



YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

# The Weekly Observer

Feb. 19-23

THIS WEEK IN NUMBERS

## Japan Pledges New Support for Ukraine's Reconstruction

On Monday, the GOJ hosted the **Japan-Ukraine Conference for Promotion of Economic Growth and Reconstruction** in Tokyo.

**Prime Minister Kishida Fumio** stated that Japan is making a **"unique contribution"** based on inclusiveness, partnership, and knowledge and technology, by taking **five actions** like reviewing a **bilateral investment treaty**, opening a **JETRO office**, and signing **fifty cooperation documents for PPPs**.

Major agreements include a **¥15.8 billion** grant aid, relaxation of **short-term visa requirements** for Ukrainians, and the signing of a MOC establishing a **joint credit mechanism**. Kishida and **Prime Minister Denys Shmyhal** also welcomed the start of negotiations on an **Information Protection Agreement**.

## Nikkei 225 Reaches Historic High

On Thursday, the **Nikkei Stock Average (Nikkei 225)** broke a **thirty-four-year record**, reaching **¥39,098** off the back of the weak yen and exceedingly good performance by **U.S. chip stocks led by Nvidia**, which led to a rally by Japanese chip-related stocks. Value has gone up **5.4 times** since the 2008 Great Recession.

Market analysts pointed out that investors have **great expectations for Japan** following improvement in firms' earning power and improvement in corporate governance, as well as a transition into an inflation-style economy.

Analysts also pointed out that though some warn of the abrupt swing in chip-related stocks, **chip demand is expected to continue into the second half of 2024**, leading to speculation that the **index could reach the milestone ¥40,000 mark soon**.

## Cabinet Approval



**21%** (-2 pts.)

**65%** (-1 pt.)

[Asahi Shimbun](#) (Feb. 19)

## State of the Economy

### Monthly Economic Report (February):

"Recovering at moderate pace, although signs of pause" (downgraded)

### Trade Balance:

¥1.76 trillion deficit  
2<sup>nd</sup> straight month in the red

### Machinery Orders (Oct.-Dec. 2023):

¥2.51 trillion (-1%)

### Number of Tourists (January):

2.68 million (close to pre-pandemic levels)