



The Weekly Observer

September 15-19

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

Ishiba's Last Diplomatic Trip

On Friday, the Ministry of Foreign Affairs (MOFA) announced that **Prime Minister Ishiba Shigeru will embark on his last diplomatic trip series from September 23-25, visiting New York for the UN General Assembly.**

Ishiba is set to deliver an address at the general debate, **proposing UN Security Council reform and the expansion of permanent and non-permanent membership.** He will emphasize the **failure of the UN** to prevent permanent member Russia from waging war against Ukraine.

Ishiba will also point out that **Japan's decision on Palestinian statehood is a matter of when not if it will happen.**

Ishiba will then head to **South Korea** from around September 30 to continue "shuttle diplomacy" with **President Lee Jae-myung** in Busan, as Ishiba looks to hand off bilateral relations in a good position to the next Japanese prime minister.

Nikkei 225 Hits a Record High

On Friday, the **Nikkei Stock Average** fell ¥257.62 to ¥45,045.81, with added upward pressure to sell due to the **Bank of Japan's (BOJ) decision to sell exchange traded funds (ETFs).** The index hit the **¥45,000 range for the first time earlier in the week.**

The transaction amount in the **prime market** of the Tokyo Stock Exchange hit **¥8.76 trillion, the largest amount** since the market reorganization. The range between values hit **¥1,357, the first time it has hit this range since April 10 (¥2,318).**

Market analysts assess that sales skyrocketed as investors saw the **sale of ETFs by the BOJ and two policy board members calling for rate hikes** as a sign that the **BOJ may move to raise rates** in October.

Meanwhile, the long-term yield on newly issued ten-year JGBs rose 0.005 percent to 1.595 percent, with the newly issued two-year bond yield hitting 0.880 percent, the **first high** since late March.

Cabinet Approval



34% (-5 pts.)

54% (+4 pts.)

[*Yomiuri Shimbun*](#) (September 15)

State of the Economy

Trade Balance (August):

¥242.5 billion deficit
2nd consecutive month in deficit
Exports to U.S. fell by 13.8 percent

GDP Gap (April-June):

0.3% or ¥2 trillion demand surplus
1st high level of demand surplus since pre-pandemic era (July-Sept. 2019)

Seasonally Adjusted CPI (August):

111.6 (+2.7%)
Energy costs fell 3.3 percent as GOJ resumed utility subsidies in July

Household Financial Assets (April-June):

¥2,239 trillion (+1%)