

Flash Note
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Morning news from Asia

Japan

- Population falling rapidly: Japan's population dropped a record 308,084 on the year to 125,583,658, extending the down-streak to eight years. The trend continues despite the country's ongoing efforts to tackle a rapidly aging society. The number of births was 981,202, while deaths hit a record 1,309,515. By age, people 65 and over accounted for a record 27.17% of the population.
- FY16 tax revenue falls well below estimate: FY16 tax revenue came in ~¥2.1T below the initial forecast, and ¥800B below the previous year to ~¥55.4T, marking the first decline in seven years casting doubt over Prime Minister Shinzo Abe's plan to replenish government coffers by spurring growth in the corporate sector.

China

- Property developers could exacerbate housing market weakness: Chinese property prices may weaken in H2 as tight liquidity forces developers to speed up sale of housing inventory. Developers told they do not expect a loosening of real estate restrictions any time soon.
- Bad news for steel: China iron ore demand may falter as steel recycling grows. China's supply of steel scrap is surging as aged buildings, bridges and cars produced over decades of rapid economic growth are knocked down and dismantled, pushing Chinese steelmakers to use more of the material dismantled, potentially sapping demand for iron ore. China currently only produces around 11% of its steel from scrap, compared to over 70% in the US.

Best regards,

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