

Updates on Japan Economy

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Contents

- [Bank of Japan agrees to \(...\)](#)
- ['12 trade deficit at record](#)
- [Abe kicks off economic revival](#)
- [Cabinet OKs \20 trillion \(...\)](#)
- [Prime minister eyes medium-ter](#)
- [Abe hoopla aside, key economic](#)
- [U.S. 'cliff' deal sends \(...\)](#)

Bank of Japan agrees to uphold Abe's 2% inflation target

The Bank of Japan on Tuesday adopted a 2 percent inflation target, caving in to pressure from Prime Minister Shinzo Abe, while calling for closer coordination and implementation of bold measures to fight deflation in a joint statement released with the government.

In showing its resolve to follow Abe's ultra-loose monetary policies, the central bank also introduced an "open-ended" asset purchase plan.

"This is an epoch-making accord in terms of boldly revising the country's monetary policies," Abe said after the agreement was reached following a two-day meeting of the BOJ Policy Board.

"We made it clear that there will be a regime change in macroeconomic policymaking," Abe added.

According to the agreement, the central bank will pursue monetary easing and aim to achieve the "price stability target of 2 percent as soon as possible." Last February, the bank set a 1 percent price stability "goal."

The BOJ Policy Board also agreed to an indefinite asset purchase as an aggressive form of monetary easing. Instead of simply adding to its \101 trillion asset purchase program, the open-ended commitment will see the bank buying about \13 trillion in financial assets, including some \2 trillion in government bonds, every month for as long as necessary, from next January.

Seven of the nine Policy Board members signed off on the decision to double the inflation target. The open-ended asset purchase was unanimously agreed to, as was the continuation of the virtually zero interest rate policy.

Under the "Joint Statement of the Government and the Bank of Japan on Overcoming Deflation and Achieving Sustainable Economic Growth," the bank will also ascertain whether there is risk to sustainable economic growth, including the "accumulation of financial imbalances."

The two sides also agreed the government should "flexibly manage macroeconomic policy" and "formulate measures for strengthening competitiveness and growth potential of Japan's economy."

Progress by both sides will be reviewed at the Council on Economic and Fiscal Policy, where price stability, economic and fiscal conditions and employment will also be closely monitored, the agreement said.

Doubling the BOJ's inflation goal from 1 to 2 percent was one of the Liberal Democratic Party's key campaign pledges ahead of the general election last month.

Within a month of taking power, Abe's Cabinet has come up with a series of economic proposals, including a ¥20.2 trillion economic stimulus package focused on public works spending and a ¥13.1 trillion supplementary budget.

Dubbed "Abenomics," just the mention of these policies has helped the yen ease against the dollar and approach the ¥90 line for the first time since 2010. Stock prices have also surged in hopes that a weaker yen will aid Japanese companies competing overseas for market share.

But some pundits say that recent developments, including Tuesday's agreement between the BOJ and the government, are cause for concern. "The BOJ is being pushed around and has been yielding to the demands of the government," Yasunari Ueno, chief market economist at Mizuho Securities Co., told The Japan Times.

Ueno warned the asset purchase program may be going to the well too often. "It feels like the monetary easing is being used merely as a way to ease the yen," he said, adding that the government could be too focused on short-term economic recovery and neglecting long-term issues.

Excessive pressure from the government and the BOJ's lack of resistance could damage trust in the central bank and even induce capital flight. Depending on the BOJ to purchase government bonds also risks expanding Japan's bloated debt, Ueno said.

Shirakawa on Tuesday reiterated that the bank's independence is not threatened and that it will make its own decisions according to its responsibilities.

But while it is difficult to judge how much independence the BOJ should be afforded, it "could have shown more insight as a central bank of a developed economy instead of bowing to Abe's pressure," Ueno added.

Meanwhile, the BOJ on Tuesday also released its revised growth forecast, revising down GDP growth for fiscal 2012 to 1.0 percent from October's projection of 1.5 percent. But the outlook for fiscal 2013 was upgraded from 1.6 percent to 2.3 percent, reflecting the impact of the government's economic stimulus package.

Jun Hongo, *Japan Times* Staff Writer, Jan 23, 2013

<http://www.japantimes.co.jp/news/2013/01/23/business/boj-agrees-to-uphold-abes-2-inflation-target/#.UQTZHfKto6g>

_'12 trade deficit at record ¥6.9 trillion

Japan logged a record trade deficit of ¥6.93 trillion in 2012, up 2.7-fold from the previous year, as exports shrank amid the territorial dispute with China and Europe's sovereign debt crisis while fossil

fuel imports soared, the government said Thursday.

The previous record deficit was ¥2.61 trillion, set in 1980 during the second oil crisis, the Finance Ministry said in a preliminary report.

The balance of trade in goods remained in the red for the second consecutive year.

Gas and oil import costs could keep growing if the nation's nuclear reactors remain suspended, but Prime Minister Shinzo Abe's policy of driving down the yen could help exports bounce back and improve the trade balance.

Some analysts, however, warn that if the yen falls steeply, rising costs of energy imports could weigh on corporate profits and make companies more reluctant to boost investment, dealing a further blow to the economy.

The value of exports, a key engine of Japan's economic growth, fell 2.7 percent last year to ¥63.74 trillion, down for the second year in a row, due to a fall in shipments of power engines and vehicles to China and of semiconductors and other electronic parts to Europe.

The trade balance with the EU fell into the red for the first time ever with a deficit of ¥139.7 billion. Japan registered its largest-ever deficit of ¥3.52 trillion with China amid the Senkaku territorial row in the East China Sea.

But exports are expected to rebound.

"Because the global economy is recovering and the yen is weakening, the environment surrounding (Japanese exports) has been improving," said Taro Saito, senior economist at NLI Research Institute. "It is likely that exports will hit bottom by the end of fiscal 2012" through March 31.

The Bank of Japan, which pledged Tuesday to carry out "open-ended" monetary easing to achieve a 2 percent inflation target and curb the strong yen, also took a cautiously optimistic view on the outlook for exports.

"Exports are expected to decrease at a reduced pace for the time being and start picking up thereafter as overseas economies gradually emerge from the deceleration phase," the BOJ said Wednesday.

The value of imports was up 3.8 percent to ¥70.67 trillion in 2012 for the third straight yearly increase as liquefied natural gas imports jumped 25.4 percent and crude oil imports 7.3 percent, the ministry said.

Domestic demand for fossil fuels has been intense since all reactors were shut down because of the Fukushima nuclear crisis.

The ministry said the yen strengthened against the dollar by 0.5 percent in 2012.

The appreciation of the yen pushed up prices of imports and dragged down exporters by making their products more expensive in other countries and less competitive against cheaper ones made by Asian rivals.

The yen has recently shown signs of sliding against other major currencies, but Hisashi Yamada, chief economist at Japan Research Institute, said, "an excessive depreciation of the yen could drive energy and other material costs higher, negatively affecting corporate performance."

The dollar surged to its highest level since June 2010 at ¥90.25 on Monday, up from around ¥80 in mid-November, buoyed by Abe's pledge to urge the BOJ to take "bold monetary easing" to beat chronic deflation.

In December alone, the trade balance posted a deficit of ¥641.5 billion, the sixth straight monthly deficit, as exports fell 5.8 percent from a year earlier to ¥5.3 trillion and imports expanded 1.9 percent to ¥5.9 trillion.

Kyodo Press, Jan 24, 2013

http://www.japantimes.co.jp/news/2013/01/24/business/12-trade-deficit-at-record-6-9-trillion/#.UQTj8_Kto6g

Abe kicks off economic revitalization HQ, stimulus efforts

Prime Minister Shinzo Abe on Tuesday convened the first meeting of the Economic Revitalization Headquarters, endorsing the outline of the government's emergency stimulus package totaling some ¥20 trillion in a bid to steer Japan out of deflation and prop up the economy with massive public works spending.

The package includes public-private initiatives and spending by local governments. The central government will compile a ¥13.1 trillion supplementary budget for fiscal 2012, which ends in March, to finance the package, with ¥10.3 trillion of that to be specifically used for fresh stimulus spending.

The Economic Revitalization Headquarters, headed by Abe and one of the main bodies to lead his economic agenda, endorsed pillars of the stimulus plan, including accelerated reconstruction of the Tohoku region, bolstered disaster prevention measures and fiscal policies to combat the nation's prolonged deflation and high yen.

The body includes all Cabinet ministers, with decision-making power consolidated under Abe.

"We have to implement drastic monetary easing policies and growth strategies to fight chronic deflation and the strong yen," Abe said at the start of the meeting.

The stimulus package is expected to be finalized Friday, and the supplementary budget is slated to be endorsed by the Cabinet on Jan. 15.

Under the stimulus plan, the Liberal Democratic Party-New Komeito ruling bloc is expected to earmark about ¥4 trillion to ¥5 trillion for public works, in an about-face from the policies led by the Democratic Party of Japan, which cut more than 30 percent of the public works budget. The DPJ was ousted by the LDP in the Dec. 16 Lower House poll.

Tuesday's meeting also approved the launch of a panel for boosting industrial competitiveness, which will discuss growth strategies.

The nine-member panel, chaired by Abe, includes Keio University professor Heizo Takenaka, Rakuten CEO Hiroshi Mikitani and Lawson CEO Takeshi Niinami. Takenaka served as economic and fiscal policy minister from 2001 through 2005 under then-LDP Prime Minister Junichiro Koizumi.

Abe was highly intent on appointing Takenaka, Chief Cabinet Secretary Yoshihide Suga told reporters Tuesday, adding: "We want to utilize Mr. Takenaka's expertise. He has international perspectives and has strong ability to analyze Japan's current economic situation."

Abe said the government will compile "drastic growth strategies" by June based on discussions by experts.

Ayako Mie, *Japan Times* Staff Writer, Jan 9, 2013

http://www.japantimes.co.jp/news/2013/01/09/business/abe-kicks-off-economic-revitalization-hq-stimulus-efforts/#.UQOIF_Kto6g

Cabinet OKs ¥20 trillion stimulus plan — Abe pins hopes on public works, easing to revive flaccid economy

Prime Minister Shinzo Abe's Cabinet on Friday approved a mammoth ¥20.2 trillion economic stimulus package, hoping to kick-start a recovery through public works spending, monetary easing and new growth strategies.

"Ending the yen's appreciation and deflation is critically important to bring the economy out of its slump," Abe explained to reporters the same day.

The stimulus is estimated to drive up Japan's gross domestic product by 2 percent in fiscal 2013, which starts April 1, and create around 600,000 new jobs. But such progress won't come cheap. The raft of policies will cost the government some ¥10.3 trillion, about half of which is to be covered by new construction bonds, according to government officials.

Emphasizing that the scale of the expenditure is one of the largest on record, Abe said his administration will "work at a different dimension" to revive the economy compared to the ousted Democratic Party of Japan-led government.

The DPJ administration "failed to come up with a plan as to how the country can gain income," Abe said. "They did not consider how to enlarge the economic pie."

Abe's Cabinet is also scheduled to approve Tuesday a ¥13 trillion supplementary budget for the current fiscal year through March 31, which will cover the cost of the stimulus package as well as a shortage of basic pension payouts.

"It is important to utilize the funds to be supplied by the Bank of Japan. The government will be creating demand, in order to stop the economy from falling into a further slump," Abe said.

The policies agreed on Friday include ¥3.8 trillion for what the government terms "reconstruction and antidisaster management." Some ¥1.6 trillion of this sum will go toward accelerating reconstruction efforts of areas of the Tohoku region devastated by the 2011 Great East Japan Earthquake. In other areas, about ¥2.2 trillion has been allocated for inspections and repairs of aging infrastructure.

The government is also splashing out ¥3.1 trillion to stimulate economic growth, including ¥1.8

trillion to aid the private sector, especially innovative research, and to promote more efficient energy use and recycled power.

However, Abe's new LDP administration still has more to do if it hopes to achieve significant GDP growth in the April-June quarter in order to implement the planned consumption tax hikes. Raising the levy to 8 percent from 5 percent in April 2014 and then to 10 percent in October 2015 is considered imperative if Japan is to begin addressing its shuddering \1 quadrillion worth of public debt.

Pundits said the policies unveiled Friday appear to be on the right track – at least for now.

“The impact from public works spending will be quickly felt,” Hisashi Yamada, chief economist at Japan Research Institute Ltd., told The Japan Times on Friday. “With the yen easing and working in favor of corporate performance, the conditions required to raise the sales tax are likely to be met.”

But the prime minister's spending spree will also have some side effects – most notably by raising public debt to unprecedented levels.

“The impact of spending on public works will only last temporarily. The government needs to come up with a vision that will get the private sector rolling toward self-sustained growth,” Yamada said, warning that if the stimulus package fails to spark growth, all it will achieve is an even less sustainable amount of government debt.

Another key policy pushed in Friday's package is Abe's willingness to shorten the government's leash on the BOJ, and to pressure the central bank to implement aggressive monetary easing. “We expect the BOJ to pursue aggressive monetary easing under a clear inflation target,” the economic package said.

Some pundits, however, fear a continuation of this pressure on the BOJ will threaten its independence from the government.

Jun Hongo, *Japan Times* Staff Writer, Jan 12, 2013

<http://www.japantimes.co.jp/news/2013/01/12/business/cabinet-oks-20-trillion-stimulus-plan/#.UQOaCvKto6g>

Prime minister eyes medium-term goal, tax breaks — BOJ to get behind 2% inflation target

Prime Minister Shinzo Abe said Sunday that his government will set a medium-term 2 percent inflation target with the Bank of Japan in a joint statement expected later this month to help shore up the recession-hit economy.

“What will be important is properly including the price goal of 2 percent,” Abe said during a program on NHK in his latest move to pressure the central bank to be more aggressive in combatting the country's chronic deflation ahead of its next monetary policy meeting on Jan. 21 and 22.

Abe said the BOJ's current goal of 1 percent inflation lacks "strong determination" and that the government and central bank will come up with "a definite goal and write that it will be 2 percent."

Abe claimed the new target needs to be achieved under a medium-term scenario rather than a long-term one or financial markets "will not react."

The prime minister said he believes the next BOJ governor, who will replace Masaaki Shirakawa when his tenure ends in April, should be someone who can take "bold monetary steps and is in line with our points."

He said that a meeting with Koichi Hamada, professor emeritus of economics at Yale University, who is one of his special advisers, and other monetary policy experts is scheduled for Tuesday to discuss "what kind of person will be appropriate" to next lead the central bank.

On the TV program, Abe, who has put top priority on temporarily juicing the economy, also said the state is considering offering tax breaks to companies that increase wages.

Among other measures to revive the export-driven economy, Abe said he wants to strengthen Japan's ties with the Association of Southeast Asian Nations, which is trying to achieve economic integration by 2015.

Abe on Wednesday is scheduled to embark on a tour of Vietnam, Thailand and Indonesia, which would be his first overseas trip since becoming prime minister for the second time after the Liberal Democratic Party won last month's Lower House election by a landslide.

But the ASEAN tour wasn't his first preference. Abe also said he wants to visit the United States "in February if possible" to hold talks with President Barack Obama to boost Washington's long-standing alliance with Japan. Abe's proposal to visit earlier was rejected by the U.S. as inconvenient.

Abe said he will tell Obama that the government will accelerate discussions toward revising the pacifist Constitution, a pillar of his campaign for the Dec. 16 election, to enable Japan to exercise the right to collective self-defense, which is coming to the defense of an ally under armed attack.

Abe also said he hoped to broaden support for amending the Constitution in the political arena, saying there are even lawmakers in the opposition who favor revision, including in the Democratic Party of Japan, which led the government for about three years until the LDP's bruising return to power.

But Natsuo Yamaguchi, leader of the LDP's coalition partner, New Komeito, said on the same TV program that his party remains opposed to revising the Constitution to allow collective self-defense.

When asked about Japan's stance on whether to participate in talks on the U.S.-led Trans-Pacific Partnership agreement, Abe suggested the time is not ripe to clarify his stance.

"Our analysis of the situation is still inadequate," he said of the free-trade pact.

Kyodo Press, Jan 13, 2013

<http://www.japantimes.co.jp/news/2013/01/13/business/boj-to-get-behind-2-inflation-target-abe-2/#.UQOjmfKto6g>

Dollar climbs to 2-year, 5-month high against yen

The U.S. dollar advanced sharply against the Japanese currency Monday, touching ¥86.79, the highest level in roughly two years and five months, on speculation that the United States could possibly avert a fiscal crisis.

At 5 p.m., the dollar traded at ¥86.69-79, up from ¥85.85-95 yen at 5 p.m. Friday. The euro was quoted at \$1.3190-3200 and ¥114.40-50 yen against \$1.3211-3221 and ¥113.72-82 late Friday.

The dollar gained ¥9.83 from the end of 2011, while the euro added ¥14.80.

In 2012, the dollar lost ground near ¥76 in February against the backdrop of the European debt crisis and monetary easing in the United States. The dollar later bounced to around ¥84, then back to around ¥80.

In November, the dollar started gaining as prospects grew that Shinzo Abe, an advocate of bold monetary easing in Japan, would become Japan's prime minister after the December election.

Kyodo Press, January 2, 2013

<http://www.japantimes.co.jp/text/nb20130102a1.html>

Abe hoopla aside, key economic challenges loom

Stocks are up, the yen is easing and there is a new prime minister pledging to splash trillions of yen to breathe life into the country's moribund economy: Last year ended on a high note for Japan Inc., and 2013 looks even more promising for some.

"This is an extremely strong Cabinet with a lot of depth," Keidanren Chairman Hiromasa Yonekura commented after Prime Minister Shinzo Abe launched his administration Dec. 26.

Although the head of Japan's most influential business lobby constantly criticized the previous government, headed by the Democratic Party of Japan, for failing to assert strong command, Yonekura welcomed Abe's fiscal and economic policies and expressed optimism that they will spark growth.

In reality, however, 2013 will be another challenging year for the economy. Even before Abe's Cabinet debuted, University of Tokyo professor Takatoshi Ito pointed out that the new administration under the Liberal Democratic Party must fend off numerous challenges if it aims to drag the nation out of the economic doldrums.

The LDP's return to power in the Dec. 16 general election "does not provide a clear picture" as to how the economy will look in the new year, Ito told reporters at the Foreign Correspondents' Club of Japan last month, pointing out that a series of events throughout the new year leaves much uncertain.

The first hurdle for Abe will be spurring domestic growth as early as possible, given that his government will decide whether the planned consumption tax hike in 2014 is feasible, based on available data and economic conditions in late 2013.

Legislation to increase the levy to 8 percent from 5 percent in 2014 and then to 10 percent the following year was passed by the DPJ administration of former Prime Minister Yoshihiko Noda, who staked his political career on the bill clearing the Diet. The LDP and partner New Komeito backed the bill.

While Noda ended up losing everything in exchange, stepping down as DPJ president after the party's humiliating Lower House election defeat, raising the sales tax is viewed as a necessity. International Monetary Fund chief Christine Lagarde said in October that the tax hike bill represented "a very significant step toward (Japan's) fiscal consolidation."

"Abe will probably do whatever it takes to stimulate the economy in order to pave the way for a tax hike," Toshihiro Nagahama, chief economist at Dai-ichi Life Research Institute, told The Japan Times. The LDP also needs quick results to woo voters in time for July's Upper House election, he added.

But the tricky part will be stimulating the economy enough to end years of deflation without adding to the government's already bloated debt.

Soon after being named finance minister, Taro Aso, Abe's right-hand man, stated that the new government will not restrict itself to the ¥44 trillion cap placed on new bond issuance by the DPJ during its time in office.

In addition to seeking an ultraloose monetary policy, Abe's economic agenda, dubbed "Abenomics" by economists and investors, includes forking out ¥200 trillion over the next 10 years on public works projects to improve disaster preparedness nationwide.

While promises of big spending have been one of the reasons for the spirited rally seen on the Tokyo Stock Exchange in the last few weeks, some analysts are already signaling caution.

"I hope the economic stimulus (under Abe's government) will not ignore fiscal discipline," departing Finance Minister Koriki Jojima said during a Dec. 18 news conference, referring to the country's staggering ¥1 quadrillion worth of public debt.

Although Aso stated Dec. 27 that there is no chance of Japan turning into an economic basket case like Greece, having to crawl cap in hand to the IMF and the European Union for a bailout for its bankrupt economy, austerity-minded experts are nonetheless calling for restraint.

If fiscal prudence is neglected, "the public will be the ones who pay the price," Jojima warned.

Meanwhile, passing a supplementary budget in the current fiscal year and drafting the fiscal 2013 budget in the early part of the year will be followed by another crucial event in April: the exit of Bank of Japan Gov. Masaaki Shirakawa, whose term will come to an end.

The central bank, which only months ago was highly critical of Abe's suggestion that it adopt a more muscular, hands-on monetary policy, is expected to give in to pressure from his administration and double its inflation target for the consumer price index to 2 percent in January. But experts agree that still won't be enough to stop Abe from appointing a new governor of the BOJ who will agree and acquiesce to his aggressive monetary easing.

On trade, Japan is expected to log the largest deficit in its history in calendar 2012, figures for which will be revealed later this month, though pundits believe rebuilding ties with China and South Korea frayed by territorial rows will be one major factor on the road to restoring a trade surplus.

Abe has softened his hawkish diplomacy somewhat, including his stance on the Japan-controlled but China-claimed Senkaku Islands, but the naming of ultraconservative lawmakers to his Cabinet, notably administrative reform minister Tomomi Inada and education minister Hakubun Shimomura, has already raised eyebrows in Beijing and Seoul.

Japan also faces a potential turning point this year on whether to take part in the Trans-Pacific Partnership free-trade talks, spearheaded by the United States. The LDP was lukewarm about joining the Pacific Rim trade framework during the election campaign, saying it would oppose joining the ongoing multilateral negotiations if “the premise that it will remove all customs tariffs without exception” proves accurate.

On the one hand, Keidanren’s Yonekura is pressuring Abe to quickly jump on the TPP bandwagon, since member countries are scheduled to finish hammering out all the details by the end of the year. But a sizeable part of the 294 LDP members who won a Lower House seat in December’s general election were strongly backed by farmers denouncing the trade pact.

Divergent opinions over participating in the TPP widened the existing chasm within the DPJ administration, and the LDP may find itself facing similar rifts.

“It will be difficult for the LDP to make a final decision on the TPP before the House of Councilors election in July. But it will be too late if it officially announces its stance after that point,” Nagahama of Dai-ichi Life said. “It will be important for Abe to make some sort of progress during his scheduled meeting in January with U.S. President Barack Obama.”

Nagahama went on to argue that all these domestic issues are just the tip of the iceberg in terms of the economic challenges Abe will face during his first year in office.

“We must not forget that the eurozone debt crisis remains the biggest threat. Even if Abe’s administration works hard on its fiscal and monetary policies, the domestic economy could be severely affected if anything more goes wrong in Europe,” he said.

JUN HONGO, *Japan Times* staff writer, January 3, 2013

<http://www.japantimes.co.jp/text/nb20130103a1.html>

U.S. ‘cliff’ deal sends Nikkei up nearly 3% — Newly merged bourse soars to 22-month high as trading starts

The benchmark Nikkei 225 stock average climbed to a 22-month closing high Friday, the first trading session of the year, bolstered by the passage of a bill by the U.S. Congress to avert the “fiscal cliff,” as well as the yen’s continued weakness.

The Nikkei index spiked 292.93 points, or 2.82 percent, from the previous session Dec. 28, to close at 10,688.11. The broader Topix index of all first section issues on the Tokyo Stock Exchange soared

28.71 points, or 3.34 percent, to 888.51. Tokyo's financial markets were closed through Thursday for the yearend and New Year's holidays.

Picking up their strong rally at the end of the year on hopes of aggressive monetary easing under new Prime Minister Shinzo Abe, all 33 sectors on the TSE posted gains Friday, led by carmakers, tire manufacturers and insurers. Advancing issues outnumbered those in retreat by 1,553 to 110 on the first section of the TSE, while volume ballooned to 3.41 billion shares from the 2.89 billion traded Dec. 28.

Investors were heartened by the agreement by the U.S. Congress Tuesday to increase taxes on high earners to stop plunging off the country's fiscal cliff, averting steep tax hikes and deep budget cuts, at least in the short term. The market was also supported by the yen's slide against the dollar and the euro.

"The demand-supply conditions are excellent in the market" at the moment, said Hiroichi Nishi, assistant general manager at SMBC Nikko Securities Inc. "Investors can now sell stocks at high prices and use that money to buy other shares."

The Nikkei has climbed some 23 percent since mid-November, after then-Prime Minister Yoshihiko Noda dissolved the Lower House to hold the Dec. 16 general election. The Liberal Democratic Party, Japan's traditional postwar party of governance, scored a resounding win, returning to power after three years in the opposition and allowing Abe to unveil his new Cabinet Dec. 26.

"As seen in the high trading volume and value, foreign investors continue to be bullish about Tokyo stocks," said Yutaka Miura, a senior technical analyst at Mizuho Securities Co. "The only concern is the pace of the market's ascent. This rally may last another week, but there should be some correction in the near term."

Meanwhile, the Japan Exchange Group Inc., created earlier this week through the merger of Tokyo Stock Exchange Group Inc. and Osaka Securities Exchange Co., went public Friday on the TSE's first section.

"We aim to become the No. 1 market in Asia, attracting investors from around the world by developing appealing products," Atsushi Saito, head of the new holding company, said in a ceremony held at the TSE.

The stock of the new group, which was formed Tuesday and is the fourth-largest in the world in terms of the market value of listed firms, fetched an opening price of ¥3,740 and ended the morning trading session at ¥3,885, up 3.7 percent.

Kyodo Press, January 5, 2013

<http://www.japantimes.co.jp/text/nb20130105a1.html>
