

Japan Earthquake: Global Implications

<https://marketpublishers.com/r/J486ED27022EN.html>

Date: March 2011

Pages: 35

Price: US\$ 1,295.00 (Single User License)

ID: J486ED27022EN

Abstracts

Includes 3 FREE quarterly updates

A Country In Crisis

The Worst Disaster Since World War II

Japanese Prime Minister Naoto Kan has described the March 11 devastating earthquake and its aftermath as the country's worst disaster since World War II. Indeed, it is likely that the latest quake will surpass the Great Hanshin Earthquake of January 1995 in terms of lives lost and damages incurred. Though several questions remain unresolved, including the scale and scope of a potential nuclear disaster, we have some thoughts on the main implications of the Tohoku earthquake. These range from the disruption to Japanese economic growth and markets, to the impact on commodity prices and the infrastructure sector.

A Tragic Human Toll: First and foremost, the human toll is severe. At least 6,000 people are known to have died and many thousands are still missing. Local authorities believe that the final toll could exceed 10,000, which would be greater than the 6,400 killed in the Kobe (Hanshin) quake of 1995. While the human toll is disastrous, the relatively positive news, if there is any, is that Japan is better placed than many other disasterprone countries to respond to the crisis. It has decades of experience with quakes, and considerable wealth as the world's third largest economy. Japan's social cohesion should help it withstand disaster of this magnitude better than many other countries, and there are no reports of a breakdown of public order in the affected areas.

Nonetheless, the Japanese authorities will be tested to the limits. On the political front, Prime Minister Kan may win a temporary political reprieve as he leads the national crisis response. Prior to the quake, Kan's exit had seemed imminent. A swift and decisive

response could win him plaudits, and indeed, he has already mobilised 100,000 troops—40% of Japan’s military—for rescue operations. By comparison, the government’s response to the 1995 Kobe quake was deemed slow and hamstrung by bureaucracy. Meanwhile, the participation of China and South Korea in the rescue efforts should boost goodwill between Japan and its neighbours, especially China. Bilateral relations have been strained by territorial disputes, which re-emerged in 2010.

Contents

Introduction

A Country In Crisis

The Worst Disaster Since World War II

chart: Devastating Impact

Japan - Key Nuclear Facilities And Quake Zone

chart: Topix Tops Out

Japan - Topix (LHS) & Daily Sector Performance (RHS)

Economic And Market Implications

After The Earthquake

Our Initial Thoughts

chart: Further Weakness In Store

Japan - Real GDP Growth (LHS) & Current Account (RHS)

chart: Still Favouring A Weaker Yen

Japan - Exchange Rate, JPY/US\$ & Weekly RSI

Market Implications

chart: Topix Tops Out

Japan - Topix (LHS) & Daily Sector Performance (RHS)

chart: Good Near-Term Technicals

Japan - 10-Year JGB, % Yield

Industrial Implications

Construction Outperforms

Equities Nose-Dive

chart: Industry Suffers, But Insurance Is Hardest Hit

TOPIX - Daily Performance of Sector Indices - 14 March 2011

Domestic Expectations

chart: Another Blow For European Insurance

S&P Insurance Index and Selected European Insurers (rebased to 03/01/2011)

chart: The Importance Of Diversification

Selected Australian Uranium Producers (rebased to 04/01/2011)

Global Sector-Specific Implications

Infrastructure Outlook

Reconstruction To Revive Dormant Industry

Fiscal Situation Problematic

chart: Revised Expectations

Japanese Construction Industry Value Real Growth (%) Forecasts

chart: Silver Lining?

TOPIX Construction Index Vs Nikkei and S&P Japan 500 Industrials Index

chart: Reconstruction Estimates boost Construction Stocks
Japanese Construction Equities, JPY, Tokyo Stock Exchange
chart: Short Term Boost, Long Term Question-Marks
Japan Infrastructure, Residential and Non-Residential Construction Industry Value
Forecasts
Automotive Outlook
Production Loss Looms
Suppliers In North Hit Worst By Disaster
Shipping Outlook
Quake Devastates Japan's Shipping Sector
Reconstruction Offers Upside Potential
chart: Long Term Upside Potential
Port of Nagoya throughput, tonnes '000
Six Seaports Out Of Operation For Months
Japanese Shipping Lines See Stocks Nosedive
chart: Quake Drives Prices Down
MOL stock prices, 3 months
Oil & Gas Outlook
LN G Imports To Rise
Tsunami Hits Energy Infrastructure
chart: More LNG Needed
Japan's 2009 LNG Imports By Country (bcm)
Biggest Earthquake On Record
chart: Back To Black?
TEPCO Power Generation, By Capacity, mn kW
Energy Market Impacts
chart: Upside Risks
Japan's Oil Consumption, Refining Capacity And Product Exports
Emergency Operations
Agricultural Outlook
Short-Term Import Slowdown
Medium Term Demand To Hold Up
chart: Aff ecting Agriculture
Japan - Agriculture Map & Tohoku Earthquake Epicentre
Short-Term Impact: Lower Imports, Higher Prices
Assessing The Damage
chart: Agriculture Suff ering The Most
TOPIX - Performance of Sector Indices (March 11-16, 2011)
Negative Short-Term Impact On Global Markets

Medium Term Impact: More Imports Of Meat, Key Grains

chart: Hitting The Grains

Normalised Grains Spot Prices

Long Term Impact: Fall In Agriculture Productivity, Demand Destruction

table: Japan - The Big Food Importer

Agriculture products: Corn, Pork, Cheese, Beef, Barley, Poultry, Wheat, Soybean, Rice

chart: More Grains, Less Meat In Future?

Japan - Income Elasticity of Selected Agriculture Products

Risks To Outlook

Global Nuclear Power Outlook

Fukushima Nuclear Meltdown

Questions On Its Legacy

chart: Sentiment Changes Against Nuclear New Builds

Number of nuclear reactors under construction

chart: Reacting To Japan

Global Utilities Indices/ Utility Stock Prices Normalised as of March 1st 2011

chart: Further Downside Until The Leak Is Contained

Japanese Utilities Companies Stock Prices, Normalised As of March 1st 2011

Asia Development Aid Outlook

Japanese FDI For Infrastructure In Jeopardy?

Major Projects Could Be Hit

chart: Earthquake Likely To Weigh Down FDI

Japan's FDI Outflows Into Asia, 2010 Provisional, US\$m

Table: MAJOR CONSTRUCTION PROJECTS IN ASIA INVOLVING JAPAN

country: Bangladesh, India, Indonesia, Thailand, Vietnam

Australia Economic Outlook

Iron Ore And Coking Coal Shipments To Suffer

Recovery Expected In 2012

Silver Lining Seen In Natural Gas, Thermal Coal

chart: A Mixed Bag

Australia - Exports To Japan By Product, % Of Total Exports To Japan

Reconstruction To Further Improve Trade In 2012

Indonesia Economic Outlook

Implications Of Japanese Earthquake

FDI To Take A Hit

chart: All Ab out Commodities

Indonesia - Breakdown Of Exports To Japan, % Total Exports To Japan

Japanese Demand: Impact Only Temporary

chart: Losing A Big Investment Supporter?

Indonesia - Foreign Direct Investment, US\$m

FDI: Tempering Expectations For 2011

Philippines Economic Outlook

Reverberations Of The Japan Quake

Aid And Trade To Suffer

chart: Non-Essential Goods Demand To Take A Hit

Philippines - Breakdown Of Philippine Exports To Japan, % Of Total Exports To Japan

Exports: Slowed By Japan

chart: FDI From Japan May Drop

Philippines - Breakdown Of 2010 Inward FDI, %

Losing Japan's Financial Might

I would like to order

Product name: Japan Earthquake: Global Implications

Product link: <https://marketpublishers.com/r/J486ED27022EN.html>

Price: US\$ 1,295.00 (Single User License / Electronic Delivery)

If you want to order Corporate License or Hard Copy, please, contact our Customer Service:

info@marketpublishers.com

Payment

To pay by Credit Card (Visa, MasterCard, American Express, PayPal), please, click button on product page <https://marketpublishers.com/r/J486ED27022EN.html>