

The Last Days Of Japan



The End of Socialism

*By Martin Armstrong
January 2023*



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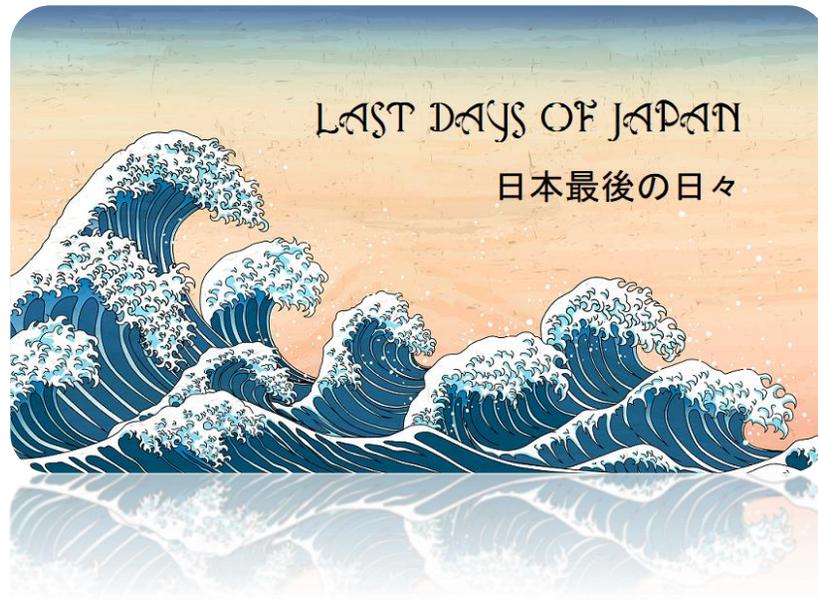
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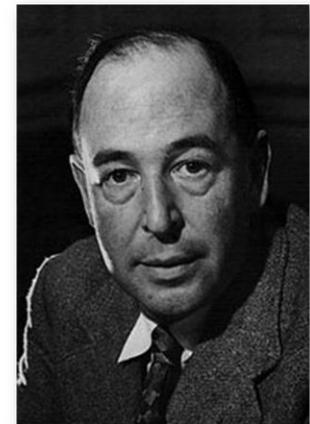
Introduction



I have been warning that the dollar is not going to crumble to dust as the goldbugs constantly scream. They only look at the United States and nothing else. I have warned that the dollar will be the last to stand and that we are in this final stage of the collapse of socialism. Japan, I have warned, is the worst example of socialism perhaps in the entire world. The government lowered interest rates to zero back in 1999. Once that took place, they undermined the economy of Japan and, like Europe who went negative in 2014, Japan has been gradually committing economic suicide.

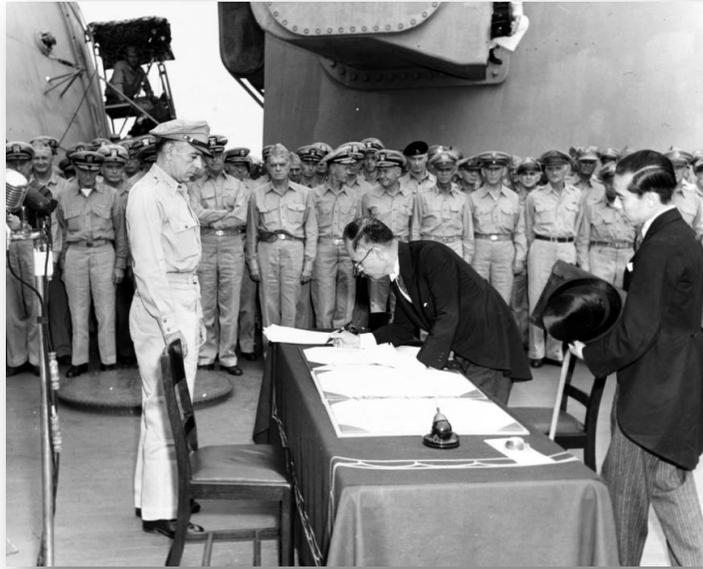
Merely because the Japanese government has been able to hold on to control for so long, does not mean that it is not vulnerable to the sudden and eventual collapse. When it comes, it will appear as if it has erupted like a volcano out of nowhere that no one took notice or ever expected. C.S. Lewis perhaps said it best:

"The safest road to hell is the gradual one - the gentle slope, soft underfoot, without sudden turnings, without milestones, without signposts."



Clive Staples Lewis
(1898 - 1963)
C.S. Lewis

Introduction



Japan has been in a slow decline and fall. Although it is not communist, it is falling for very similar reasons whereby the government exerts authority and commands both the people and corporations to simply obey the directions of the government. This high degree of authoritarianism in Japan stems from the culture whereby the emperor was viewed as a living God.

Hirohito's radio address on August 15th, 1945, which was to announce the surrender of Japan, was not fully understood by the people. He did not speak in common Japanese, but in high level court language that went over the heads of most Japanese citizens. He began his speech saying, ***"we have decide effect a settlement of the present situation by resorting to an extraordinary measure."*** He did not actually admit it was a surrender rather than a settlement.

General MacArthur understood that it was critical that the emperor retained his title as emperor culturally. MacArthur believed that Hirohito had not started the war, the decisions were made by its military leaders. Thus, his ceremonial presence was necessary as a stabilizing influence in postwar Japan. But Hirohito was forced to disclaim his divine status. Japan lost more than a war—it lost a god.

Emperor Hirohito was forced to declare that he was not a living god. That news was quite surprising to both Americans and Europeans largely because they did not really understand Japanese culture. That statement was even major news in Japan. Westerners viewed the Japanese as uncivilized. How could they believe the emperor was a god?

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The problem stemmed from Christianity. For it was the same failure to understand both the Greek and Roman culture they saw as pagan because of a multitude of gods, but neither culture saw them as the creator of the universe or that of humanity. Likewise, the Japanese emperor was also not seen as creating the universe of humanity. The problem stemmed from the definition of a god.

Throughout the history of the Japanese people, you do not find that they actually believed that the emperor was the god in the same meaning and context of how Christians believe in God.

The Japanese word "**kami**", that was translated to "god", has a totally different meaning from the "god" perception of Christianity. That is something holy and the **object of respect**, but not the only absolute one or anything almighty. After all, Japan lost the war. The Japanese people respected the emperor, but no one thought he was not a human being, for they are mortal. Some American soldiers



The Hanazono Shinto Shrine (花園神社, Hanazono Jinja) Shinjuku, Tokyo, Japan

tried to insult the Japanese POWs by talking about the Theory of Evolution by Darwin and therefore their emperor was descendent from apes. The Japanese were well aware of Darwin and were not offended only illustrating the lack of understanding of the Japanese word "**kami**" was not the same meaning that those in the West assumed.

The dominant Japanese religion is Shintō, which consists of the traditional Japanese religious practices as well as the beliefs and life attitudes that are in accord with these practices. Shintō is more incorporate into the social life of the Japanese people and in their personal motivations rather than in a formal pattern of dogma or belief that we would call even a philosophy. It remains closely connected with the Japanese value system and the Japanese people's ways of thinking and acting.

Therefore, Shintō was the indigenous religious beliefs and practices of Japan, which literally means "**the way of kami.**" Hence, it is the general sacred or divine power. There is no single teacher as Jesus or Buddha but was tradition. It came into use in order to distinguish indigenous Japanese beliefs from Buddhism after it was introduced into Japan during the 6th century AD. Thus, the emperor of Japan as seen as a god only in this context, not as the creator of everything.

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Nonetheless, that same **object of respect** that the emperor held became transferred to that of the government in the modern era. As a result, this has been the primary crisis for the Japanese economy moving forward. The government acts in its own self-interest the same as any government in the West. The Down Fall of Japan has been a gradual decline because the people and corporations remain subservient to the government institutions.

Just prior to the major high of 1989 in the Japanese economy, two major clients in Japan, Nippon Life and the Japanese Postal Saving Fund, both wanted us to create a hedging model for them. It was a major project for we were dealing with nearly US\$3 trillion in this project. Which, in itself was about 50% of the entire US national debt at the time. The Japanese Ministry of Finance (MOF) intervened and told them not to hedge their portfolios for that would make the market decline. They killed the project and they lost an untold amount of money back then all because of the **Object of Respect** that was accorded to every government branch.

The Japanese market crashed and burned. Because of the government intervention, we saw a 19-year bear market unfold. Had there been a free market, then like the United States crash from 1929 which bottomed in 34 months by 1932, the recovery would have begun by 1993 at the latest. Instead, the Japanese government prolonged the bear market. Since major companies held their portfolios on the direction of MOF, there was never institutional buying. The companies would hold having no choice and thus every rally was just a dead-cat-bounce.

Introduction



Bank of Japan

The Bank of Japan (BOJ) cut interest rates to zero in 1999 and started quantitative easing in 2001, using its monetary printing presses to buy up corporate bonds, REITs, stocks and Japanese Government Bonds (JGBs). Over the course of the next twelve years, the QE kept growing in size as the economy was not responding. Then in February 2022, the BOJ was forced to announce it would buy unlimited amounts of JGB's. Simultaneously, the BOJ then announced it was capping the interest rates on 10-year JGBs at 0.25%.

In December 2022, the BOJ was compelled to escalate its JGB purchases to keep the yield on JGB's capped at 0.25%. The BOJ spent 3% of the GDP in a single month for year-end which was 17 trillion yen. Still, on December 20th, 2022, the BOJ was forced to retreat when it unexpectedly raised the maximum rate of 10-year JGBs from 0.25% to 0.50%. Even in the face of that event, the BOJ still had to continue spending vast amounts of money to defend the new higher rate.



Before January 15th, 2023, the BOJ again had to pony up 2% of the national GDP or 10 trillion yen attempting to support the government. We are looking at the collapse of confidence in the Japanese government which is absolutely profound for we are talking about **Object of Respect or kami** and that is very serious. The Bank of Japan now owns more than 50% of the entire Japanese Government Bonds.

Then at the BOJ meeting on January 19th, 2023, it announced that it would hold the 10-year JGB yields firm at 0.50%. I have warned that Japan may be the first country to crack under the collapse of confidence in government because the

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level of confidence has been exceptional within the scope of Western economic philosophy. We are talking about something far worse than the tradition analysis of just QE. Many analysts are coming to this conclusion that Japan is a risk but they base their analysis purely on the standard Quantity Theory of Money.

Japan Reasserting Its Military Power



Shinzo Abe
(1954–2022)
Prime Minister of Japan (2006–2007) and (2012–2020)

For the most part, the average Japanese neither looks at the financial statistic nor do they understand the implications. With regard to geopolitics, they just assume the United States protects them. I was there in Tokyo during the Gulf War and the constitution prohibited Japan from ever having troops more than 200 miles offshore. When the politicians proposed to change the constitution, there were massive protests in Tokyo for the people blamed the military for World War II and feared that they would gain power once again.

Indeed, one must understand that following Japan's defeat during the second World War, its constitution was rewritten in such a way that it made it unlawful for Japan to raise military, and spend on defense beyond the 1% GDP cap under Article 9. In the aftermath of experiencing two major cities of Hiroshima and Nagasaki destroyed by nuclear attacks during the war, a pacifist constitution looked appealing for an exhausted and tired Japan with its people outraging against its military leadership.

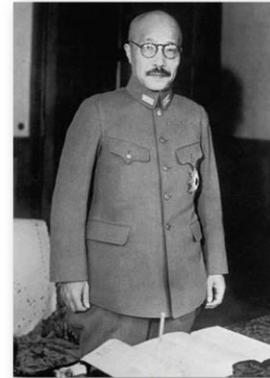


Japan Reasserting Its Military Power

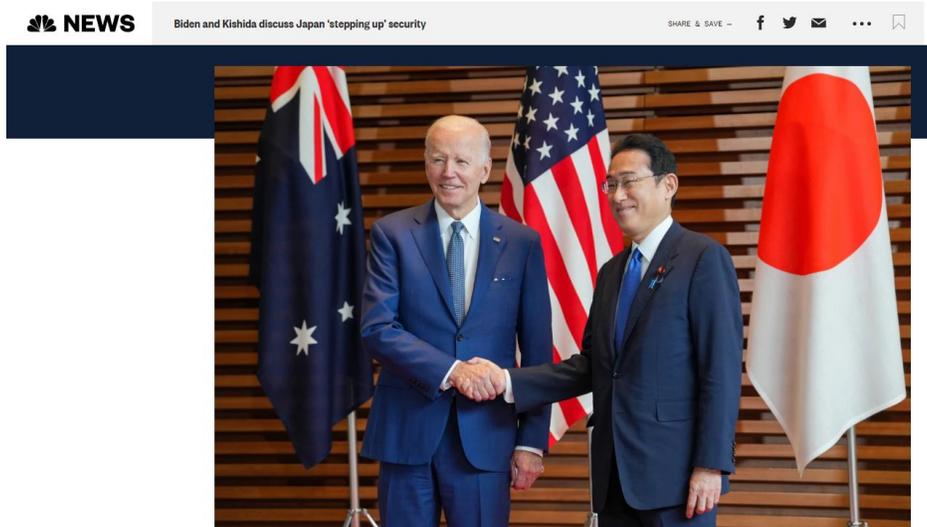
It was Prime Minister Shinzo Abe's ambitions of driving his nation away from pacifism that began the shift. It was during his second term in 2014 when he set out to reinterpret Article 9 against the public will. In 2014, Abe's reinterpretation of Article 9 enabled the Japanese Self-Defense Forces to assume a much more powerful and significant roll on the world stage. Thereafter, Japan sent ships to patrol near the disputed Senkakus islands which was in direct defiance of Chinese government protests at the prodding of the United States. Abe even went as far as to declare he would arm Japan with Ballistic missiles in the aftermath of North Korea's missile tests.

As I mentioned, a very large part of Japanese society was not pleased with Abe's changes. The Prime Minister and 6 others who led the war effort were hanged on December 23rd, 1948. Reinterpreting Article 9 was the only way to thwart the public opinion that neither blamed World War II on the emperor or the Americans – it was the ambition of the Japanese military.

Nonetheless, there has been a steady rise of the right in Japan which is perhaps in line with our model where this generation has forgotten the horrors of World War II and are turning to be more nationalistic.



Hideki Tojo
(1884 – December 23, 1948)
*General and Prime Minister of Japan &
President of the Imperial Rule Assistance Association*



President Biden with Prime Minister of Japan Fumio Kishida on May 24, 2022 in Tokyo. Zhang Xiaoyou / Pool via Getty Images File

President Joe Biden flew to Japan and met with Japanese Prime Minister Fumio Kishida privately in Tokyo last year, Biden delivered a message that was as strategic and intended to create NATO in Asia. The US support for a more assertive defense and security posture from Japan was understood, but Biden made it clear that if

Japan Reasserting Its Military Power

there was anything he could offer to bolster – or provide cover for – that effort, it should be considered on the table.



President Joe Biden and Japanese Prime Minister Fumio Kishida were holding wide-ranging talks at the White House on Friday as Japan looks to build security cooperation with allies in a time of provocative Chinese and North Korean military action.

What we must consider is that Japan is also in the crosshairs of both North Korea and China. The United States is seeking to bolster Japan

as they are doing with Ukraine to be the vanguard against China. Indeed, Japan had vowed to defend Taiwan in 2021.

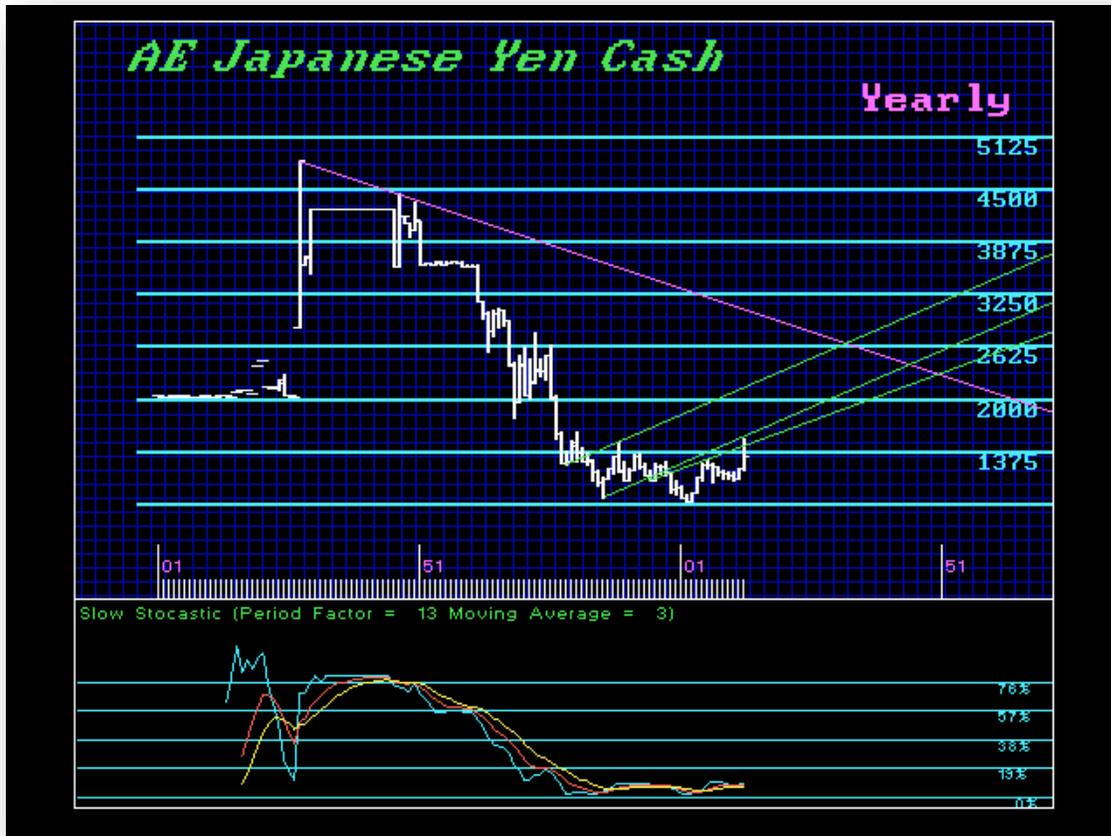
However, this onslaught of QE has been fueled by the growing concern that the future of Japan looks very bleak behind the curtain with rising geopolitical tension and only a threat of nuclear power from the United States – not conventional.

Add to that the recent missile tests of North Korea which has been shooting missiles over Japan, demonstrates that Japan is extremely vulnerable. None of this supports confidence in the Japanese government. This has been, according to our direct sources, much of the reason behind the BOJ being forced to engage in massive QE. There is no appetite for JGBs, for war can start at any moment and Japan is by no means in a financial position to fund such a war.



Japan Reasserting Its Military Power

Us Dollar v Japanese Yen Spot



Interestingly, 2022 finished with the dollar against the Japanese yen in a bullish position long-term insofar as it was above all four of our indicating ranges. Our Extreme Long-Term Trend Indicator, which determines if we are still in a bullish or bearish trend on a very broad-term basis, is neutral at this time suggesting that this indicator is preparing to flip bullish. That will warn that indeed, Japan is preparing to Decline & Fall.

Last Year was an Outside Reversal to the upside closing higher at 131098. Previously, the market made a low at 99493 during 2016 constituting a rally of 6 years. Even the stochastic is turning bullish for the dollar. Most of this appears to be the rising tension geopolitically in Asia with North Korea and China forming an alliance against what the United States has been trying to create – the Asian version of NATO.

Us Dollar v Japanese Yen Spot



Looking at our Array for the cash market, we have a Directional Change here in 2023 which suggests that the dollar is going to breakout to the upside against the Japanese yen. The low for the dollar took place during 2011. Since then, we have already elected TWO Yearly Bullish Reversals. The next Yearly Bullish Reversal stands at 147650 followed by 262800.

We can easily see that in addition to the Directional Change here in 2023, we see 2024 as a Panic Cycle. The way this is aligning with our geopolitical models, it appears that uncertainty will escalate here in 2023 and we may see actual confrontations in Asia in the months ahead. They obviously play to defeat the United States and its grand scheme for an Asian NATO will be for North Korea to attack the South while China takes Taiwan and North Korea would most likely attack Japan. With war on numerous fronts, the US will not have the resources to gather a defense and Japan will simply become the next Ukraine – the battering ram against China.

Why governments refuse to reform their economic systems rather than seek war to justify the defaults on national debts just shows they view everything from their own survivability – not that of their people. We are just the dirt beneath their feet.

Us Dollar v Japanese Yen Spot



From the October 2022 high, the dollar has declined back to retest the technical support at 12725 followed by 12350. The Next Monthly Bearish Reversal lies at 12630. Holding this area and forming a base at this high level, warns that by 2027, the dollar could rise to the 28300 to 32000 level. Even by 2024, projected resistance would stand at the 24600 level if we see a breakout above 147850 level. To do that it will take the threat of war, not just printing money.



When we look ahead at this new year, we can map out the key target periods that we need to focus on. The major monthly targets for turning points with the number of model hits are: 02/2023 (42), 06/2023 (36), 08/2023 (33), 10/2023 (21), with the strongest target forming in 02/2023. January is a Directional Change and volatility will rise in February.

Us Dollar v Japanese Yen Spot

Stepping back and looking ahead on a yearly perspective, we can also map out the important annual period for highs and lows. The major yearly targets for turning points with the number of model hits are: 2022 (21), 2024 (24), 2028 (24), 2030 (24), with one of the strongest target forming in 2024. Note that 2030 is also a Directional Change making this target important.

Looking at our Pivot Points, the market is trading above one indicating pivot, implying that this market is in a positive position with support at 113786 and resistance at 138230 and 167772 this year. We thus have technical resistance before we would reach 147650.

YEARLY PIVOT POINTS

138230

167772

113786

TECHNICAL ANALYSIS

Employing technical analysis on the Yearly level, resistance stands well above the 207650 level and support lies at 109369. Only a close beneath this level of 109369 for the year would suggest a further decline ahead for the dollar. Otherwise, the future of Japan both economically and geologically remains at risk.

YEARLY TECHNICAL ANALYSIS

2023/01/01...	109369	207650	228700	233880
2024/01/01...	107838	210050	225480	246560
2025/01/01...	106307	212450	222260	259240
2026/01/01...	104775	214850	219040	271920
2027/01/01...	103244	217250	215820	284600
2028/01/01...	101713	219650	212600	297280
2029/01/01...	100182	222050	209380	309960

Japanese Yen Futures



Interestingly, 2022 finished in still, a bearish position long-term insofar as it was below all four of our indicating ranges. Our Extreme Long-Term Trend Indicator, which determines if we are still in a bullish or bearish trend on a very broad-term basis, is neutral at this time suggesting that this indicator is preparing to flip, which may be to the bearish side. Last Year made a spike low and then closed nearly mid-range after closing the year at 77070. Previously, the market made a major high at 13264 during 2011. We have witnessed an 11-year decline into 2022. As critical level during 2023 will be 7650 area. A closing at the end of 2023 below this level would warn of a continued decline into 2024.

Resistance on our system will stand at the 8460 level and only a year-end closing above 9325 would suggest that last year's low will hold for now. With this year presenting a Directional Change, the bounce in the yen was to be expected after a sharp capitulation in the final year of an 11-year decline.

Overall, looking at the Japanese yen futures, we can see a choppy period may prevail until 2026. However, from 2027 into 2032 it appears to be a solid declining trend with 2031 showing up as a Panic Cycle year. Cyclically, 2032 will be 21 years from that major high of 2011 in the Japanese yen.

Japanese Yen Futures

Those who are focusing only on the economic and QE policy of Japan only see one facet of this crisis. The entire Western economies are in a similar boat. It is the geopolitical uncertainty that will undermine the confidence in the government.



When we look ahead at this new year, we can map out the key target periods that we need to focus on. The major monthly targets for turning points with the number of model hits are: 01/2023 (36), 03/2023 (18), 08/2023 (27), 10/2023 (15), with the strongest target forming in 01/2023.

Note that 01/2023 is also a Directional Change making this target important. January is a 3-month reaction rally from the October 2022 low. Therefore, we have a potential that January may form a high for the yen, dollar low, and if that is the case, then a decline into the April/May time period.

Once again, when we look at the yen from a global perspective, many markets are showing January as a key target during 2023. The April/May time period is a critical target geopolitically in Ukraine. There is no question that the American Neocons are using Ukraine as the battering ram to weaken Russia. The obvious plan is to use Ukraine until the last man falls and then the next expendable group of people will be the Polish. The US and NATO have already instructed Poland to draft and build its army up to 250,000 men strong. They actually think they can weaken Russia and then invade Moscow.

Japanese Yen Futures

In Asia, joint drills by the United States, South Korea and Japan are designed to create Asian version of NATO. The leaders of South Korea and Japan attended NATO's annual summit as observers for the first time. There is no question that Japan is being pulled into this alliance and it has been merely justified by North Korea shooting off test missiles over Japan.



Stepping back and looking ahead on a yearly perspective, we can also map out the important annual period for highs and lows. The major yearly targets for turning points with the number of model hits are: 2023 (21), 2030 (27), 2032 (36), with the strongest target forming in 2032. Note that 2023 is also a Directional Change making this target important.

Looking at our Pivot Points for extreme target, the market is trading above one indicating pivot implying that this market is in a positive position with support at 76120 and resistance at 81953 and 88531 this year. Falling back below 76120 will warn that we have only witnessed a reaction rally. We need a monthly closing back above 7920 to imply that a further bounce up to the 8900-9200 area becomes possible.

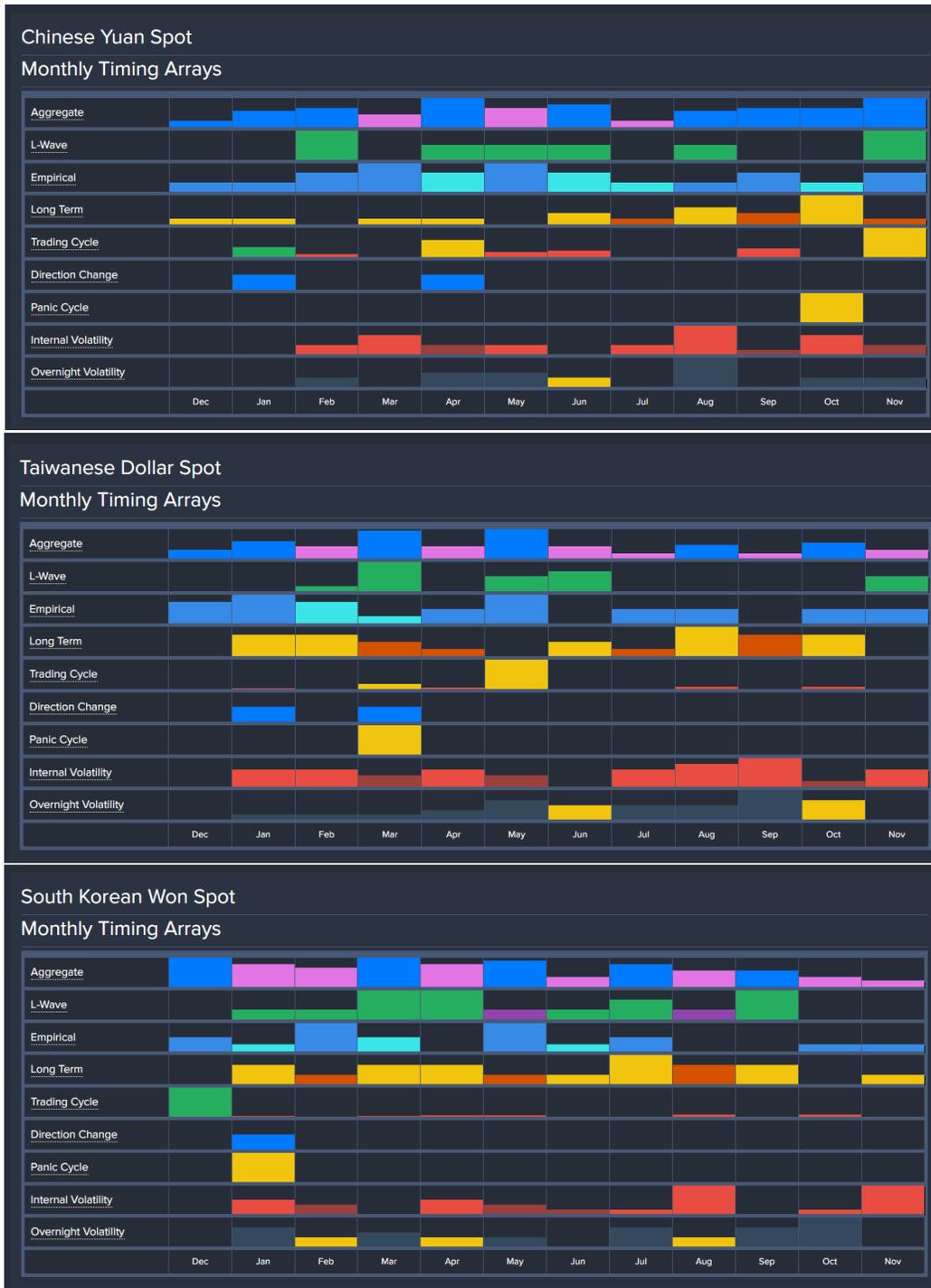
YEARLY PIVOT POINTS

81953

88531

76120

Japanese Yen Futures



It is interesting that we have a Panic Cycle in South Korea during January 2023 while Taiwan shows March and China shows October. Perhaps the computer is showing that there may not be a coordinated event between China and North Korea at this time in 2023.

NIKKEI Tokyo Index Cash



Indubitably, 2022 finished in a bearish position near-term dropping from the high made in 2021 and closing below the low of 2021. It has not yet broken the long-term support insofar as it was above all four of our indicating ranges. Yet technically, the sharp decline in 2022 after a 13-year rally from the 2008 low which preceded many other markets which bottomed in 2009.

Our Extreme Long-Term Trend Indicator, which determines if we are still in a bullish or bearish trend on a very broad-term basis, is neutral at this time suggesting that this indicator is preparing to flip. One would normally think that after a 13-year rally, this indicator would have turned bullish. The fact that it has not done so should not be overlooked so lightly.

The major support lies at the 18220 level and a year-end closing below that level will signal that the Nikkei will resume its decline. What we must understand is that in the event of an Asian war, the capital will flee Japan as it did concern Europe during World War I and II. That would mean that a capital flight from Japan would leave the Nikkei also vulnerable calling into consideration its long-term viability.

Right here during 2023, key resistance stands at 28100 level with extreme long-term projected resistance at 31600. The support is forming at 19853 level followed by 18831. An annual closing below this 18831 area would warn of a retest of the 2008 low lies ahead.

NIKKEI Tokyo Index Cash



When we look ahead at this new year, we can map out the key target periods that we need to focus on. The major monthly targets for turning points with the number of model hits are: 01/2023 (39), 04/2023 (24), 07/2023 (36), 09/2023 (21), with the strongest target forming in 01/2023. Note that 01/2023 is also a Double Directional Change making this target important.

Note that we have a Panic Cycle in April with high volatility in June. This is certainly lining up with a possible geopolitical target in April/May that we show in Europe. However, it is a target also in China whereas we have a Panic Cycle in Taiwan the month before.

When we look at the pattern on the monthly level, we can see that there has been a clear effort to hold the line of support. With a Double Directional Change in January and another Directional Change in February, that a weekly closing below 25500 may signal a break to the downside.





Stepping back and looking ahead on a yearly perspective, we can also map out the important annual period for highs and lows. The major yearly targets for turning points with the number of model hits are: 2022 (24), 2025 (33), 2027 (33), 2029 (30), 2031 (33), with the first strongest target forming in 2025. Note that 2025 is also a Directional Change making this target important.

It appears that the trend in the Nikkei post-2024 which is the turning point on the ECM will be to the downside. This also appears more in line with our international war cycles.

Looking at our Pivot Points, the market is trading above one indicating pivot implying that this market is in a positive position with support at 2487861 and resistance at 2824095 and 3277042 this year.

YEARLY PIVOT POINTS

- 2824095
- 3277042
- 2487861

TECHNICAL ANALYSIS

Employing technical analysis on the Yearly level, resistance stands at 2811037 level and support initially at 2004459 followed by 1393414 during 2023.

YEARLY TECHNICAL ANALYSIS

2023/01/01...	1393414	2004459	2645784	2647840	2810037
2024/01/01...	1416064	1948833	2811411	2777730	2871287
2025/01/01...	1438714	1893207	2977037	2907620	2932537
2026/01/01...	1461364	1837581	3142663	3037510	2993786
2027/01/01...	1484014	1781955	3308289	3167400	3055036
2028/01/01...	1506664	1726329	3473916	3297290	3116286
2029/01/01...	1529314	1670703	3639542	3427180	3177536

Japanese 10yr Bond Futures



Last year in the JGBs still finished in a bullish position long-term insofar as it was above all four of our indicating ranges. Our Extreme Long-Term Trend Indicator, which determines if we are still in a bullish or bearish trend on a very broad-term basis, is neutral at this time suggesting that this indicator is preparing to flip most likely to a bearish posture. Last Year was a sharp move to the downside closing lower at 145.45. Previously, the market made a low at 13084 during 2006 constituting a rally of 14 years with the high forming in 2020 at 155.71.

So far, we have elected TWO Yearly Bearish Reversals at the close of 2022. This does not speak well for Japan and the central bank is unable to sustain these artificial caps on interest rates. It already has more than 50% of the government debt and in the process of this failed support, the Bank of Japan will become the only buyer of JGBs.

Japanese 10yr Bond Futures



When we look ahead at this new year, we can map out the key target periods as we look ahead. The major monthly targets for turning points with the number of model hits are: 01/2023 (24), 03/2023 (33), 05/2023 (30), 08/2021 (21). Note that 01/2023 and 02/23 are Directional Changes making these target important. Panic Cycles are January and November.

Looking at our Pivot Points, the market is trading BELOW all three indicating numbers and that leaves this in a bearish position currently with resistance at 14778, 14880, and 15156 this year.

YEARLY PIVOT POINTS

14778

14880

15156



OUR ANNUAL TIMING ARRAY

Observing the longer-term yearly level, we see turning points where highs or lows on an intraday or closing basis should form will be, 2025/2026, 2028/2029, and 2032.

YEARLY DIRECTIONAL CHANGES

Focusing an important timing model, the Directional Change Model target was during 2022. That produced the sharp decline and broke the back of the BOJ.

YEARLY VOLATILITY

Targeting the volatility models suggest we should see a sharp increase in volatility in 2025. Volatility targets reflect only greater price movement.

PANIC CYCLE

The disturbing target will be the Panic Cycle in 2027. We are looking at the decline and fall of socialism as we have known it where government have spent whatever they want and just borrowed year after year with no concern about the future.

Conclusion



It is now 82 years from 1941 and the start of World War II in the Pacific. We will reach 86 years (10x8.6) come 2027. Japan will be the first to fall economically. We are entering the Last Days of Japan for they have engaged in Quantitative Easing on steroids and the confidence in the government, via the emperor, has been monumental. Once that is lost, we are looking at a very serious break economically for Japan.

There is no question that its Quantitative Easing has surpassed even Europe. However, the economics alone do not present that major part of the risk going forward for Japan. Unfortunately, we have world leaders who are intent on creating war all to redesign the political world into one of greater authoritarianism.

Japan economically will be the first to fall. This is merely the prelude to an economic system which is no longer sustainable. The BOJ has crossed the Rubicon. There is no returning to normal from here.



Conclusion

As it stands right now, after talking to my close contacts in Tokyo, Japan feels ultra-stable to most people. Almost 100% of the Japanese still are wearing masks despite relaxation of government. Cost-push inflation exists, and generally people notice this especially with the price of food. The general perception is that inflation is running at about 8% or so.

Interestingly, used cars are often more expensive than new cars as there are 12 months or more waiting for people to get on a list for popular models. Gas is 160 yen per liter in Tokyo, which is down from highs of 180 yen per liter. There is no change to the mass media structure in Japan. But the Japanese belief in mass

media is still greater than 60% in general.

There are defense missile sites now on Ishigaki (in Okinawa). And there is a general acknowledgement that problems with China will increase. However, most believe that their strong relationship with the United States will stave off any major issues on the geopolitical front.

The major crisis in Japan is the lack of children. The population chart continues to decline sharply. People in Japan are migrating to the cities to live. The countryside offers the only signs of a downturn with many empty and closed hotels and

schools. The decline in the population crisis continues to see the importation of foreign workers especially from the Philippines to staff old people care homes.

In general, the population currently does not "feel" that there is a crash coming in the economy. That is not so uncommon where the majority of the people in most countries are simply obedient to authority.

On the work front, due to ultra-reliability of Japanese staff, working from home or coffee shops is something that will continue in Japan. COVID seriously altered the economy which it was intended to do – reduce office work to reduce commuting thereby reducing the use of fossil fuels.



Conclusion

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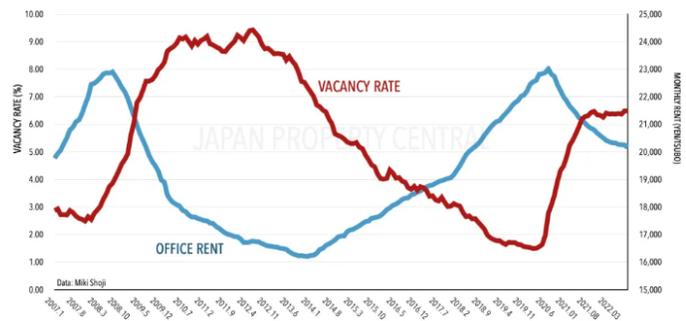
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OFFICE VACANCY RATE STAYS FLAT IN TOKYO

Posted on October 18, 2022

OFFICE RENTS AND VACANCY RATES IN TOKYO'S FIVE BUSINESS DISTRICTS (2007 ~ 2022)



The office vacancy rate in central Tokyo remained unchanged at 6.49% in September, according to office brokerage Miki Shoji. Office rents, however, continued to decline with the average rent dropping 94 Yen from August to 20,156 Yen per tsubo (approx. 6,098 Yen/sqm).

The impact of this COVID has completely altered the real estate trend in Japan. It changed the workforce to virtual and this has resulted in plenty of expensive office space still unoccupied. The vacancy rates have soared and remain high while rates have declined in an effort to attract clientele.¹

Crime rates were never high to begin with, and overall have been declining since 2019. However, there is a new trend of shoplifting. Unlike the United States where it has been gangs of youths robbing stores, in Japan the shoplifting has been carried out by the elderly who are struggling to get by in this new wave of inflation and low interest rates. People continue to work after retirement age in Japan which has become the new norm.

We are so far beyond the traditional analysis here that merely looks at what is the likely outcome when governments and central banks resort to the printing presses to monetize debt. This is not a comparison to Germany etc. They were actually postwar. Here, we are looking at a weakened state of the economy prewar.

¹ <https://japanpropertycentral.com/tag/japan-office-vacancy-rates/>

Conclusion



Moreover, as the tensions in Asia rise, even the South Koreans no longer trust the United States to protect them with their nuclear power. There is a rising contention that now wants South Korea to arm itself with nuclear weapons against the rising provocation by the North.

With Biden trying to create a NATO version in Asia, it is implicit that the United States cannot defend the entire world on a conventional basis. Nuclear arms are no longer a deterrent since one can clearly invade conventionally knowing that the other side would not dare use its nuclear power.

In this modern-day where we counted on nuclear weapons as a deterrent, ironically, they may be militarily obsolete, desirable only for political posturing. That seems to be the reality when both sides respect that they should not be used.

Has Ukraine shown us that nuclear posturing neither prevents war, nor is it in any way a deterrent for conventional war. There is simply a growing sentiment behind the curtain that nuclear weapons are becoming obsolete and may have actually become just as useful as a symbolic show of strength. Yet, without a conventional army, they may be of little use. The only circumstances where they might be used as if one side tried to totally annihilate the other, leaving them with no choice.