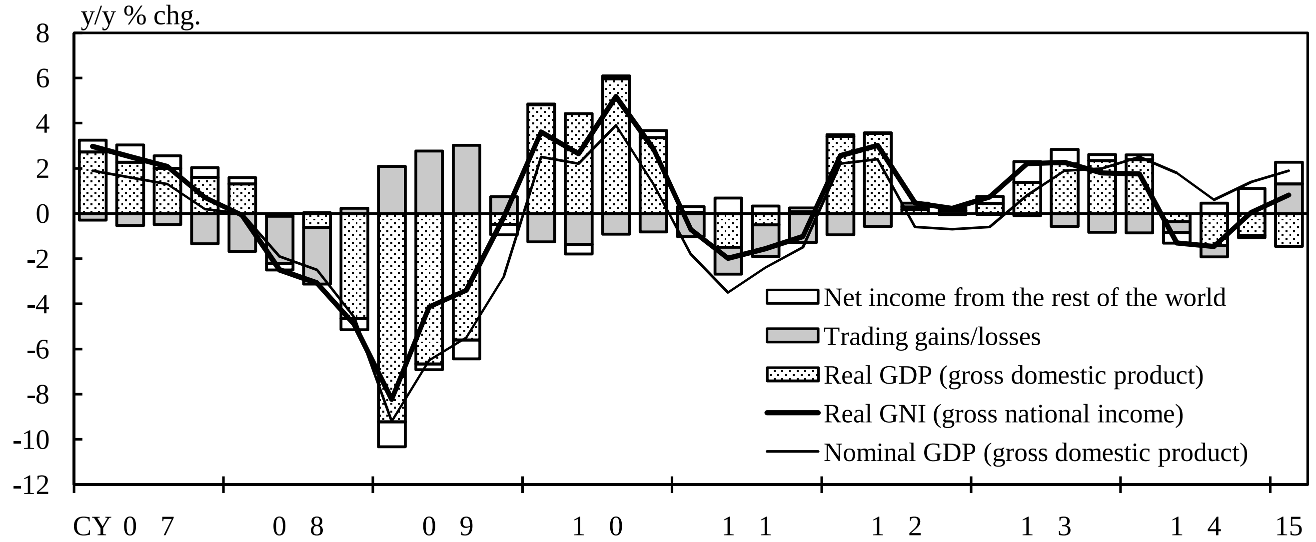
(1) GDP Deflator



(2) Domestic Demand Deflator



(3) Aggregate Income Formation

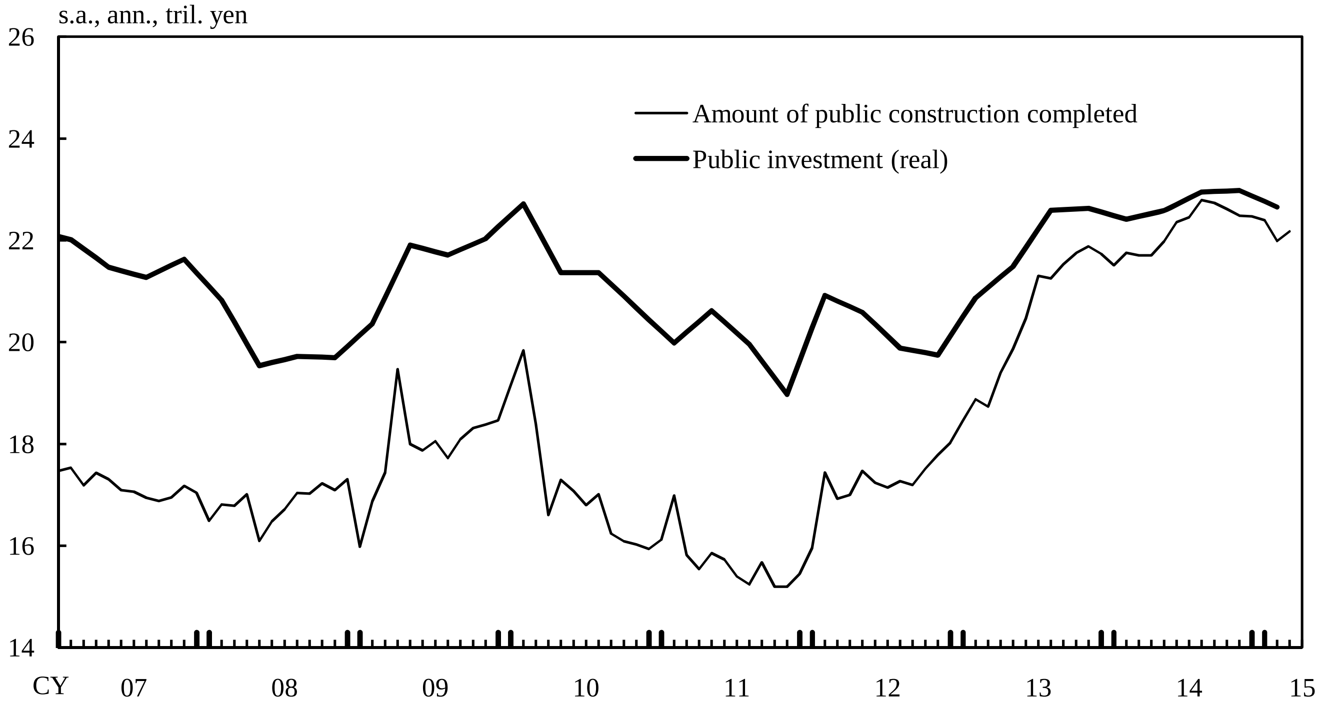


Notes: 1. Figures of components indicate contributions to changes in real GNI.
2. Real GNI = real GDP + trading gains/losses + net income from the rest of the world
Trading gains/losses = nominal net exports / weighted average of export and import deflators - real net exports

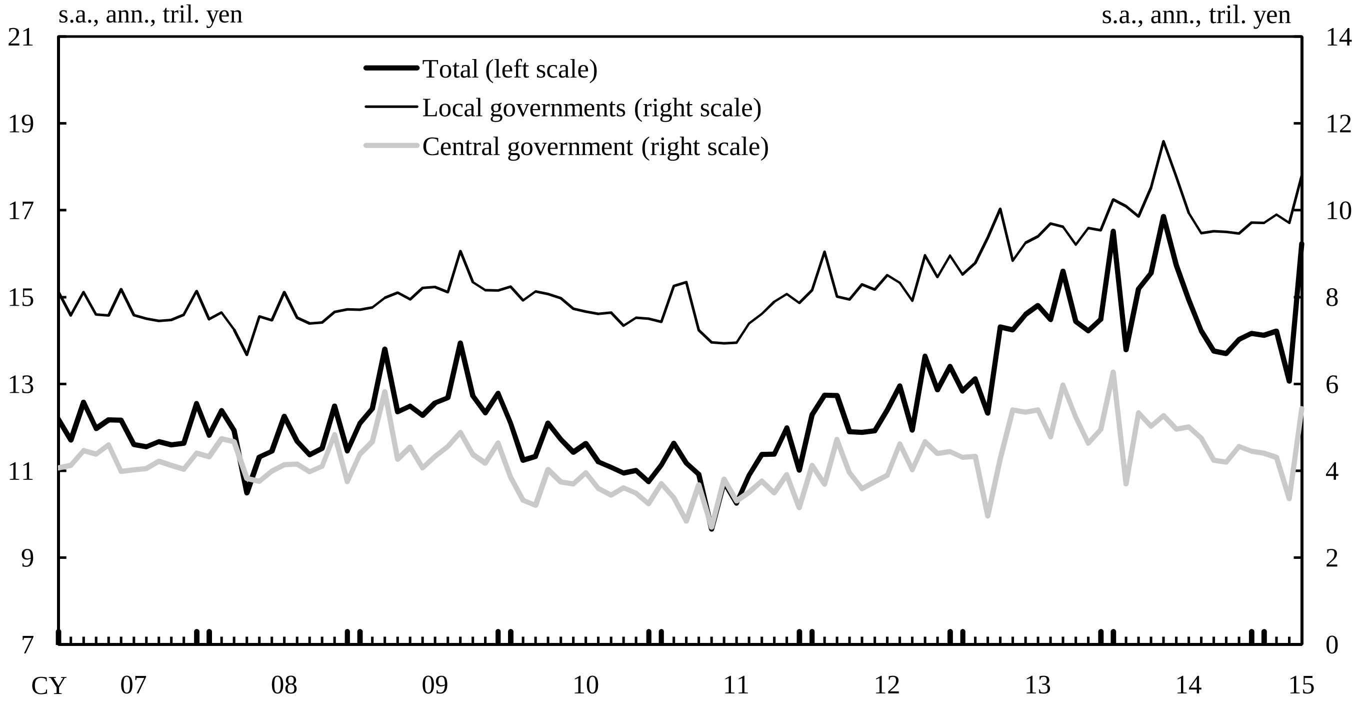
Source: Cabinet Office, "National Accounts."

Public Investment

(1) Amount of Public Construction Completed and Public Investment



(2) Value of Public Works Contracted

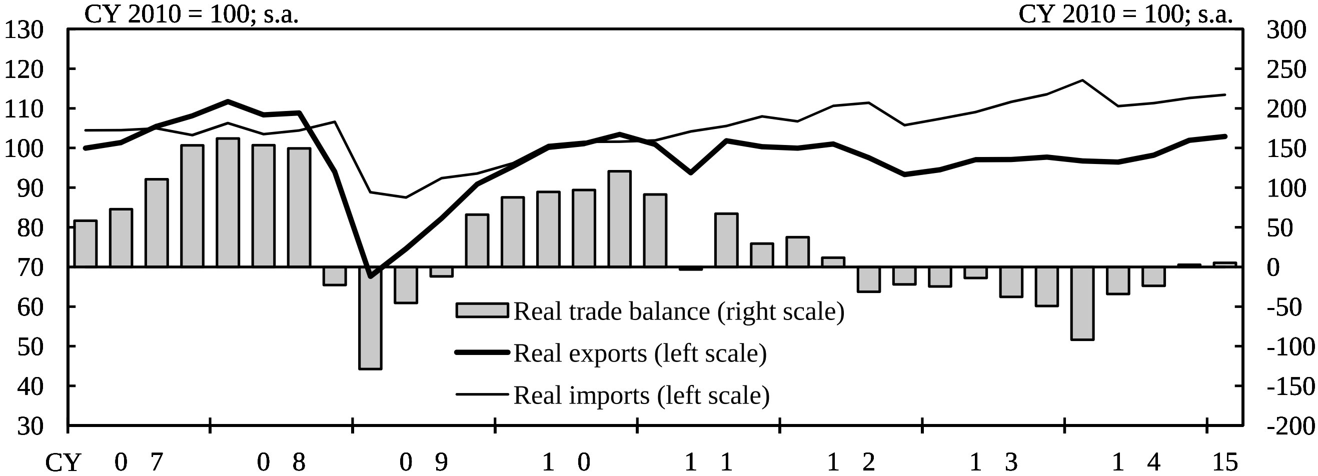


Notes: 1. Quarterly figures of public investment are plotted at the middle month of each quarter.
2. The amount of public construction completed is based on the general tables in the "Integrated Statistics on Construction Works."
3. Figures of the value of public works contracted and the amount of public construction completed are seasonally adjusted by X-12-ARIMA. As figures of the amount of public construction completed are seasonally adjusted on a monthly basis, the data are retroactively revised every month.

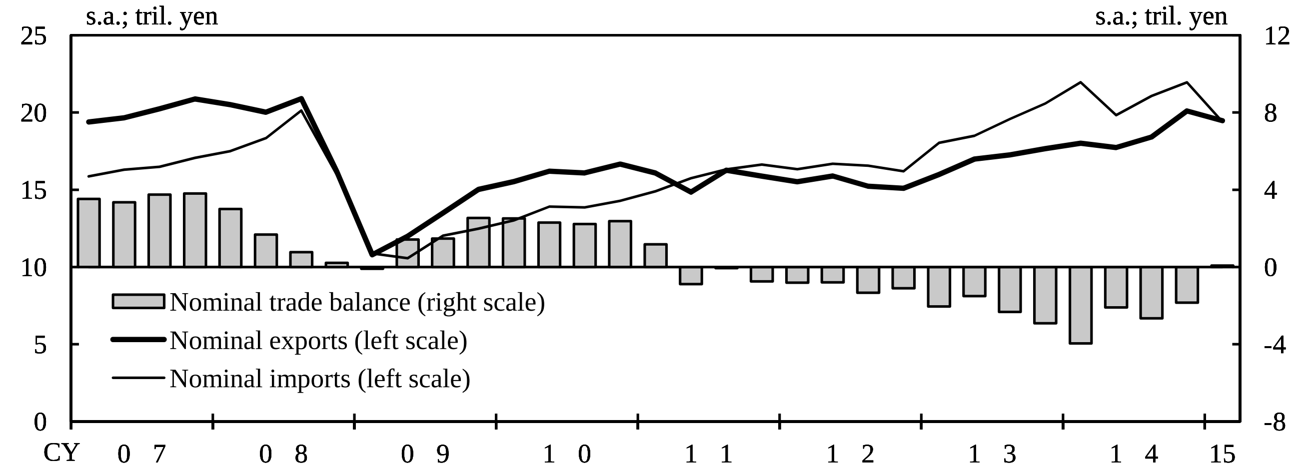
Sources: Cabinet Office, "National Accounts";
East Japan Construction Surety etc., "Public Works Prepayment Surety Statistics";
Ministry of Land, Infrastructure, Transport and Tourism, "Integrated Statistics on Construction Works."

External Balance [1]

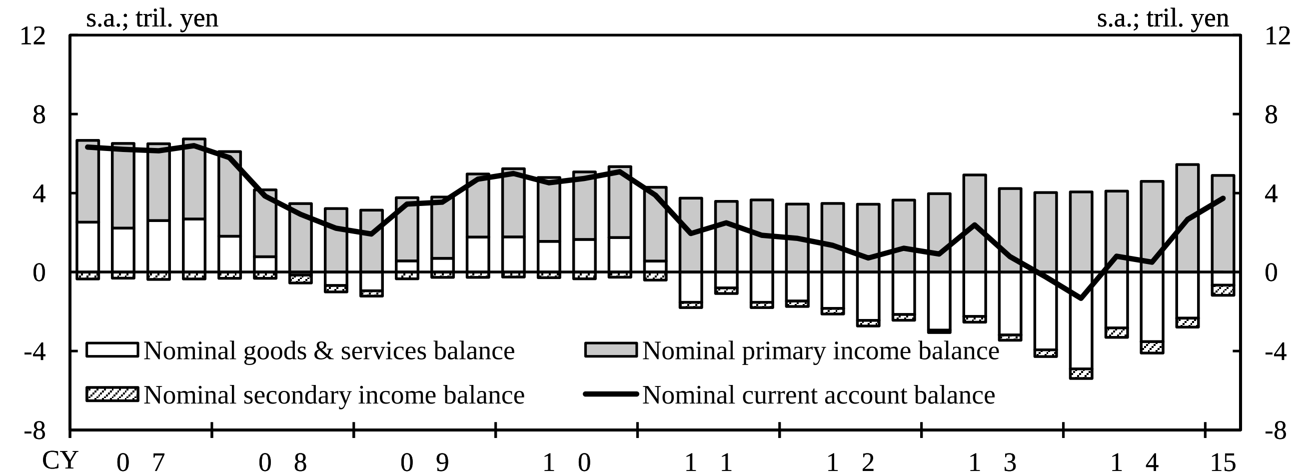
(1) Real Exports, Real Imports, and Real Trade Balance[2]



(2) Nominal Exports, Nominal Imports, and Nominal Trade Balance[3]



(3) Nominal Current Account Balance and Nominal Goods & Services Balance[3]



Notes: 1. Seasonally adjusted by X-12-ARIMA.
2. Real exports/imports are the value of exports and imports in the "Trade Statistics" deflated by the "Export and Import Price Index." "Real trade balance" is defined as real exports minus real imports.
3. Figures are based on the "Balance of Payments."

Sources: Ministry of Finance, "Trade Statistics"; Ministry of Finance and Bank of Japan, "Balance of Payments"; Bank of Japan, "Corporate Goods Price Index."

Real Exports [1]

(1) Breakdown by Region

y/y % chg. | s.a.; q/q % chg. | s.a.; m/m % chg.

		CY 2013	CY 2014	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Jan.	2015 Feb.	2015 Mar.
United States	<18.7>	2.8	1.9	0.8	-1.3	1.0	6.9	5.7	3.0	-4.3	5.4
EU	<10.4>	-3.6	5.2	-0.4	1.0	0.0	-1.5	2.9	1.1	-4.4	4.6
East Asia	<50.3>	-3.0	1.1	-1.0	-0.5	1.5	3.1	0.8	8.8	-11.2	0.9
China	<18.3>	-1.7	3.5	-2.4	0.1	0.5	1.5	-2.2	9.2	-20.4	12.4
NIEs	<21.8>	-1.0	2.1	1.1	-1.5	3.1	5.4	1.2	10.3	-9.3	-4.5
Korea	<7.5>	0.4	-3.9	0.5	-4.6	2.9	5.1	-1.2	4.9	-5.2	-3.9
Taiwan	<5.8>	-1.5	1.7	0.3	-0.2	1.3	1.7	2.9	12.4	-11.7	4.7
Hong Kong	<5.5>	-1.4	8.7	1.2	5.7	3.9	4.3	2.9	18.2	-14.7	-11.7
Singapore	<3.0>	-2.8	6.5	3.0	-8.9	7.3	12.7	4.1	15.5	-7.8	-7.6
ASEAN4 [3]	<10.2>	-8.5	-4.7	-3.0	0.4	-0.2	1.1	5.2	4.9	1.9	-4.6
Thailand	<4.5>	-9.3	-7.7	-2.5	0.5	1.6	0.8	5.7	6.5	1.2	-7.0
Others	<20.7>	-5.0	1.2	0.1	2.0	2.2	1.7	-1.0	1.1	-2.8	-2.1
Real exports		-1.9	1.7	-1.0	-0.3	1.8	3.8	1.0	4.1	-6.4	0.2

(2) Breakdown by Goods

y/y % chg. | s.a.; q/q % chg. | s.a.; m/m % chg.

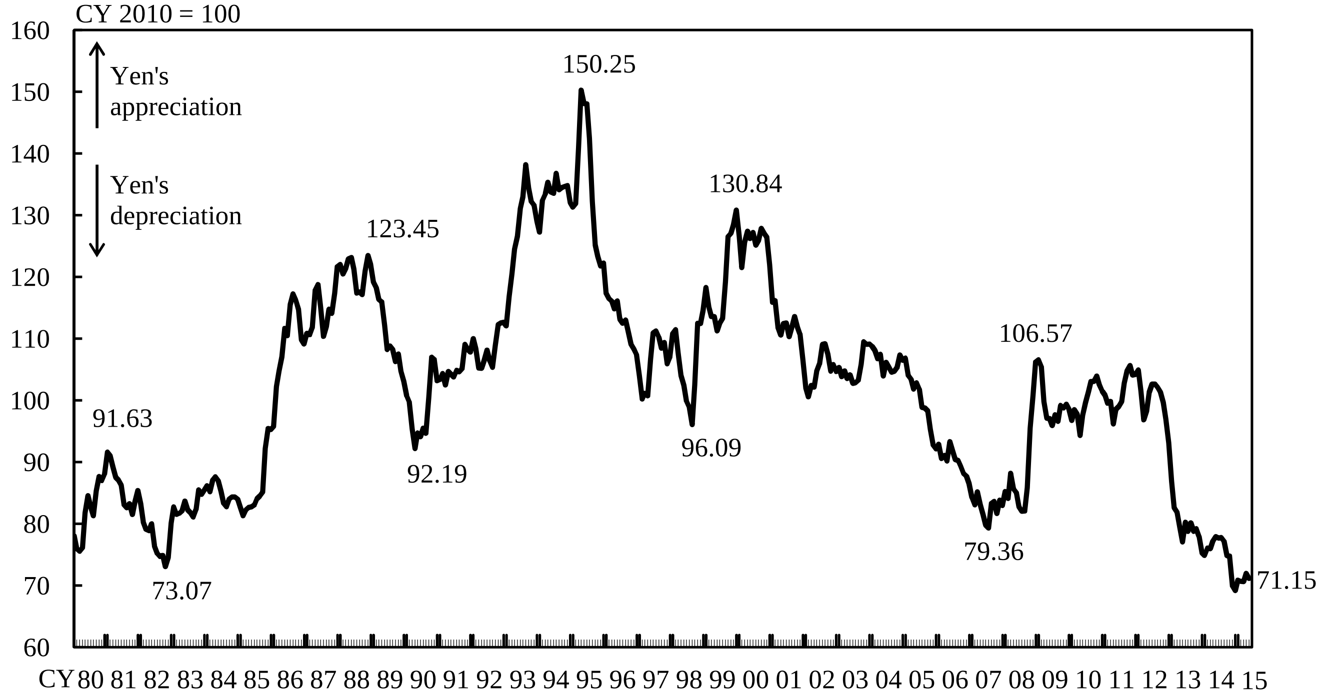
		CY 2013	CY 2014	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Jan.	2015 Feb.	2015 Mar.
Intermediate goods	<20.9>	1.2	0.1	1.1	-1.4	-0.5	2.3	1.3	5.3	-6.6	1.5
Motor vehicles and their related goods	<23.6>	-1.4	-1.4	-4.6	0.2	2.5	-1.0	-1.2	-0.6	-3.4	2.2
IT-related goods [4]	<10.6>	-7.5	3.6	0.5	1.2	1.6	3.3	-0.5	3.0	-5.1	-3.5
Capital goods and parts [5]	<27.8>	-5.8	3.2	-1.6	0.8	2.4	3.8	-1.7	4.1	-9.0	3.0
Real exports		-1.9	1.7	-1.0	-0.3	1.8	3.8	1.0	4.1	-6.4	0.2

Notes: 1. Seasonally adjusted by X-12-ARIMA. The seasonally adjusted figures by region or goods have been retroactively revised due to the regular annual revision of the previous year's data in the "Trade Statistics." This also applies to Chart 9.
2. Shares of each region and goods in 2014 are shown in angle brackets.
3. Data of four members: Thailand, Indonesia, Malaysia, and Philippines.
4. IT-related goods are composed of computers and units, telecommunication machinery, ICs, visual apparatus, audio apparatus, and medical and optical instruments.
5. Excludes IT-related goods, power generating machinery, and parts of motor vehicles.

Sources: Ministry of Finance, "Trade Statistics"; Bank of Japan, "Corporate Goods Price Index."

Real Effective Exchange Rate and Overseas Economies

(1) Real Effective Exchange Rate (Monthly Average)



Notes: 1. Figures are based on the broad index of the BIS effective exchange rate, and those prior to 1994 are calculated using the narrow index.
2. The figure for May (up to May 20) 2015 has been calculated using the monthly average of the BOJ's nominal effective exchange rate (the Yen Index).

(2) Real GDP Growth Rates of Overseas Economies

s.a., ann., q/q % chg.

	CY2012	2013	2014	2014 Q2	Q3	Q4	2015 Q1
United States[1]	2.3	2.2	2.4	4.6	5.0	2.2	0.2
European Union[2]	-0.5	0.0	1.3	0.8	1.3	1.6	1.7
Germany[1]	0.4	0.1	1.6	-0.3	0.3	2.8	1.1
France[1]	0.2	0.7	0.2	-0.3	0.8	0.1	2.2
United Kingdom[1]	0.7	1.7	2.8	3.4	2.5	2.5	1.2
East Asia[3]	5.1	4.9	4.7	4.5	5.5	4.6	n.a.
China[1]	7.7	7.7	7.4	8.2	7.8	6.1	5.3
NIEs[1,3]	2.3	3.0	3.2	1.6	4.1	2.6	1.9
ASEAN4[1,3,4]	6.6	4.3	3.4	4.0	4.3	6.1	n.a.
Main economies[3]	3.8	3.7	3.8	4.0	4.8	3.7	n.a.

Notes: 1. Figures for each country are based on those released by the government or central bank. Quarterly figures for China are annualized based on quarter-on-quarter changes released by the National Bureau of Statistics of China.
2. Figures are based on those released by the European Commission.
3. Figures are averages of members' real GDP growth rates, weighted by the value of exports from Japan to each country or region.
The members are described below.
Main economies: United States, European Union, and East Asia
East Asia: China, NIEs, and ASEAN4
NIEs: Korea, Taiwan, Hong Kong, and Singapore
ASEAN4: Thailand, Indonesia, Malaysia, and Philippines
4. To calculate the quarterly figures, real GDP growth rates of a member country are seasonally adjusted by the Bank of Japan using X-12-ARIMA.

Chart 9

Real Imports [1]

(1) Breakdown by Region

y/y % chg. s.a.; q/q % chg. s.a.; m/m % chg.

		CY		2014				2015	2015		
		2013	2014	Q1	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.
United States	<8.8>	-2.1	5.5	6.5	-6.8	5.5	-0.7	3.2	-3.0	-0.2	13.6
EU	<9.5>	0.8	2.6	4.9	-4.8	-1.8	-0.7	-1.9	0.7	1.2	-5.2
East Asia	<41.3>	2.5	2.8	3.8	-6.5	-0.4	3.4	1.0	0.7	14.2	-24.2
China	<22.3>	5.4	4.0	4.1	-6.5	-0.1	3.6	-2.0	-2.4	26.8	-38.8
NIEs	<8.3>	-0.4	1.5	3.9	-6.6	1.5	-1.6	3.5	3.9	3.9	-8.7
Korea	<4.1>	-4.8	-3.0	1.4	-6.1	-2.4	-0.5	0.4	4.6	-0.4	-6.1
Taiwan	<3.0>	8.0	5.2	5.3	-6.5	3.0	-0.6	5.4	6.4	8.6	-17.4
Hong Kong	<0.2>	9.2	5.9	-5.2	0.9	3.4	-1.3	14.2	-16.9	5.8	28.3
Singapore	<1.0>	-7.0	8.5	12.1	-8.8	0.9	-0.3	11.4	6.1	-0.4	-3.5
ASEAN4 [3]	<10.7>	-1.2	1.2	3.1	-6.5	-2.7	7.2	6.0	5.4	-4.4	3.1
Thailand	<2.7>	1.5	2.7	5.3	-6.5	-0.5	2.0	6.2	3.6	-3.4	-3.8
Others	<40.4>	0.2	0.1	3.4	-5.2	1.4	-1.9	3.5	3.5	-1.8	-4.9
Real imports		0.9	2.1	3.1	-5.6	0.7	1.1	0.7	1.0	3.7	-10.2

(2) Breakdown by Goods

y/y % chg. s.a.; q/q % chg. s.a.; m/m % chg.

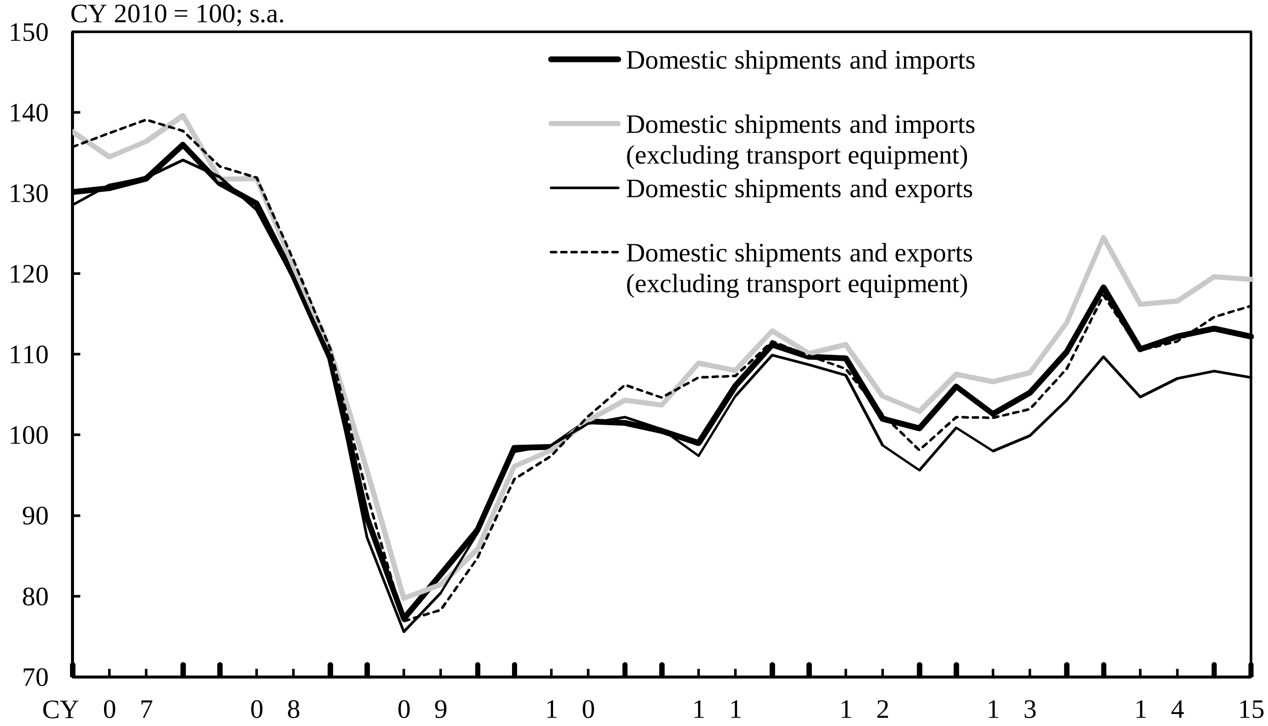
		CY		2014				2015	2015		
		2013	2014	Q1	Q2	Q3	Q4	Q1	Jan.	Feb.	Mar.
Raw materials [4]	<38.7>	-2.1	-1.1	3.6	-6.2	1.2	-1.5	4.7	5.8	-4.4	-2.1
Intermediate goods	<13.3>	-2.7	4.2	3.6	-2.2	-0.7	0.0	4.0	2.2	6.9	-8.5
Foodstuffs	<7.8>	-3.3	-1.6	-2.3	-1.1	2.4	-2.7	-0.0	2.4	1.3	-5.8
Consumer goods [5]	<7.7>	4.1	-0.3	2.5	-7.5	1.8	1.5	2.3	0.0	28.0	-36.6
IT-related goods [6]	<13.0>	12.8	5.9	6.7	-11.3	0.5	10.1	-8.3	-3.9	3.4	-11.1
Capital goods and parts [7]	<12.3>	4.7	8.2	5.8	-6.3	2.5	0.9	1.5	1.2	4.4	-15.6
Excluding aircraft	<11.5>	5.3	9.0	6.7	-5.5	1.0	0.4	3.1	3.3	7.1	-17.8
Real imports		0.9	2.1	3.1	-5.6	0.7	1.1	0.7	1.0	3.7	-10.2

Notes: 1. Seasonally adjusted by X-12-ARIMA.
2. Shares of each region and goods in 2014 are shown in angle brackets.
3. Data of four members: Thailand, Indonesia, Malaysia, and Philippines.
4. Raw materials are mainly composed of woods, ores, and mineral fuels.
5. Excludes foodstuffs.
6. IT-related goods are composed of computers and units, parts of computers, telecommunication machinery, ICs, audio and visual apparatus, and medical and optical instruments.
7. Excludes IT-related goods.

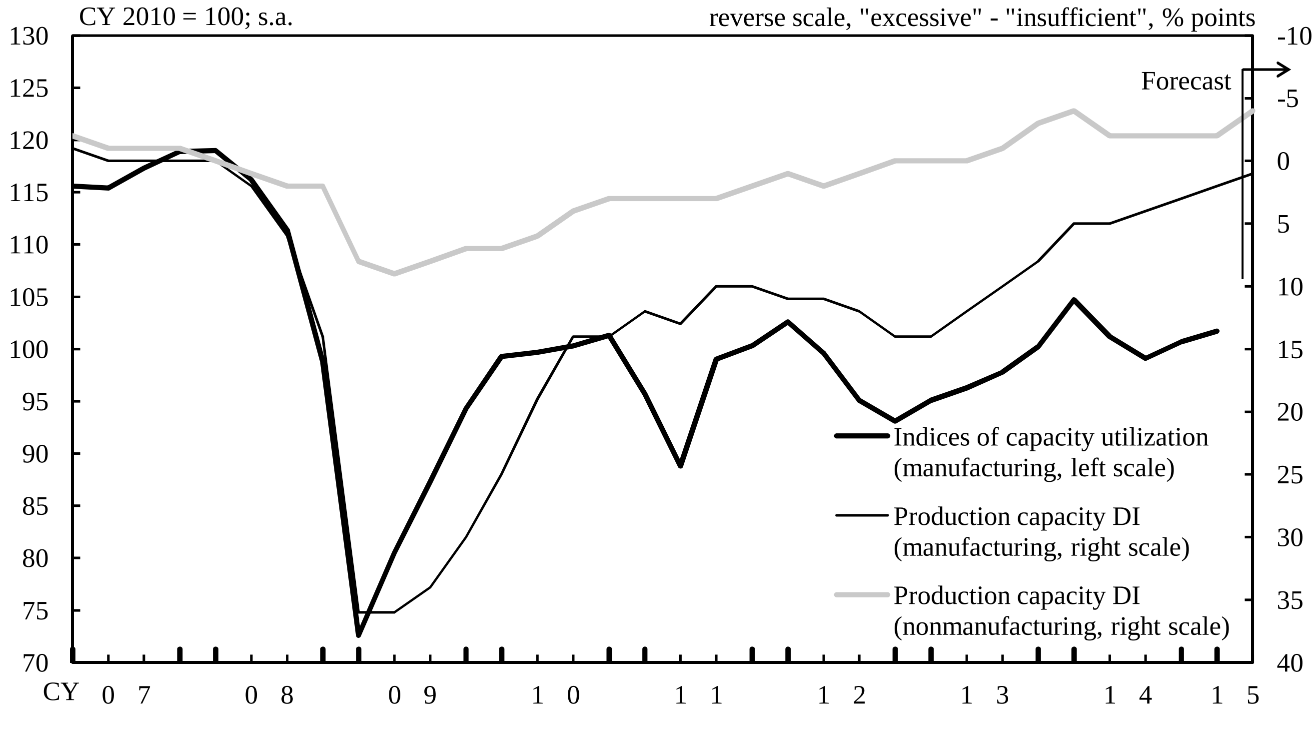
Sources: Ministry of Finance, "Trade Statistics"; Bank of Japan, "Corporate Goods Price Index."

Coincident Indicators of Business Fixed Investment

(1) Aggregate Supply and Shipments of Capital Goods



(2) Indices of Capacity Utilization and Production Capacity DI

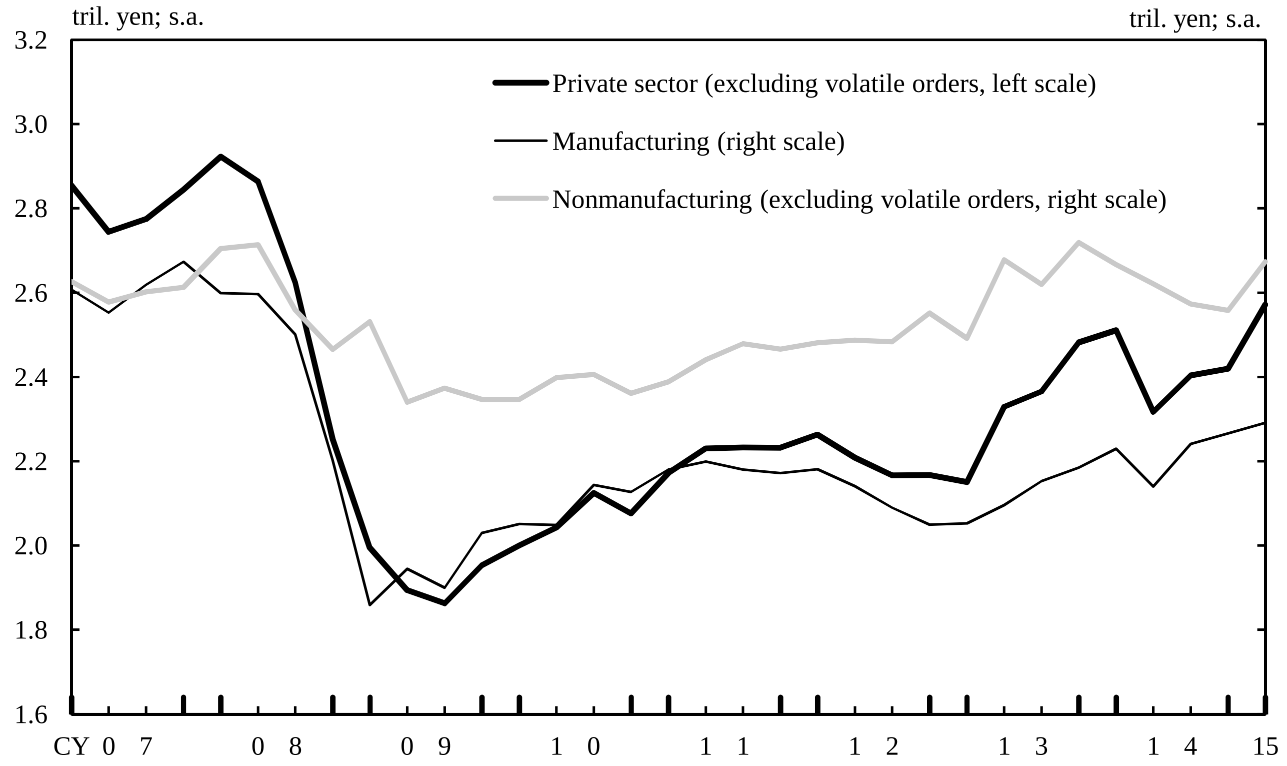


Note: Production capacity DIs are those of all enterprises.

Sources: Ministry of Economy, Trade and Industry, "Indices of Industrial Production," "Indices of Industrial Domestic Shipments and Imports"; Bank of Japan, "*Tankan* , Short-term Economic Survey of Enterprises in Japan."

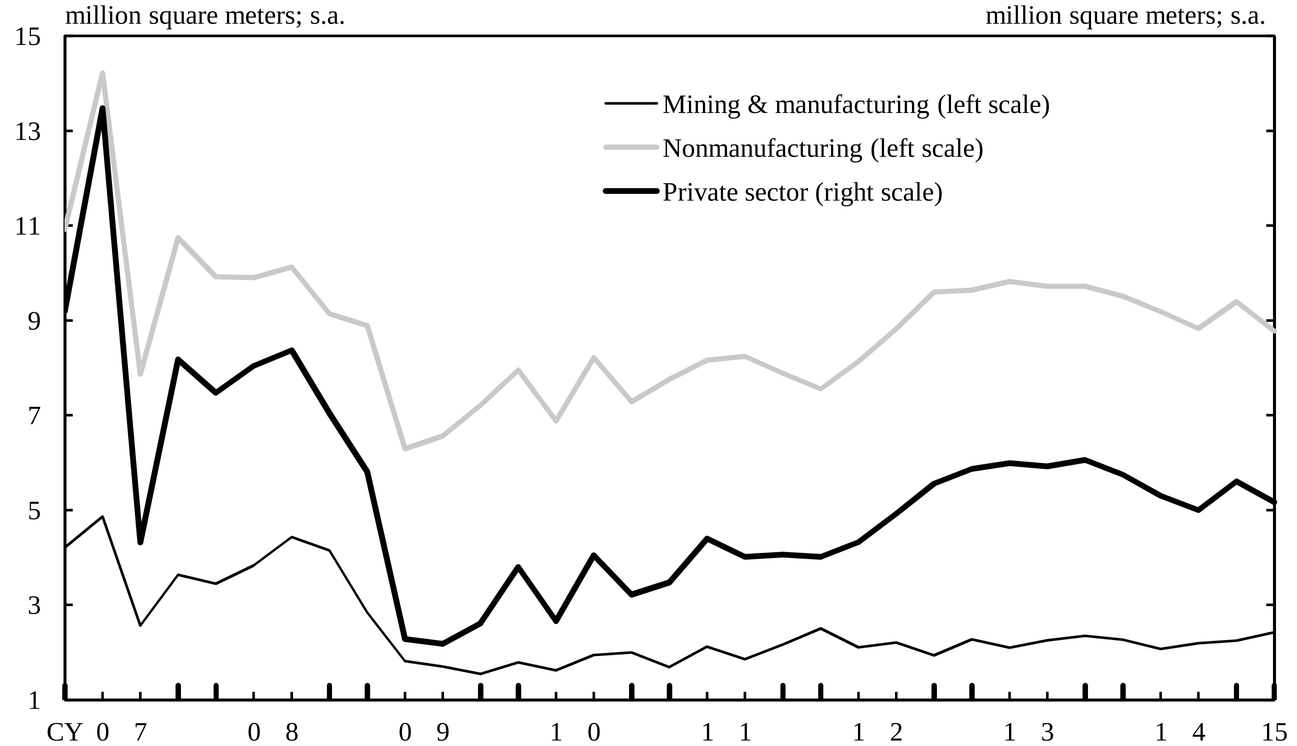
Leading Indicators of Business Fixed Investment

(1) Machinery Orders



Note: Volatile orders: orders for ships and orders from electric power companies.

(2) Construction Starts (Floor Area, Private, Nondwelling Use)

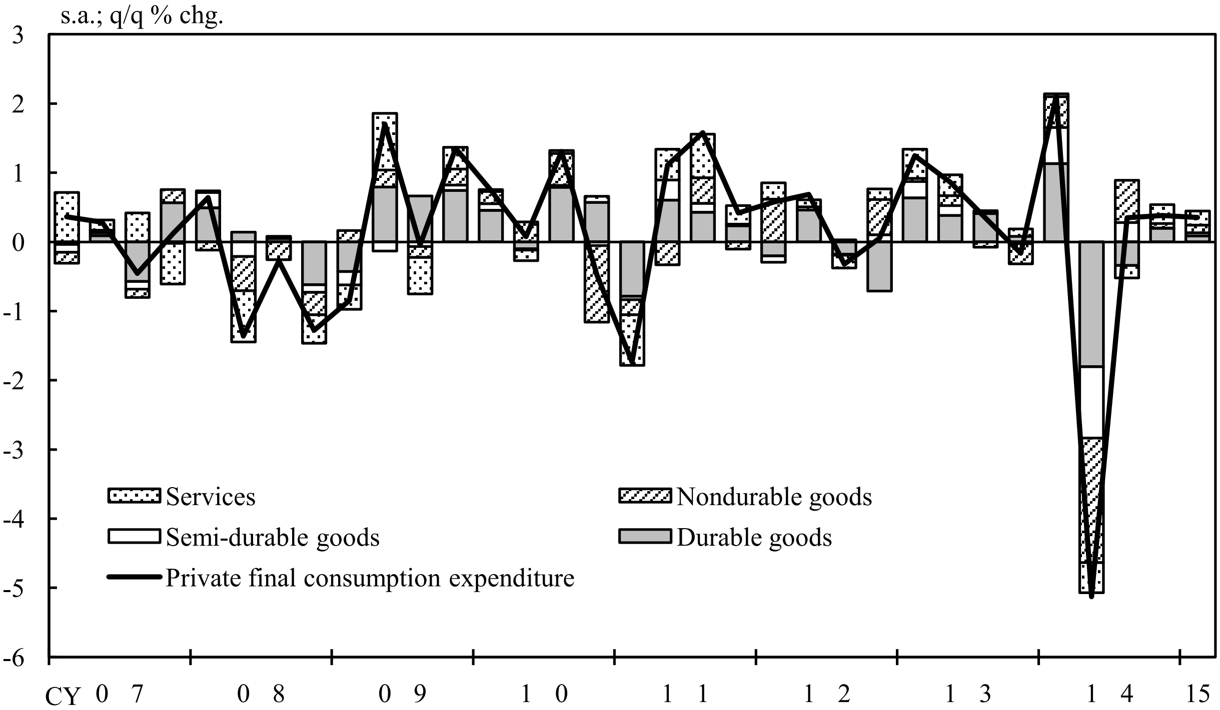


Note: Seasonally adjusted by X-12-ARIMA.

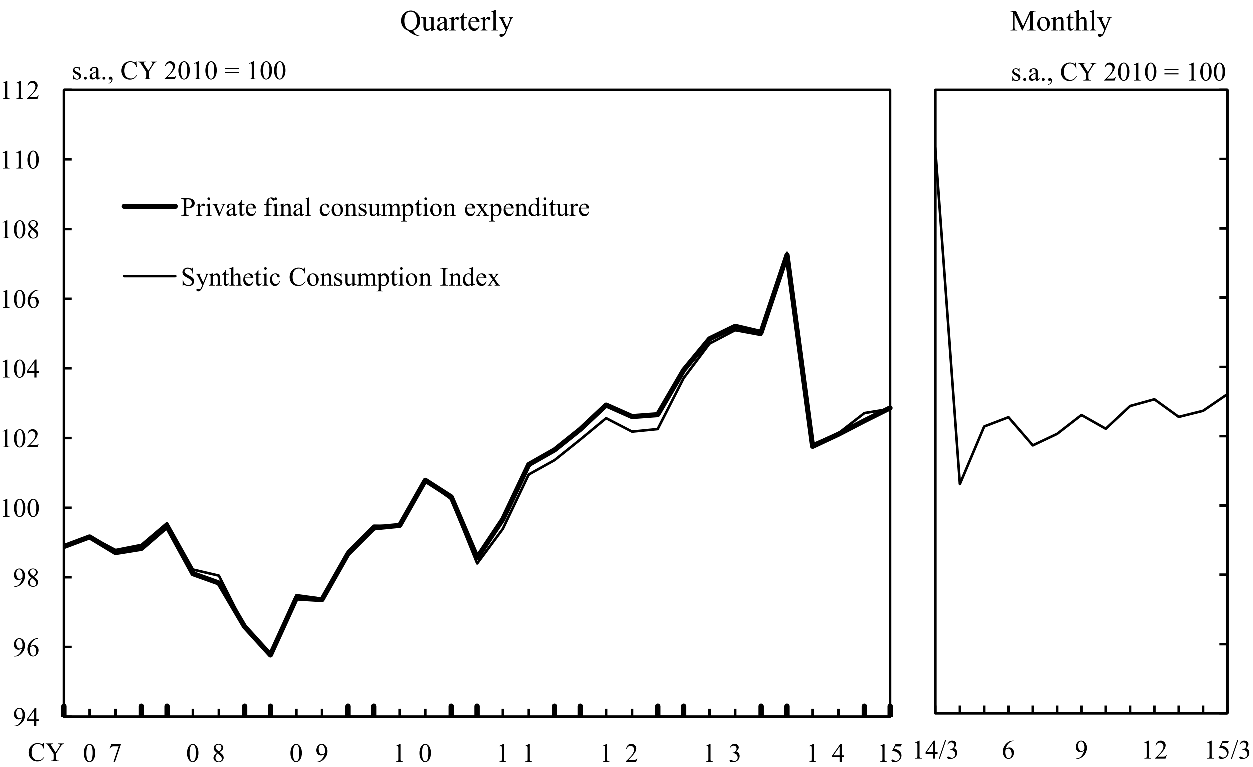
Sources: Cabinet Office, "Orders Received for Machinery";
Ministry of Land, Infrastructure, Transport and Tourism, "Statistics on Building Construction Starts."

Indicators of Private Consumption (1)

(1) Breakdown of Private Final Consumption Expenditure (Real)



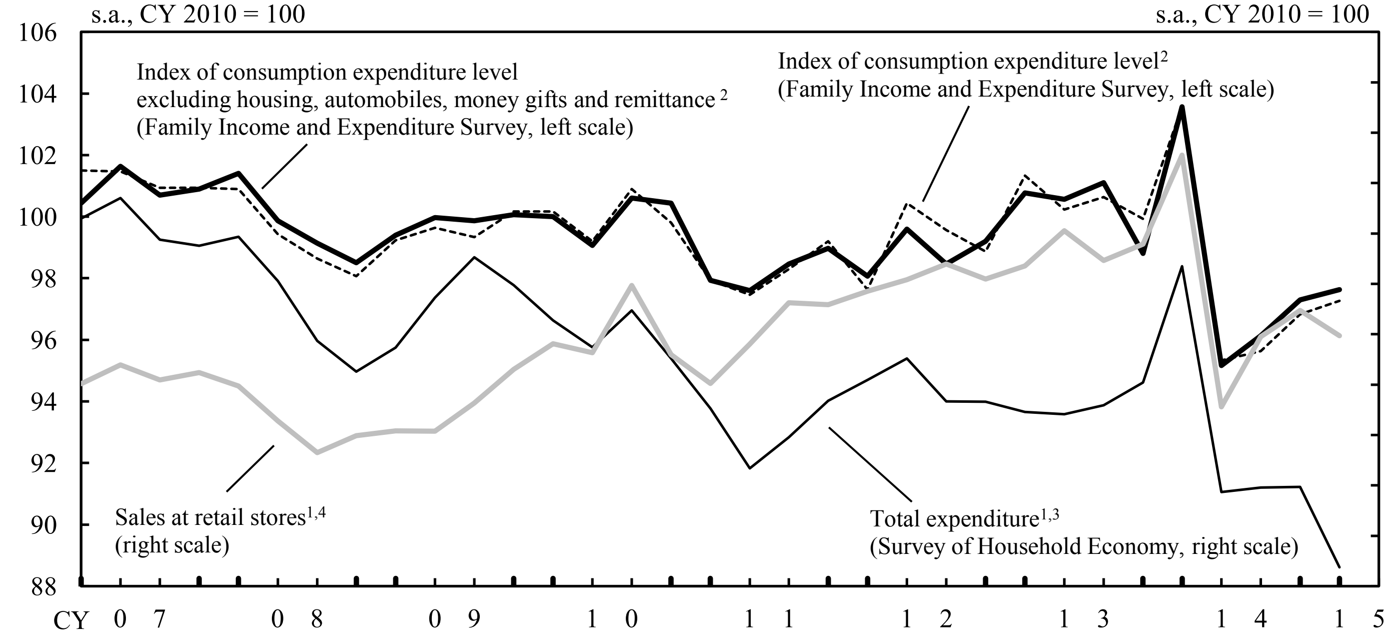
(2) Private Final Consumption Expenditure and Synthetic Consumption Index (Real)



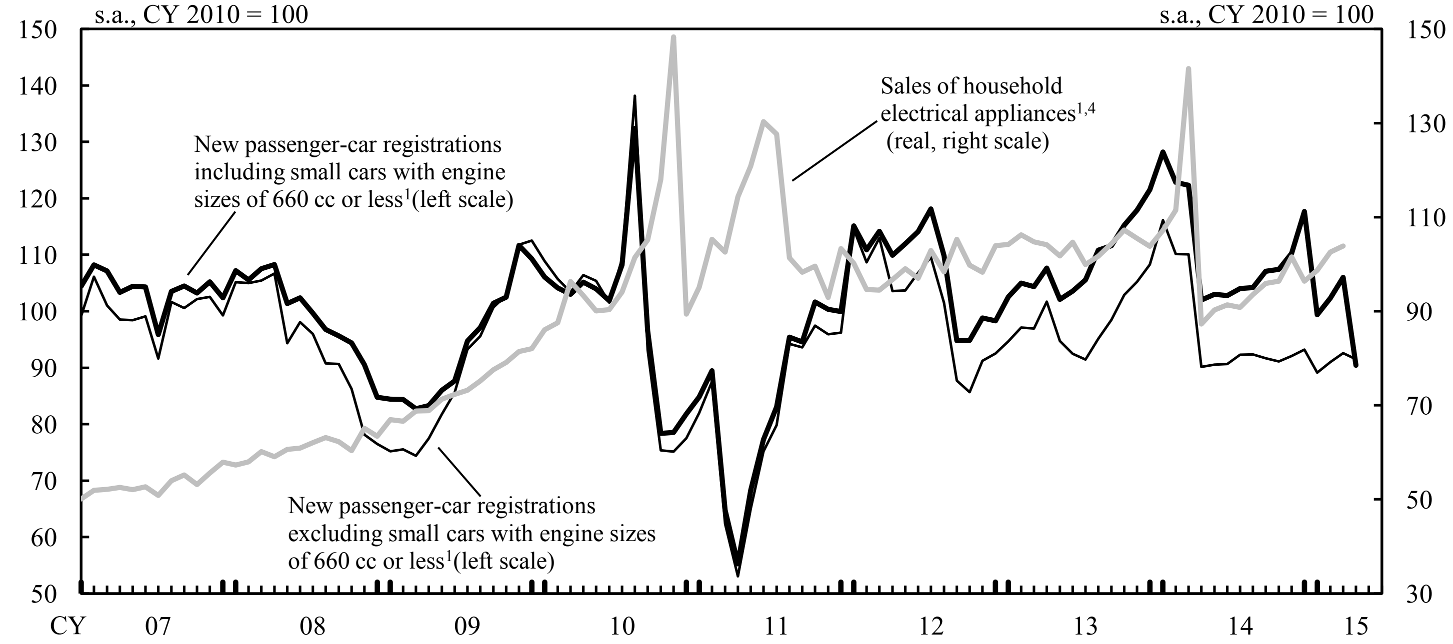
Source: Cabinet Office, "National Accounts," "Synthetic Consumption Index."

Indicators of Private Consumption (2)

(1) Household Spending (Real)



(2) Sales of Durable Goods

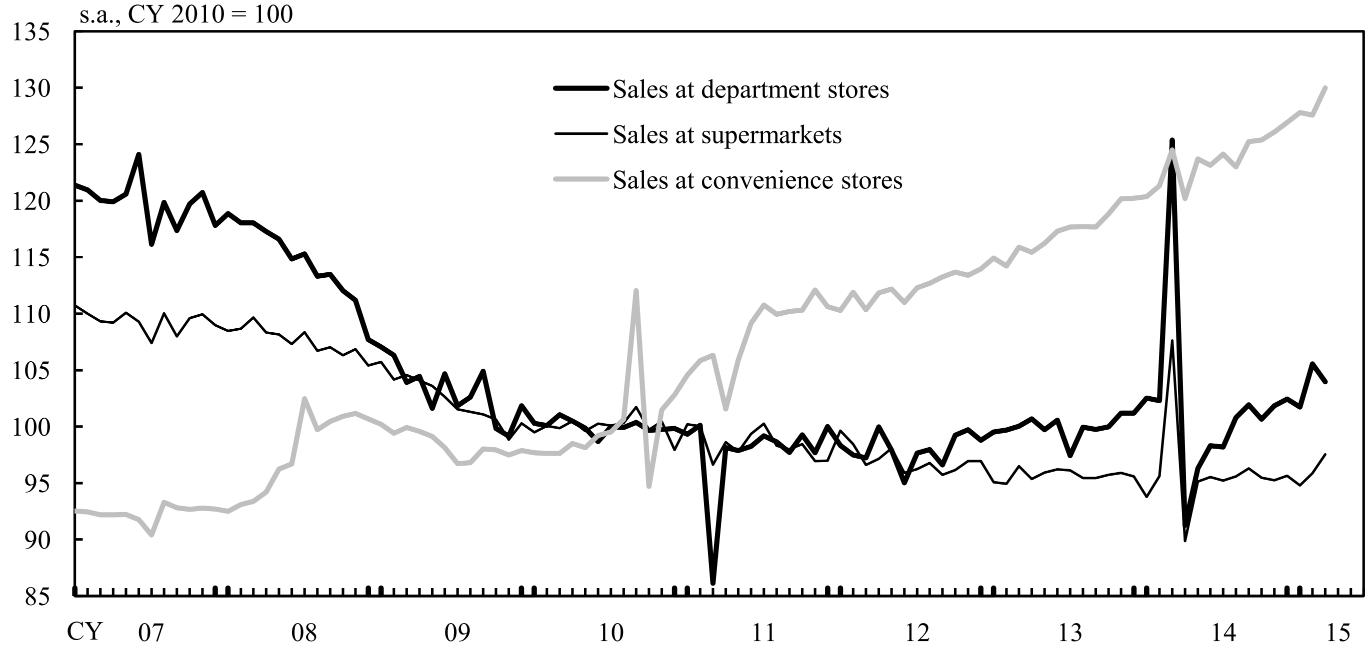


Notes: 1. Figures for total expenditure, sales at retail stores, sales of household electrical appliances, and new passenger-car registrations are seasonally adjusted by X-12-ARIMA.
2. Figures for index of consumption expenditure level are based on two-or-more-person households, and are adjusted using the distribution of household by number of household members and age group of household head.
3. Figures for total expenditure are based on two-or-more-person households, and are deflated by the "Consumer Price Index (CPI)" excluding imputed rent.
4. Figures for sales at retail stores are deflated by the CPI for goods (excluding electricity, gas & water charges). Figures for sales of household electrical appliances are calculated as follows: indices of retail sales of machinery and equipment in the "Current Survey of Commerce" are deflated by the geometric means of the corresponding CPI.

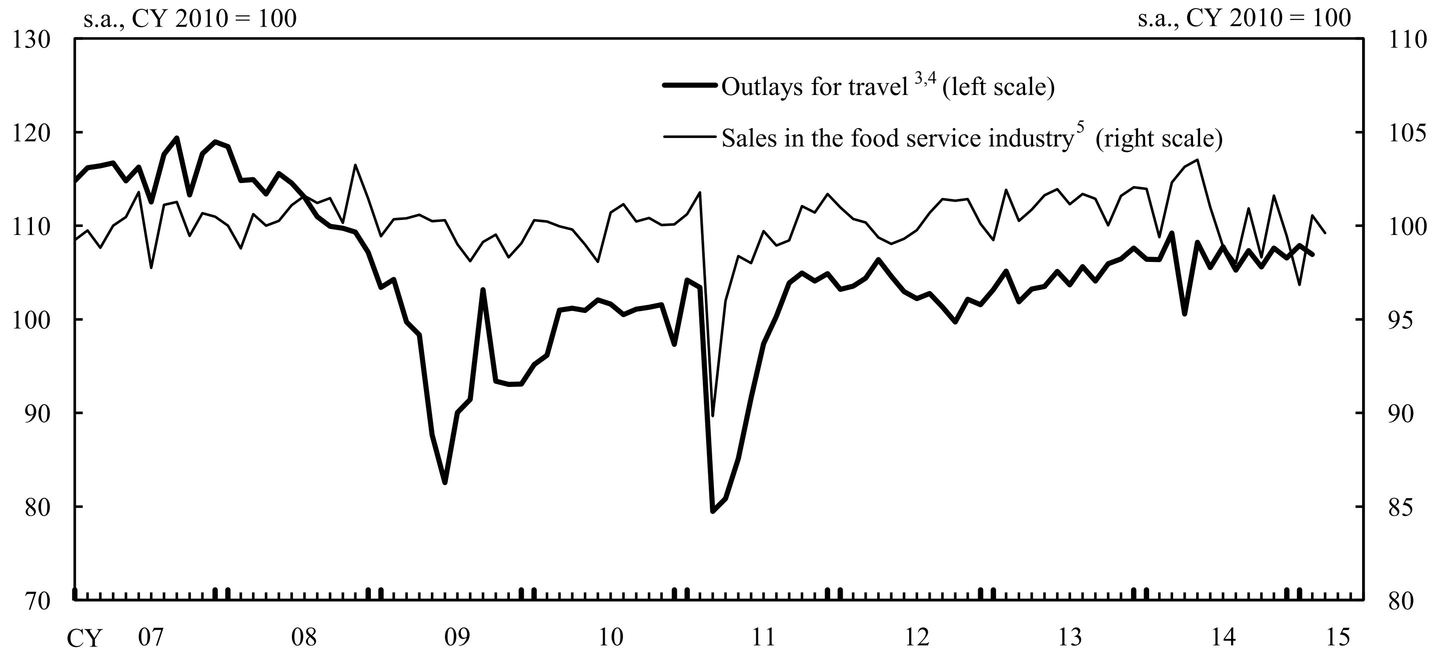
Sources: Ministry of Internal Affairs and Communications, "Consumer Price Index,"
"Monthly Report on the Family Income and Expenditure Survey," "Survey of Household Economy";
Ministry of Economy, Trade and Industry, "Current Survey of Commerce";
Japan Automobile Dealers Association, "Domestic Sales of Automobiles";
Japan Light Motor Vehicle and Motorcycle Association, "Sales of Light Motor Vehicles."

Indicators of Private Consumption[1] (3)

(1) Sales at Retail Stores (Nominal)[2]



(2) Consumption of Services (Nominal)

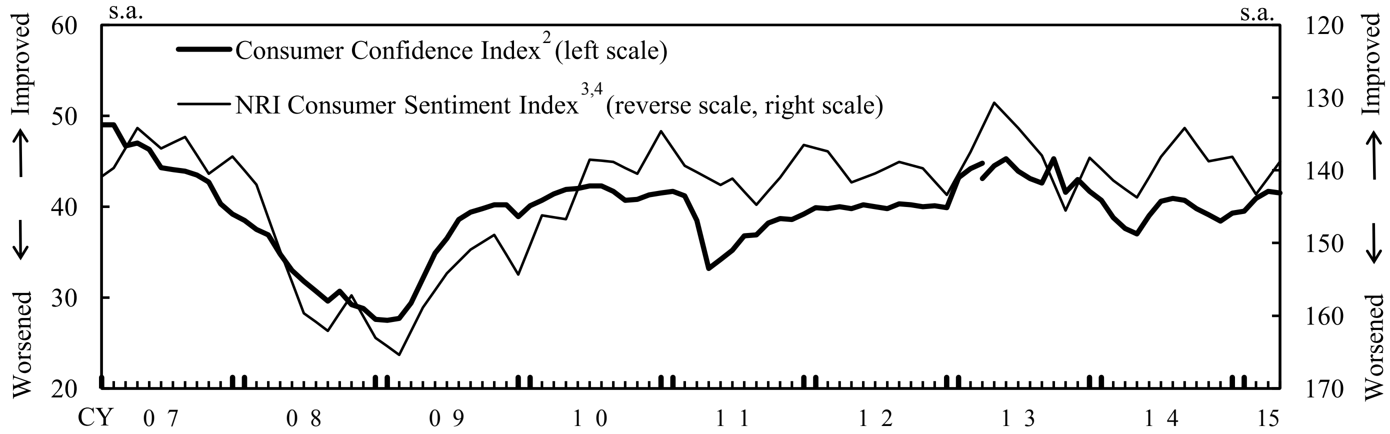


Notes: 1. Seasonally adjusted by X-12-ARIMA.
2. Adjusted to exclude the effects of the increase in the number of stores (except for convenience stores).
3. Excluding those by foreign travelers.
4. There are discontinuities in the underlying data as of April 2007, April 2010, and April 2014 due to changes in the sample. Data from April 2007 and onward are calculated using the year-on-year rates of change.
5. Figures for sales in the food service industry are calculated using the year-on-year rates of change of every month released by the Japan Food Service Association based on the amount of monthly sales in 1993 released by the Food Service Industry Survey & Research Center.

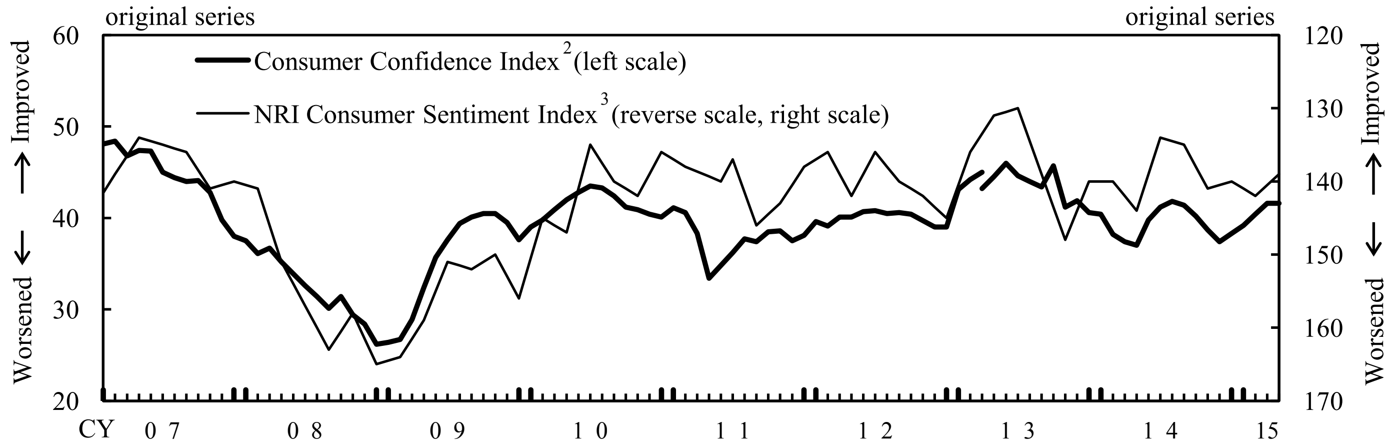
Sources: Ministry of Economy, Trade and Industry, "Current Survey of Commerce"; Japan Tourism Agency, "Major Travel Agents' Revenue"; Food Service Industry Survey & Research Center, "*Getsuji Uriage Doukou Chousa* (Monthly survey on food service sales)"; Japan Food Service Association, "*Gaishoku Sangyou Shijou Doukou Chousa* (Research on the food service industry)."

Consumer Confidence[1]

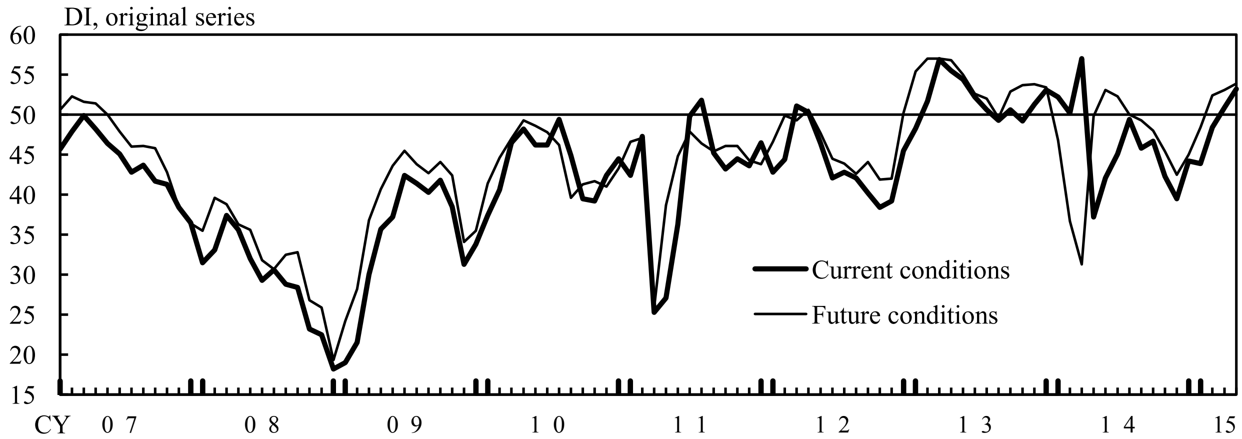
(1) Seasonally Adjusted Series



(2) Original Series



Reference: Economy Watchers Survey (Household Activity)



Notes: 1. The Consumer Confidence Index (covering about 5,700 samples on a nationwide basis from April 2013 onward) and NRI Consumer Sentiment Index (1,200 samples on a nationwide basis) are based on surveys on consumer confidence.

2. In April 2013, the Cabinet Office changed the method for conducting the Consumer Confidence Survey to a mail survey method. For this reason, there is a discontinuity between data up to March 2013—which were obtained on a direct-visit and self-completion questionnaires method—and those on the new method. The figure for March 2013 based on the mail survey method is obtained from an examination survey.

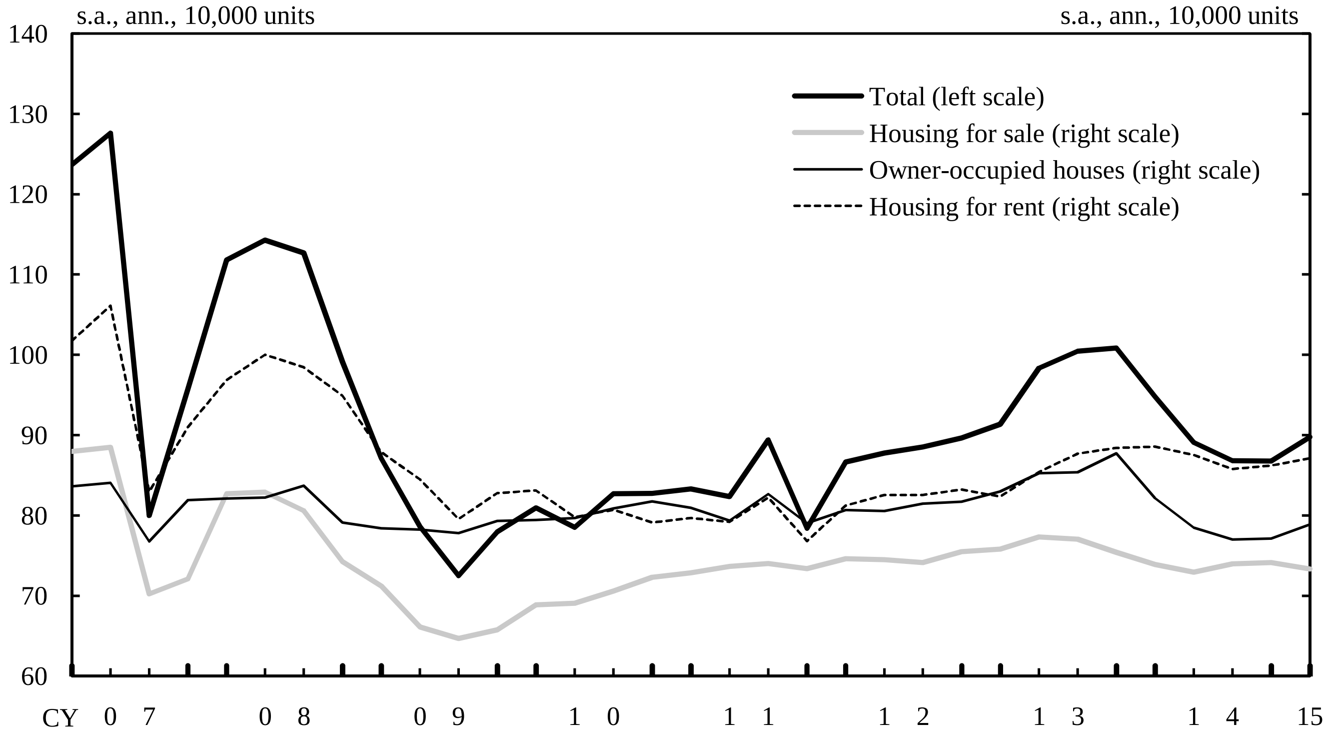
3. Figures are plotted for each surveyed month and the data for the intervening months are linearly interpolated.

4. Figures are seasonally adjusted by X-12-ARIMA.

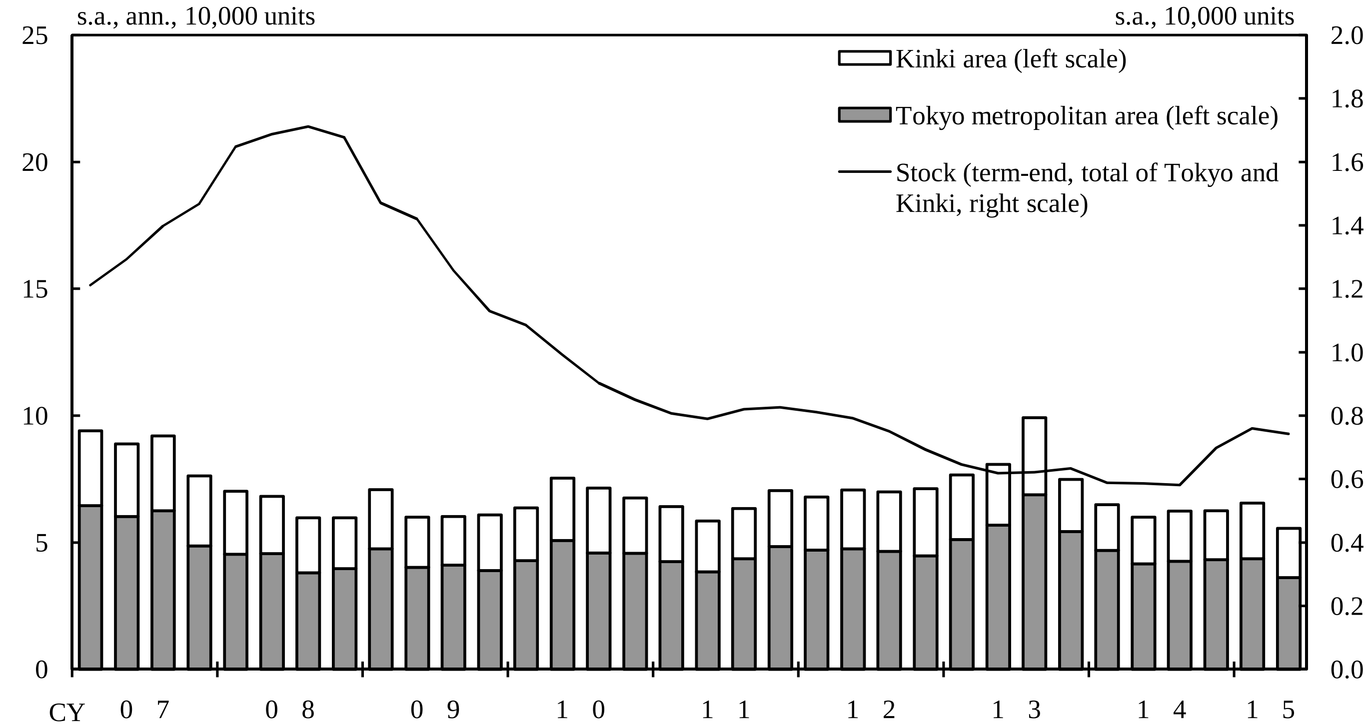
Sources: Cabinet Office, "Consumer Confidence Survey," "Economy Watchers Survey"; Nippon Research Institute (NRI), "Consumer Sentiment Survey."

Indicators of Housing Investment

(1) Housing Starts



(2) Sales of Apartments

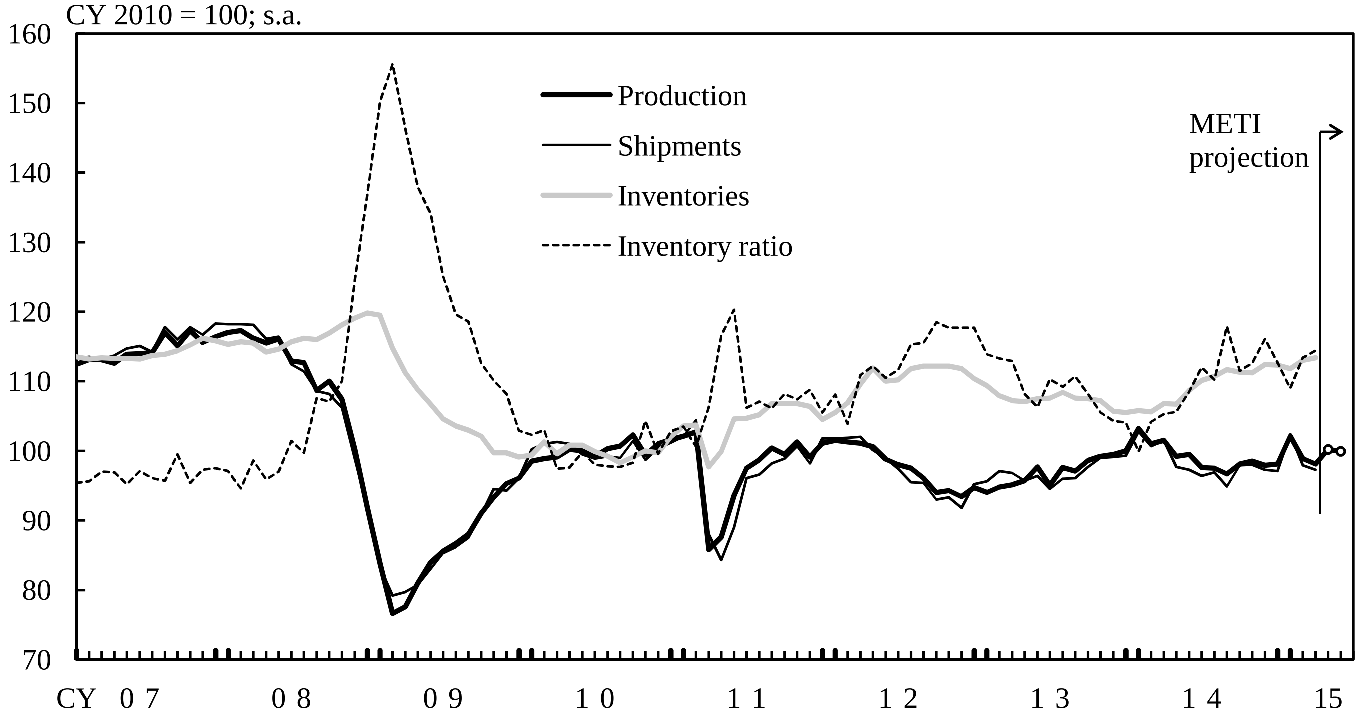


Notes: 1. Seasonally adjusted by X-12-ARIMA.
2. Figures for 2015/Q2 are those of April.

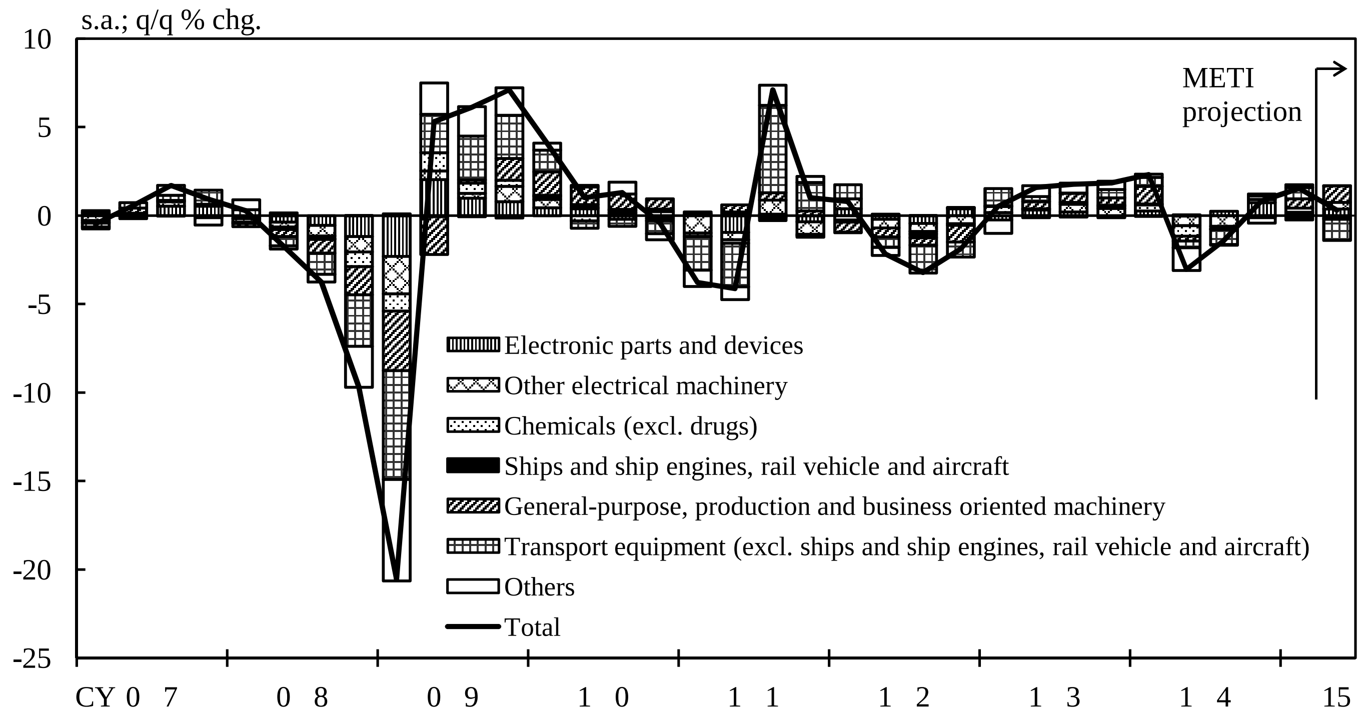
Sources: Ministry of Land, Infrastructure, Transport and Tourism, "Statistics on Building Construction Starts," etc.

Production, Shipments, and Inventories

(1) Production, Shipments, and Inventories



(2) Production by Industry[1,2,3]

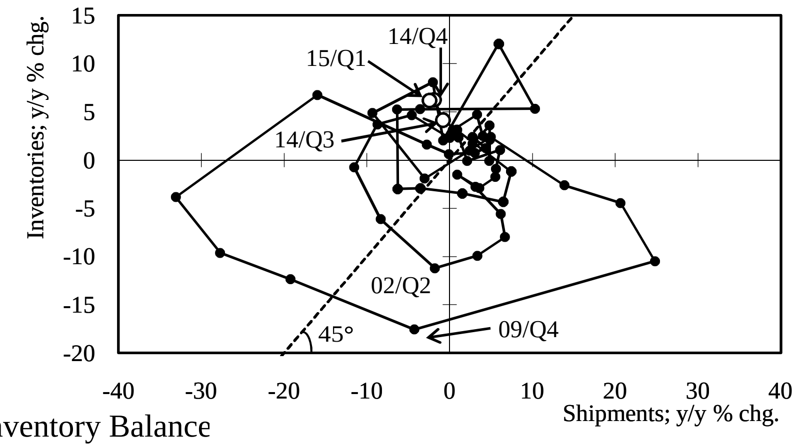


Notes: 1. "Other electrical machinery" is the weighted sum of "electrical machinery" and "information and communication electronics equipment."
2. Figures up to 2008/Q1 are on the 2005 base.
Figures for "general-purpose, production and business oriented machinery" up to 2008/Q1 are those for "general machinery."
3. 2015/Q2 figures are based on the assumption that the production levels in June are the same as those of May.

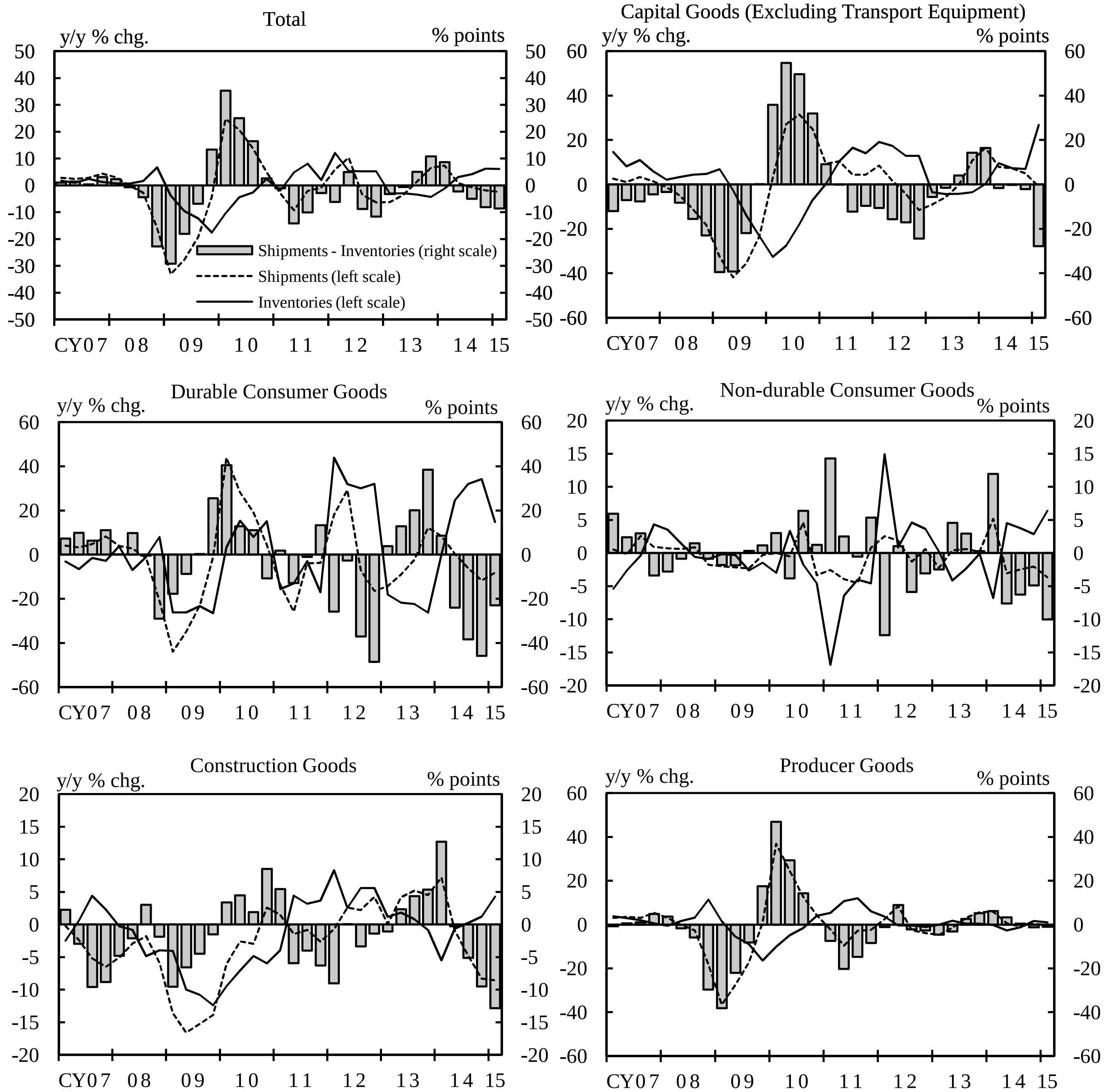
Source: Ministry of Economy, Trade and Industry (METI), "Indices of Industrial Production."

Inventory Cycle

(1) Inventory Cycle (Total)



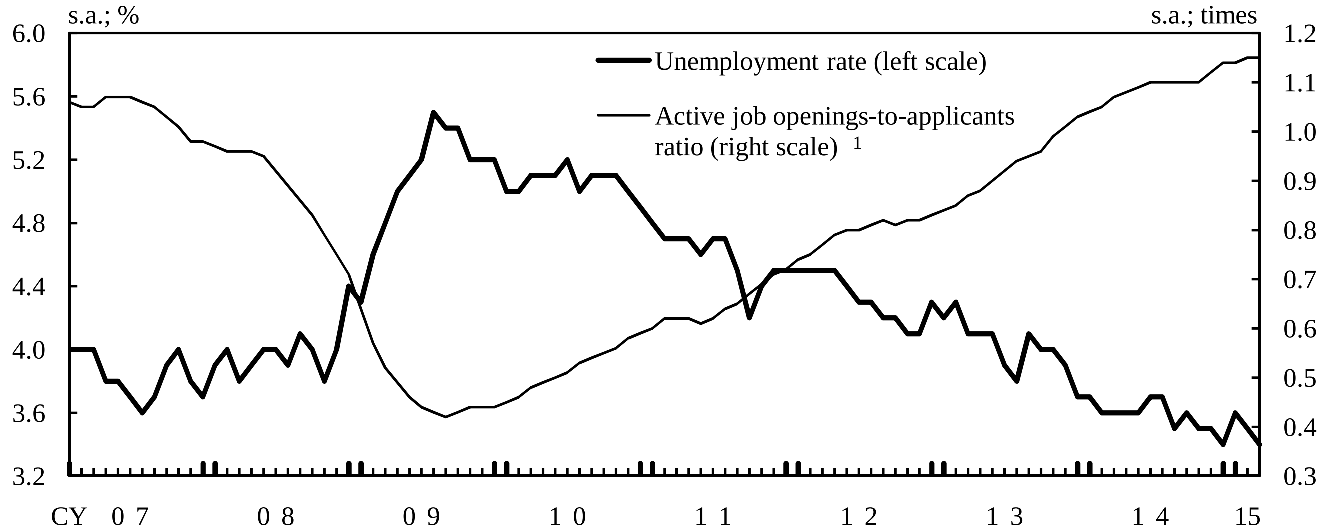
(2) Shipment-Inventory Balance



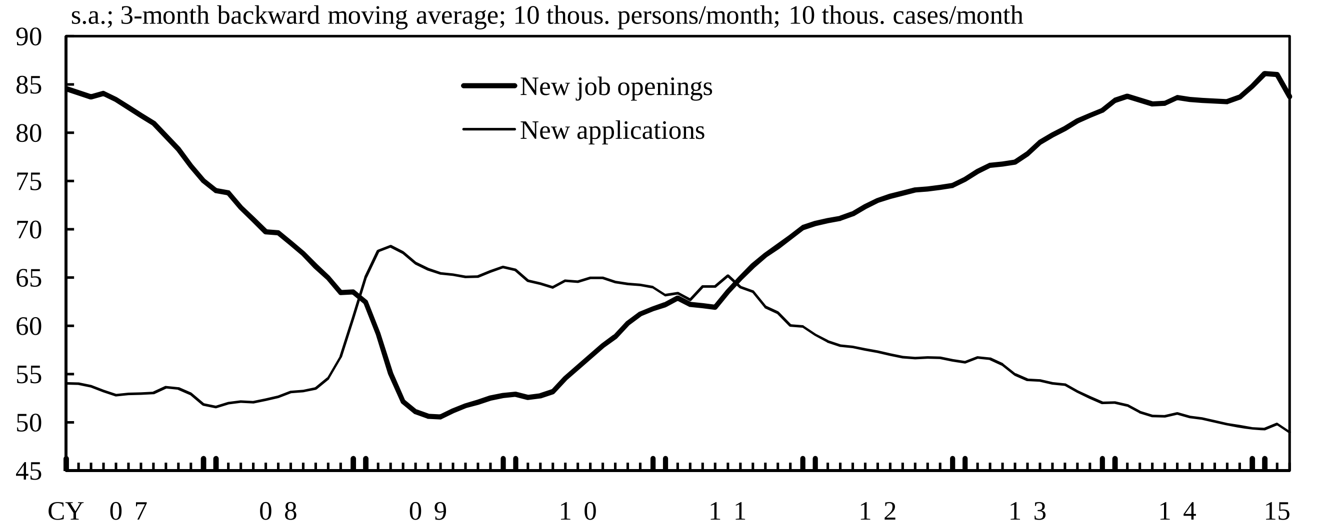
Source: Ministry of Economy, Trade and Industry, "Indices of Industrial Production."

Labor Market

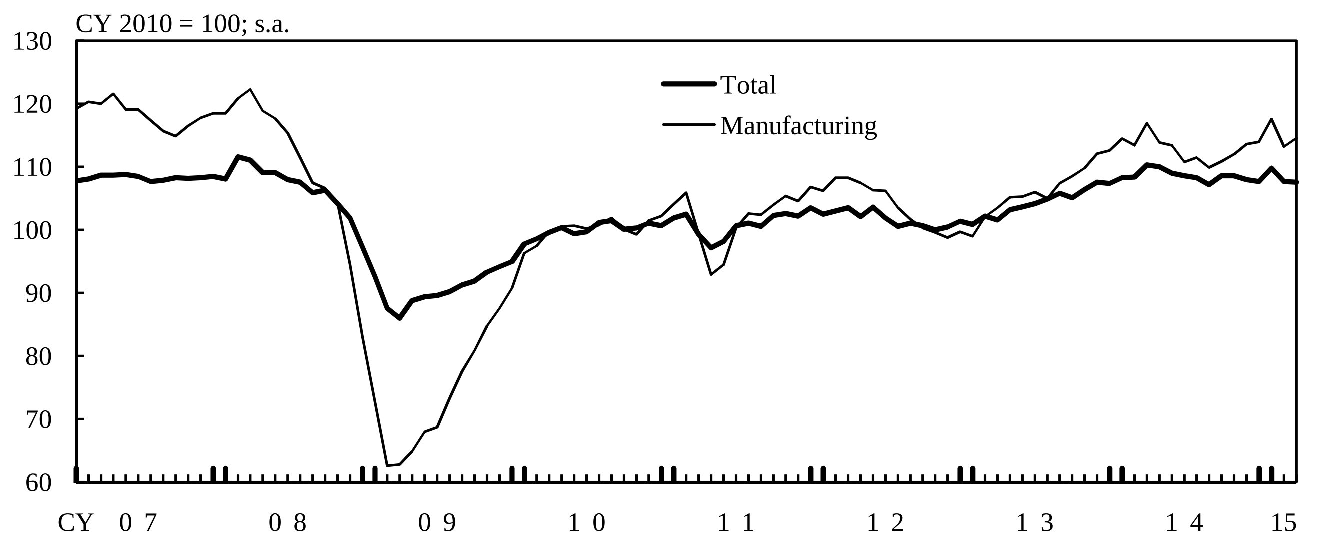
(1) Unemployment Rate and Active Job Openings-to-Applicants Ratio



(2) New Job Openings and New Applications[1]



(3) Non-Scheduled Hours Worked[2]

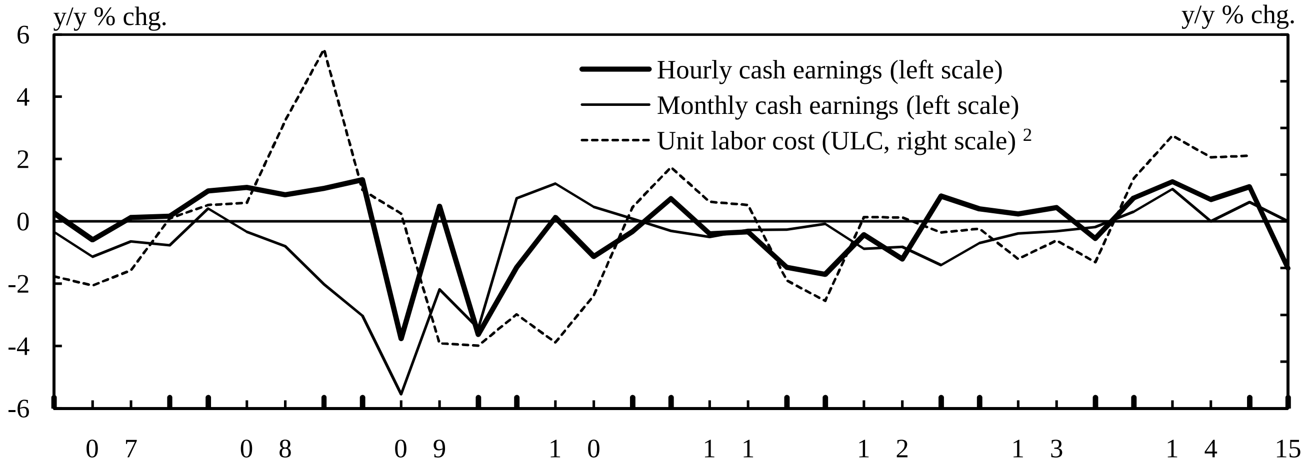


Notes: 1. Excluding new school graduates and including part-timers.
2. Data are for establishments with at least five employees.

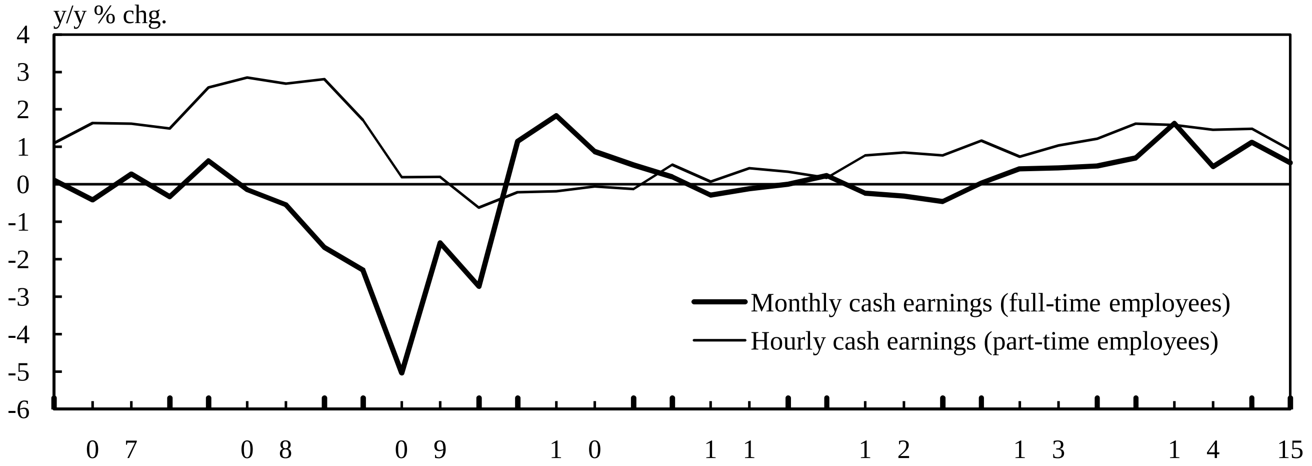
Sources: Ministry of Internal Affairs and Communications, "Labour Force Survey"; Ministry of Health, Labour and Welfare, "Report on Employment Service," "Monthly Labour Survey."

Wages

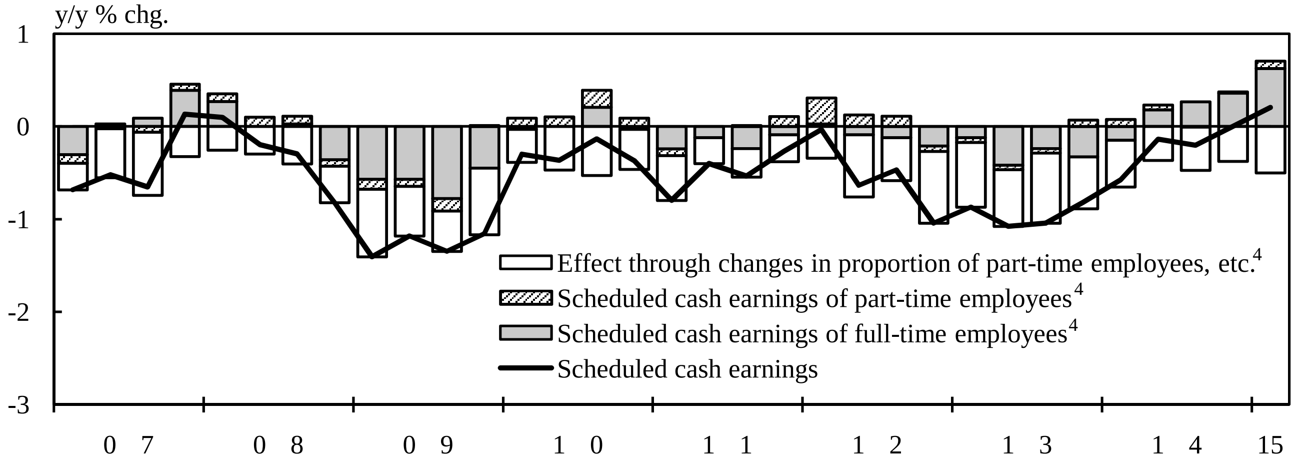
(1) Total[1,3]



(2) Cash Earnings by Type of Worker[1,3]



(3) Breakdown of Scheduled Cash Earnings[1,3]

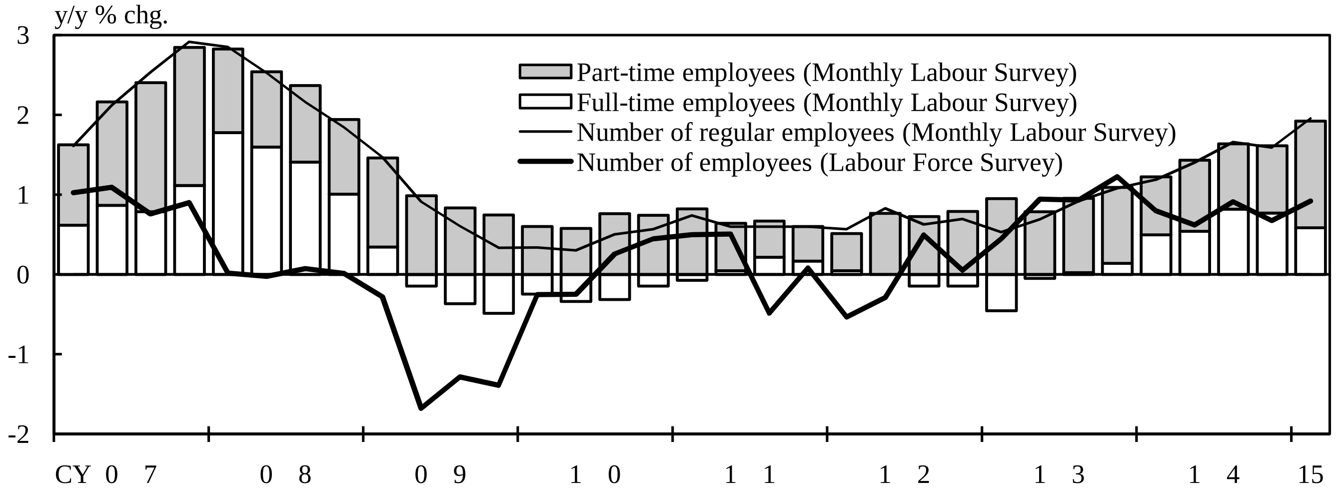


Notes: 1. Data for the "Monthly Labour Survey" are for establishments with at least five employees.
2. ULC = nominal compensation of employees (SNA) / real GDP
3. Figures for 2015/Q1 are those of March (except ULC).
Except ULC : Q1 = March-May, Q2 = June-August, Q3 = September-November, Q4 = December-February.
ULC : Q1 = April-June, Q2 = July-September, Q3 = October-December, Q4 = January-March.
4. Contributions from scheduled cash earnings of full-time employees and those of part-time employees are calculated as: "scheduled cash earnings of each type of employee (y/y chg.)" times "proportion of the corresponding type's scheduled cash earnings to the previous year's total." Contributions from the effect through changes in proportion of part-time employees, etc. are the residuals.

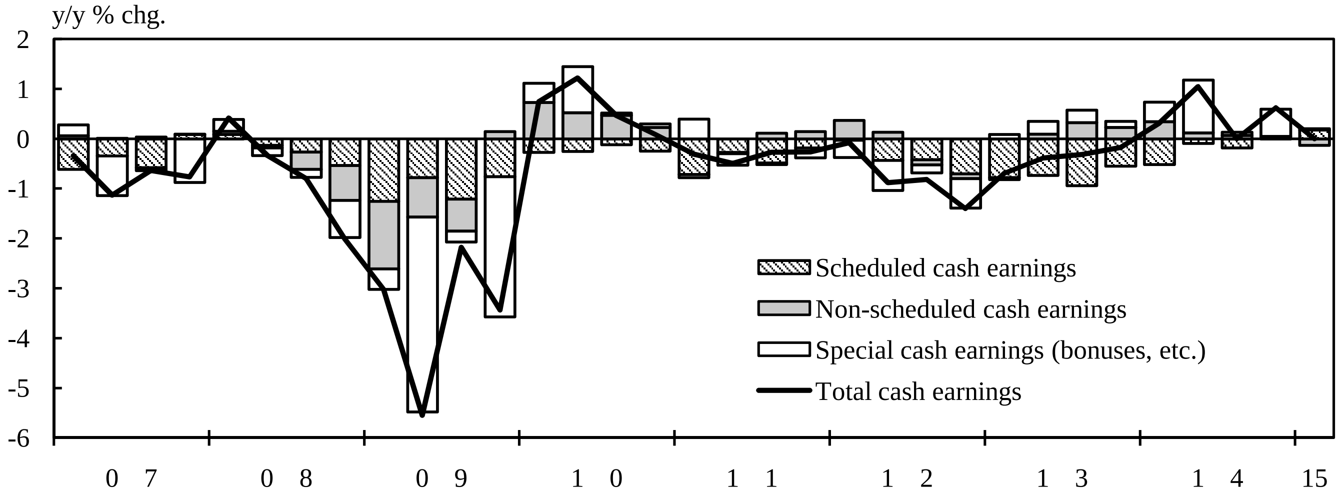
Sources: Ministry of Health, Labour and Welfare, "Monthly Labour Survey"; Cabinet Office, "National Accounts."

Employee Income

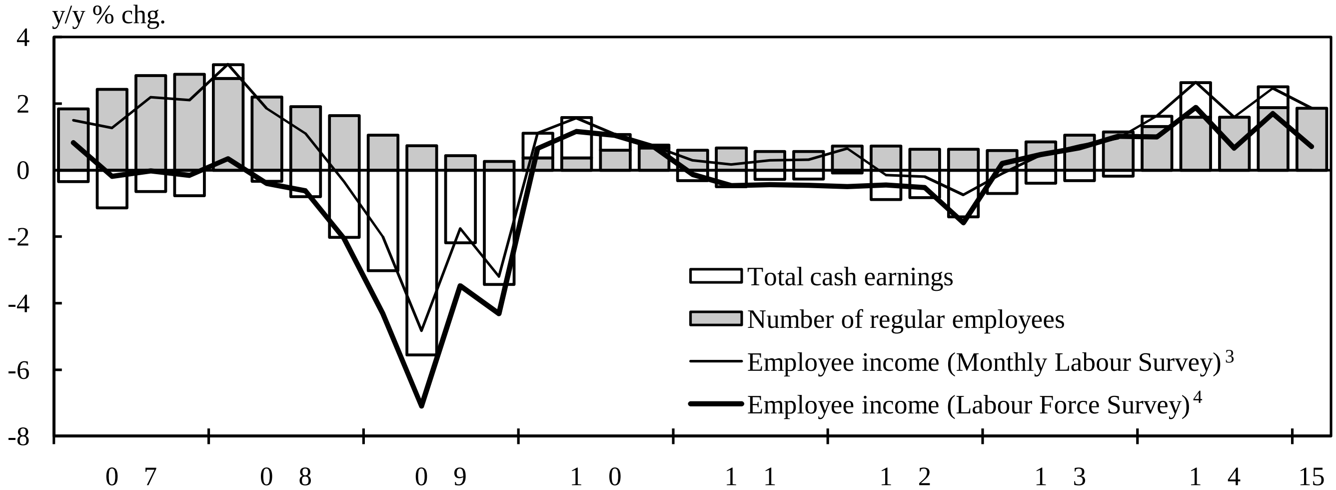
(1) Number of Employees[1]



(2) Breakdown of Total Cash Earnings[1,2]



(3) Breakdown of Employee Income[1,2]

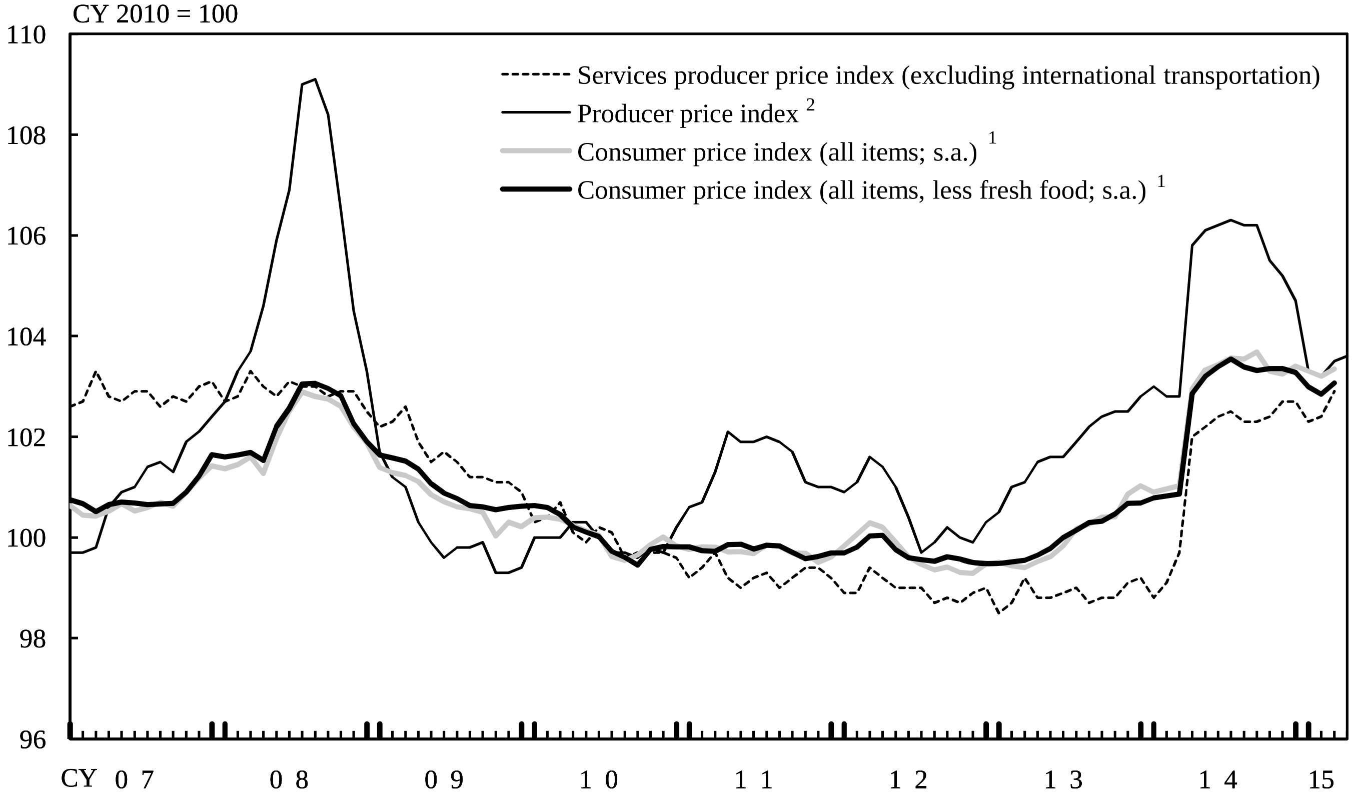


Notes: 1. Data for the "Monthly Labour Survey" are for establishments with at least five employees.
2. Q1 = March-May, Q2 = June-August, Q3 = September-November, Q4 = December-February.
Figures for 2015/Q1 are those of March.
3. Calculated as the "number of regular employees" (Monthly Labour Survey) times "total cash earnings" (Monthly Labour Survey).
4. Calculated as the "number of employees" (Labour Force Survey) times "total cash earnings" (Monthly Labour Survey).

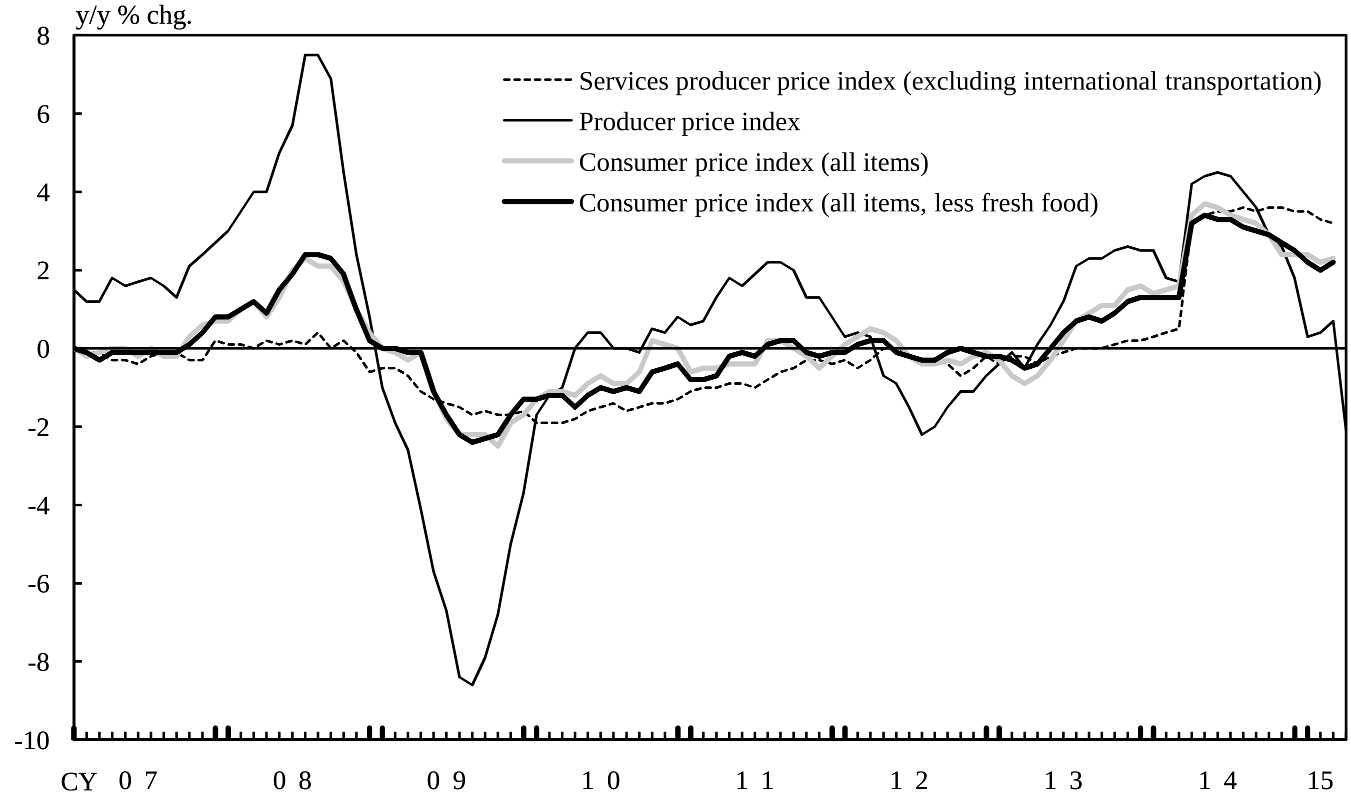
Sources: Ministry of Health, Labour and Welfare, "Monthly Labour Survey";
Ministry of Internal Affairs and Communications, "Labour Force Survey."

Prices

(1) Level



(2) Changes from a Year Earlier

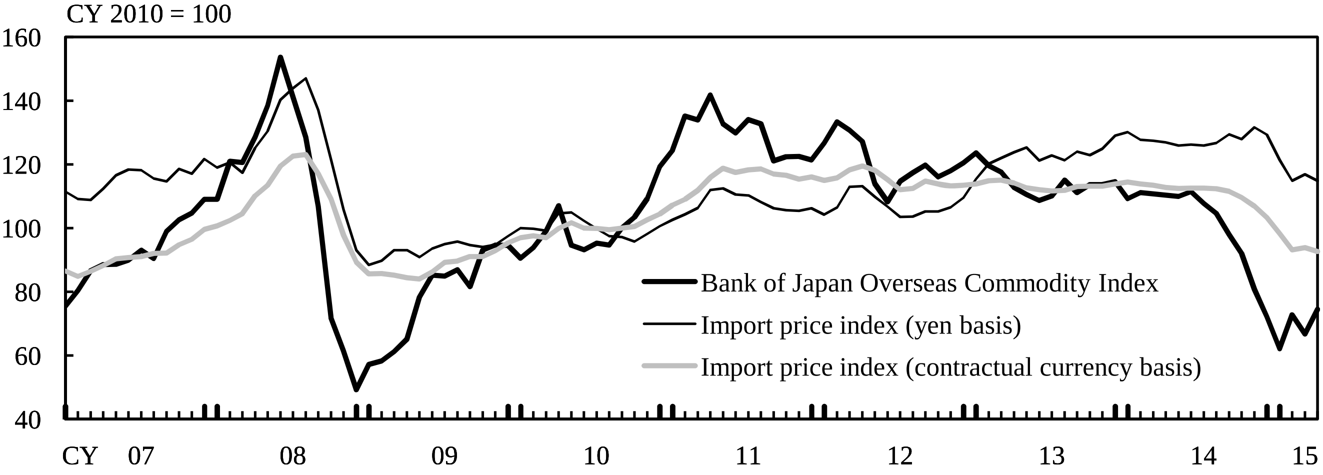


Notes: 1. Seasonally adjusted by X-12-ARIMA.
2. Adjusted to exclude a hike in electric power charges during the summer season from July to September.
3. The levels of "Consumer Price Index" up to 2009 are based on the linked indices.
4. Figures of "Services Producer Price Index" and "Producer Price Index" up to 2009 are based on the linked indices.
5. Figures include the consumption tax.

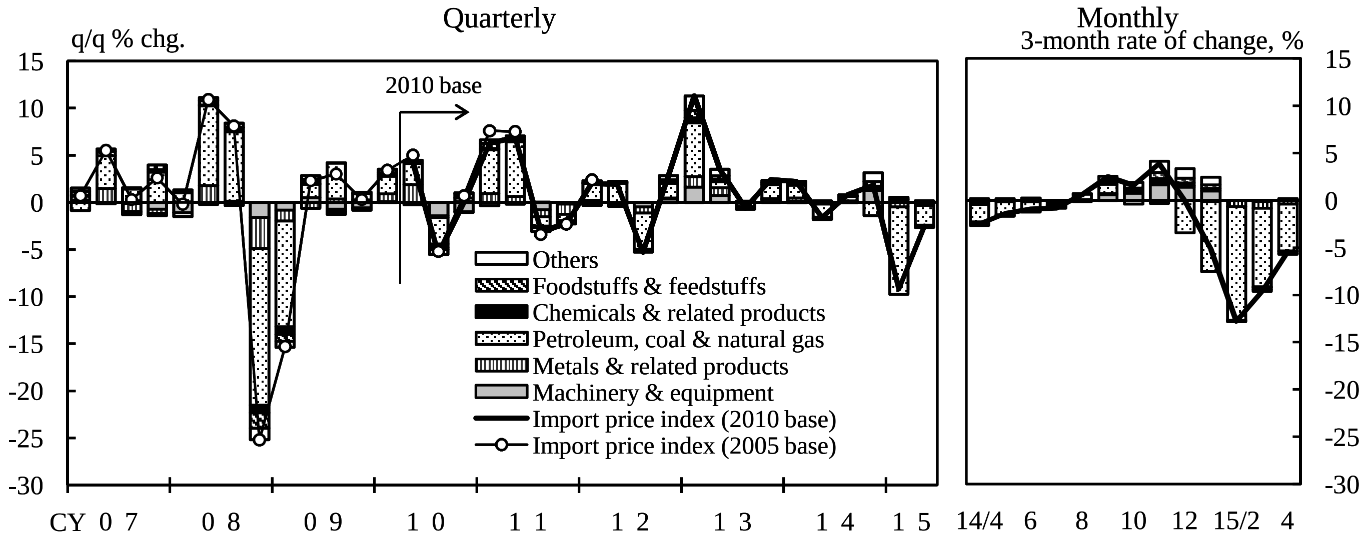
Sources: Ministry of Internal Affairs and Communications, "Consumer Price Index"; Bank of Japan, "Corporate Goods Price Index," "Services Producer Price Index."

Import Prices and International Commodity Prices

(1) Import Price Index and Overseas Commodity Index

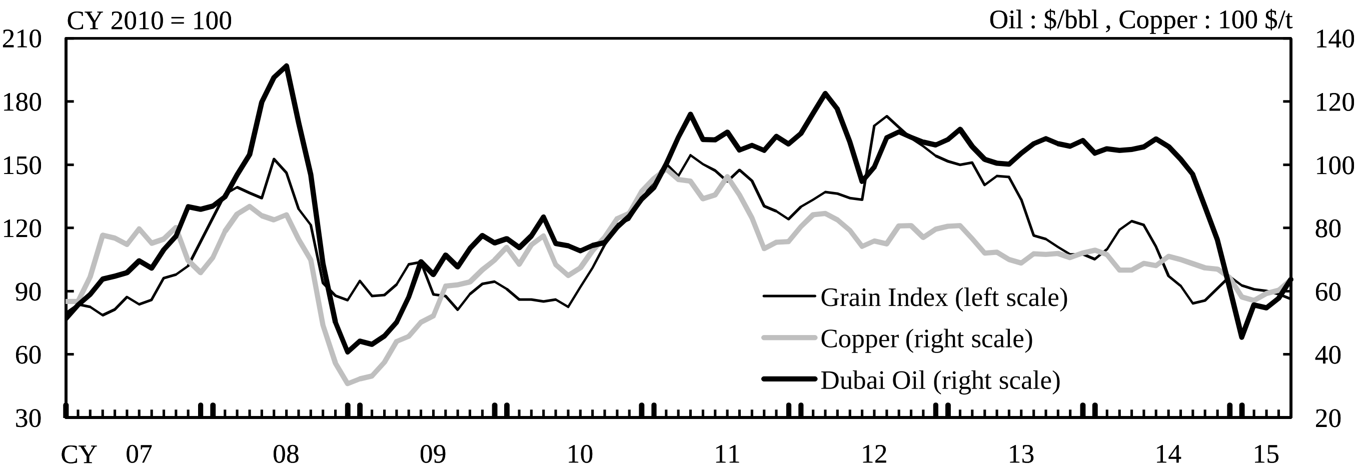


(2) Import Price Index (Yen Basis, Changes from a Quarter Earlier and 3 Months Earlier)



Notes: 1. Machinery & equipment: general purpose, production & business oriented machinery, electric & electronic products, and transportation equipment.
2. Figures for 2015/Q2 are those of April.

(3) International Commodity Prices

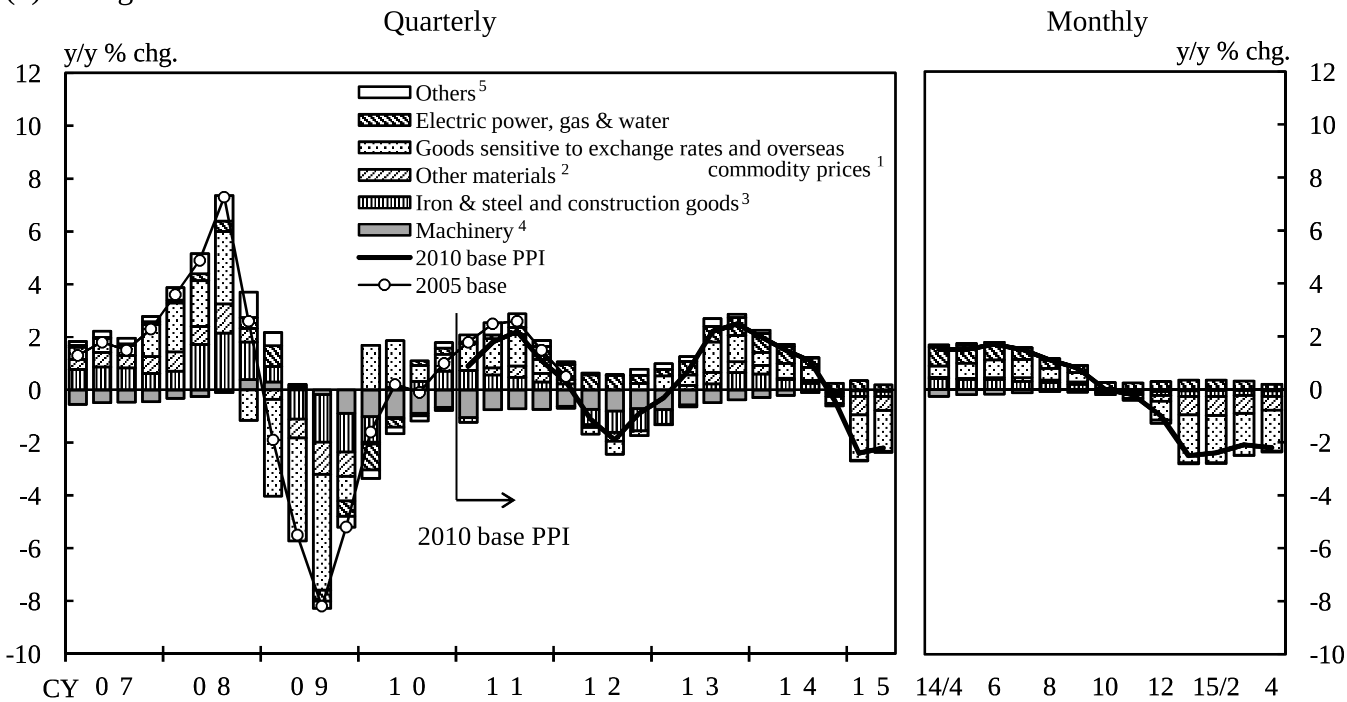


Notes: 1. The "grain index" is the weighted average of prices of three selected items (wheat, soybeans, and corn) in overseas commodity markets. The weights are based on the value of imports in the "Trade Statistics."
2. Monthly averages. Figures for May 2015 are averages up to May 21.

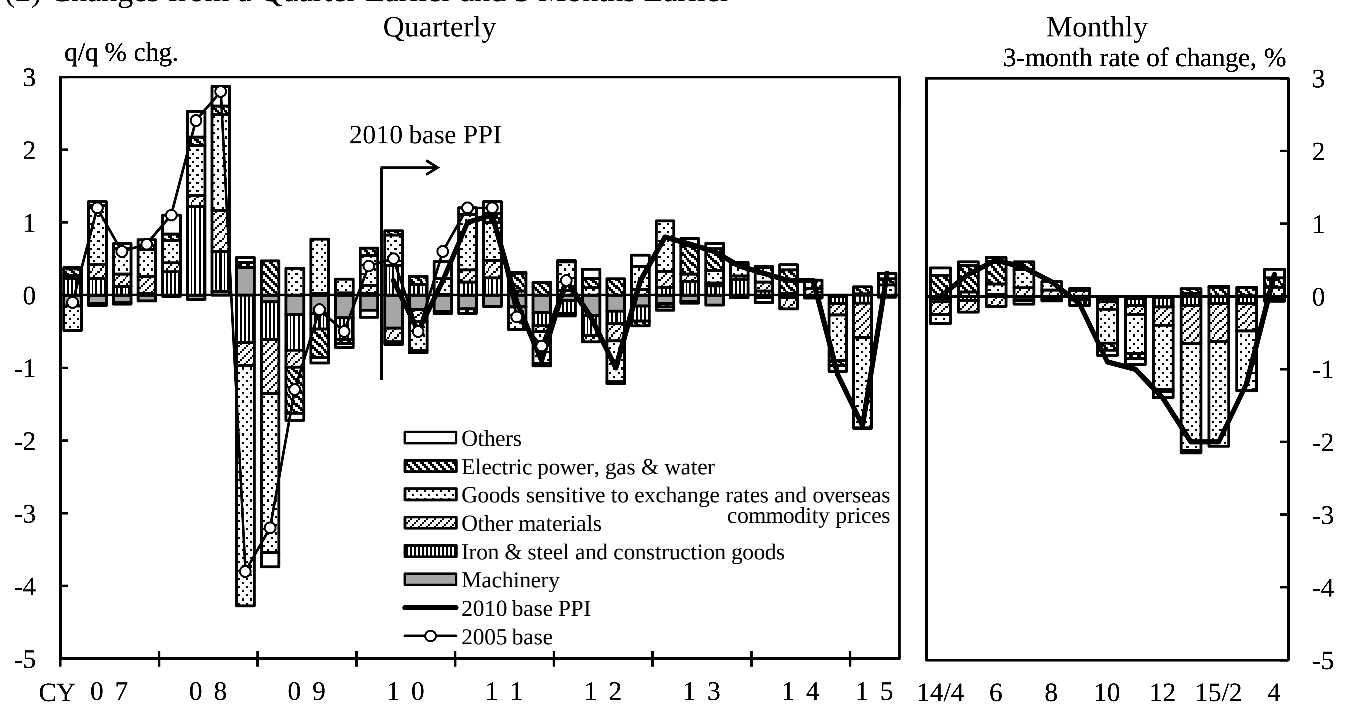
Sources: Bank of Japan, "Corporate Goods Price Index," "Bank of Japan Overseas Commodity Index," etc.

Producer Price Index

(1) Changes from a Year Earlier



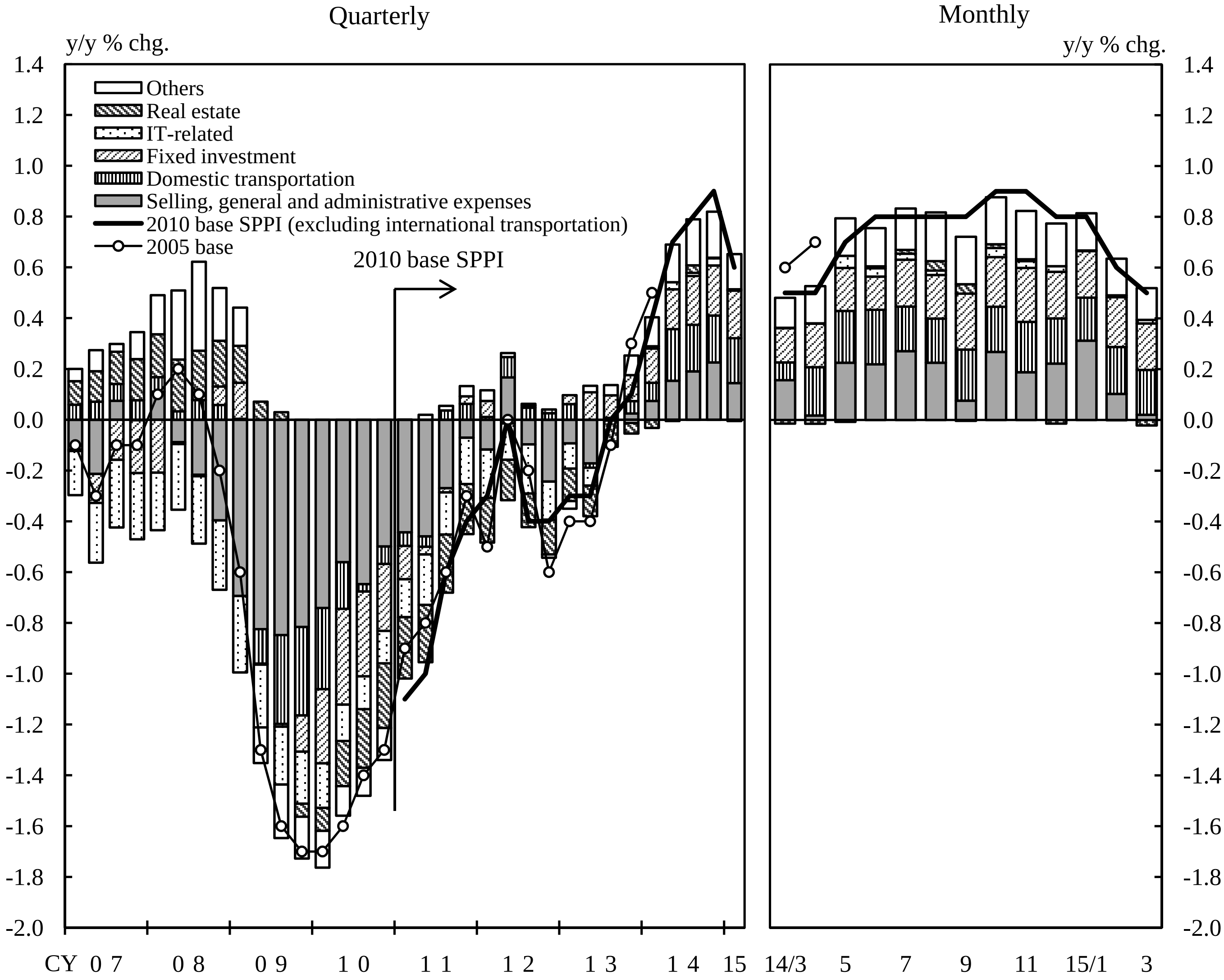
(2) Changes from a Quarter Earlier and 3 Months Earlier [6]



Notes: 1. Goods sensitive to exchange rates and overseas commodity prices: petroleum & coal products and nonferrous metals.
2. Other materials: chemicals & related products, plastic products, textile products, and pulp, paper & related products.
3. Iron & steel and construction goods: iron & steel, metal products, ceramic, stone & clay products, lumber & wood products, and scrap & waste.
4. Machinery: general purpose machinery, production machinery, business oriented machinery, electronic components & devices, electrical machinery & equipment, information & communications equipment, and transportation equipment.
5. Others: food, beverages, tobacco & feedstuffs, other manufacturing industry products, agriculture, forestry & fishery products, and minerals.
6. Adjusted to exclude a hike in electric power charges during the summer season from July to September. This adjustment makes the "Producer Price Index" fall by about 0.2%.
7. Figures from April 2014 onward are adjusted to exclude the direct effects of the consumption tax hike, using indices excluding the consumption tax.
8. Figures for 2015/Q2 are those of April.

Source: Bank of Japan, "Corporate Goods Price Index."

Services Producer Price Index

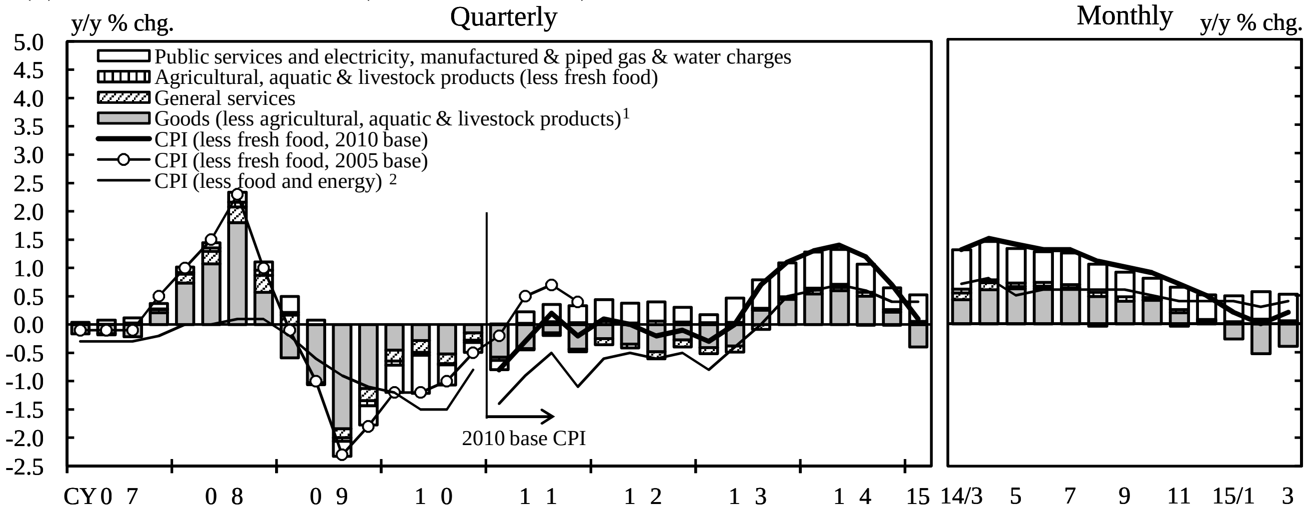


Notes: 1. Selling, general and administrative expenses: information and communications (excluding newspapers and publishing), advertising services, other services (excluding plant engineering, and civil engineering and architectural services).
2. Domestic transportation: transportation and postal services (excluding international transportation, railroad passenger transportation, road passenger transportation, water passenger transportation, and domestic air passenger transportation).
3. Fixed investment: leasing and rental (excluding leasing of computer and related equipment and computer rental), and civil engineering and architectural services.
4. IT-related: leasing of computer and related equipment, and computer rental.
5. Real estate: real estate services.
6. Others: finance and insurance, railroad passenger transportation, road passenger transportation, water passenger transportation, domestic air passenger transportation, newspapers and publishing, and plant engineering.
7. Figures from April 2014 onward are adjusted to exclude the direct effects of the consumption tax hike, using indices excluding the consumption tax.

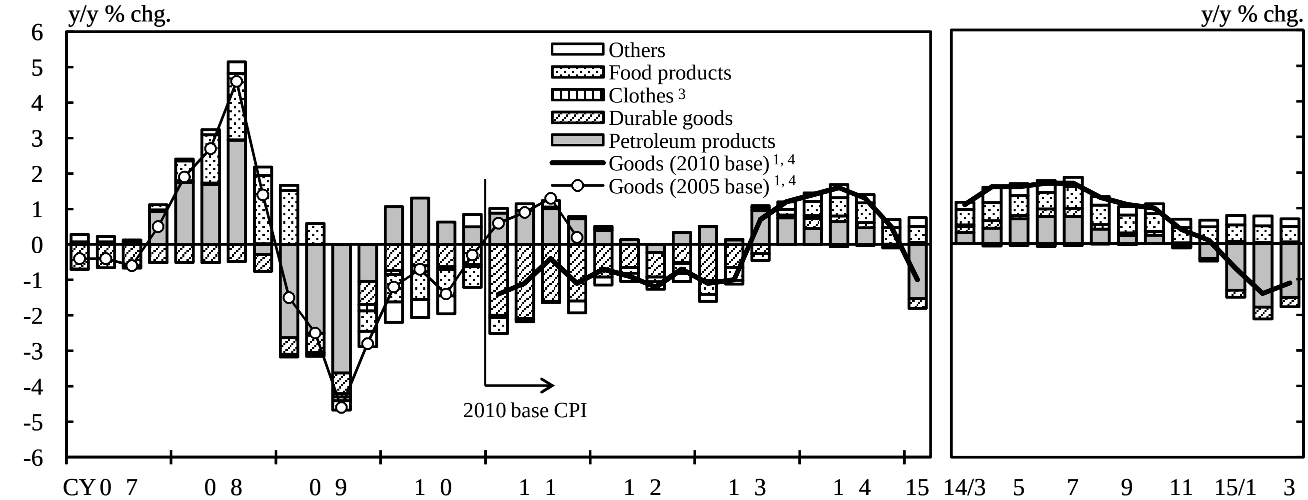
Source: Bank of Japan, "Services Producer Price Index."

Consumer Price Index (Less Fresh Food)

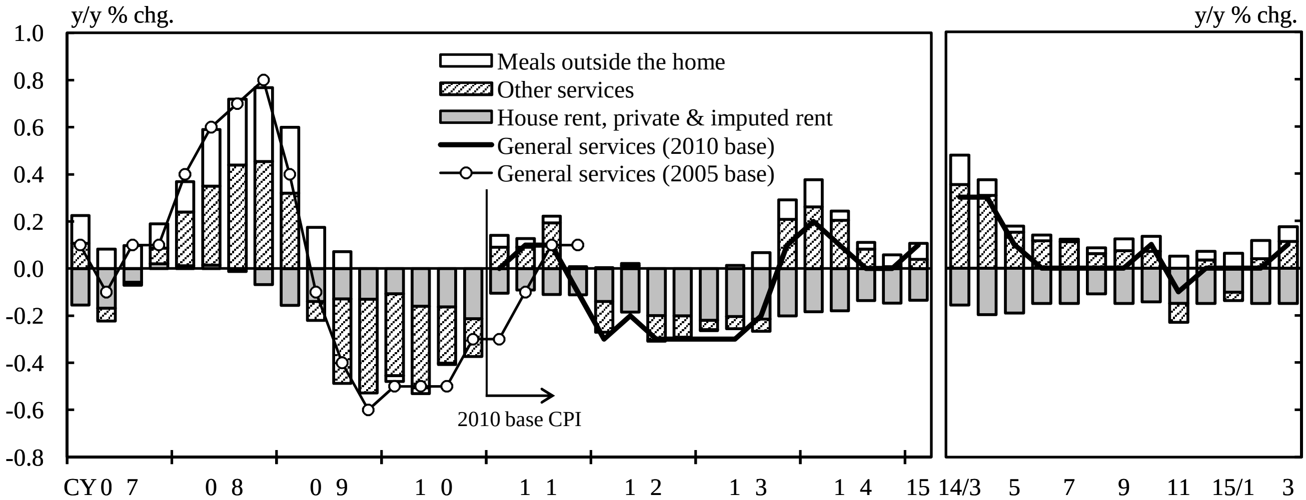
(1) Consumer Price Index (Less Fresh Food)



(2) Goods (Less Agricultural, Aquatic & Livestock Products)[1]



(3) General Services

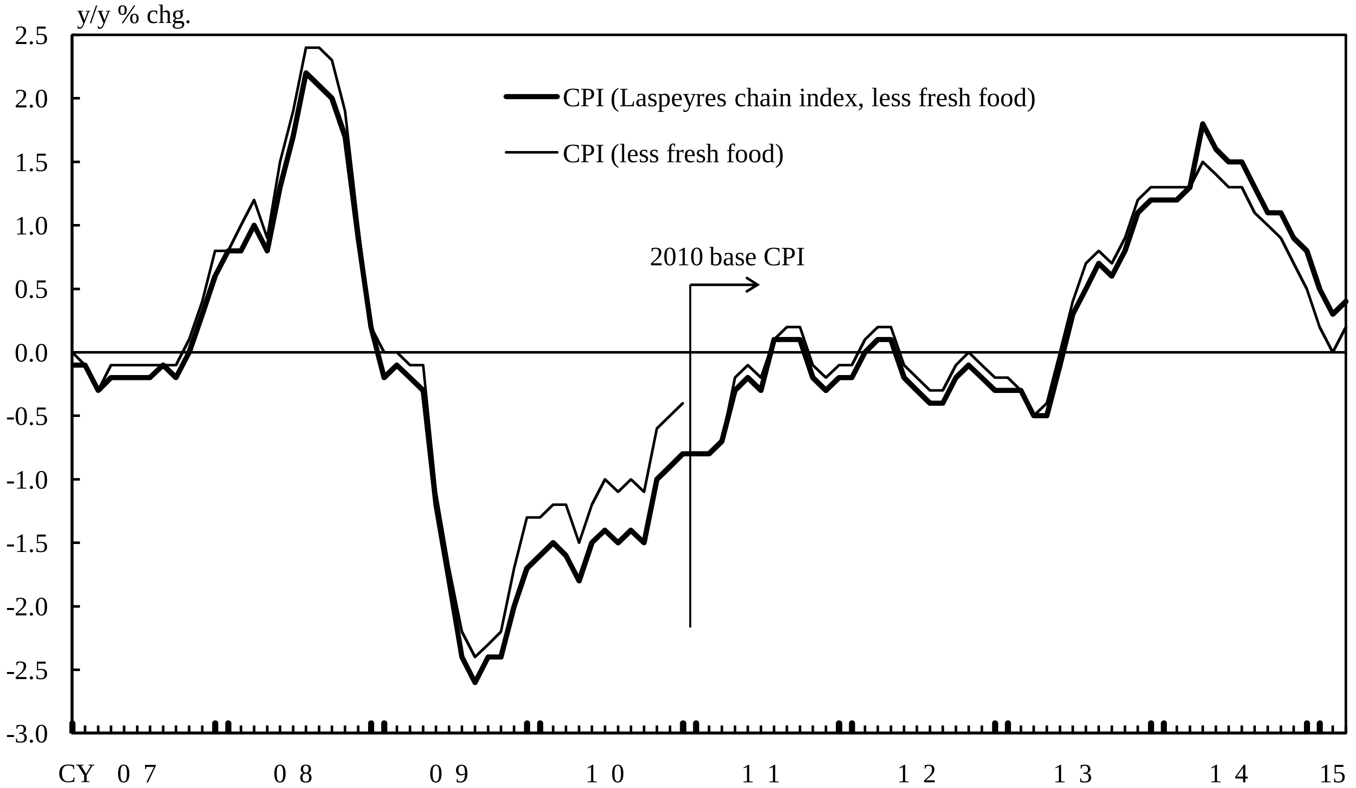


Notes: 1. The items are basically the same as those defined by the Ministry of Internal Affairs and Communications. However, electricity, manufactured & piped gas & water charges are excluded from goods.
2. Alcoholic beverages are excluded from food. Energy: electricity, gas manufactured & piped, liquefied propane, kerosene, and gasoline.
3. Including shirts, sweaters & underwear.
4. Less agricultural, aquatic & livestock products.
5. The year-on-year rates of change other than those of the CPI (less fresh food), CPI (less food and energy), and general services are calculated using published indices.
6. Figures from April 2014 onward are estimated adjusting the direct effects of the consumption tax hike.

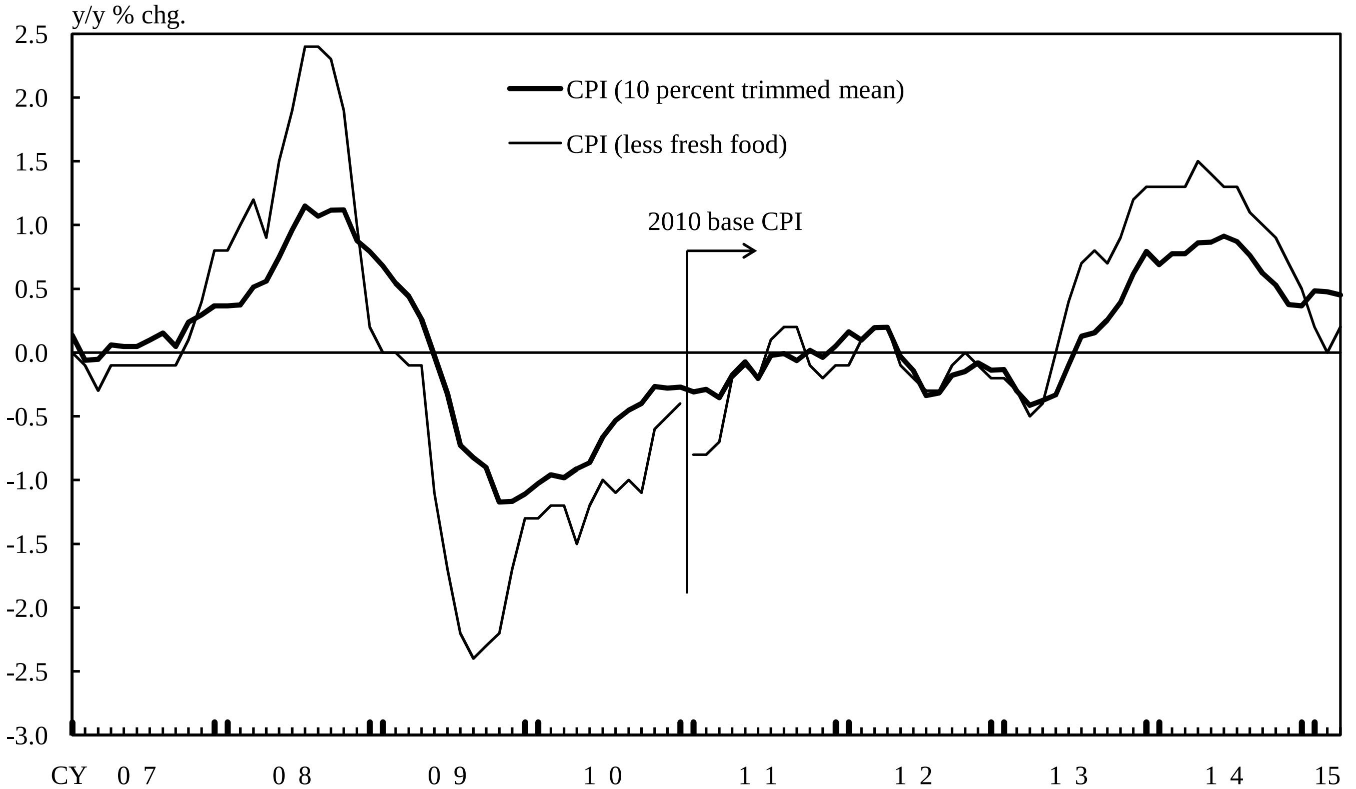
Source: Ministry of Internal Affairs and Communications, "Consumer Price Index."

Trend Changes in Consumer Prices

(1) Laspeyres Chain Index



(2) Trimmed Mean



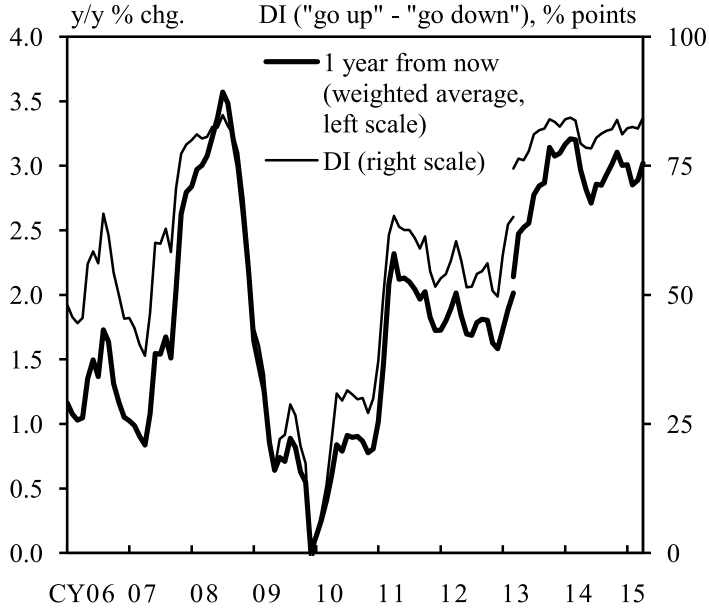
Notes: 1. Figures for the 10 percent trimmed mean are the weighted averages of the year-on-year price changes in individual items making up the CPI. Items are arranged in ascending order of their year-on-year rate of price change and those falling into the upper and lower 10 percent tails by weight are trimmed.
2. Figures for the Laspeyres chain index for 2006 are the year-on-year rates for the fixed-base method. The year-on-year figures for the Laspeyres chain index up to 2010 are on the 2005 base, and those from 2011 onward are on the 2010 base.
3. Figures from April 2014 onward are estimated adjusting the direct effects of the consumption tax hike.

Source: Ministry of Internal Affairs and Communications, "Consumer Price Index."

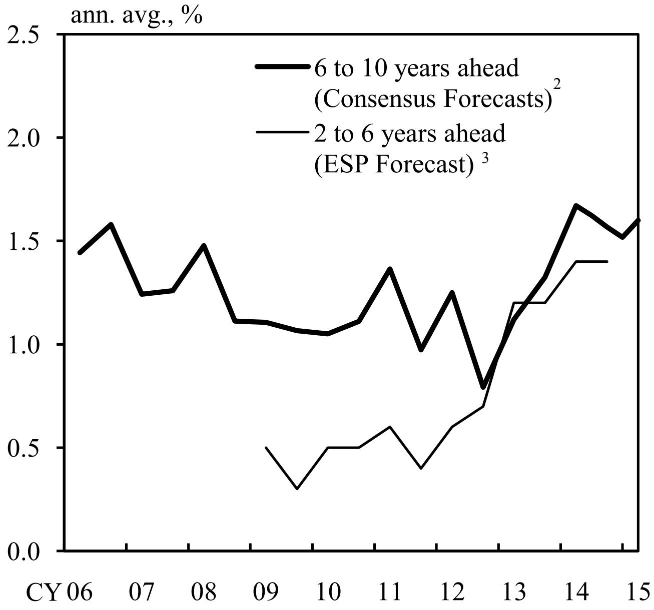
Inflation Expectations

(1) Households

<Consumer Confidence Survey>[1]

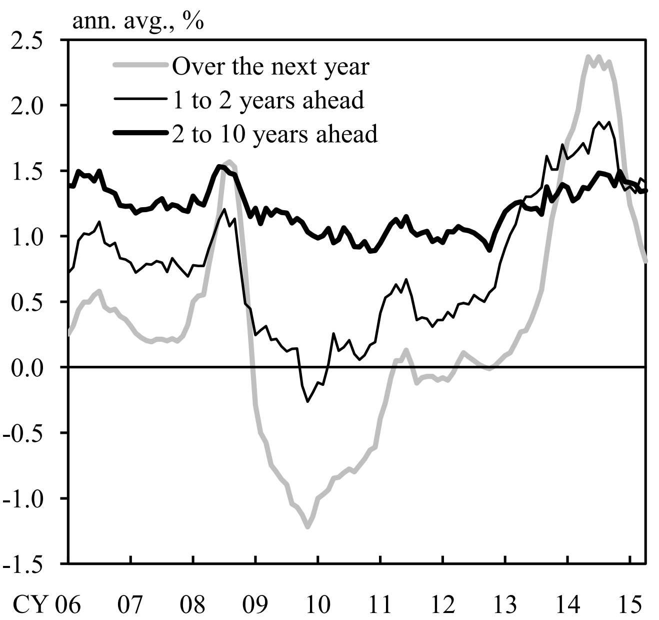


(2) Economists

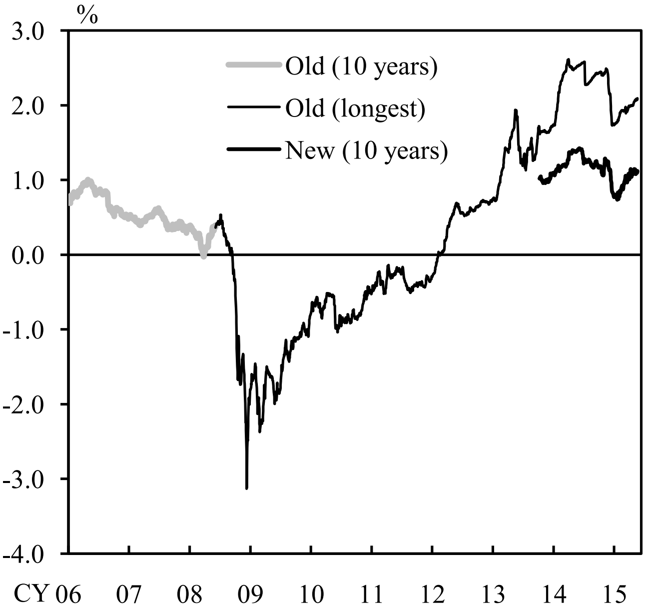


(3) Market Participants

<QUICK Survey>[4]



<BEI for Inflation-Indexed JGBs>[5]



Notes: 1. The Consumer Confidence Survey asks households to provide their price expectations one year from now. Figures are for all households. The weighted average is calculated based on the following assumption: survey responses chosen by households as their expected inflation rates -- "-5% or below," "from -5% to -2%," "from -2% to 0%," "from 0% to +2%," "from +2% to +5%," and "+5% or above" -- indicate inflation rates of -5%, -3.5%, -1%, +1%, +3.5%, and +5%, respectively. There is discontinuity between figures up to March 2013 and those thereafter due to the change in the survey method in April 2013.

2. Figures are forecasts made every January, April, July, and October. Those up through April 2014 are forecasts made every April and October.

3. Figures are forecasts made every June and December. The effects of the consumption tax hikes are excluded.

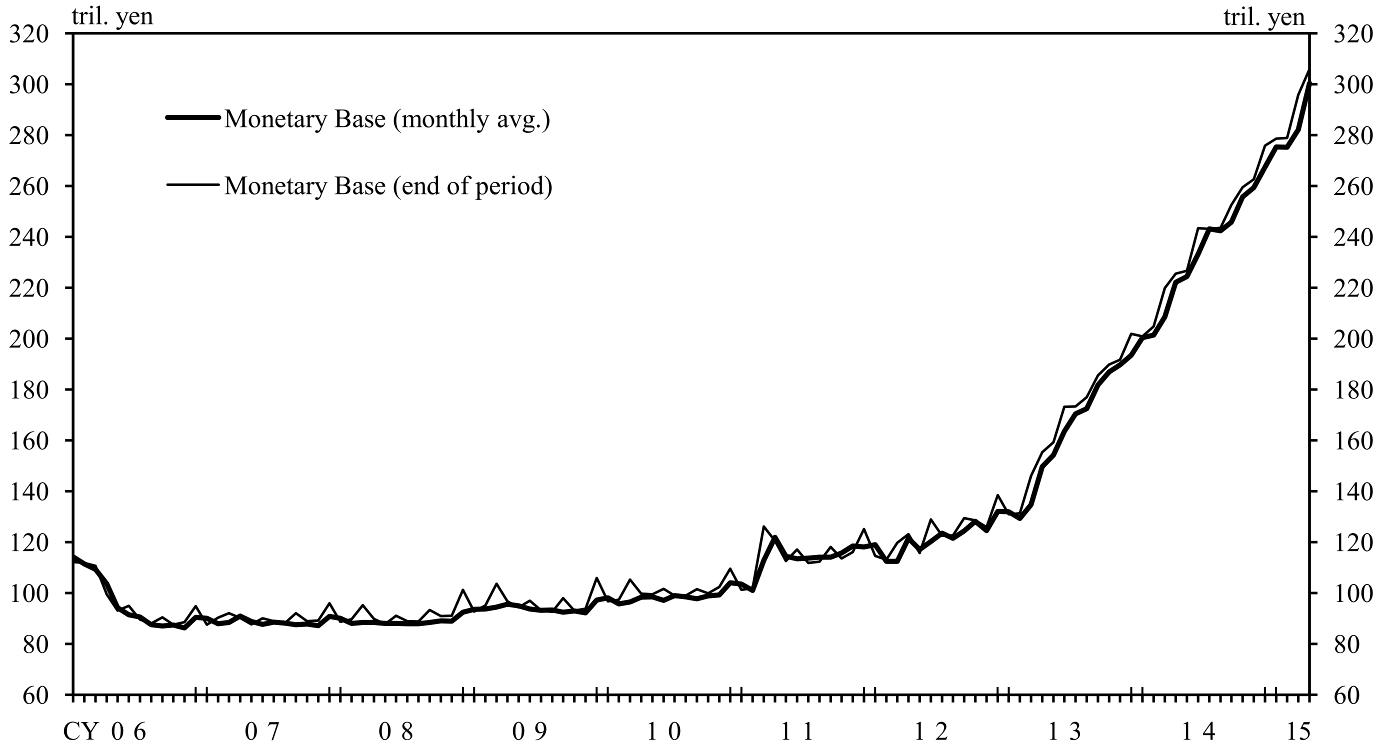
4. From the September 2013 survey, the QUICK Monthly Market Survey (Bonds) has asked respondents to include the effects of the consumption tax hikes.

5. Yield spreads between fixed-rate coupon-bearing JGBs and inflation-indexed JGBs. Inflation-indexed JGBs issued since October 2013 are designated as "new," while the rest are designated as "old." Figures for "old (longest)" are calculated using yield data for issue No. 16 of inflation-indexed JGBs, which matures in June 2018.

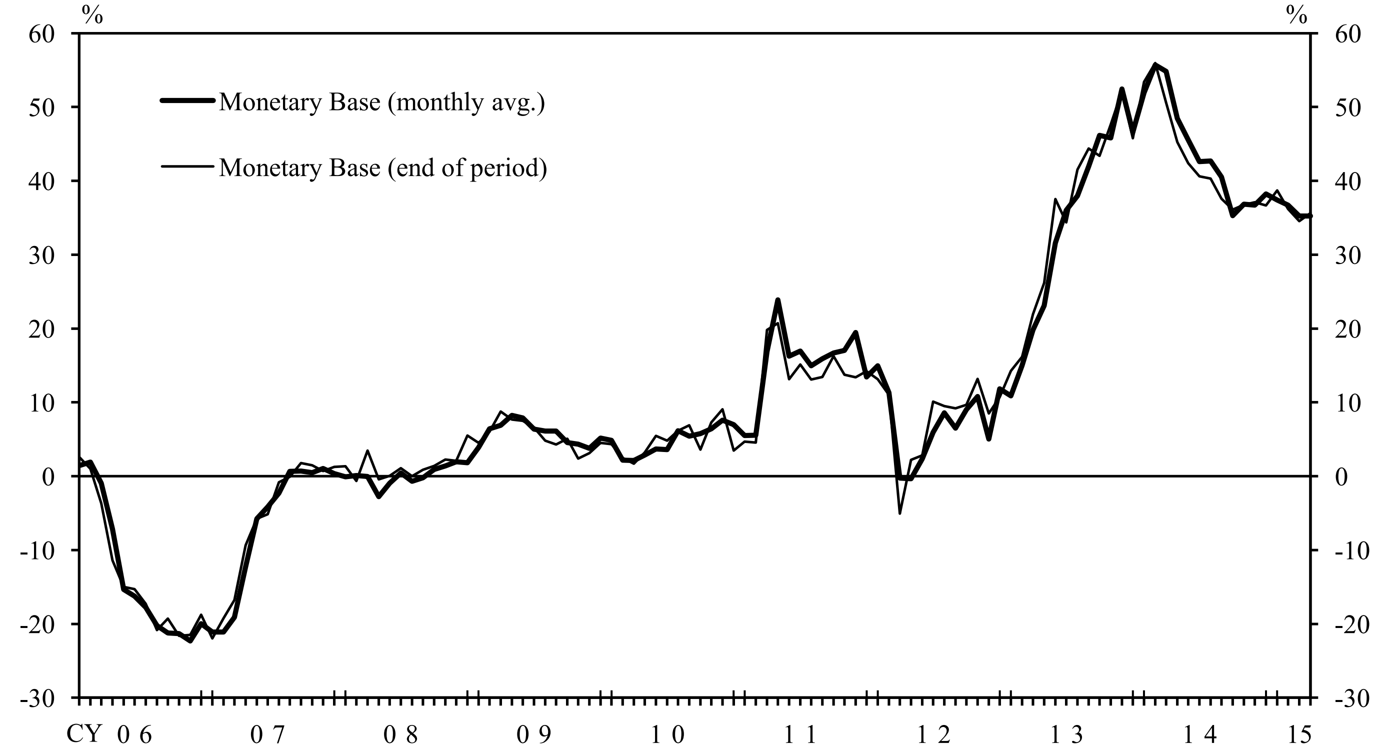
Sources: Cabinet Office, "Consumer Confidence Survey"; Consensus Economics Inc., "Consensus Forecasts"; JCER, "ESP Forecast"; QUICK, "QUICK Monthly Market Survey (Bonds)"; Bloomberg.

Monetary Base

(1) Level



(2) Changes from a Year Earlier

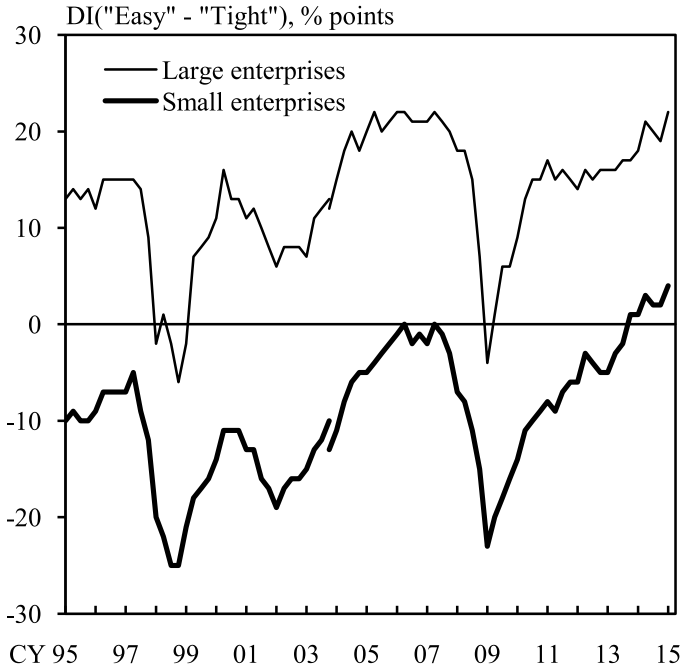


Source: Bank of Japan.

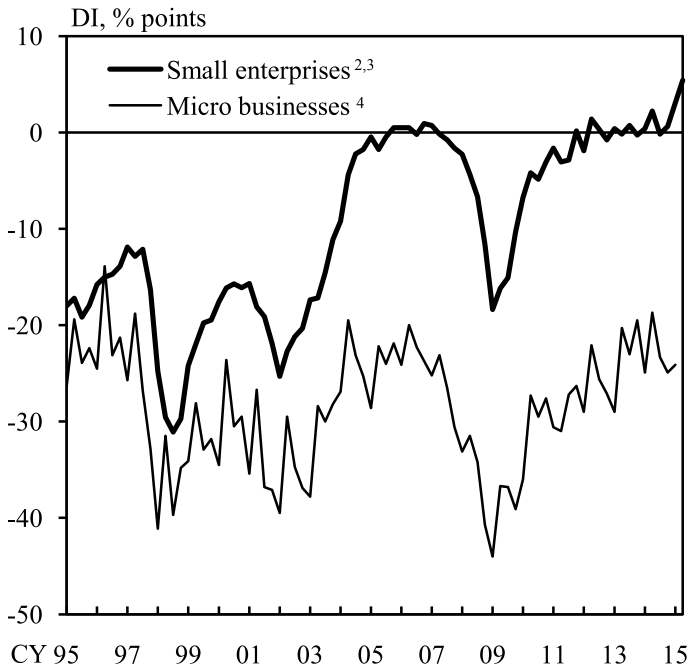
Corporate Finance-Related Indicators

(1) Financial Position

<Tankan[1]>

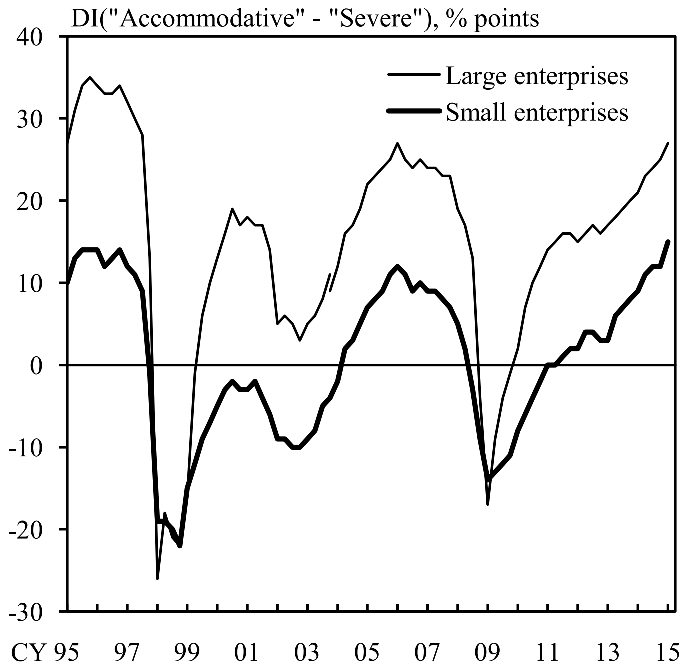


<Japan Finance Corporation Survey>

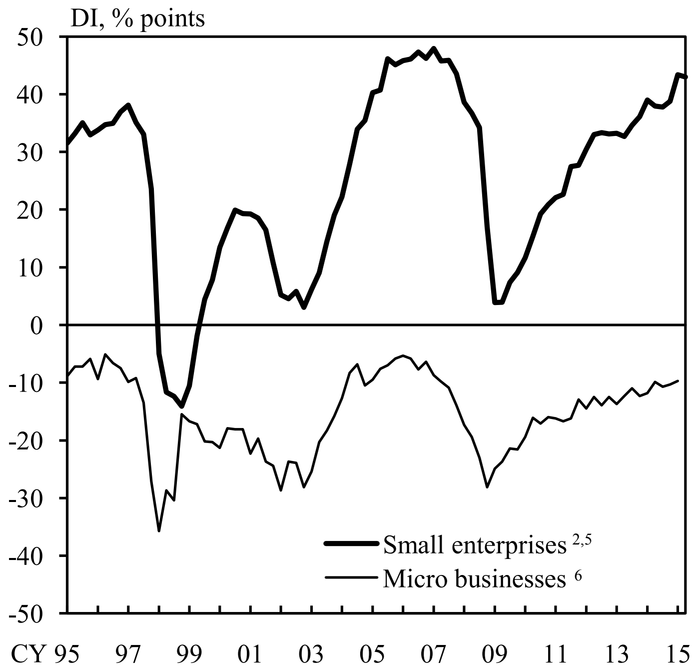


(2) Lending Attitude of Financial Institutions as Perceived by Firms

<Tankan[1]>



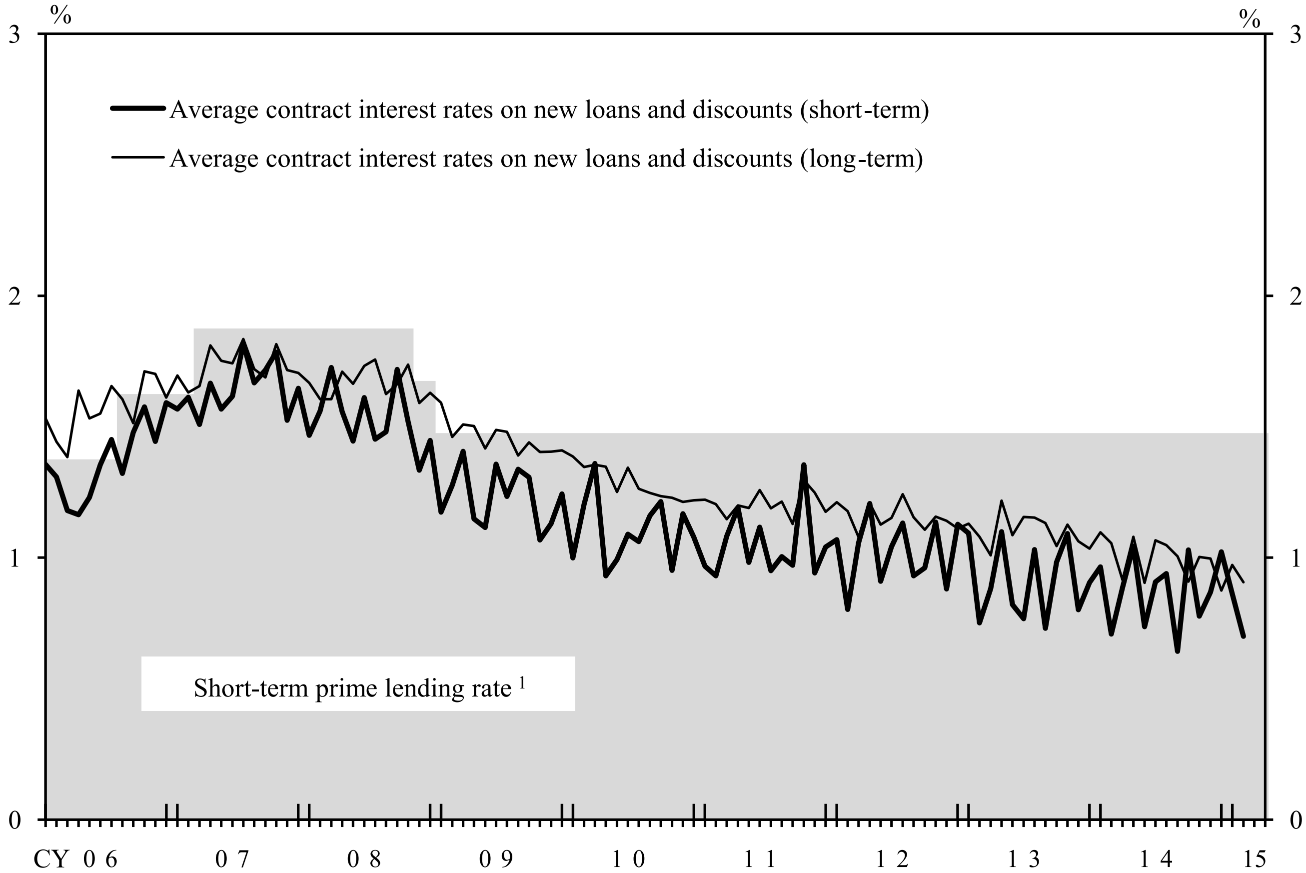
<Japan Finance Corporation Survey>



Notes: 1. Data of the "Tankan" are based on all industries. The "Tankan" has been revised from the March 2004 survey. Figures up to the December 2003 survey are based on the previous data sets. Figures from the December 2003 survey are on the new basis.
2. Figures are quarterly averages of monthly data. Figures for 2015/Q2 are those of April.
3. DI of "Easy" - "Tight."
4. DI of "Easier" - "Tighter."
5. DI of "Accommodative" - "Severe."
6. DI of "More accommodative" - "More severe."

Sources: Bank of Japan, "*Tankan,* Short-term Economic Survey of Enterprises in Japan"; Japan Finance Corporation, "Monthly Survey of Small Businesses in Japan," "Quarterly Survey of Small Businesses in Japan (for micro businesses)."

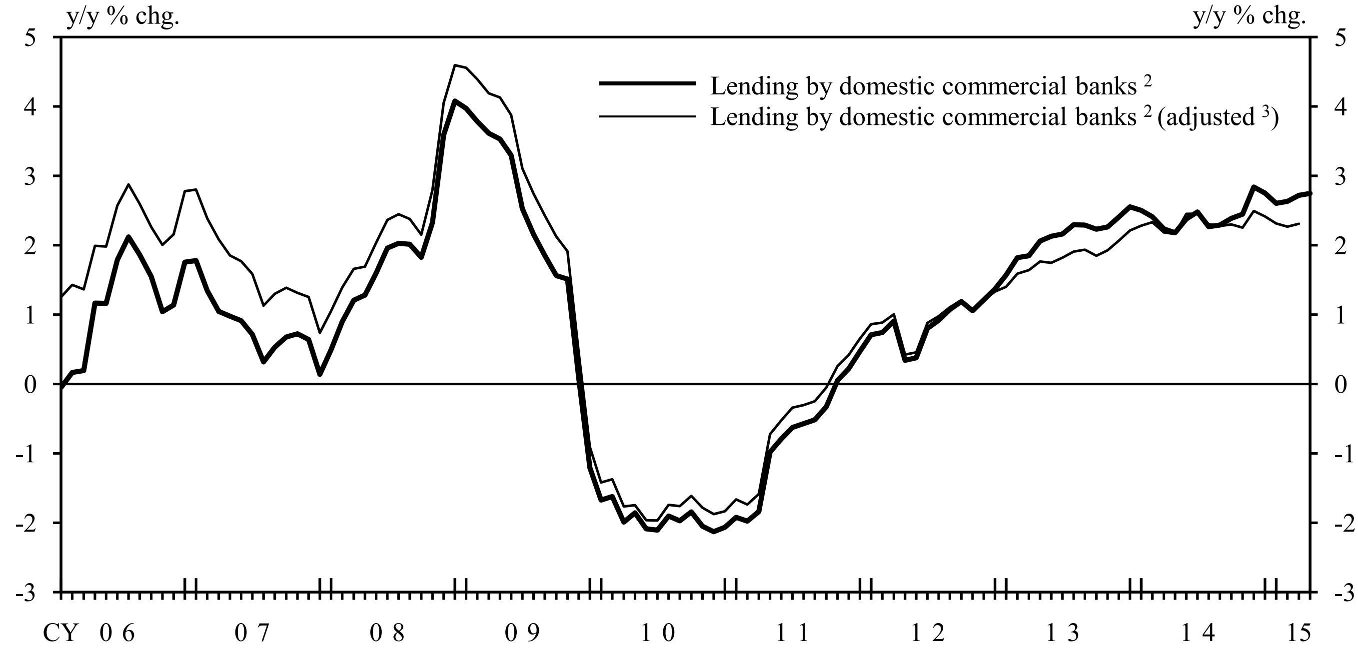
Lending Rates



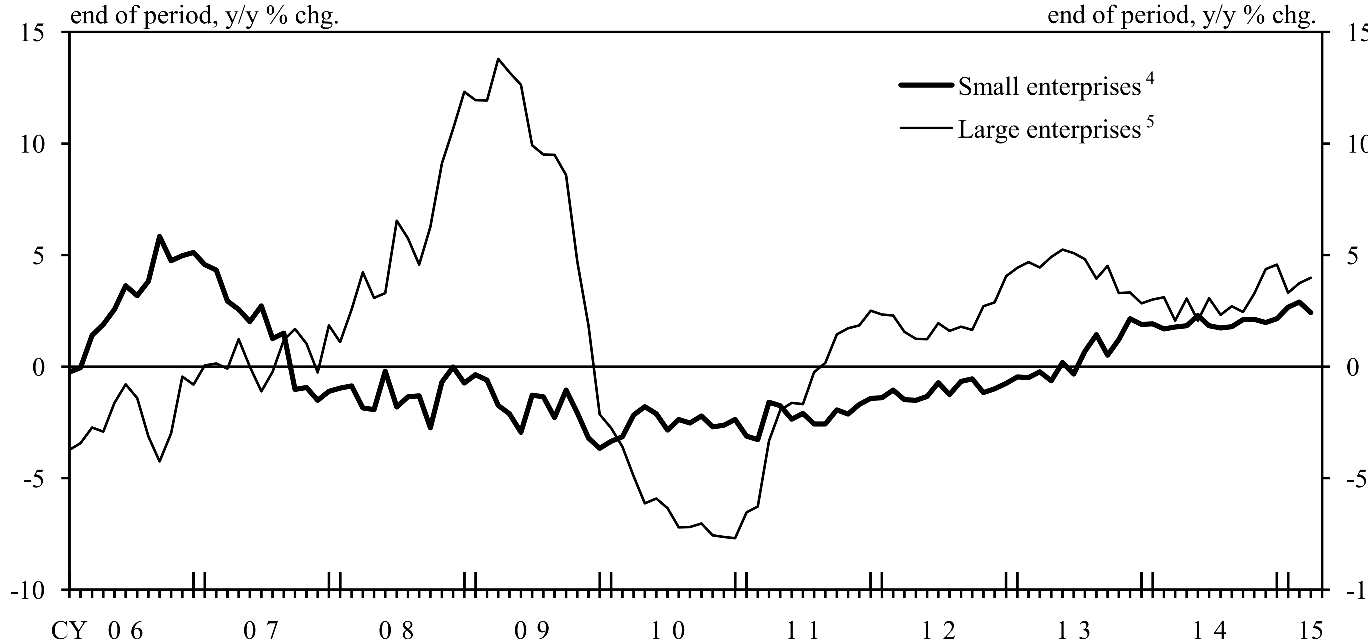
Note: 1. Data are at end of period.
Source: Bank of Japan.

Lending by Financial Institutions

(1) Lending by Domestic Commercial Banks[1]



(2) Lending by Domestically Licensed Banks (by Firm Size)

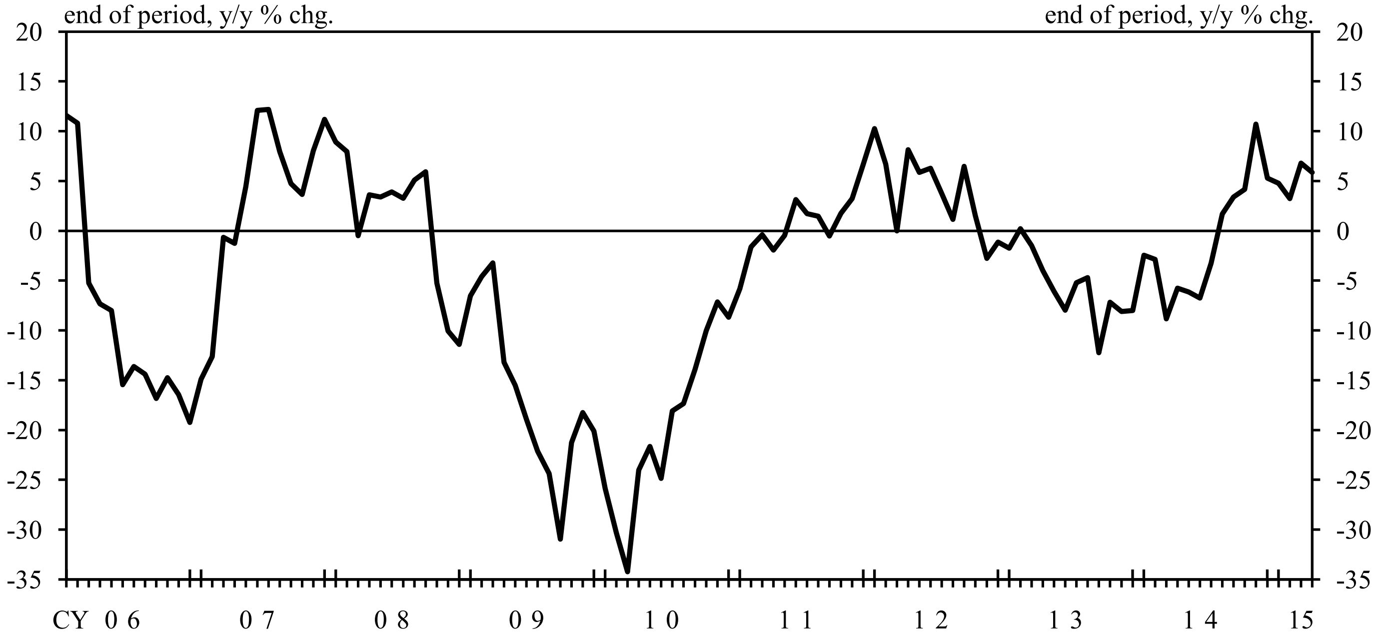


Notes: 1. Percent changes in average amounts outstanding from a year earlier.
2. "Domestic commercial banks" refers to major banks, regional banks I, and regional banks II.
3. Adjusted to exclude
(1) fluctuations due to the liquidation of loans,
(2) fluctuations in the yen value of foreign currency-denominated loans due to changes in exchange rates,
(3) fluctuations due to loan write-offs,
(4) the transfer of loans to the former Japan National Railways Settlement Corporation to the General Account, and
(5) the transfer of loans to the former Housing Loan Administration Corporation to the Resolution and Collection Corporation.
4. Small enterprises are those capitalized at 300 million yen or less or with regular employees of 300 persons or less ("wholesale trade" capitalized at 100 million yen or less or with regular employees of 100 persons or less, "retail trade" and "eating and drinking services" capitalized at 50 million yen or less or with regular employees of 50 persons or less, and "goods rental and leasing," etc. capitalized at 50 million yen or less or with regular employees of 100 persons or less).
5. Other than small enterprises.

Source: Bank of Japan.

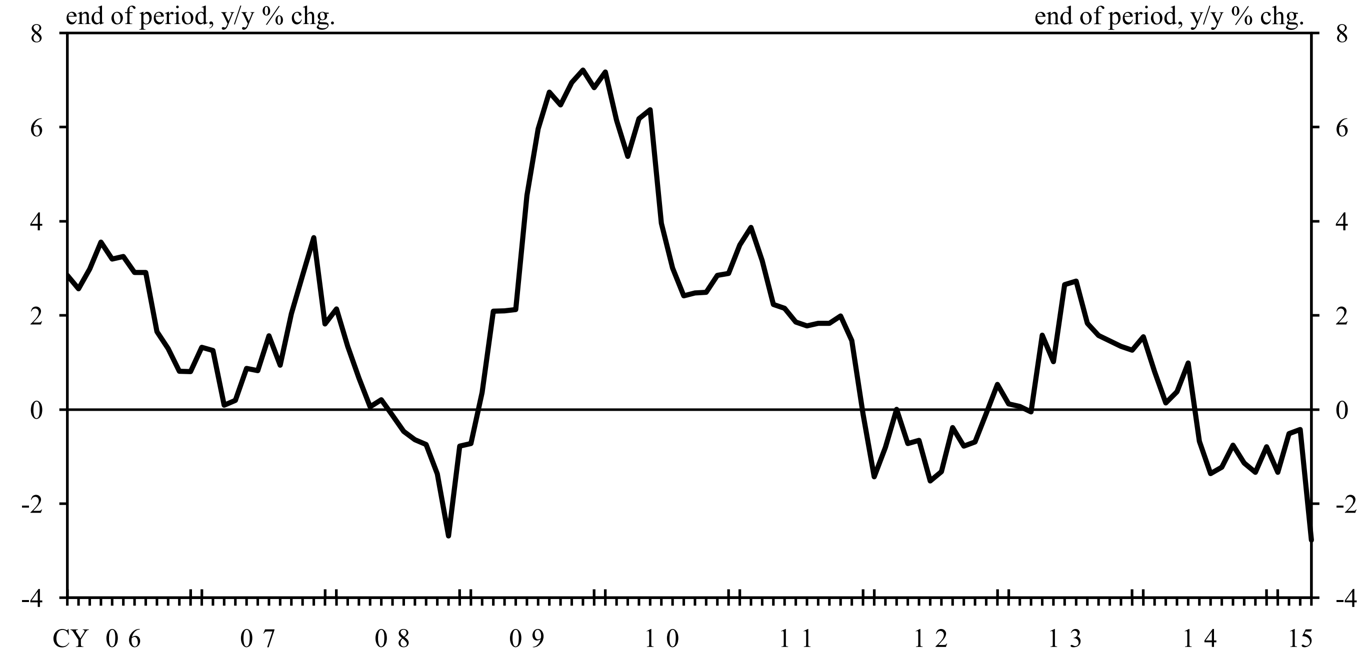
Private-Sector Fund-Raising in the Capital Markets

(1) Amount Outstanding of Commercial Paper



Note: Figures are those of short-term corporate bonds registered at the book-entry transfer system. Those issued by banks, securities companies and others such as foreign corporations are excluded; ABCPs are included. Figures up to March 2008 are those compiled by the Bank of Japan.

(2) Amount Outstanding of Corporate Bonds



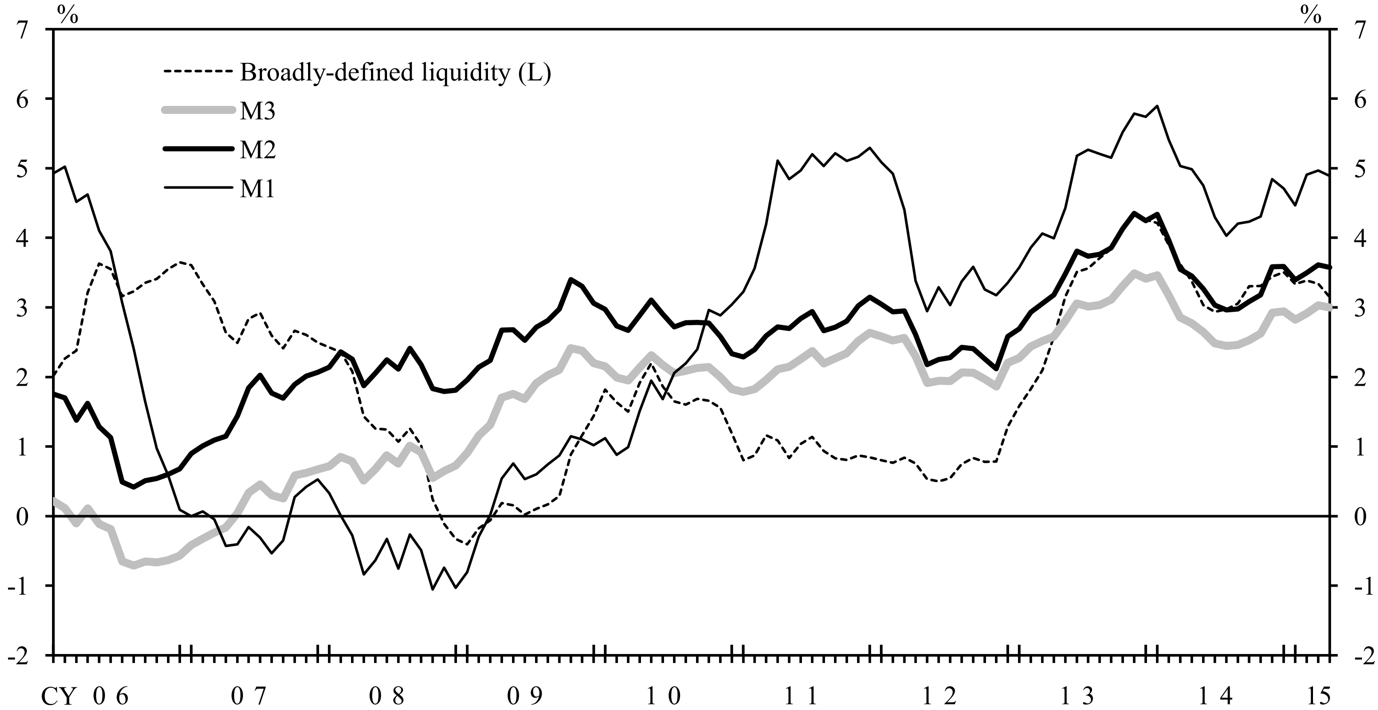
Note: The figures of percentage changes from the previous year of the amount outstanding of corporate bonds are calculated given the following:

(1) The sum of straight bonds issued in both domestic and overseas markets is used.
(2) Bonds issued by banks are included.
(3) Domestic bonds are those registered at the book-entry transfer system. The series is spliced at April 2008 with the one published by the Japan Securities Dealers Association.

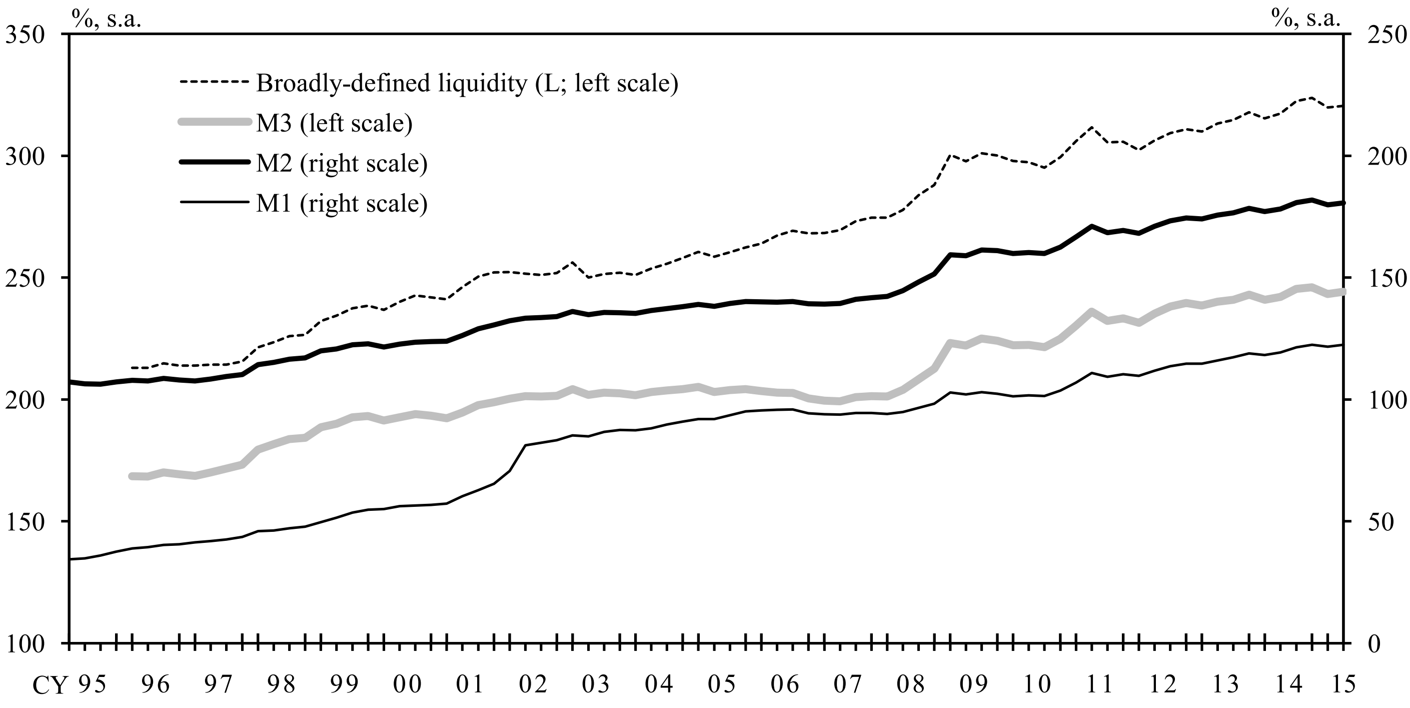
Sources: Japan Securities Depository Center, "Issue, Redemption and Outstanding" (for Corporate Bonds), "Outstanding Amounts of CP by Issuer's category";
Bank of Japan, "Principal Figures of Financial Institutions";
Japan Securities Dealers Association, "Issuing, Redemption and Outstanding Amounts of Bonds";
I-N Information Systems, "Funding Eye."

Money Stock

(1) Changes from a Year Earlier



(2) Ratio of Money Stock to Nominal GDP

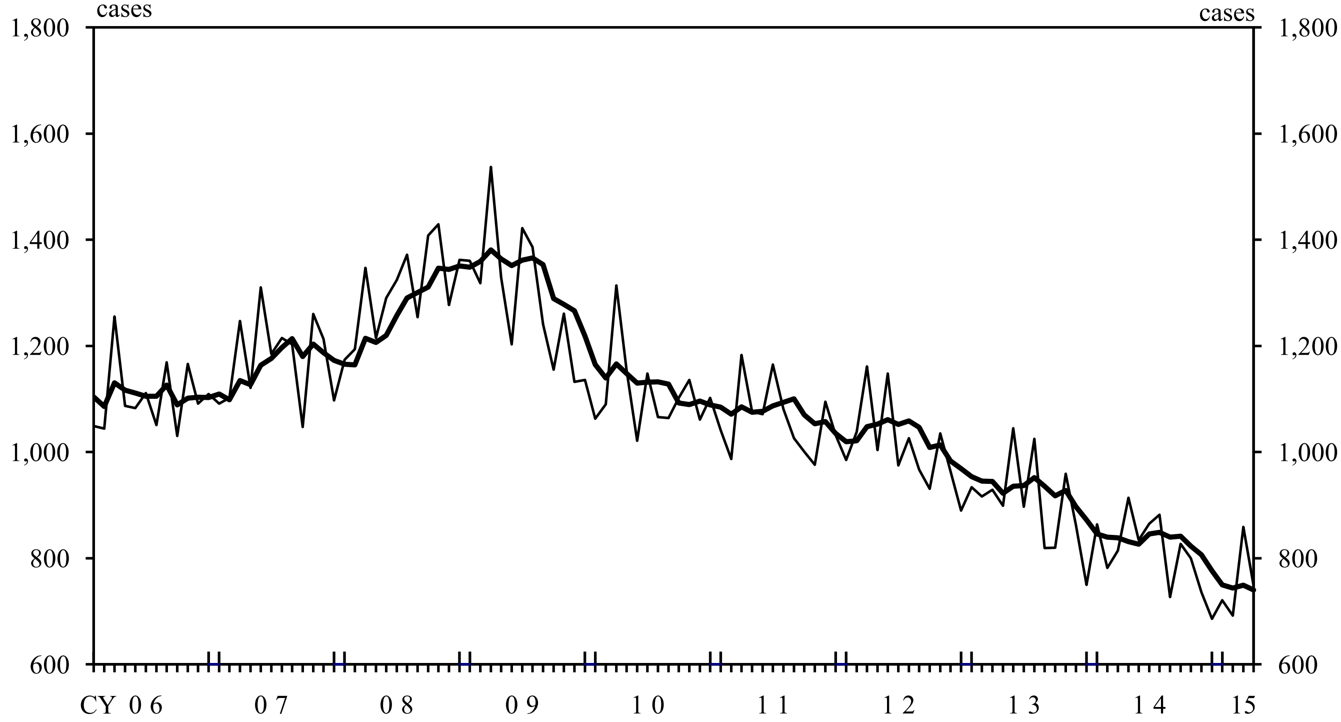


Notes: 1. M1 consists of cash currency and demand deposits; both M2 and M3 consist of cash currency, demand deposits, time deposits and CDs.
2. Financial institutions surveyed for M1 and M3 include the Japan Post Bank and OFIs (other financial institutions) in addition to those for M2.
3. The figures up to March 2003 are based on the former series.
4. Figures for money stock in 2015/Q2 are those of April, and nominal GDP in 2015/Q2 is assumed to be unchanged from the previous quarter.

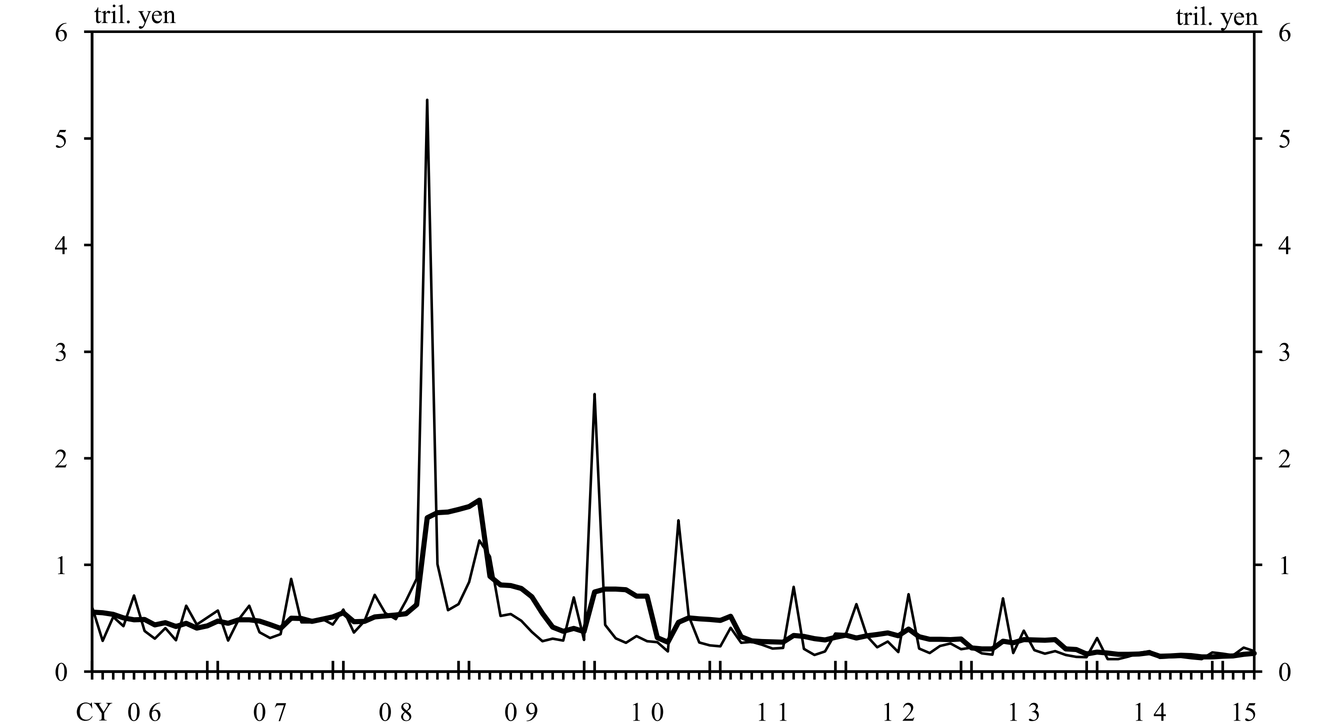
Sources: Cabinet Office, "National Accounts"; Bank of Japan.

Corporate Bankruptcies

(1) Number of Cases



(2) Amount of Liabilities

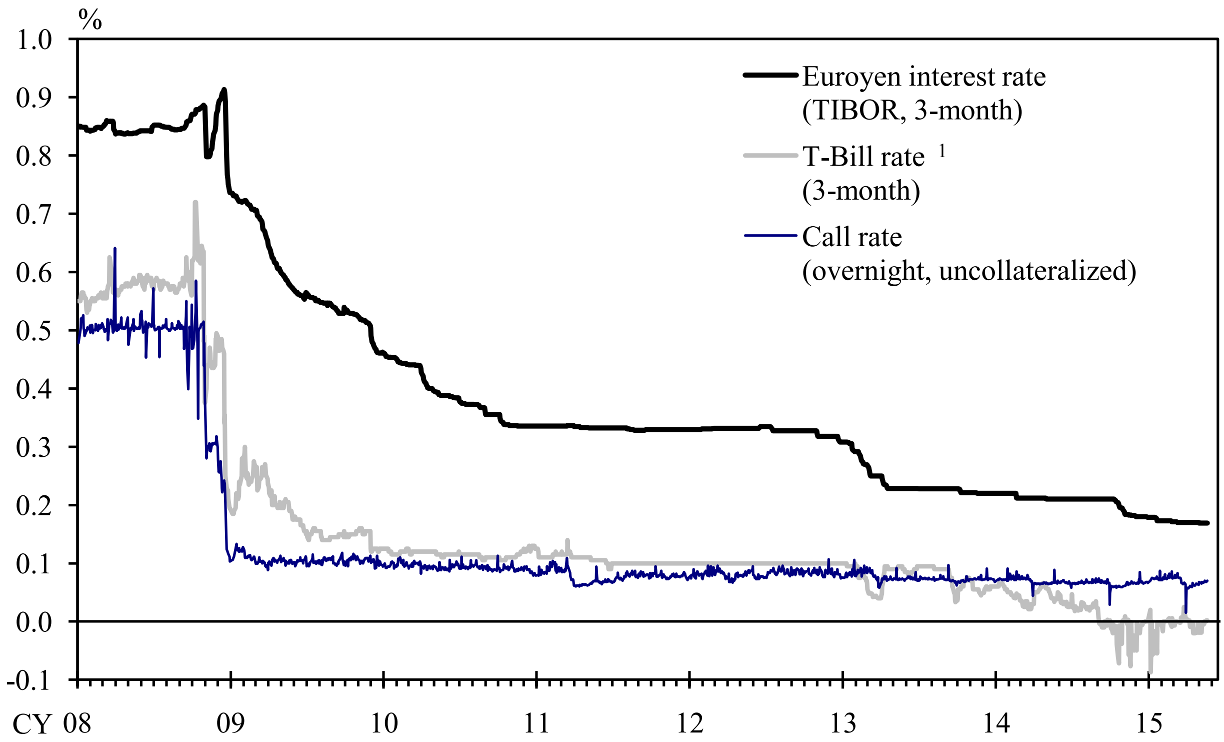


Note: Bold lines are the six-month moving average.

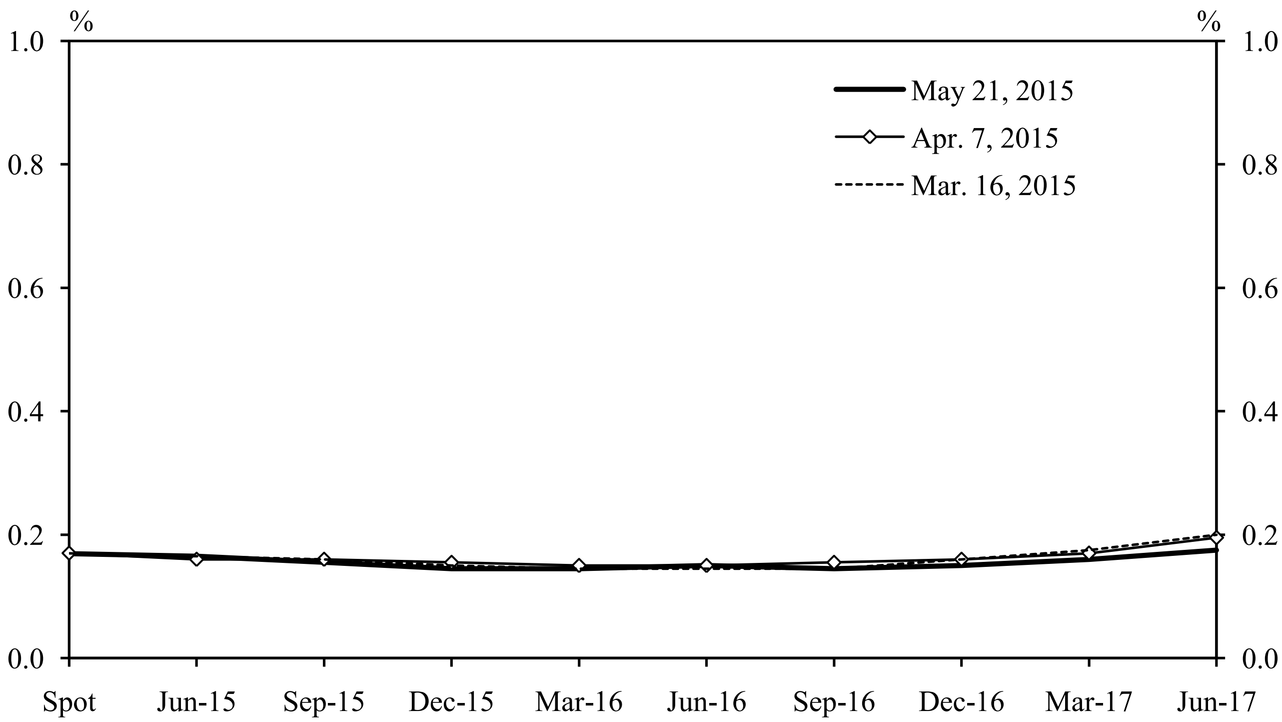
Source: Tokyo Shoko Research Ltd., "*Tosan Geppo* (Monthly review of corporate bankruptcies)."

Short-Term Interest Rates

(1) Short-Term Interest Rates



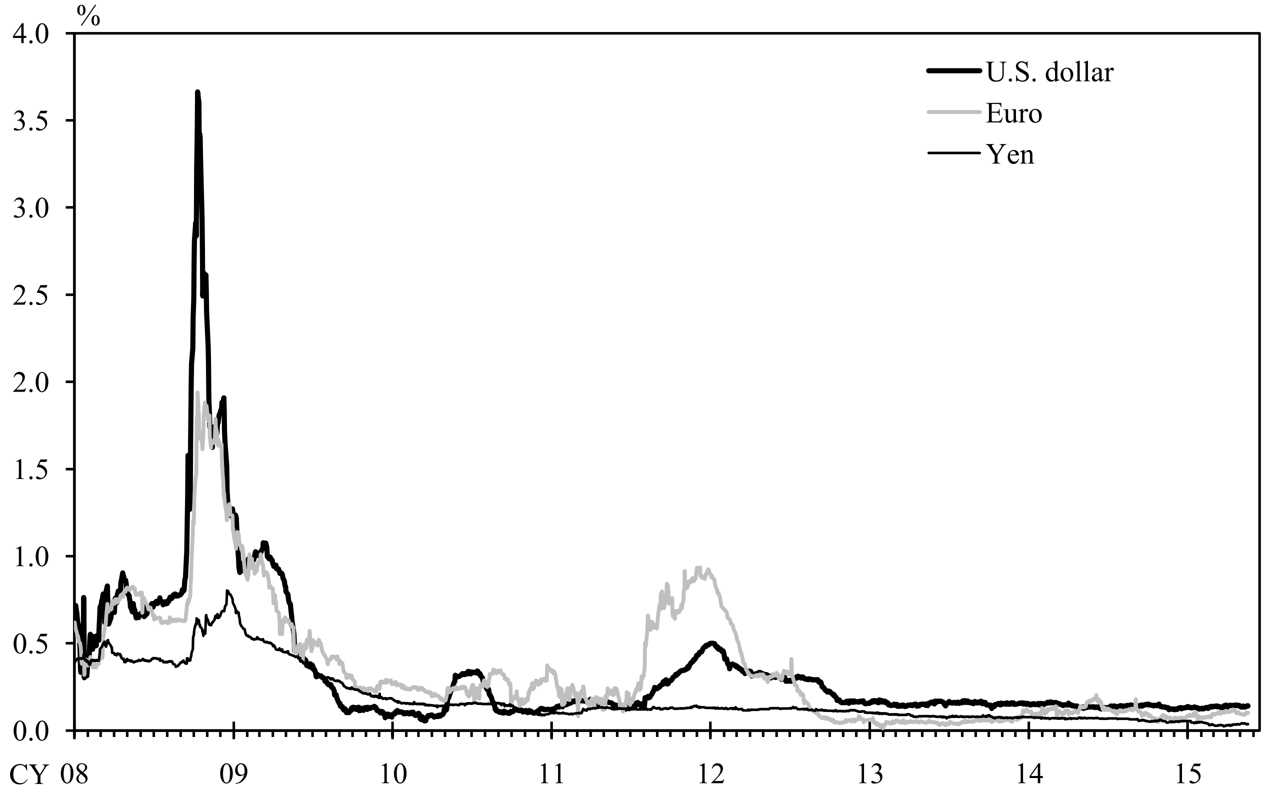
(2) Euroyen Interest Rate Futures (3-Month)



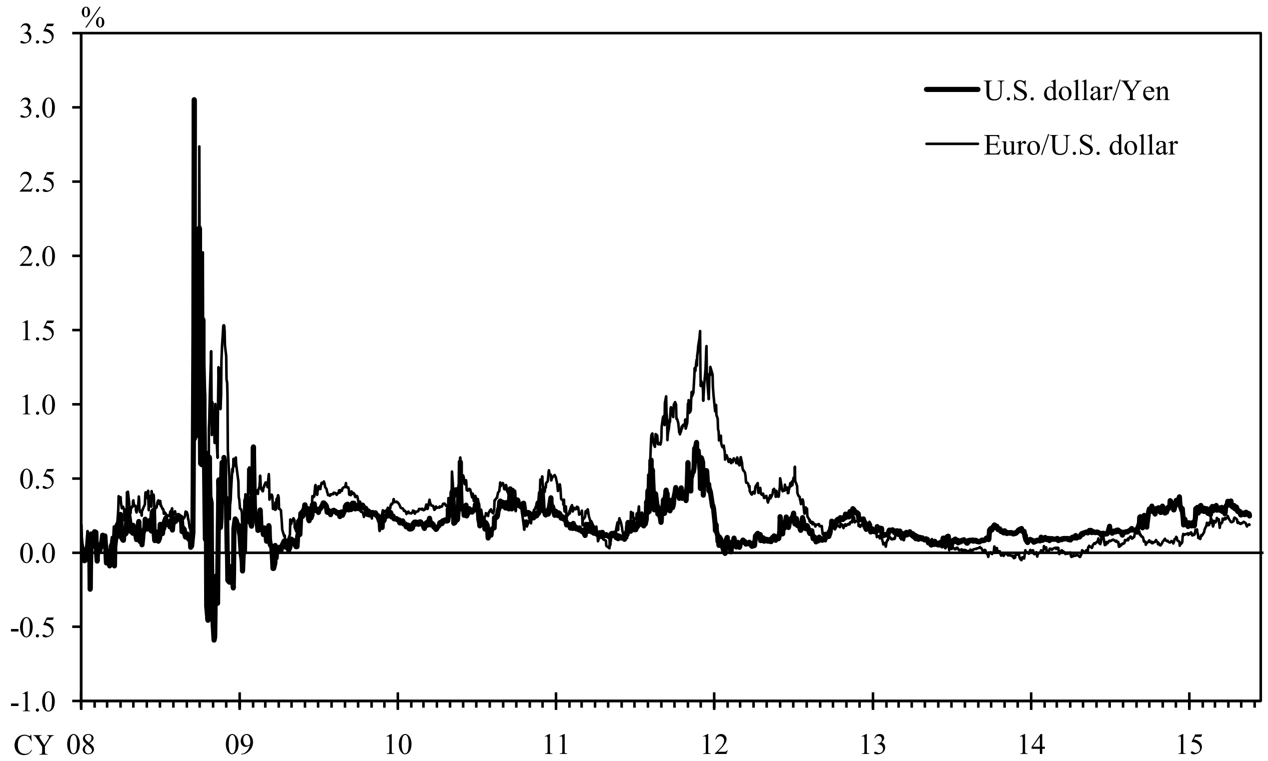
Note: 1. Rate prior to the integration of FBs and TBs in February 2009 is the FB rate.
Sources: Japanese Bankers Association; JBA TIBOR Administration; Japan Bond Trading Co., Ltd.; Tokyo Financial Exchange; Bank of Japan.

Global Money Markets

(1) LIBOR-OIS spreads (3-Month)



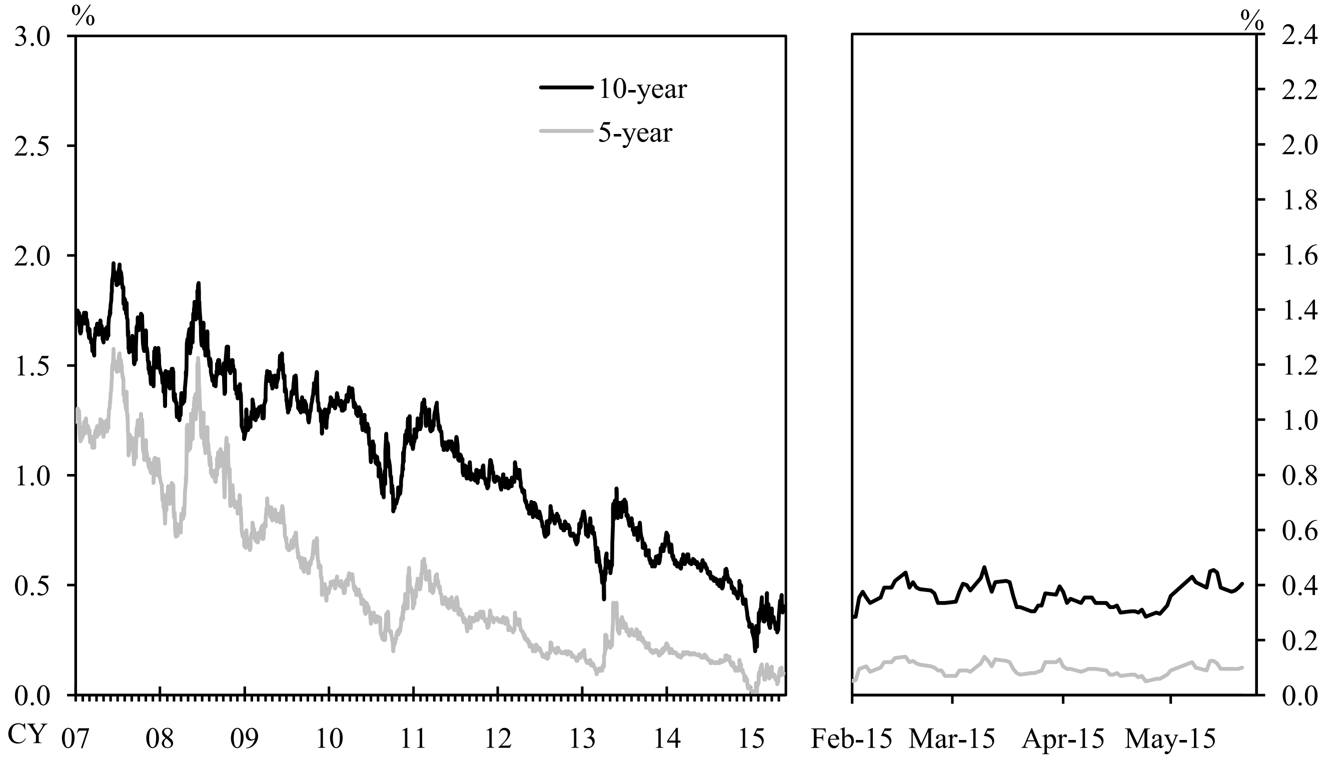
(2) FX swap implied dollar rate - LIBOR spreads (3-Month)



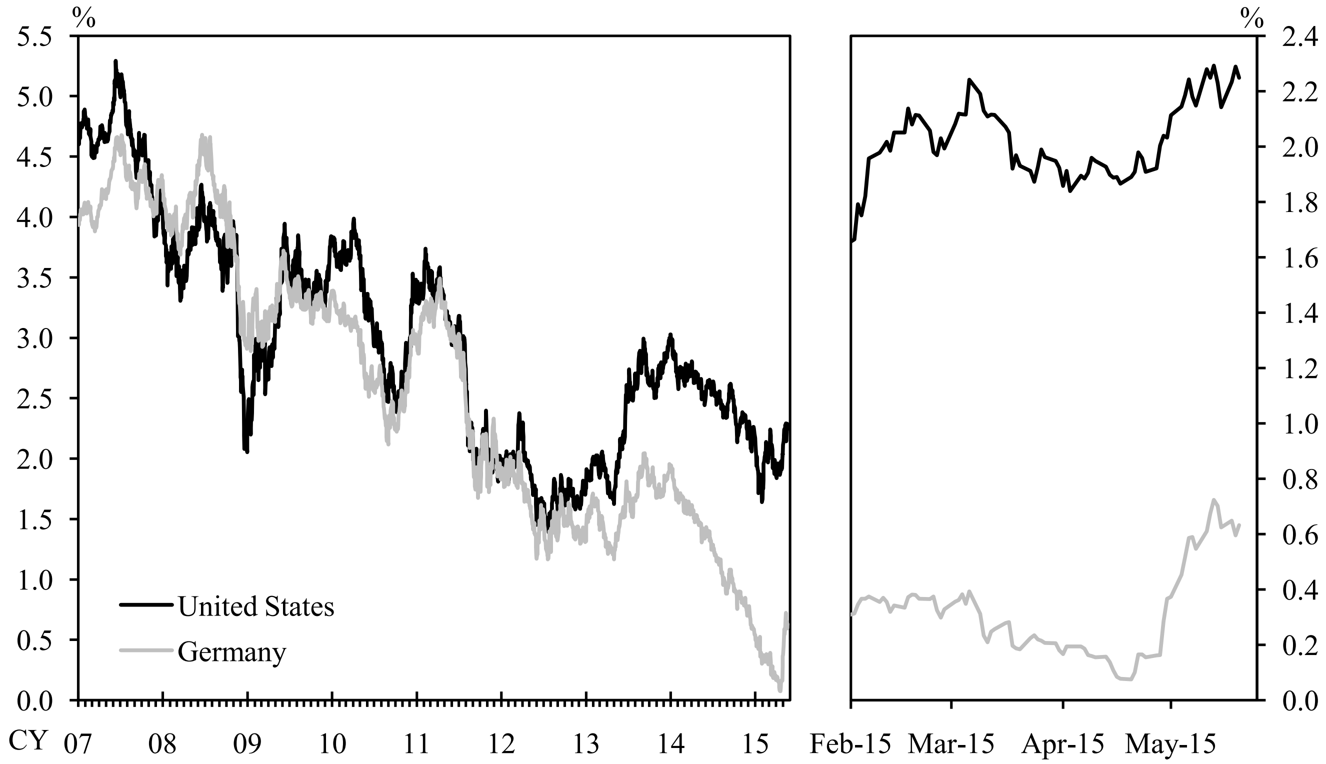
Source: Bloomberg.

Long-Term Interest Rates

(1) Japanese Government Bond Yields[1]



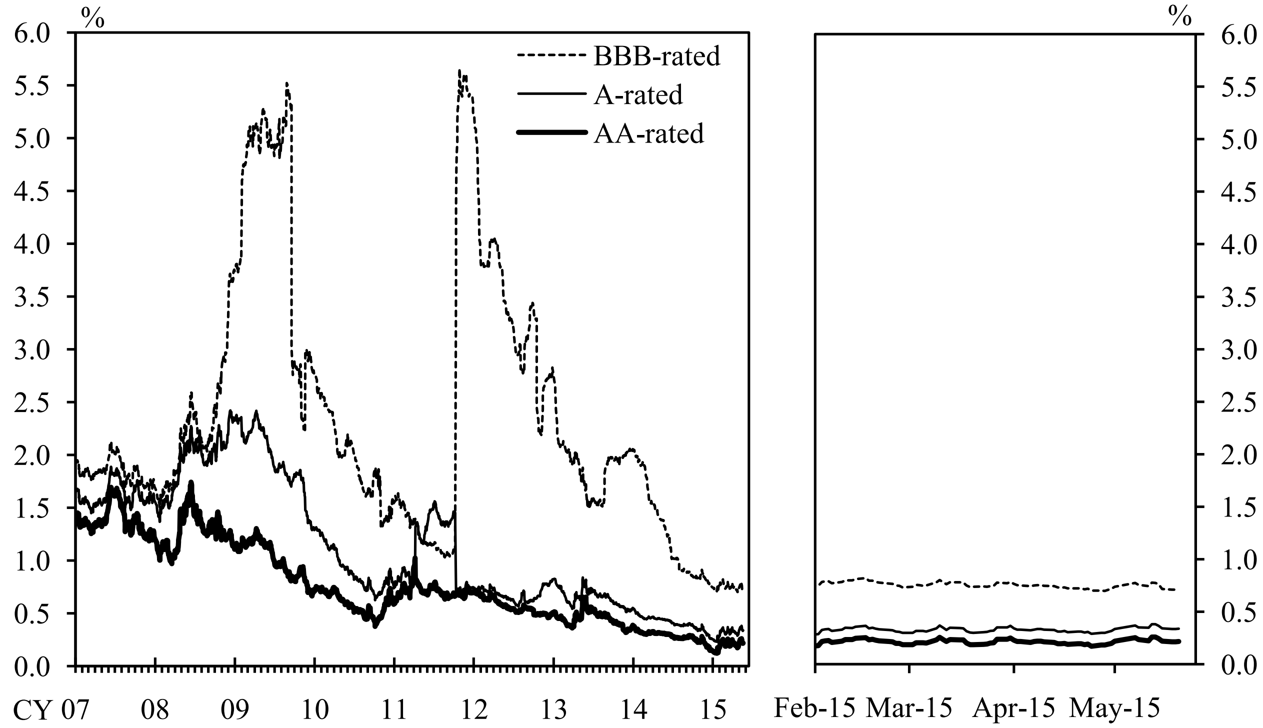
(2) Overseas Government Bond Yields (10-Year)



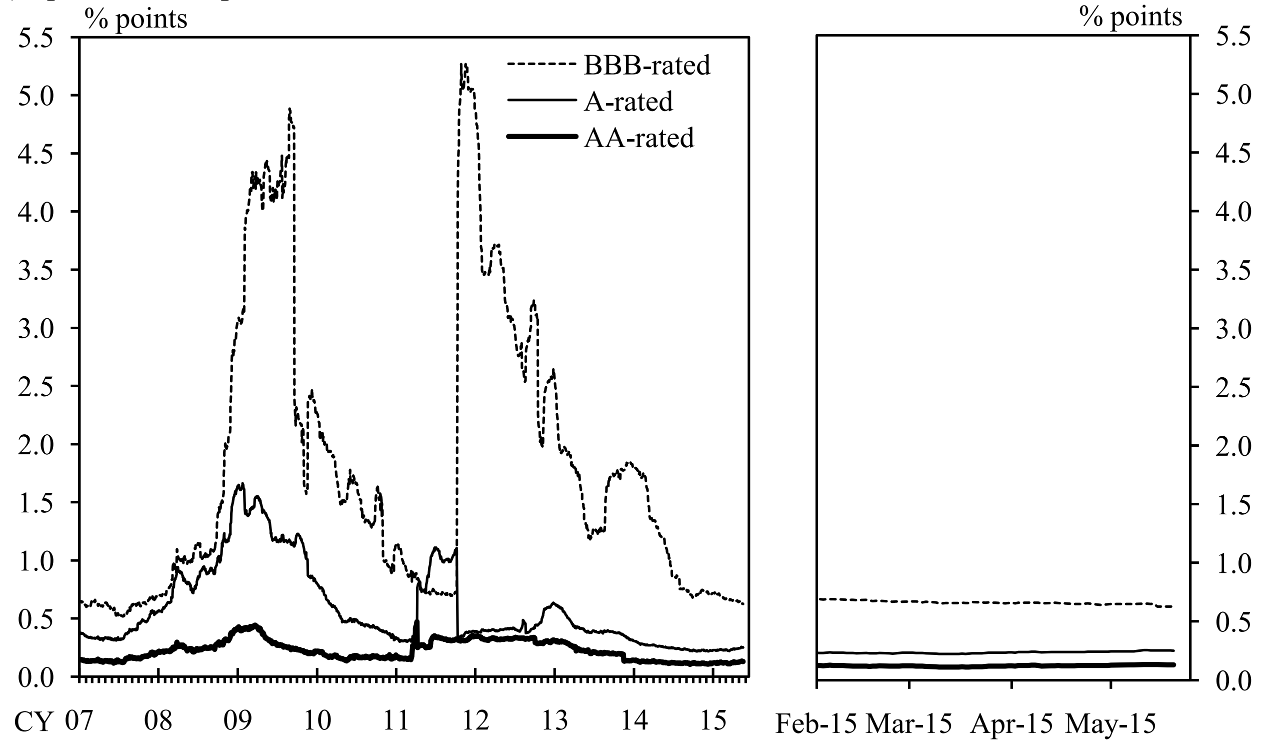
Note: 1. Yields on newly issued bonds.
Sources: Japan Bond Trading Co., Ltd.; Bloomberg.

Yields of Corporate Bonds

(1) Corporate Bond Yields[1,2]



(2) Spreads of Corporate Bond Yields over Government Bond Yields[1,2]

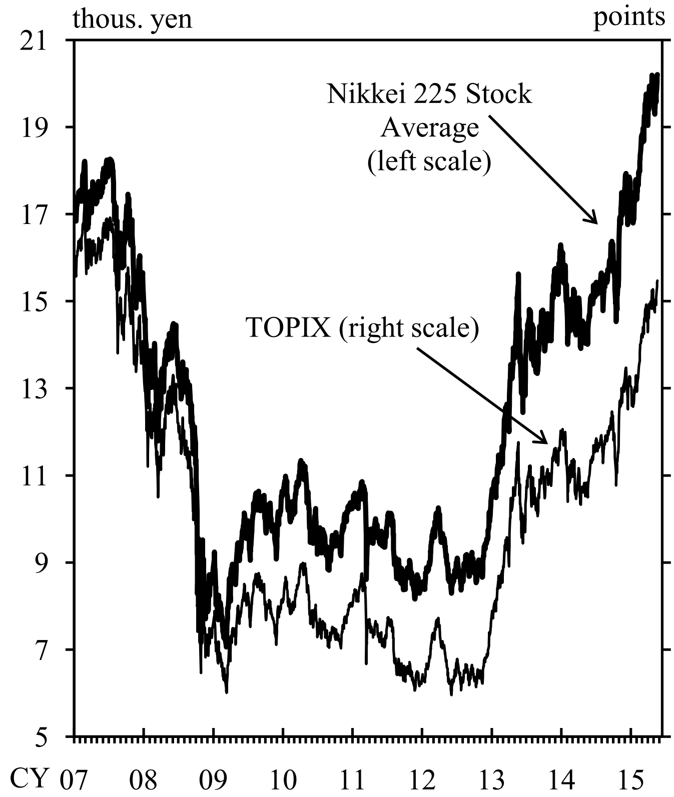


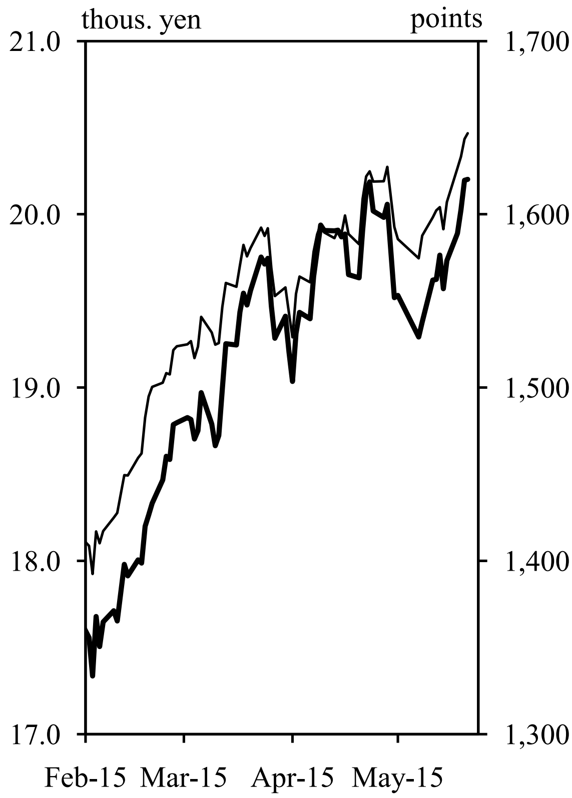
Notes: 1. Yields on bonds with 5-year maturity.
Yields on corporate bonds have been calculated on the expanded pool of issues with maturity of three to seven years.
2. The indicated ratings are of Rating and Investment Information, Inc.

Sources: Japan Securities Dealers Association, "Reference Price (Yields) Table for OTC Bond Transactions."

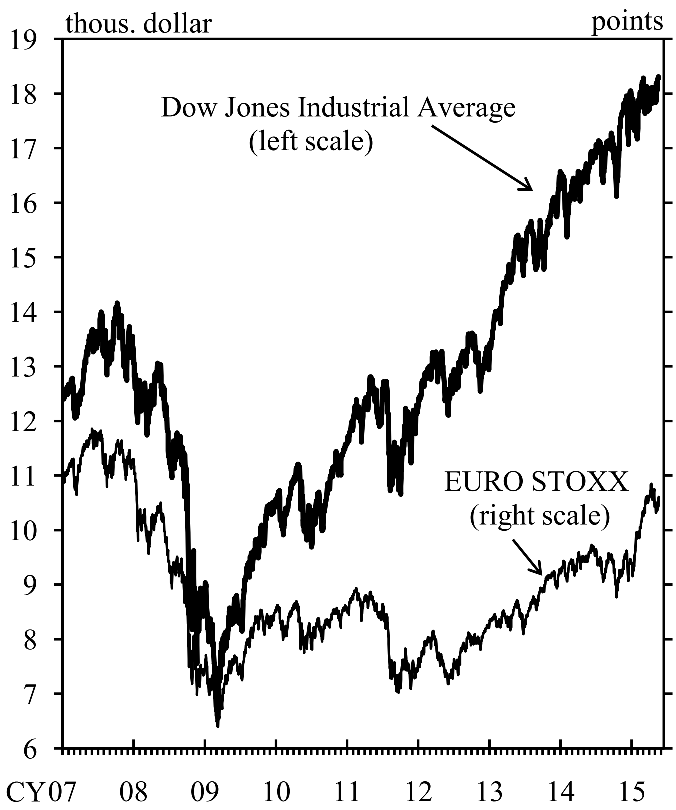
Stock Prices

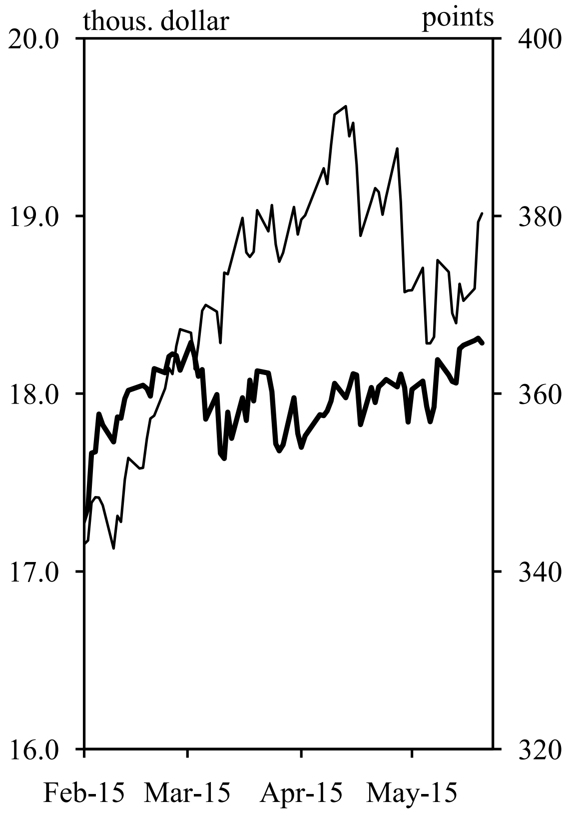
(1) Japanese Stock Prices





(2) Overseas Stock Prices

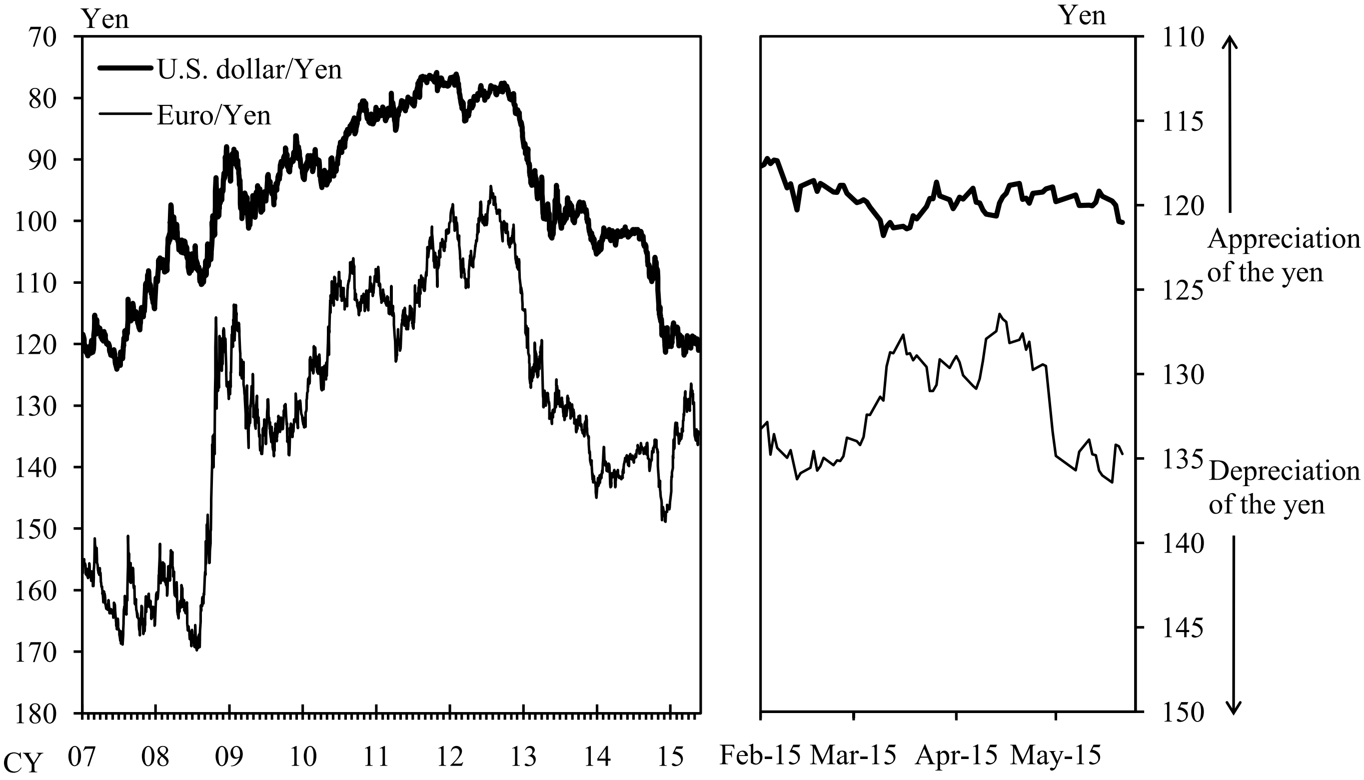




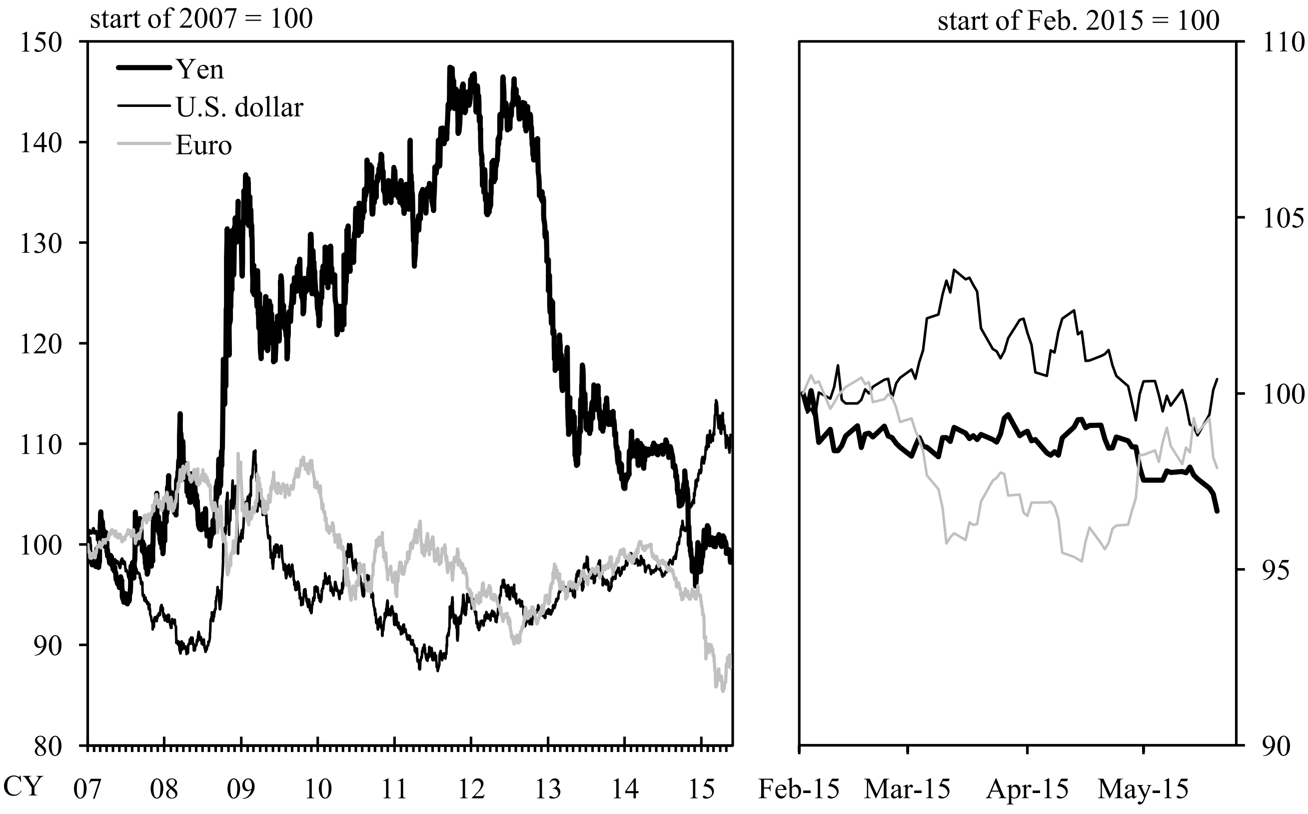
Sources: The *Nihon Keizai Shimbun* ; Tokyo Stock Exchange; Bloomberg.

Exchange Rates

(1) Bilateral Exchange Rates



(2) Nominal Effective Exchange Rates



Sources: Bank of Japan; European Central Bank; Thomson Reuters Datastream.